



ARYAMAN CAPITAL MARKETS LIMITED

Our Company was incorporated as Aryaman Broking Limited on July 22, 2008 under the Companies Act, 1956 bearing Registration No. 184939 and having its Registered Office in Mumbai. Subsequently, vide special resolution dated December 19, 2013 the name of the company was changed to Aryaman Capital Markets Ltd. A fresh Certificate of Incorporation consequent upon change of name was issued on January 27, 2014 by the Registrar of Companies, Mumbai. The Corporate Identification Number of our Company is U65999MH2008PLC184939. For details, see "History and Certain Corporate Matters" on page 106 of this Prospectus.

Registered Office: 60, Khatau Building, Gr. Floor, Alkesh Dinesh Modi Marg, Fort, Mumbai – 400001

Corporate Office: 718-A, P.J. Towers, Dalal Street, Fort, Mumbai - 400001

Tel No.: +91 22 22721104; **Fax No.:** +91 22 22630434

Email: aryacapm@gmail.com; **Website:** www.afsl.co.in/Acml

Company Secretary and Compliance Officer: Mr. Malcolm Mascarenhas

Our Promoter: Aryaman Financial Services Limited

THE ISSUE

PUBLIC ISSUE OF 35,90,000 EQUITY SHARES OF ₹ 10/- EACH ("EQUITY SHARES") OF ARYAMAN CAPITAL MARKETS LIMITED ("ACML" OR THE "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹ 12/- PER SHARE (THE "ISSUE PRICE"), AGGREGATING TO ₹ 430.80 LACS ("THE ISSUE"), OF WHICH, 1,90,000 EQUITY SHARES OF ₹ 10/- EACH WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKERS TO THE ISSUE (THE "MARKET MAKER RESERVATION PORTION"). THE ISSUE LESS THE MARKET MAKER RESERVATION PORTION I.E. ISSUE OF 34,00,000 EQUITY SHARES OF ₹ 10/- EACH IS HERINAFTER REFERRED TO AS THE "NET ISSUE". THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 29.97% AND 28.39%, RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF THE COMPANY.

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

For further details see "Issue Related Information" beginning on page 174 of this Prospectus.

All potential investors may participate in the Issue through an Application Supported by Blocked Amount ("ASBA") process providing details about the bank account which will be blocked by the Self Certified Syndicate Banks ("SCSBs") for the same. For details in this regard, specific attention is invited to "Issue Procedure" on page 180 of this Prospectus. In case of delay, if any in refund, our Company shall pay interest on the application money at the rate of 15% per annum for the period of delay.

RISK IN RELATION TO THE FIRST ISSUE

This being the first issue of the company, there has been no formal market for the securities of the company. The face value of the shares is ₹ 10/- per Equity Share and the issue price is 1.20 times of the face value. The Issue Price (as determined by Company in consultation with the Lead Manager) as stated under the paragraph on "Basis for Issue Price" on page 63 of this Prospectus should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the equity shares of our company or regarding the price at which the equity shares will be traded after listing.

GENERAL RISKS

Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in this offer unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this offering. For taking an investment decision investors must rely on their own examination of the issuer and the offer including the risks involved. The securities have not been recommended or approved by Securities and Exchange Board of India nor does Securities and Exchange Board of India guarantee the accuracy or adequacy of this document. **Specific attention of the Investors is invited to the statement of Risk Factors given on page 11 of this Prospectus under the Section "Risk Factors".**

ISSUER'S ABSOLUTE RESPONSIBILITY

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

LISTING

The Equity Shares offered through this Prospectus are proposed to be listed on the SME Platform of BSE Limited ("BSE"). In terms of Chapter XB of SEBI (ICDR) Regulations, 2009 as amended from time to time, we are not required to obtain any in principle listing approval for the shares being offered in this Issue. However, our Company has received an approval letter dated September 04, 2014 from BSE for using its name in the Offer Document for listing our shares on the SME Platform of the BSE. For the purpose of this Issue, the Designated Stock Exchange will be the BSE Limited ("BSE").

LEAD MANAGER

REGISTRAR TO THIS ISSUE



BCB BROKERAGE PRIVATE LIMITED

1207-A, P.J. Towers, Dalal Street
Fort, Mumbai - 400 001, Maharashtra, India
Tel: +91 – 22 – 22720000;
Fax: +91 – 22 – 22722451;
Email: bbplmumbai@gmail.com;
Investor Grievance Email: investorgrievance@bcbbrokerage.com;
Website: www.bcbbrokerage.com
Contact Person: Mr. Varun Kacholia
SEBI Registration No.: MB / INM000012078

BIGSHARE SERVICES PRIVATE LIMITED

E-2/3, Ansa Industrial Estate, Sakivihar Road,
Sakinaka, Andheri (E), Mumbai - 400 072, Maharashtra, India
Tel: +91 – 22 – 40430200;
Fax: +91 – 22 – 28475207;
Email: ipo@bigshareonline.com;
Investor Grievance Email: investor@bigshareonline.com;
Website: www.bigshareonline.com
Contact Person: Mr. Babu Raphael C
SEBI Registration No.: MB / INR000001385

ISSUE OPENS ON

September 25, 2014

ISSUE CLOSES ON

October 01, 2014

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

General Terms

Term	Description
Aryaman Capital Markets Limited / ACML / The Company / Company / We / Us / Our / Our Company / the Issuer	Unless the context otherwise indicates or implies refers to Aryaman Capital Markets Limited a public limited company incorporated under the provisions of the Companies Act, 1956 with its registered office in the state of Maharashtra.

Company Related Terms

Terms	Description
Articles / Articles of Association	Unless the context otherwise requires, refers to the Articles of Association of Aryaman Capital Markets Limited
Auditor of the Company (Statutory Auditor)	M/s. Thakur, Vaidyanath Aiyar & Co., Chartered Accountants, having their office 11-B, Vatsa House, Janmbhoomi Marg, Fort, Mumbai - 400001
Audit Committee	The audit committee reconstituted by our Board of Directors on July 23, 2014
Board of Directors / Board	The Board of Directors of Aryaman Capital Markets Limited, including all duly constituted Committees thereof.
Companies Act	Unless specified otherwise, this would imply to the provisions of the Companies Act, 2013 (to the extent notified) and /or Provisions of Companies Act, 1956 w.r.t. the sections which have not yet been replaced by the Companies Act, 2013 through any official notification.
Companies Act, 1956	The Companies Act, 1956, as amended from time to time
Companies Act, 2013	The Companies Act, 2013 published on August 29, 2013 and applicable to the extent notified by MCA till date.
Depositories Act	The Depositories Act, 1996, as amended from time to time
Director(s)	Director(s) of Aryaman Capital Markets Limited, unless otherwise specified
Equity Shares	Equity Shares of our Company of Face Value of ₹ 10 each unless otherwise specified in the context thereof
Group Companies	All companies or ventures which would be termed as Group Companies as per the definition given in Schedule VIII of SEBI ICDR Regulations, 2009. For details of Group Companies of the Company, please see the Chapter titled " <i>Our Promoter, Promoter Group and Group Companies</i> " beginning on page 119 of this Prospectus
HUF	Hindu Undivided Family
Indian GAAP	Generally Accepted Accounting Principles in India
MOA / Memorandum / Memorandum of Association	Memorandum of Association of Aryaman Capital Markets Limited
Net Owned Funds	Calculated as a sum of Share Capital and Reserves & Surplus, less Net Deferred Tax Assets
Non Residents	A person resident outside India, as defined under FEMA.

Terms	Description
NRIs / Non Resident Indians	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.
Person or 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.
Promoter / Core Promoter	Aryaman Financial Services Limited
Promoter Group	Promoter Group consist of Individuals, HUFs, Companies, Firms, etc. as mentioned in the Chapters " <i>Our Promoter, Promoter Group and Group Companies</i> " on pages 119 of this Prospectus.
Registered and Corporate Office	The Registered Office of our company which is located at: 60, Khatau Building, Gr. Floor, Alkesh Dinesh Modi Marg, Fort, Mumbai - 400001 The Corporate Office of our company which is located at: 718-A, P.J. Towers, Dalal Street, Fort, Mumbai – 400 001
RoC	Registrar of Companies, Mumbai
SEBI	Securities and Exchange Board of India constituted under the SEBI Act, 1992
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended from time to time
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 1997 and 2011, as amended from time to time depending on the context of the matter being referred to.
SICA	Sick Industrial Companies (Special Provisions) Act, 1985
Stock Exchange	Unless the context requires otherwise, refers to, the BSE Limited.

Issue Related Terms

Terms	Description
Allotment	Issue of the Equity Shares pursuant to the Issue to the successful applicants
Allottee	The successful applicant to whom the Equity Shares are being / have been issued.
Applicant	Any prospective investor who makes an application for Equity Shares in terms of this Prospectus
Application Form	The Form in terms of which the applicant shall apply for the Equity Shares of the Company
Application Supported by Blocked Amount/ ASBA	An application, whether physical or electronic, used by ASBA Applicant to make an Application authorizing an SCSB to block the Application Amount in the specified Bank Account maintained with such SCSB. ASBA is mandatory for QIBs (except Anchor Investors) and Non-Institutional Applicants participating in the Issue
ASBA Account	Account maintained by an ASBA Applicant with a SCSB which will be blocked by such SCSB to the extent of the Application Amount of the ASBA Applicant
ASBA Applicant(s)	Prospective investors in this Issue who apply through the ASBA process. Pursuant to SEBI circular no. CIR/CFD/DIL/1/2011 dated April 29, 2011, Non- Retail Investors i.e. QIBs and Non-Institutional Investors participating in this Issue are required to mandatorily use the ASBA facility to submit their Applications.
Banker(s) to the Company	HDFC Bank Ltd.

Terms	Description
Banker(s) to the Issue/ Escrow Collection Bank(s)	The banks which are Clearing Members and registered with SEBI as Banker to an issue with whom the Escrow Account(s) will be opened and in this case being Axis Bank and HDFC Bank
Basis of Allotment	The basis on which the Equity Shares will be Allotted to successful Applicants under the Issue and which is described in the chapter titled " <i>Issue Procedure</i> " beginning on page 180 of this Prospectus.
Business Day	Monday to Friday (except public holidays)
BSE	BSE Limited
Category III FPI	Investors including endowments, charitable societies, charitable trusts, foundations, corporate bodies, trust, individuals and family offices which are not eligible for registration under Category I and II under the SEBI (Foreign Portfolio Investors) Regulations, 2014.
CAN / Confirmation of Allocation Note	The note or advice or intimation sent to each successful Applicant indicating the Equity Shares which will be Allotted, after approval of Basis of Allotment by the Designated Stock Exchange.
Controlling Branches	Such Branches of the SCSBs which co-ordinate Bids by the ASBA Bidders with the Registrar to the Issue and the Stock Exchanges and a list of which is available at http://www.sebi.gov.in or at such other website as may be prescribed by SEBI from time to time.
Demographic Details	The demographic details of the Applicants such as their Address, PAN, Occupation and Bank Account details.
Depositories	A depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 1996 i.e. CDSL and NSDL
Depository Participant / DP	A Depository Participant as defined under the Depositories Act, 1996
Designated Branches	Such Branches of the SCSBs which shall collect the Application Forms used by the Applicants applying through the ASBA process and a list of which is available on http://www.sebi.gov.in/pmd/scsb.pdf
Designated Date	The date on which funds are transferred by the Escrow Collection Bank(s) from the Escrow Account or the amounts blocked by the SCSBs are transferred from the ASBA Accounts, as the case may be, to the Public Issue Account or the Refund Account, as appropriate, after the Prospectus is filed with the RoC, following which the Board of Directors shall allot Equity Shares to successful Applicants in the Issue.
Designated Market Maker	BCB Brokerage Pvt. Ltd.
Designated Stock Exchange	SME Exchange of BSE Limited
Eligible NRIs	An NRI from such a jurisdiction outside India where it is not unlawful to make an offer or invitation under this Offer and in relation to whom the Prospectus constitutes an invitation to Application on the basis of the terms thereof.
Equity Shares	Equity shares of our Company of ₹ 10 each
Escrow Account	Account opened/to be opened with the Escrow Collection Bank(s) and in whose favour the Applicant (excluding the ASBA Applicant) will issue cheques or drafts in respect of the Application Amount when submitting an Application
Escrow Agreement	Agreement entered / to be entered into amongst the Company, Lead Manager, the Registrar, the Escrow Collection Bank(s) for collection of the Application Amounts and for remitting refunds (if any) of the amounts collected to the Applicants (excluding the ASBA Applicants) on the terms and condition thereof
Escrow Collection Bank(s)	The banks which are clearing members and registered with SEBI as Bankers to the Issue at which bank(s) the Escrow Account of the Company will be opened

Terms	Description
Foreign Portfolio Investor / FPIs	Foreign Portfolio Investor as defined under the SEBI (Foreign Portfolio Investors) Regulations, 2014.
Issue / Issue Size / Public Issue	The Public Issue of 35,90,000 Equity Shares of ₹ 10 each for cash at a price of ₹ 12 per share aggregating ₹ 430.80 lacs by Aryaman Capital Markets Limited.
Issue Closing date	The date on which the Issue closes for subscription being October 01, 2014
Issue Opening date	The date on which the Issue opens for subscription being September 25, 2014
Issue Price	The price at which the Equity Shares are being issued by our Company under this Prospectus being ₹ 12.
Issue Proceeds	The proceeds of the Issue. For further information about use of the Issue Proceeds please see the chapter titled " <i>Objects of the Issue</i> " beginning on page 58 of this Prospectus
LM / Lead Manager	Lead Manager to the Issue, in this case being BCB Brokerage Pvt. Ltd.
Listing Agreement	Unless the context specifies otherwise, this means the Equity Listing Agreement to be signed between our company and the SME Platform of BSE.
Mutual Fund	A Mutual Fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended
Non-Institutional Applicant	All Applicants, including Eligible QFIs, sub accounts of FIIs registered with SEBI which are foreign corporates or foreign individuals, that are not QIBs or Retail Individual Applicants and who have applied for Equity Shares for an amount of more than ₹ 2,00,000 (but not including NRIs other than Eligible NRIs)
Net Issue	The Issue of 34,00,000 Equity Shares of ₹ 10 each for cash at a price of ₹ 12 per share aggregating ₹ 408.00 lacs by Aryaman Capital Markets Limited.
Non-Resident	A person resident outside India, as defined under FEMA and includes Eligible NRIs, Eligible QFIs, FIIs registered with SEBI and FVCIs registered with SEBI
Prospectus	The Prospectus, filed with the RoC containing, inter alia, the Issue opening and closing dates and other information.
Public Issue Account	Account opened with Bankers to the Issue for the purpose of transfer of monies from the Escrow Account on or after the Issue Opening Date
Qualified Foreign Investors / QFIs	Non-resident investors other than SEBI registered FIIs or sub-accounts or SEBI registered FVCIs who meet 'know your client' requirements prescribed by SEBI
Qualified Institutional Buyers / QIBs	Public financial institutions as defined in Section 2(72) of the Companies Act, 2013, Foreign Portfolio Investor other than Category III Foreign Portfolio Investor, AIFs, VCFs, FVCIs, Mutual Funds, multilateral and bilateral financial institutions, scheduled commercial banks, state industrial development corporations, insurance companies registered with the IRDA, provident funds and pension funds with a minimum corpus of ₹ 250 million, insurance funds set up and managed by the army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, Government of India, eligible for Bidding and does not include FVCIs and multilateral and bilateral institutions.
Refund Account	Account opened / to be opened with a SEBI Registered Banker to the Issue from which the refunds of the whole or part of the Application Amount (excluding to the ASBA Applicants), if any, shall be made.
Refund Banker	The bank(s) which is/ are clearing members and registered with the SEBI as Bankers to the Issue, at which the Refund Accounts will be opened, in this case being HDFC Bank .
Refunds through electronic transfer of funds	Refunds through electronic transfer of funds means refunds through ECS, Direct Credit or RTGS or NEFT or the ASBA process, as applicable.
Registrar/ Registrar to	Registrar to the Issue being Bigshare Services Pvt. Ltd.

Terms	Description
the Issue	
Retail Individual Investors	Individual investors (including HUFs, in the name of Karta and Eligible NRIs) who apply for the Equity Shares of a value of not more than ₹ 2,00,000
SEBI (Foreign Portfolio Investor) Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014.
SEBI Regulation / SEBI (ICDR) Regulations / Regulations	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 issued by SEBI on August 26, 2009, as amended, including instructions and clarifications issued by SEBI from time to time.
SEBI (Stock Brokers and Sub-Brokers) Regulations	SEBI (Stock Brokers and Sub-Brokers) Regulations, 1992 issued by SEBI as amended, including instructions and clarifications issue by SEBI from time to time.
SEBI (PFUTP) Regulations / PFUTP Regulations	SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Markets) Regulations, 2003.
SEBI SAST / SEBI (SAST Regulations)	SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 or SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as the case may be.
Self Certified Syndicate Bank(s) / SCSBs	A Bank registered with SEBI under the SEBI (Bankers to an Issue) Regulations, 1994 and offers the facility of ASBA, including blocking of bank account. A list of all SCSBs is available at http://www.sebi.gov.in/pmd/scsb.pdf
SME Platform of BSE	The SME Platform of BSE for listing of equity shares offered under Chapter X-B of the SEBI (ICDR) Regulations which was approved by SEBI as an SME Exchange on September 27, 2011.
TRS / Transaction Registration Slip	The slip or document issued by a member of the Syndicate or an SCSB (only on demand), as the case may be, to the Applicant, as proof of registration of the Application.
Underwriters	BCB Brokerage Pvt. Ltd.
Underwriting Agreement	The Agreement among the Underwriters and our Company dated August 01, 2014
U.S. Securities Act	U.S. Securities Act of 1933, as amended

Technical / Industry Related Terms

Terms	Description
Bid Ask Spread	The amount by which the ask price exceeds the bid. This is essentially the difference in price between the highest price that a buyer is willing to pay for an asset and the lowest price for which a seller is willing to sell it
CPI	Consumer Price Index
DFIs	Development Financial Institutions
FCDs	Fixed Convertible Debentures
FTA	Free Trade Agreement
ECN	Electronic Communication Networks
GDR	Global Depositary Receipts
Matched Bargain System	A system of share trading which relies on matching sale orders with corresponding orders to buy
MSME	Micro, Small and Medium Enterprises
NBFC	Non Banking Finance Company

Terms	Description
Nifty	The primary index of 50 stocks belonging to NSE
Order driven market	A financial market where all buyers and sellers display the prices at which they wish to buy or sell a particular security, as well as the amounts of the security desired to be bought or sold
Quote Driven Market	A financial market is one that only displays bids and asks of designated market makers and specialists for a specific security.
SENSEX	The primary index of 30 stocks belonging to BSE
Sx-40	The primary index of 40 stocks belonging to MCX-SX
WPI	Wholesale Price Index

Conventional Terms / General Terms / Abbreviations

Abbreviations	Full Form
A/c	Account
ACS	Associate Company Secretary
AEs	Advanced Economies
AGM	Annual General Meeting
AS	Accounting Standards as issued by the Institute of Chartered Accountants of India
ASBA	Applications Supported by Blocked Amount
AY	Assessment Year
BSE	BSE Limited (formerly known as The Bombay Stock Exchange Limited)
CAD	Current Account Deficit
CAGR	Compounded Annual Growth Rate
CDSL	Central Depository Services (India) Limited
CFO	Chief Financial Officer
CIN	Company Identification Number
CIT	Commissioner of Income Tax
DIN	Director Identification Number
DP	Depository Participant
ECS	Electronic Clearing System
EGM	Extraordinary General Meeting
EMDEs	Emerging Market and Developing Economies
EPS	Earnings Per Share
FCNR Account	Foreign Currency Non Resident Account
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999, as amended from time to time, and the regulations framed there under
FIIs	Foreign Institutional Investors (as defined under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000) registered with SEBI under applicable laws in India
FIPB	Foreign Investment Promotion Board
FY / Fiscal/Financial Year	Period of twelve months ended March 31 of that particular year, unless otherwise stated
GDP	Gross Domestic Product
GoI/Government	Government of India
HUF	Hindu Undivided Family

Abbreviations	Full Form
I.T. Act	Income Tax Act, 1961, as amended from time to time
ICSI	Institute of Company Secretaries Of India
IPO	Initial Public Offering
Merchant Banker	Merchant Banker as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992
Stock Broker	A SEBI Registered Stock Broker / Trading Member of a Stock Exchange as defined in the SEBI (Stock Brokers and Sub-Brokers) Regulations, 1992.
MoF	Ministry of Finance, Government of India
MOU	Memorandum of Understanding
NA	Not Applicable
NAV	Net Asset Value
NRE Account	Non Resident External Account
NRIs	Non Resident Indians
NRO Account	Non Resident Ordinary Account
NSDL	National Securities Depository Limited
OCB	Overseas Corporate Bodies
p.a.	per annum
P/E Ratio	Price/Earnings Ratio
PAC	Persons Acting in Concert
PAN	Permanent Account Number
PAT	Profit After Tax
PLR	Prime Lending Rate
RBI	The Reserve Bank of India
ROE	Return on Equity
RONW	Return on Net Worth
Rs. or ₹	Rupees, the official currency of the Republic of India
RTGS	Real Time Gross Settlement
SCRA	Securities Contract (Regulation) Act, 1956, as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time
Sec.	Section
STT	Securities Transaction Tax
TIN	Taxpayers Identification Number
US/United States	United States of America
USD/ US\$/ \$	United States Dollar, the official currency of the Unites States of America
VCF / Venture Capital Fund	Foreign Venture Capital Funds (as defined under the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996) registered with SEBI under applicable laws in India.
Working Days	All days other than a Sunday or a public holiday (except during the Issue Period where a working day means all days other than a Saturday, Sunday and any public holiday), on which commercial bank are open for business.

CERTAIN CONVENTIONS; PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

Certain Conventions

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

Financial Data

Unless stated otherwise, the financial data in this Prospectus is derived from our audited financial statements as on and for the Fiscal Years ended March 31, 2014, 2013, 2012, 2011 and 2010 prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with the SEBI Regulations and included in this Prospectus. Our Fiscal Year commences on April 1 and ends on March 31 of the following year. In this Prospectus, any discrepancies in any table, graphs or charts between the total and the sums of the amounts listed are due to rounding-off.

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

Any percentage amounts, as set forth in the Section titled "*Risk Factors*", Chapter titled "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 11, 90 and 145 of this Prospectus, respectively, and elsewhere in this Prospectus, unless otherwise indicated, have been calculated on the basis of our audited financial statements prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with the SEBI Regulations.

Currency, Units of Presentation and Exchange Rates

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

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

Definitions

For definitions, please see the Chapter titled "*Definitions and Abbreviations*" on page 1 of this Prospectus. In the Section titled "*Main Provisions of the Articles of Association of our Company*" beginning on page 205 of this Prospectus, defined terms have the meaning given to such terms in the Articles of Association.

Industry and Market Data

Unless stated otherwise, the industry and market data and forecasts used throughout this Prospectus has been obtained from industry sources as well as Government Publications. Industry sources as well as Government Publications generally state that the information contained in those publications has been obtained from sources

believed to be reliable but that their accuracy and completeness and underlying assumptions are not guaranteed and their reliability cannot be assured.

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

FORWARD-LOOKING STATEMENTS

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

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

Further the actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties associated with our expectations with respect to, but not limited to, regulatory changes pertaining to the Capital Markets in India and overseas in which we have our businesses and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India and overseas which have an impact on our business activities or investments, the monetary and fiscal policies of India and other jurisdictions in which we operate, inflation, deflation, unanticipated volatility in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes, changes in competition in our industry and incidence of any natural calamities and/or acts of violence. Other important factors that could cause actual results to differ materially from our expectations include, but are not limited to, the following:

- Our inability to manage our growth effectively, especially as we expand our fund based activity;
- Our inability to maintain or enhance our brand recognition;
- Our inability to retain the services of our senior management, key managerial personnel and capable employees;
- Our inability to renew rents for our Properties used for business activities or conduct new rent arrangements on commercially acceptable terms;
- Inability to adequately protect our trademarks;
- Changes in market sentiments;
- Failure to successfully upgrade our products and service portfolio, from time to time; and
- Failure to obtain any applicable approvals, licenses, registrations and permits in a timely manner.

For further discussions of factors that could cause our actual results to differ, please see the Section titled “*Risk Factors*”, chapters titled “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on pages 11, 90, and 145 of this Prospectus, respectively. By their nature, certain risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Forward-looking statements speak only as of this Prospectus. Our Company, our Directors, the Lead Manager, and their respective affiliates or associates do not have any obligation to, and do not intend to, update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with the SEBI requirements, our Company and the Lead Manager will ensure that investors in India are informed of material developments until such time as the grant of listing and trading approvals by the Stock Exchange.

SECTION II: RISK FACTORS

An investment in Equity Shares involves a high degree of risk. Investors should carefully consider all the information in this Prospectus, including the risks and uncertainties described below, before making an investment in the Equity Shares. These risks and uncertainties are not the only risks that we currently face. Additional risks and uncertainties not presently known to us or that we currently believe to be immaterial may also have a material adverse effect on our business, results of operations and financial condition. If any of the following risks, or other risks that are not currently known or are deemed immaterial, actually occur, our business, results of operations and financial condition could suffer, the price of Equity Shares could decline, and you may lose all or part of your investment.

Unless otherwise stated in the relevant risk factors set forth below, we are not in a position to specify or quantify the financial or other implications of any of the risks mentioned herein. In making an investment decision, prospective investors must rely on their own examination of the Company and the terms of the Issue, including merits and risks involved.

This Prospectus also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including considerations described below and in the section entitled "Forward-looking Statements" beginning on page 10 of this Prospectus.

To obtain a better understanding of our business, investors should read this section in conjunction with other sections of the Prospectus, including the sections entitled "Our Business", "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Financial Statements" beginning on pages 90, 145 and 127 of this Prospectus respectively, together with all other financial information contained in this Prospectus. Unless otherwise stated, the financial data in this section is derived from our audited financial statements prepared in accordance with Indian GAAP and restated in accordance with the SEBI Regulations.

Internal Risk Factors

- 1) *We have limited experience in Market Making as well as other fund and non fund based activities undertaken by us and there can be no assurance that we will achieve our business objective.***

We were incorporated as Aryaman Broking Limited on July 22, 2008 and undertook investment based activities initially. Subsequent to our registration as market maker with BSE SME in 2013, we started undertaking the business of market making in various equity shares. Our companies as well as its promoters/directors, therefore, have limited experience in market making activities, which may increase our vulnerability to various associated risks.

The various risks involved in this business include:

- i. execution risks arising from the inability to create a vibrant market for these shares;
- ii. operational risks associated with day to day compliance of market making obligations;
- iii. market risk resulting from adverse movement in equity prices or interest rate as well as sectoral cycles;
- iv. liquidity risk resulting in lack of depth in investments held;
- v. equity risk arising from our investments in these companies; and
- vi. credit risk arising from inability to recover fees from clients on a timely basis or at all.

We cannot assure you that we would be able to address the aforesaid risks adequately, or at all.

We are also subject to business risks and uncertainties associated with any new business enterprise, including the risk that we will not achieve our business objective and that the value of your investment in us could decline substantially. In particular, our success and results of operations will depend on many factors, including, but not limited to, the following:

- the availability of opportunities for the acquisition and unlocking of value, through exiting our investments in the Equity Shares or otherwise;
- the success and financial performance of companies in which we are invested;
- the continued development and growth of SME Exchanges in India including the growth of market making as a concept; and
- general economic conditions.

Moreover, we would also rely on assistance from Aryaman Financial Services Limited for the due diligence and pricing of various stocks in which we would be appointed as Market Makers. We cannot assure you that the assistance that we receive from Aryaman Financial Services Limited would be adequate, or whether we would receive such assistance from them in a timely manner, or at all.

2) *We have not yet identified any opportunities for investing the proceeds of the Issue.*

As entailed in the section titled “*Objects of the Issue*” we intend to use an amount of ₹ 182.00 lacs for investing in listed as well as unlisted securities including for acquisition of market making inventories. We have not yet identified any opportunities for specifically deploying these proceeds. Although our primary focus will be on long-term opportunities, we may also explore opportunistic short-term opportunities where we anticipate prospects for attractive returns. Pending utilization of these proceeds we intend to temporarily invest the funds in quality interest bearing liquid instruments including deposits with banks and other debt securities. For further details, please see the section entitled “*Objects of the Issue*” beginning on page 58 of this Prospectus. In the event that we are unable to identify suitable opportunities for investing these proceeds, we may not be able to achieve our business objectives, which may have a material adverse effect on our business and results of operations.

3) *Our revenue and operating results will fluctuate, particularly as we cannot predict the timing of realization events such as exit from any large investments or other factors such as changes in value of our inventories or dividends paid by the companies in which we have invested. Accordingly, our performance in a specific period should not be relied upon as being indicative of performance in future periods.*

Our revenue, net income and cash flow will be highly variable because our financial results will be affected by the timing of our exit from any investment, which may make it difficult for us to achieve steady earnings growth and may cause the price of our Equity Shares to fluctuate. The timing and receipt of income and gains generated by the sale of such securities is event-driven and thus highly variable, which will contribute to the volatility of our revenue. We may also experience fluctuations in our results due to a number of other factors, including changes in the values of our investments / inventories, changes in the amount of dividends or interest paid by these investments, changes in market making fees and other commissions we earn, changes in our operating expenses, the degree to which we encounter competition and general economic and market conditions.

These fluctuations could lead to significant volatility in the price of our Equity Shares. We cannot predict when, or if, any realization of investments will occur and even if an investment proves to be profitable, it may be several years before any profits can be realized in cash (or other proceeds), or at all. If we were to have a realization event in a particular quarter, it could have a significant impact on our revenues and profits for that particular quarter which might not be replicated in subsequent quarters. Further, such investments made may not be capable of being liquidated at the relevant time. As a result of these variables, performance in a specific period should not be relied upon as being indicative of performance in future periods.

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

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

5) *Our fee based revenues have been dependent on a few customers in the past and may continue to do so in the future.*

We provide Market Making services and other corporate advisory as well as syndication services to companies from varied backgrounds. Our revenues in the past have been concentrated amongst few customers and this trend may continue in the future. For the fiscal year ended March 31, 2014 and the fiscal year ended March 31, 2013, our top 5 clients have contributed to 100% of our fee based revenues. Our business is significantly dependent on developing and maintaining relationships and obtaining business from such clients. Since, these customers generally deal with us for specific assignments; we may lose these customers from year to year after their assignments with us are completed.

Further, with respect to our market making clients, we face risks of not being able to acquire new clients on a regular basis and hence at the end of the regulatory requirement of market making as defined by Stock Exchanges and SEBI, we may not be able to continue with one client for a longer duration after such period.

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

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

We are engaged in the business of investments and trading in listed / unlisted securities and financial products for the past three years. Despite our efforts to earn favorable returns on our capital employed in these uncertain and volatile financial markets we have not been successful in earning very high revenues from this business vertical. We have reported Net Income from Investments and Trading of Securities (including dividend income) of ₹ 20.37 lacs, ₹ (18.55) lacs and ₹ 21.62 lacs for the financial year ended March 31, 2014, 2013 and 2012 respectively. We propose to continue to invest in this vertical and depending on the overall period to period overall volatility in the Capital Markets in India our future revenues from this vertical could be volatile and inconsistent.

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

As on date, we have not made any alternate arrangements for meeting our working capital requirements. We meet our working capital requirements through our owned funds and internal accruals. Any shortfall in our net owned funds, internal accruals and our inability to raise debt would result in us being unable to meet our

working capital requirements, which in turn will negatively affect our financial condition and results of operations.

8) *We have not made any provisions for decline in value of our investments.*

Being an investment based company we make certain investments which we believe may see a “U” Curve based returns pattern, i.e. after making the investments the value of such stock may initially decline and after a certain period move back over and above its original acquisition price depending on market and other forces. Hence, we may hold investments on our books which are valued below their book values, but we do not make provisions for the decline in value of these assets and instead book profits or losses on investments only upon final sale of these assets and realization of sale proceeds. As on March 31, 2014, our quoted investments are valued at ₹ 139.90 lacs against the book value of ₹ 277.61 lacs.

If, we are unable to realize cost value and we liquidate investments at a price below its cost value, we may incur a substantial loss in a particular period and hence may affect our share prices as well as financial conditions.

9) *The interests of our Promoter or certain directors may conflict with our interests or with the best interests of our other shareholders. Any inappropriate resolution of such conflicts may adversely affect our business, results of operations and/ or the interests of our other shareholders.*

Being a small sized company, we are heavily dependent on our executive directors and their expertise for our strategic as well as day to day operations. The Executive Director of our Company, Mr. Shripal Shah and Non executive director Mr. Shreyas Shah are involved in the management of other Group and Associate companies promoted by them, including our Promoter Company – Aryaman Financial Services Limited. The directors common between our Company and other promoter’s group companies are:

- a) Shripal Shah is a common director between our Company and our Promoter - AFSL, and his promoted companies - Escorp Industries Private Limited and Mahshri Enterprises Pvt. Ltd.;
- b) Shreyas Shah is a common director between our Company and our Promoter - AFSL, and his promoted companies – Nopea Capital Services Private Limited, Overskud Multi Asset Management Pvt. Ltd. and Mahshri Enterprises Pvt. Ltd.
- c) Ram Gaud is a common director in our Company and our Promoter viz. AFSL.

We have not entered into any non-compete agreements with any of our Promoters, Promoter’s group members and Group Company. Our Promoters and/or our Directors and related entities have direct interests in the Shares Trading, Investments and Corporate Advisory Services in their individual capacity. They also hold direct and indirect interests in other companies (as mentioned above) which may have similar main objects clauses as our Company in their respective memoranda of association, and may be engaged in the financial services business and hence may compete with us to the extent permitted. Situations may therefore arise where such persons or companies are presented with, or identify, opportunities that may be or are perceived to be in competition with us.

In case of a conflict between us and AFSL or any other entity in which our directors or our promoter group members are interested, our Promoter or Directors may favor such other companies over us. Further, there may be situations in which they are unable to allocate sufficient time to our Company or effectively participate in the management of our Company, which could have a material adverse effect on our business.

If any such actual, or perceived, conflicts of interests are not resolved suitably, our business, results of operations and/or the interest of our other shareholders may be adversely affected. For further details please

refer to chapter titled "Our Management" and "Our Promoters, Promoters Group and Group Companies" beginning on pages 109 and 119 of this Prospectus.

10) Our Company is not party to any legal dispute as on date. However our promoter - AFSL and certain directors are party to litigations and adverse impact in these matters could materially affect their financial conditions and hence affect our company to that extent.

While our Company is not party to any legal dispute (except for a regular assessment notice received from the IT Department). However, our Directors and Promoter are parties to certain legal proceedings. No assurances can be given as to whether these matters will be settled in their favour or against them. A summary of the pending proceedings is set forth below:

Litigation involving Directors

Particulars / Nature of Case	No. of Outstanding Cases	Amount Involved (₹ in lacs)
<i>Filed against Directors</i>		
Nil	-	-
<i>Filed by Directors</i>		
Income Tax Matter	1	12.83
Civil Dispute		

Litigations involving Promoter - AFSL

Particulars / Nature of Case	No. of Outstanding Cases	Amount Involved (₹ in lacs)
<i>Filed against AFSL</i>		
Civil Dispute	1	Not Ascertainable
<i>Filed by AFSL</i>		
Income Tax Matter	1	2.53
Civil Dispute	-	-

For further details on outstanding litigation, please refer to chapter titled "Outstanding Litigations and Material Developments" on page 155 of this Prospectus.

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

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

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

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

13) We are an unlisted small enterprise and even after this issue we will continue to be severely dependent on our senior management's ability to implement our growth strategies.

Till date we are a Small and Medium Enterprise. Through this issue we propose to get listed on the SME Platform of BSE and further increase our asset base in order to take our company to the next level of operational and financial strength. As we do not plan to significantly increase our staff base or induct any other major key managerial person in the future, we will be severely dependent on our senior management's ability to effectively implement our growth strategies. If our promoter group disassociate from our company for any reason or in the event of them getting incapacitated to remain actively involved with the company in managing its affairs, our ability to maintain and grow our revenues could be adversely impacted. Financial impact of the aforesaid risk cannot be reasonably quantified.

14) We rely on our corporate promoter Aryaman Financial Services Ltd. for various operational matters.

We have been a wholly owned subsidiary of AFSL since our incorporation till date. Hence, we have been reliant on AFSL and its senior management for various aspects such as business networks, new client acquisitions, and compliance staff related support etc. Further, the companies in which we invest as part of our market making vertical or from whom we receive syndication fees are all companies which were Primary market clients of AFSL. Our performance will depend on AFSL's key managerial staff's ability to acquire new clients and be able to help cross sell our services to these clients in the future as well as continue to prove the support we currently avail as a wholly owned subsidiary. Since, there is no agreement for such an arrangement between our company and AFSL, there can be no guarantee that these persons will not discontinue their support, resign, join competitors or form competing companies. The loss of key members of the AFSL's team may have an adverse effect on our performance.

Secondly, even though, our operations are managed from our corporate office situated at 718-A, P.J. Towers, Dalal Street, Fort, Mumbai – 01; our registered office remains to be at 60, Khatau building, Gr. Floor, Alkesh Dinesh Modi Marg, Fort, Mumbai – 01 for all records and other legal requirements; which is the corporate office of AFSL. We do not pay any rent or lease payments for using this office as a registered office and are using it through the commercial agreement entered into with M/s. Vardhman Investments by ourselves along with AFSL, which has incurred all monetary transactions for this office. Our inability to continue to use these premises might lead us to change our registered office to the current corporate office and that may entail operational discomfort in the future.

15) Our company and its promoter – AFSL have been subject to certain statutory penal action as well as consent charges in the past.

Our company has been subject to certain minor penalties aggregating to ₹ 0.03 lacs for unintentional errors such as default in market making for only 1 day and delay in submission of Internal Audit Reports for 13 days by BSE.

Further, certain violations or mistakes committed by the earlier management of AFSL were consented by the new management (Shripal Shah and family post their induction on the board after the open offer) and hence certain consent orders have been passed and relevant payments as prescribed in those orders by SEBI

aggregating to ₹ 8.25 lacs have been paid by AFSL. Also, for certain operational mistakes u/s 51 and Rules 20(5) and 20A of the Bombay Shops and Establishments Act, 1948 AFSL was penalized ₹ 0.27 lacs by the Hon. Presidency Magistrate, Miscellaneous Court, Mumbai.

Future instances of material monetary or non monetary penalties against our company or our promoter could adversely affect our financial conditions and goodwill.

For further details, please refer to *“Outstanding Litigations and Material Developments”* beginning on page 155 of this Prospectus.

16) We are required to obtain and maintain certain governmental and regulatory licenses and permits and the failure to obtain and maintain such licenses and permits in a timely manner, or at all, may adversely affect our business and operations.

We are required to obtain and maintain certain approvals, licenses, registrations and permits in connection with its business and operations. Except for the shops and establishment registrations applied for on August 05, 2014, there are no material statutory clearances or approvals pending with any department. However, there can be no assurance that we will be able to obtain and maintain such approvals, licenses, registrations and permits in the future. An inability to obtain or maintain such registrations and licenses in a timely manner, or at all, and comply with the prescribed conditions in connection therewith may adversely affect our ability to carry on our business and operations, and consequently our results of operations and financial condition. For further details regarding the various statutory approvals required in our Business, please refer to the chapter titled *“Government and other Statutory Approvals”* on page 160 of this Prospectus.

17) We are exposed to risks attributable to derivatives trading.

As part of our investment and trading business, we trade in derivative instruments in the securities, commodities 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 these dealings in derivative instruments, particularly due to price and market volatility.

18) Post this Issue, our Promoters and Promoter Group will continue to hold majority shares in our Company.

Post this Issue, our Promoters and Promoter Group will collectively own 70.03% of our Equity Share capital. Accordingly, our Promoters and Promoter Group will continue to have control over our business including matters relating to any sale of all or substantially all of our assets, the timing and distribution of dividends and the election, termination or appointment of our officers and directors. This control could delay, defer, or prevent a change in control in our Company, impede a merger, consolidation, takeover or other business combination involving our Company, or discourage potential acquirers from making an offer or otherwise attempting to obtain control over our Company even if it is in its best interest. Our Promoters and Promoter Group may also influence our material policies in a manner that could conflict with the interests of our other shareholders.

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

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

personnel of the acquired company may decide not to work for us. If we make other types of acquisitions, we could have difficulty in integrating the acquired products, services or technologies into our operations. These difficulties could disrupt our ongoing business, distract our management and employees and increase our expenses.

20) We do not own the trademark used by us. We may be unable to adequately protect our intellectual property. Furthermore, we may be subject to claims alleging breach of third party intellectual property rights.

As part of the Aryaman Group we use its logo " ARYAMAN" for our official correspondences etc. However, we do not own this trademark / logo. In fact, AFSL has made an application dated May 16, 2014 under the provisions of the Trademarks Act, 1999 for registration of this name and logo and upon receiving such approval we shall enter into an agreement to use this logo with AFSL. As such, we do not enjoy the statutory protections accorded to a registered trademark as on date. There can be no assurance that AFSL will be able to register the trademark and the logo in future or that, third parties will not infringe our intellectual property, causing damage to our business prospects, reputation and goodwill. Further, we cannot assure you that any application for registration of our trademark in future by our Company will be granted by the relevant authorities in a timely manner or at all. Our efforts to protect our intellectual property may not be adequate and may lead to erosion of our business value and our operations could be adversely affected. We may need to litigate in order to determine the validity of such claims and the scope of the proprietary rights of others. Any such litigation could be time consuming and costly and the outcome cannot be guaranteed. We may not be able to detect any unauthorized use or take appropriate and timely steps to enforce or protect our intellectual property.

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

We have entered into transactions with our Promoters, our Group Companies and affiliates. While we believe that all such transactions have been conducted on an arm's length basis, there can be no assurance that we could not have achieved more favorable terms had such transactions not been entered into with related parties. Furthermore, it is likely that we may enter into related party transactions in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operations. Based on our audited and restated financials for fiscal 2014 and 2013 our aggregate related party transactions were ₹ 310.28 Lacs and ₹ 373.77 Lacs respectively. For further details, please refer to "Annexure XX – Related Party Transactions" of the "Auditors Report" beginning on page 143 of this Prospectus.

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

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

23) We have experienced negative cash flows and any negative cash flows in the future could adversely affect our financial conditions and results of operations.

We have experienced negative cash flows in the recent past, the details of our standalone cash flows are given in the table below:

(₹ in lacs)

Particulars	FY 2014	FY 2013	FY 2012	FY 2011	FY 2010
Cash Flow from/ (used in) Operating Activities	(77.92)	(60.21)	(118.11)	31.25	(33.83)
Cash Flow from/ (used in) Investing Activities	(102.02)	209.26	(41.89)	(46.41)	(634.15)
Cash Flow from/ (used in) Financial Activities	191.58	(77.63)	160.12	15.04	668.19

Sustained negative cash flows, especially if their operational in nature, could adversely affect our future financial condition.

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

Our Company faces significant competition in the businesses that we are involved in. In particular, we compete with other brokerage and investment companies, both in India and abroad; and public and private sector funds operating in the markets in which we are present. In recent years, large international banks have also entered these markets. For further details, please refer to the paragraph titled "Competition", as contained in the chapter titled "Our Business", on page 90 of this Prospectus. We compete on the basis of a number of factors, including execution, depth of product and service offerings, innovation, reputation and price. Our competitors may have advantages over us, including, but not limited to:

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

In addition, it is possible that certain large financial services groups may decide to begin offering services that we currently provide, such Market Making etc. thereby further intensifying the competition. These competitive pressures may affect our business, and our growth will largely depend on our ability to respond in an effective and timely manner to these competitive pressures.

25) Major fraud, lapses of internal control or system failures could adversely impact company's business.

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

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

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

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

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

28) We are subject to third-party litigation risk that could result in significant liabilities and reputational harm which could materially adversely affect our business and results of operations.

In general, our substantial investments in certain assets may expose us to the risk of litigation if our interest or vies are in conflict with the management of such companies. Further, we may be subject to litigation arising from investor dissatisfaction with the performance of our Market Making activities or from allegations that we improperly exercised control or influence over our invested companies. In addition, we are exposed to the risks of litigation or investigation relating to transactions which presented conflicts of interest that were allegedly not properly addressed. In such actions, we may be obligated to bear legal, settlement and other costs (which may be in excess of available insurance coverage or indemnity to which we may be entitled). If we are required to incur all or a portion of such costs arising out of litigation or other proceedings, our business results of operations, financial condition and liquidity could be materially and adversely affected.

29) Our Board of Directors may change our financial objectives, operating policies and strategies without prior notice or shareholder approval.

Our Board of Directors has the authority to modify our financial objectives and certain of our operating policies and strategies without prior notice (except as required by law) and without shareholder approval. We cannot predict the effect that any changes to our current financial objectives, operating policies or strategies would have on our business, operating results and the price of our Equity Shares.

30) Acquiring interests in companies through illiquid securities involves a substantial degree of risk.

A significant proportion of our investment activities will involve acquiring securities that are either not publicly traded or if traded do not have a substantially developed and liquid market. In some cases, we may be prohibited by contract or by applicable securities laws from selling such securities for a period of time. Our ability to dispose of our investments in these companies is also dependent on the financial markets. Under certain conditions, we may be forced either to sell our investments at lower prices than we had expected to realize or defer, potentially for a considerable period of time, sales that we had planned to make. In some cases, it may not be possible to sell our investments profitably on account of changes in industry dynamics and government regulations or the performance of a invested company that we propose to exit. If we are unable to liquidate our investments when we wish, we may be unable to participate in other more lucrative opportunities, which may have a material adverse effect on our business strategy and results of operations.

31) Conflicts of interest may arise in relation to our business sourcing opportunities and our failure to deal with them appropriately could damage our reputation and adversely affect our business.

As we expand the number and scope of our investment and market making portfolio, we could increasingly confront potential conflicts of interest relating to our business sourcing activities. Various entities within the group have overlapping business objectives and potential conflicts may arise with respect to decisions regarding how to allocate business opportunities among those entities. In addition, holders of our Equity Shares may perceive conflicts of interest in other circumstances, such as decisions made in relation to companies in which

our group may have had, currently has or will in the future have significant interests, as well as where we or companies in which we invest may enter into transactions with other Group entities. It is possible that potential or perceived conflicts of interest could give rise to losses, investor dissatisfaction, litigation or regulatory enforcement actions. Our promoter and other group or associate entities also will be free to compete with us for business opportunities in which we are or would be interested.

32) Our promoter company – AFSL’s management was changed in 2007-08 and hence we have limited knowledge and records of litigations, disputes etc. of the old management.

AFSL was taken over by Mr. Shripal Shah and family in 2007-08. An open offer was given to all shareholders and after completing all SEBI and other statutory formalities, the management was changed. AFSL has achieved much better operational performance since then and there has not been any new dispute or litigation which has originated after this change in management and which is still outstanding. However, there may be certain old cases or disputes between AFSL and other parties which were initiated by or against the old management.

Since the last 6 years, while all such intimations of statutory lapses, or cases which we received or were made aware of have been cleared off, we are however, not fully aware if there are any additional unknown legal matters to which AFSL may be a party. The disclosures in this offer document pertaining to AFSL’s litigations and legal matters are subject to information readily available from public domains and our management shall not be liable for data which we do not possess due to the change in management.

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

We have not taken any insurance coverage for a number of the risks associated with our business, such as insurance cover against loss or damage by fire, explosion, burglary, theft and robbery. To the extent that we suffer any loss or damage that is not covered by insurance, our business and results of operations could be adversely affected. For details of the insurance coverage taken by us see “Our Business—Insurance” on page 90 of this Prospectus.

34) Our Company and Group Companies have unsecured debt that is repayable on demand.

The amount of the unsecured loans, which are repayable on demand, availed by our company and OMAMPL and which are outstanding as per their latest audited financial statements for the indicated financial period are provided in the following table:

Sr. No.	Particulars	Amount (₹ in lacs)
1	Aryaman Capital Markets Ltd. (Issuer Company) ¹	125.00
2	Overskud Multi Asset Management Pvt. Ltd. (Group Company) ¹	23.47

¹As at March 31, 2014

²As at March 31, 2013

In the event that the lenders of such loans call in these loans, these companies would need to find alternative sources of financing, which may not be available on commercially reasonable terms or at all.

35) Our company has incurred losses in the past.

Details regarding the losses declared by our company in the past are entailed below:

(₹ in lacs)

Name of Company	FY 2014	FY 2013	FY 2012	FY 2011	FY 2010
Aryaman Capital Markets Limited (Issuer Company) Loss after Tax	Profit	Profit	Profit	4.94	0.92

Sustained losses, especially in ACML, could adversely affect our future financial condition and goodwill.

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

Our Promoters and Directors may be deemed to be interested to the extent of the Equity Shares held by them, or their relatives or our Group Entities, and benefits deriving from their directorship in our Company. Our Promoters are interested in the transactions entered into between our Company and themselves as well as between our Company and our Group Entities. For further details, please see the chapters titled "Our Business" and "Our Promoters, Promoter Group and Group Companies", "Related Party Transactions" and "Financial Information" beginning on pages 90, 119, 143 and 127 respectively, of this Prospectus.

37) *We do not own the property on which our Registered Office is situated and the same is on rental basis and/or non-renewal of such rent could adversely affect our operations.*

The property on which our Registered Office is situated is on a rental basis. We have entered into a tri-partite leave and license agreement between our company, our promoter – AFSL and M/s. Vardhman Investments for the said office. The agreement is valid upto November 30, 2014 and is subject to renewal thereafter. Any termination of the licenses whether due to any breach or otherwise, or non-renewal thereof, could temporarily disrupt our functioning and adversely affect the business operations.

External Risk Factors

38) *We are significantly dependent on the development of SME Exchanges in India as well as a wider acceptance and expansion of market making as a concept in India.*

Apart from being a Trading and Investment Company; one of our major businesses consists of Market Making in stocks listed on SME Exchanges in India. Market making is a relatively new concept in India and has been introduced only in 2012 through the advent of SME Exchanges and the regulations making it mandatory to carry our market making in such listed companies. We believe that this is a start of a major trend in Indian Capital Markets and hence we have decided to expand our business in this segment over the course of the future. However, it may so happen that SME exchanges in India do not flourish either due to lower investor demand, or regulatory hurdles or any other externality which cannot be predicted today and hence this module may not be able to be successful in the future. Further, because most of our assets owned would be listed on the SME Exchanges in India, any adverse development w.r.t. SME Exchanges in India and inability to create a market for such stocks, would result in erosion of value of these assets and hence we may not be able to monetize these assets on a timely manner or at all. Hence, adverse developments w.r.t SME Exchanges in India would affect our future prospects and financial condition.

39) *The financial markets in India are not as developed as in other countries.*

The financial markets in India are still at a nascent stage of development in respect of complex financial instruments. Currently, structured instruments and products are not widely used in the Indian financial markets, and as a result we may not have access to various financial instruments and strategies that could potentially reduce our risk.

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

Our revenues, level of operations and, consequently, our profitability are dependent on favorable capital market conditions, a conducive regulatory and political environment, investor sentiment, price levels of securities and other factors that affect the volume of stock trading in India and the level of interest in Indian business developments. In recent years, the Indian and world securities markets have fluctuated considerably and a

downturn in these markets could adversely affect our operating results. When markets are highly volatile, we run the risk of bad debts and losses and also litigation. Revenues are likely to decline during sustained periods of reduced trading volumes or lack of interest in capital markets by retail investors and our profit margins may be adversely affected if we are unable to reduce our expenses at the same pace as the decline in revenues. When markets are volatile, our profitability will be adversely affected because our revenues will be dependent on ability to manage our portfolio of stocks in these conditions and some of our operating costs are fixed in nature. Decreases in equity prices or decreased trading activity could have an adverse effect on our business, financial condition and operating results.

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

We are regulated by the Companies Act and our activities are subject to supervision and regulation by statutory and regulatory authorities including the SEBI and the Stock Exchanges. In addition, we are subject to changes in Indian law, as well as to changes in regulation, government policies and accounting principles. Material changes in market making related rules, stock broker regulations and rules or any other key regulations and policies which are applicable to our company could materially adversely affect our business operations in the future. For details regarding the important laws and regulations that govern us please refer "*Key Industry Regulations and Policies*" on page 97 of this Prospectus.

42) Difficult market conditions can adversely affect our business in many ways, including by reducing the value or performance of our investments or by reducing our ability to raise or deploy capital, each of which could negatively impact our net income and cash flow and adversely affect our financial condition.

Our business is materially affected by conditions in the local financial markets and economic conditions throughout the world (especially India) that are outside our control, such as interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws, commodity prices, currency exchange rates and controls and national and international political circumstances. In the event of a market downturn, each of our Investments could be affected in different ways, which may have an adverse impact on their business performance. Our and/ or our Investment's profitability may also be adversely affected by fixed costs and the possible inability to scale back other costs within a time frame sufficient to match any decreases in revenue relating to changes in market and economic conditions.

Moreover, our financial condition may be affected by reduced opportunities to exit and realize value from our Investments and by the fact that we may not be able to find suitable market for selling these investments. Additionally, during periods of adverse economic conditions, we may have difficulty accessing financial markets, which could make it more difficult or impossible for us to obtain funding for additional investments. A general market downturn, or a specific market dislocation, may result in lower investment returns, which would adversely affect our revenues.

43) A slowdown in economic growth in India could cause our business to suffer.

We are incorporated in India, and substantially all of our assets and employees are located in India. As a result, we are highly dependent on prevailing economic conditions in India and our results of operations are significantly affected by factors influencing the Indian economy. A slowdown in the Indian economy could adversely affect our business, including our ability to grow our assets, the quality of our assets, and our ability to implement our strategy. Factors that may adversely affect the Indian economy, and hence our results of operations, may include:

- any increase in Indian interest rates or inflation;
- any scarcity of credit or other financing in India;
- prevailing income conditions among Indian consumers and Indian corporations;
- volatility in, and actual or perceived trends in trading activity on, India's principal stock exchanges;
- variations in exchange rates;

- changes in India's tax, trade, fiscal or monetary policies;
- political instability, terrorism or military conflict in India or in countries in the region or globally, including in India's various neighboring countries;
- natural disasters in India or in countries in the region or globally, including in India's neighboring countries;
- prevailing regional or global economic conditions, including in India's principal export markets; and
- other significant regulatory or economic developments in or affecting India or its SME Exchange or Small cap and mid cap companies.
- any slowdown in the Indian economy or in the growth of the sectors we participate in or future volatility in global commodity prices could adversely affect our borrowers and contractual counterparties. This in turn could adversely affect our business and financial performance and the price of our Equity Shares.

44) We will be exposed to risks associated with changes in interest rates.

The level and volatility of general interest rate fluctuations may have a substantial adverse impact on the value of our Liabilities as well as Investments in Debt securities or the value of our Equity Shares and our rate of return on invested capital. A reduction in the interest spreads on any debt investments could also have an adverse impact on our income. An increase in interest rates could increase our interest expense, thereby decreasing our income. In addition, if interest rates were to rise, the attractiveness of our Equity Shares relative to other securities or investment products could decrease.

45) Conditions in the Indian securities market may affect the price or liquidity of the Equity Shares.

The Indian securities markets are smaller than securities markets in more developed economies and the regulation and monitoring of Indian securities markets and the activities of investors, brokers, market makers and other participants differ, in some cases significantly, from those in the more developed economies. Indian stock exchanges have in the past experienced substantial fluctuations in the prices of listed securities. Further, the Indian stock exchanges have experienced volatility in the recent times. The Indian stock exchanges have also experienced problems that have affected the market price and liquidity of the securities of Indian companies, such as temporary exchange closures, broker defaults, settlement delays and strikes by brokers. In addition, the governing bodies of the Indian stock exchanges have from time to time restricted securities from trading, limited price movements and restricted margin requirements. Further, disputes have occurred on occasion between listed companies and the Indian stock exchanges and other regulatory bodies that, in some cases, have had a negative effect on market sentiment. If similar problems occur in the future, the market price and liquidity of the Equity Shares could be adversely affected. A closure of, or trading stoppage on, the BSE or the NSE also could adversely affect the trading price of the Equity Shares.

46) There are restrictions on daily movements in the price of the Equity Shares, which may adversely affect a shareholder's ability to sell, or the price at which it can sell, the Equity Shares at a particular point in time.

The price of our Equity Shares will be subject to a daily circuit breaker imposed by all stock exchanges in India which does not allow transactions beyond a certain level of volatility in the price of the Equity Shares. This circuit breaker operates independently of the index-based market-wide circuit breakers generally imposed by the SEBI on Indian stock exchanges. The percentage limit on our circuit breaker is set by the stock exchanges based on the historical volatility in the price and trading volume of the Equity Shares. The stock exchanges do not inform us of the percentage limit of the circuit breaker from time to time, and may change it without our knowledge. This circuit breaker effectively limits upward and downward movements in the price of the Equity Shares. As a result, shareholders ability to sell the Equity Shares, or the price at which they can sell the Equity Shares, may be adversely affected at a particular point in time.

47) Any disruption in the supply of power, IT infrastructure, telecom lines and disruption in internet connectivity could disrupt our business process or subject us to additional costs.

Any disruption in basic infrastructure or the failure of the Government to improve the existing infrastructure facilities could negatively impact our business since we may not be able to provide timely or adequate services to our clients as well as execute our day to day business activities. We do not maintain business interruption insurance and may not be covered for any claims or damages if the supply of power, IT infrastructure, internet connectivity or telecom lines is disrupted. This may result in the loss of a client, impose additional costs on us and have an adverse effect on our business, financial condition and results of operations and could lead to decline in the price of our Equity Shares.

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

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

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

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

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

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

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

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

52) The Companies Act, 2013 has effected significant changes to the existing Indian company law framework, which may subject us to higher compliance requirements and increase our compliance costs.

A majority of the provisions and rules under the Companies Act, 2013 have recently been notified and have come into effect from the date of their respective notification, resulting in the corresponding provisions of the Companies Act, 1956 ceasing to have effect. The Companies Act, 2013 has brought into effect significant changes to the Indian company law framework, such as in the provisions related to issue of capital, disclosures in prospectus, corporate governance norms, audit matters, related party transactions, introduction of a provision allowing the initiation of class action suits in India against companies by shareholders or depositors, a restriction on investment by an Indian company through more than two layers of subsidiary investment companies (subject to certain permitted exceptions), prohibitions on loans to directors and insider trading and restrictions on directors and key managerial personnel from engaging in forward dealing. Further, companies meeting certain financial thresholds are also required to constitute a committee of the board of directors for corporate social responsibility activities and ensure that at least 2% of the average net profits of the company during three immediately preceding financial years are utilized for corporate social responsibility activities. Penalties for instances of non-compliance have been prescribed under the Companies Act, 2013, which may result in inter alia, our Company, Directors and key managerial employees being subject to such penalties and formal actions as prescribed under the Companies Act, 2013, should we not be able to comply with the provisions of the New Companies Act within the prescribed timelines, and this could also affect our reputation.

To ensure compliance with the requirements of the Companies Act, 2013 within the prescribed timelines, we may need to allocate additional resources, which may increase our regulatory compliance costs and divert management attention. While we shall endeavor to comply with the prescribed framework and procedures, we may not be in a position to do so in a timely manner.

The Companies Act, 2013 introduced certain additional requirements which do not have corresponding equivalents under the Companies Act, 1956. Accordingly, we may face challenges in interpreting and complying with such provisions due to limited jurisprudence on them. In the event, our interpretation of such provisions of the Companies Act, 2013 differs from, or contradicts with, any judicial pronouncements or clarifications issued by the Government in the future, we may face regulatory actions or we may be required to undertake remedial steps. Additionally, some of the provisions of the Companies Act, 2013 overlap with other existing laws and regulations (such as the corporate governance norms and insider trading regulations). We may face difficulties in complying with any such overlapping requirements. Further, we cannot currently determine the impact of provisions of the Companies Act, 2013, which are yet to come in force. Any increase in our compliance requirements or in our compliance costs may have an adverse effect on our business and results of operations.

PROMINENT NOTES:

- 1) This is a Public Issue of 35,90,000 Equity Shares of ₹ 10 each at ₹ 12 (including share premium of ₹ 2) per Equity Share aggregating ₹ 430.80 lacs.
- 2) For information on changes in our Company's name, Registered Office and changes in the objects clause of the MOA of our Company, please refer to the chapter titled "*History and Certain Corporate Matters*" beginning on page 106 of this Prospectus.
- 3) Our Net Worth as at March 31, 2014 was ₹ 881.29 Lacs.
- 4) The Net Asset Value per Equity Share as at March 31, 2014 was ₹ 10.51.
- 5) Investors may contact the Lead Manager for any complaint pertaining to the Issue. All grievances relating to ASBA may be addressed to the Registrar to the Issue, with a copy to the relevant SCSBs, giving full details such as name, address of the Applicant, number of Equity Shares for which the applied, Application Amounts blocked, ASBA Account number and the Designated Branch of the SCSBs where the ASBA Form has been submitted by the ASBA Applicant.

- 6) The average cost of acquisition per Equity Share by our Promoter is set forth in the table below:

Name of the Promoter	Average cost of acquisition (in ₹)
Aryaman Financial Services Ltd.	10.36

For further details relating to the allotment of equity shares to our promoter, please refer to the chapter titled "Capital Structure" beginning on page 49 of this Prospectus.

- 7) Investors are advised to refer to the paragraph titled "*Basis for Issue Price*" beginning on page 63 of this Prospectus.
- 8) The Lead Manager and our Company shall update the Prospectus and keep the investors / public informed of any material changes till listing of the Equity Shares offered in terms of this Prospectus and commencement of trading.
- 9) Investors are free to contact the Lead Manager for any clarification, complaint or information pertaining to the Issue. The Lead Manager and our Company shall make all information available to the public and investors at large and no selective or additional information would be made available for a section of the investors in any manner whatsoever.
- 10) In the event of over-subscription, allotment shall be made as set out in paragraph titled "*Basis of Allotment*" beginning on page 199 of this Prospectus and shall be made in consultation with the Designated Stock Exchange i.e. BSE. The Registrar to the Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner as set out therein.
- 11) The Directors / Promoter of our Company have no interest in our Company except to the extent of remuneration and reimbursement of expenses (if applicable) and to the extent of any Equity Shares held by them or their relatives and associates or held by the companies, firms and trusts in which they are interested as director, member, partner, and/or trustee, and to the extent of benefits arising out of such shareholding. For further details please refer to the section titled "*Our Management*" on page 109 of this Prospectus.
- 12) No loans and advances have been made to any person(s) / companies in which Directors are interested except as stated in the Auditors Report. For details please refer to "*Section VI Financial Information*" beginning on page 127 of this Prospectus.

- 13) No part of the Issue proceeds will be paid as consideration to Promoter, Directors, Key Managerial Personnel or persons forming part of Promoter Group.
- 14) There has been no financing arrangement whereby the Promoter Group, our Directors and their relatives have financed the purchase, by any other person, of securities of our Company other than in the normal course of the business of the financing entity during the period of six months immediately preceding the date of this Prospectus.
- 15) The details of transaction by our Company are disclosed under "*Related Party Transactions*" in section titled "*Financial Information*" of our Company beginning on page 143 of this Prospectus.
- 16) Since inception, our Company has not issued any equity shares by capitalization of reserves.
- 17) Our Company does not have any contingent liabilities outstanding as on March 31, 2014.
- 18) Our Company was originally incorporated as Aryaman Broking Limited on July 22, 2008, under the Companies Act 1956. Pursuant to resolution passed at the EGM dated December 19, 2013 the name was changed to Aryaman Capital Markets Limited.

SECTION III: INTRODUCTION

SUMMARY OF OUR INDUSTRY OVERVIEW

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

Secondary Equity Markets

Indian equity markets started the year 2014-15 with a big bang after the strong results announced in favour of a majority party for the general elections in May 2014. The Sensex and the Nifty are recently trading at or around their respective life time highs. In fact the broader Indian Equity market have been performing well among overall gloom in the industry and economy since the last few years as can be seen below:

Particulars	2011-12	2012-13	2013-14
A. Indices			
BSE Sensex	17,404	18,835	22,386
CNX Nifty	5,295	5,682	6,704
SX 40	-	-	13,298
B. Market Capitalisation (₹ in crores)			
BSE	62,14,941	63,87,886	74,15,296
NSE	60,96,517	62,39,034	72,77,720
MCX-SX	-	61,96,199	72,39,670
C. Gross Turnover (₹ in crores)			
BSE	6,67,497	5,48,774	5,21,664
NSE	28,10,893	27,08,279	28,08,489
MCX-SX	-	33	11,185
D. P/E Ratio			
BSE Sensex	17.80	16.90	18.30
CNX Nifty	18.70	17.60	18.90
SX 40	-	-	20.30

(Source: SEBI Bulletins)

As can be seen from the above table, despite good performances in the indices of the markets, the trading turnover has either dropped or not picked up as it should. The primary reason for this is the reduced retail interest in the markets in the last few years. However, with the recent developments in the markets in FY 2014-15, retail interest is expected to increase.

The trends in the various other key indices of the equity capital markets in the last few years are as shown below:

Indices	2011-12	% change over last year	2012-13	% change over last year	2013-14	% change over last year	Upto July 31 2014	% change since start of FY 2014-15
S&P BSE Mid Cap	7112	38.50%	6705	(5.72%)	8668	29.28%	9189	6.01%
S&P BSE Small Cap	7379	32.93%	6551	(11.22%)	8923	36.20%	9989	11.95%
S&P BSE 100	5975	29.44%	6326	5.87%	7473	18.13%	7799	4.03%
S&P BSE 200	2424	30.53%	2530	4.37%	2977	17.67%	3145	5.64%
S&P BSE 500	7581	30.77%	7828	3.25%	9274	18.47%	9832	6.02%
S&P BSE IPO	1878	44.24%	1548	(17.57%)	1931	24.75%	2257	16.88%
S&P BSE SME IPO	137	-	452	329.06%	873	92.92%	900	3.09%

(Source: www.bseindia.com)

As can be seen from the table above the Indian Equity Markets have been buoyant over the last few years despite extremely negative and pessimistic overall economic and industrial outlook during these years. Further, the Small Cap and SME indices have outperformed most of the other major indices.

Cash turnover on the nation's three stock exchanges — NSE, BSE and MCX-SX — rose 2.59% to ₹ 33.41 lac crore in 2013-14 from a year earlier on account of improvement in the global and domestic economy. Trading of equity derivatives on the three exchanges surged 20.32 % to ₹ 466 lac crore in 2013-14 from the preceding financial year. However, the total turnover in currency derivatives trading of three domestic bourses dropped nearly 23% to ₹ 67.36 lac crore in FY 2013-14, a period that saw capital market regulator SEBI tightening exposure limits in the segment.

Certain other historical data pertaining to the trends in the turnover in various segments in the Indian Equity Markets in the recent few years is as mentioned below:

Year	Turnover (₹ crore)		
	Cash Segment (All India)	Equity Derivatives (NSE+BSE+MCX-SX)	Currency Derivatives (NSE+MCX-SX+USE)
2010-11	46,82,437	2,92,48,375	76,43,805
2011-12	34,78,391	3,21,58,208	98,96,413
2012-13	32,57,087	3,87,04,572	87,10,504

Source: BSE, NSE, MCX-SX & USE

(Source: SEBI Bulletins)

SME and MSME Sector in India and the advent of Small and Medium Enterprises Exchanges

Small and Medium Enterprises (SMEs), particularly in developing countries, are the backbone of the nation's economy. They constitute bulk of the industrial base and also contribute significantly to their exports as well as to their Gross Domestic Product (GDP). In India, Micro, Small and Medium Enterprises (MSMEs) contribute 8% of its GDP, 45% of the manufactured output and 40% of exports. It provides employment to about 70 million people through 30 million enterprises. The MSME Sector is the largest generator of employment in the Indian economy. It forms a major portion of the industrial activity.

Special roles for SMEs were earmarked in the Indian economy with the advent of planned economy from 1951 and the subsequent industrial policy followed by the Government. By and large, SMEs developed in a manner, which made it possible for them to achieve the desired objectives. The Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 provided for facilitating the promotion and development and enhancing the competitiveness of MSMEs and for matters connected therewith or incidental thereto. It emphasized on the following:

- Remove impediments due to multiple laws
- Introduce statutory consultative and recommendatory bodies on MSME policies
- Improve registration procedure of MSMEs
- Statutory basis for purchase preference and credit policies
- Improve realization of payments due to MSMEs

Based on the recommendation of the Prime Minister’s Task Force (Jan, 2010), SEBI has also laid down the Regulations for the setting up and governance of SME Exchange / Platforms in India in 2010 onwards.
(Source: www.bsesme.com/brochure)

The SME Platform of the exchange is intended for small and medium sized companies with high growth potential, whose post issue paid-up capital shall be less than or equal to ₹ 25 crore. Apart from providing an alternative asset class to prospective investors, the SME platform aims to provide easier access to equity finance for growth and expansion and also helps them to lower the cost of compliance post listing vis-à-vis listing on the main platform of the exchanges. In the first year of introduction, 24 companies were been listed on the SME Platform raising a total amount of ₹ 239 crore and since then this segment has picked up momentum further:

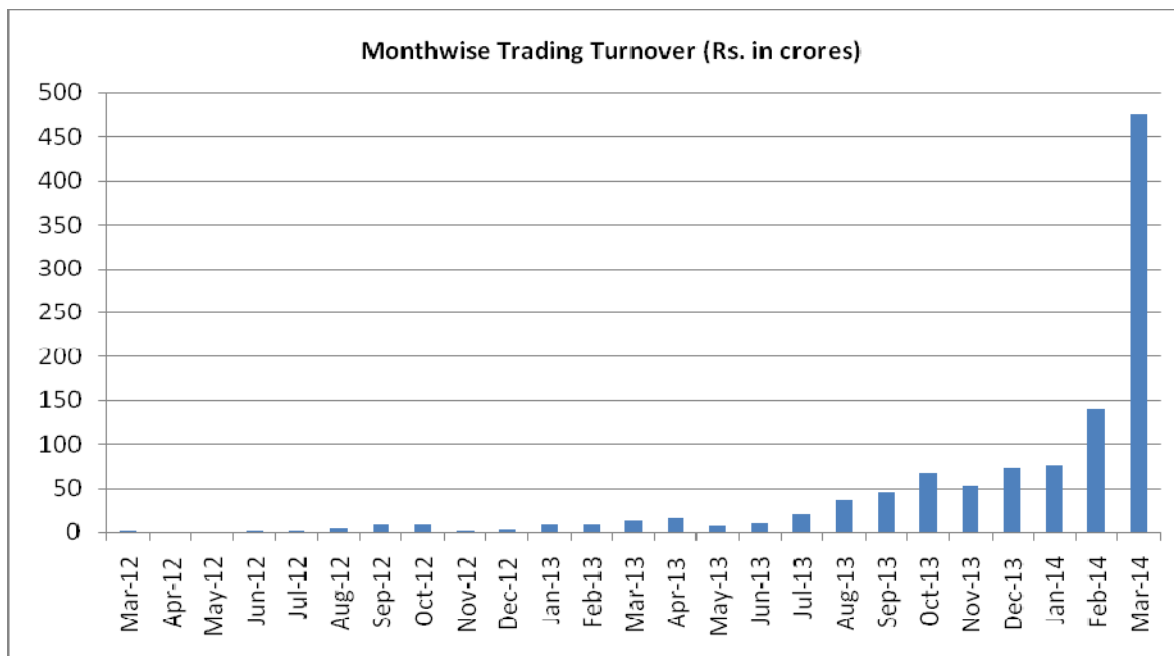
Year/Month	Total	
	No. of issue	Amount (₹ crore)
1	2	3
2012-13	24	239
2013-14§	37	317
Apr-13	0	0
May-13	2	9
Jun-13	1	16
Jul-13	2	11
Aug-13	5	67
Sep-13	5	36
Oct-13	5	84
Nov-13	1	6
Dec-13	3	18
Jan-14	2	10.5
Feb-14	6	38.7
Mar-14	5	21

§ indicates as on March 31, 2014
Source: SEBI

(Source: SEBI Bulletin April 2014)

Currently there are two active SME Exchanges / Platforms in India, namely, the SME Platform of BSE (“BSE SME”) and the “Emerge” Platform of NSE (NSE SME). As on June 30, 2014, the number of companies listed on these platforms are 61 and 5 respectively.

The growth of trading turnover on the SME Platform of BSE Limited since March 2012 is demonstrated below:



(Source: www.bsesme.com)

Market Making Concept and its Global Overview

A market maker or liquidity provider is a company, or an individual, that quotes both a buy and a sell price in a financial instrument or commodity held in inventory, hoping to make a profit on the bid-offer spread, or turn.

A market maker aims to make money by buying a stock at a lower price than the price at which they sell it, or by selling a stock at a higher price than the price at which they buy it back. Ordinarily, they can make money in both, rising or falling markets, by taking advantage of the difference between "bid" and "offer" prices. Stock market makers also receive liquidity rebates from electronic communication networks (ECN) for each share that is sold to or purchased from each posted bid or offer. Conversely, a trader who takes liquidity from a bid or offer posted on an ECN is charged a fee for removing that liquidity.

A market maker's profitability is a function of the level of informed trading in the market. Uninformed traders have no private information, only public information already reflected in the price of the security. The direction they trade in has no statistical relationship to the future movement of the price. In contrast informed traders have private information; the direction they're trading in reflects the likely future direction of the stock. Since market makers stand ready to simultaneously buy or sell they're the primary counter-party to informed traders. In the absence of informed traders market makers would in the long-run earn the bid ask spread over every share they trade (plus any relevant liquidity rebates or exchange fees). However the inventory position market makers build up over time is inversely related to the direction informed traders are trading in. If most insiders are selling market makers tend to be net long, and if most are buying market makers tend to be net short. Since informed traders by definition predict the direction of the stock price, on average the positions market makers hold will decay in value over time. This phenomenon is termed adverse selection. In economic equilibrium market makers will set the bid-ask spread to compensate them for the costs of adverse selection (plus some amount for their operational and capital costs). Thus bid-ask spreads are a function of the level of informed trading in the market at that time. More informed trading will widen bid-ask spreads, which increases transaction costs for uninformed traders. Ultimately uninformed traders bear the cost of informed traders even though they tend not to trade directly with each other as counter-parties.

Most stock exchanges operate on a "matched bargain" or "order driven" basis. When a buyer's bid price meets a seller's offer price or vice versa, the stock exchange's matching system decides that a deal has been executed. In such a system, there may be no designated or official market makers, but market makers nevertheless exist:

- *New York:* In the United States, the New York Stock Exchange (NYSE) and American Stock Exchange (AMEX), among others, have Designated Market Makers, formerly known as "specialists", who act as the official market maker for a given security. The market makers provide a required amount of liquidity to the security's market, and take the other side of trades when there are short-term buy-and-sell-side imbalances in customer orders. In return, the specialist is granted various informational and trade execution advantages. Other U.S. exchanges, most prominently the NASDAQ Stock Exchange, employ several competing official market makers in a security. These market makers are required to maintain two-sided markets during exchange hours and are obligated to buy and sell at their displayed bids and offers. They typically do not receive the trading advantages a specialist does, but they do get some, such as the ability to naked short a stock, i.e., selling it without borrowing it. In most situations, only official market makers are permitted to engage in naked shorting. Recent changes to the rules have explicitly banned naked shorting by options market makers. The prominent Designated Market Makers on NYSE are Barclays, Brebda E. Cryan & Co., Goldman Sachs & Co., KCG, Vitu Financial Capital Markets LLC.
- *London:* On the London Stock Exchange (LSE) there are official market makers for many securities. Some of the LSE's member firms take on the obligation of always making a two-way price in each of the stocks in which they make markets. Their prices are the ones displayed on the Stock Exchange Automated Quotation (SEAQ) system and it is they who generally deal with brokers buying or selling stock on behalf of clients. Proponents of the official market making system claim market makers add to the liquidity and depth of the market by taking a short or long position for a time, thus assuming some risk in return for the chance of a small profit. On the LSE one can always buy and sell stock: each stock always has at least two market makers and they are obliged to deal. In contrast, on smaller, order-driven markets such as the JSE Securities Exchange it can be difficult to determine the buying and selling prices of even a small block of stocks that lack a clear and immediate market value because there are often no buyers or sellers on the order board. Unofficial market makers are free to operate on order driven markets or, indeed, on the LSE. They do not have the obligation to always be making a two-way price but they do not have the advantage that everyone must deal with them either. Examples of UK Market makers since Big Bang Day are Peel Hunt LLP, Winterflood Securities, Liberum Capital, Shore Capital, Fairfax IS and Altium Securities. Prior to the Big Bang, jobbers had exclusive rights of market making on the LSE.
- *Frankfurt:* The Frankfurt Stock Exchange runs a system of market makers appointed by the listed companies. These are called "designated sponsors". Designated Sponsors secure higher liquidity by quoting binding prices for buying and selling the shares. The largest market maker by number of mandates in Germany is Close Brothers Seydler.

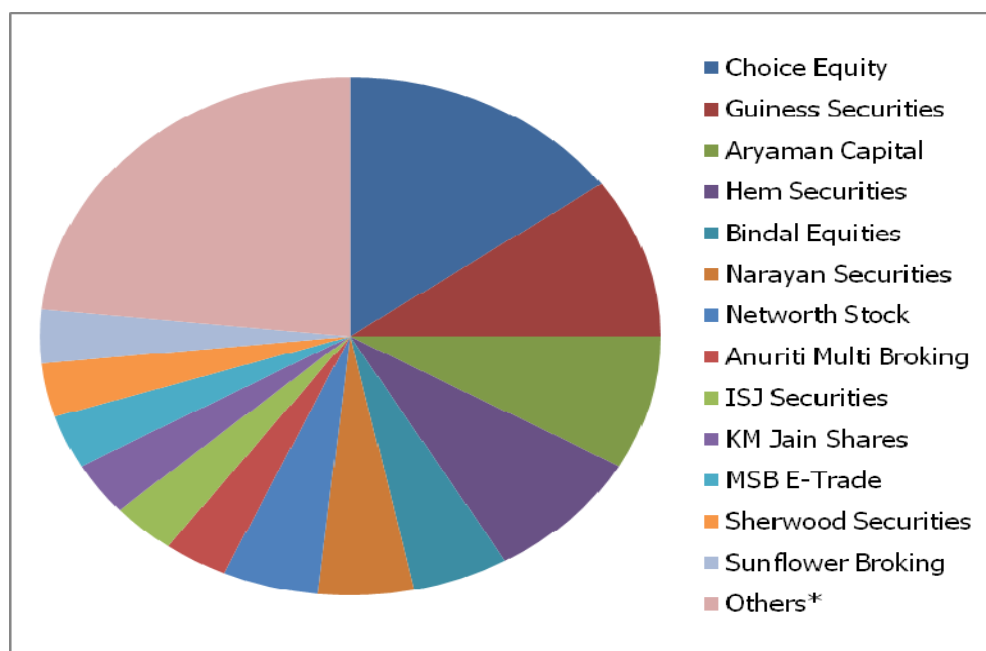
Market Making in India

Over the past several years the securities market has witnessed a sea change. The market has become more modern in terms of infrastructure, adoption of best international practices and introduction of competition. With the maturity of the regulatory framework and increased market surveillance, the market has also become safer and investor is better protected. The extensive reforms introduced by SEBI over the last few years have enhanced the integrity, transparency and efficiency of the operations of the securities market. The introduction of electronic trading and "order matching" system in all the stock exchanges, have led to reduction in transaction costs, speedier execution of trades and gains in liquidity. The spreads have dropped by a factor of 10 and volumes have risen a hundred fold in respect of many shares. Increase in trading volume on the exchanges, however, has not been reflected always in the liquidity of all the listed shares. There are a large number of shares that are not actively or frequently traded although many of them have some fundamental strength and intrinsic value. The introduction of market making facility for such shares could be a possible means to infuse liquidity in such shares. In the year 1993 guidelines for the Market Makers were issued vide our

circular no.SMD/SED/93/11362 dated August 05, 1993. However, the scheme did not elicit adequate response. Hence despite various such efforts the concept of official market makers in the equity stock exchanges in India has not been a popular one. However, with the amendment in the SEBI (ICDR) Regulations made during 2010 for the advent of SEM Exchanges in India, the requirement of appointing a market maker for each listed SME Company for the 1st few years was made compulsory and hence the concept has once again gained recognition. Even though India has a long way to go w.r.t market making being a serious part of capital markets as compared to the global scenario of the same, but a good beginning has been made with the advent of SME Exchanges and their regulations being launched in 2012.

Since then, a total of 81 companies have registered with BSE for being designated as Market Maker for the companies listed on the SME Exchange. The complete list of Market Makers registered with BSE SME Platform is available on <http://www.bsesme.com/MarketMakers/MemberList.aspx>.

Following graph shows the market share (based on no. of companies) of the various top market makers on the BSE SME Platform for the existing 61 companies listed as on June 30, 2014:



* "Others" represents 14 different Market Makers which have only one stock each in their market making portfolio.

For further details regarding our industry and key risks pertaining to our industry, please see the chapter and the section titled "*Industry Overview*" and "*Risk Factors*" beginning on pages 78 and 11 of this Prospectus respectively.

SUMMARY OF OUR BUSINESS

In this section, unless the context requires otherwise, any reference to the terms “we”, “us” and “our” refers to our Company.

About our Promoter:

We are a wholly owned subsidiary company of Aryaman Financial Services Limited (“**AFSL**”). AFSL is a Merchant Banker registered with SEBI since 1994. AFSL is actively involved in the business of Merchant Banking and has completed 2 Main Board IPOs, 11 SME IPOs, 13 Open Offers, 1 Delisting Offer, and many other valuation and corporate advisory activities since the change in management in 2007 - 08. AFSL has been a pioneer in the field of SME IPOs having been the first Merchant Banker to complete an SME IPO and list the same on the SME Platform of BSE. AFSL has received the award for being one of the “Top Performing” Merchant Bankers in the SME Segment from BSE for last two consecutive years.

About our Company:

Being the wholly owned subsidiary of AFSL, our company represents and carries out the various fund based and secondary market activities of the group. We are hence involved in activities such as Trading and Investments in Quoted and Unquoted Securities, Underwriting Capital Market Issuances, Brokerage income from Equity/Debt Market Placements, and Market Making.

In 2012-13, we obtained the following registrations required for expanding our business activities:

SEBI Registration No.	INB011465938
BSE Trading cum Clearing Member No.	6514
BSE Market Maker Registration No.	SMEMM0651421122012

For details regarding the other government approvals pertaining to our business please refer to “*Government and other Statutory Approvals*” beginning on page 160 of this Prospectus.

Since our promoter is significantly involved in floating SME IPOs governed under Regulation XB of the SEBI (ICDR) Regulations and there being a regulatory requirements of carrying out market making in the company's which are floated by a Merchant Banker for a stipulated period of time, we have shifted primary focus to providing these market making services for SMEs proposing to list their shares through an IPO on the SME Exchanges in India. We are currently sole designated market makers for 6 live scrips. Further since our Promoter is one of the Market Leaders in this segment we propose to get additional business through our synergies with the Promoter Company.

Market Making is the act of providing liquidity to scrips by way of two way quotes on the counter. Since, Market Making is a fund based activity and we believe that going forward capital adequacy would play a key role in our ability to continue adding scrips in our Market Making Portfolio; we propose to raise capital and improve our fund adequacy.

Our Strengths

Qualified and Experienced Directors

Our company is led by Mr. Shripal Shah and Mr. Shreyas Shah who are well qualified and experienced in the finance and legal fields. For further details regarding the education qualifications, experience and other relevant details of our Directors (who are also the natural persons owning our corporate promoter) please refer to “*Our Management*” beginning on page 109 of this Prospectus. We believe that since our Directors have been actively involved in the Financial Services Industry and have gained requisite domain knowledge, experience, and

industry networks they would be able to adequately exploit opportunities in our sector going forward and help us in improving our operational performance and brand value.

Strong Market Presence of our Corporate Promoter

Our Investments and Trading Operations (including our Market Making Stocks) are primarily in Small Cap and Mid Cap companies. We believe that our group's investment banking and advisory businesses will help us better recognize investment opportunities and we believe this unique synergy will help make better investment decisions. Further, in order to generate more Underwriting Commissions, Market Making Fees and other Fee based revenue we would be in good stead due to the strong presence of our promoter AFSL in this space and hence synergies between our companies would be adequately exploited.

Low Debt and Low Fixed Overheads

Since our incorporation, we have always been well capitalized through equity from our Promoters and now through this issue we further propose to improve our equity capitalizations. Post the completion of this issue we would have paid off all of our outside indebtedness incurred upto June 30, 2014. We believe that this is a unique balance sheet situation in such uncertain times and hence would help us raise debt and when required in the future as well as ensure our long term sustainability. Further, being a fund based activity company, we do not have any substantial fixed overheads in form of employee costs, interest burdens and other administrative expenses and hence we feel that this too would mean that as and when our revenues from additional market making etc. increases it would have a multiplier effect on our net profitability.

Early Mover Advantage in Market Making

The concept of Market Making has been re-discovered in India after the advent of SME IPOs in March 2012. We are currently designated Market Makers for 6 scrips of the SME Platform of BSE. Further our promoter AFSL is among the top performing Merchant Banker in this space and hence we would have a strong brand recall for our Market Making Services in the future once the size of market making sector increases due to awareness among corporates in India of the various benefits of market making.

Our Strategies

Adherence to a disciplined and innovative investment process

The Company will continue to make investments consistent with its investment process as approved by the management from time to time. The company in accordance with its investment process will aim to invest in a diversified but niche portfolio of securities (quoted and unquoted) of companies which are expected to give superior returns. Being a part of the Aryaman Group, we will continue to be able to better recognize investment opportunities and we believe this unique synergy will help make better investment decisions. The Company believes that such investments provide a sustainable competitive advantage to the Company and would contribute to its income streams. The company relies on the expertise of its management team to maximize returns through active management of the company's investment portfolio. The Company will pursue appropriate long-term value creation strategies in accordance with its investment process by employing a top-down analysis, which begins with an analysis of the overall market and ends with the individual company. We propose to use various fundamental and technical valuation methodologies to evaluate fair value of businesses. The Company seeks to achieve equity returns, subject to general market conditions, by buying and selling stocks that offer value at prevailing market prices based on the decisions of its management team. The Company may consider short-term opportunities where it may see prospects for attractive returns and will also focus on a long-term value creation strategy rather than on any near-term impact on its revenues, profits or cash flows. The Company's strategy is to extract optimal returns on its investments and to this end the management team will continue to seek opportunities that demonstrate clear growth prospects.

Focus on the niche area of Market Making

We believe that the market making business brings a unique value proposition for us, wherein we propose to earn fee based revenue from clients for the market making services and also use these funds earned to make investments in these companies during the process of market making. Going forward, we believe that the more number of companies we add to our market making portfolio will diversify our sectoral and other systemic risks and increase our fee based revenue at the same time. This would increase our ability to take up more companies and hence provide us a unique competitive edge over other new entrants in market making. Also, we believe that since most of our market making investments would be in SME companies and that we would hence be entering as investors in these companies at a very nascent stage, we would be able to take benefits of investment in lower equity base and hence protect our long term interests.

Explore opportunities in the day trading and jobbing space by hiring professional traders and analysts

Currently we are primarily into investments and market making which are being managed through our regular dealing staff guided by our senior management. Going forward, and subject to availability of finance, we propose to employ the services of experienced traders / jobbers and analysts to help increase the scale and scope of our trading operations in order to maximize returns on portfolios. Further, we believe that as and when we improve our trading capabilities, our market making operations would also become more effective and efficient.

Further strengthen the Brand Name

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

For further details regarding our business operations and key risks pertaining to the same, please see the chapter and section titled "*Our Business*" and "*Risk Factors*" on pages 90 and 11 of this Prospectus respectively.

SUMMARY OF OUR FINANCIAL INFORMATION

(₹ in Lacs)

Annexure I: Statement of Assets and Liabilities as Restated						
	Particulars	Financial years ended				
		2014	2013	2012	2011	2010
	<u>Equity and Liabilities</u>					
(1)	Shareholder's Funds	881.62	694.62	690.35	682.39	4.08
	(a) Share Capital	838.71	688.25	688.25	688.25	5.00
	(b) Reserves and Surplus	42.90	6.37	2.10	(5.86)	(0.92)
(2)	Share Application Money outstanding	0.00	0.00	0.00	0.00	195.00
(3)	Non Current Liabilities	1.79	0.68	0.00	0.00	0.00
	(a) Long Term Borrowings	0.00	0.00	0.00	0.00	0.00
	(b) Deferred Tax Liabilities (Net)	1.79	0.68	0.00	0.00	0.00
	(c) Long Term Provisions	0.00	0.00	0.00	0.00	0.00
(4)	Current Liabilities	143.30	104.05	173.58	0.16	519.52
	(a) Short Term Borrowings	125.00	102.59	170.44	0.00	473.20
	(b) Trade Payables	10.74	0.35	0.25	0.16	0.07
	(c) Other Current Liabilities	5.89	0.97	1.03	0.00	46.25
	(d) Short Term Provisions	1.67	0.14	1.87	0.00	0.00
	Total	1,026.71	799.36	863.93	682.55	718.60
	<u>Assets</u>					
(5)	Non Current Assets	614.24	513.82	723.94	682.32	636.51
	(a) Fixed Assets	43.43	44.39	0.00	0.00	0.00
	(b) Non Current Investments	540.49	438.51	521.44	480.56	384.15
	(c) Long Term Loans and Advances	30.00	30.00	201.00	200.00	250.00
	(d) Other Non Current Assets	0.32	0.91	1.50	1.77	2.36
(6)	Current Assets	412.47	285.54	139.99	0.23	82.09
	(a) Inventories	318.93	66.85	0.00	0.00	0.00
	(b) Trade Receivables	1.31	4.10	0.00	0.00	0.00
	(c) Cash and Cash Equivalents	83.42	71.77	0.35	0.23	0.34
	(d) Short Term Loans and Advances	8.80	142.81	139.64	0.00	81.75
	Total	1,026.71	799.36	863.93	682.55	718.60

(₹ in Lacs)

Annexure II: Statement of Profit and Loss as Restated						
	Particulars	Financial years ended				
		2014	2013	2012	2011	2010
A	Income					
	Income from Operations	293.10	51.18	21.62	0.00	0.00
	Other Income	0.00	0.00	0.00	0.00	0.00
	Total Income	293.10	51.18	21.62	0.00	0.00
B	Expenditure					
	Purchases of Stock-in Trade	512.60	80.08	0.00	0.00	0.00
	Changes in Inventories (Stock-in trade)	(252.08)	(66.85)	0.00	0.00	0.00
	Employee Benefits Expenses	2.53	0.36	0.00	0.00	0.00
	Administration and Other Expenses	8.13	21.98	1.21	4.34	0.31
	Preliminary Expenses Written off	0.59	0.59	0.27	0.59	0.59
	Finance Costs	11.37	9.79	10.32	0.01	0.01
	Depreciation and Amortization expenses	1.00	0.28	0.00	0.00	0.00
	Total Expenditure	284.15	46.22	11.79	4.94	0.92
C	Profit / (Loss) before Tax and Extraordinary Items	8.95	4.95	9.83	(4.94)	(0.92)
	Extra-Ordinary Items	0.00	0.00	0.00	0.00	0.00
D	Profit / (Loss) before Tax after Extra ordinary item	8.95	4.95	9.83	(4.94)	(0.92)
	<i>Tax Expenses</i>					
	- Current Tax (Normal)	1.39	1.32	0.00	0.00	0.00
	- Current Tax (MAT)	0.00	0.00	1.87	0.00	0.00
	- Less: MAT Adjusted	0.00	(1.32)	0.00	0.00	0.00
	- Deferred Tax	1.11	0.68	0.00	0.00	0.00
E	Net Profit / (Loss) after Tax available for Appropriations	6.44	4.27	7.96	(4.94)	(0.92)

(₹ in Lacs)

Annexure III: Statement of Cash Flows as Restated					
Particulars	Financial years ended				
	2014	2013	2012	2011	2010
Cash Flow from operating activities					
Net Profit / (Loss) before Tax	8.95	4.95	9.83	(4.94)	(0.92)
<i>Adjustments for:</i>					
Depreciation	1.00	0.28	0.00	0.00	0.00
Preliminary Expenses Written off	0.59	0.59	0.27	0.59	0.59
Finance Costs	11.37	9.79	10.32	0.01	0.01
Operating Profit / (Loss) before Working Capital changes	21.92	15.61	20.41	(4.34)	(0.31)
(Increase) / Decrease in Trade Receivables	2.78	(4.10)	0.00	0.00	0.00
(Increase) / Decrease in Inventories	(252.08)	(66.85)	0.00	0.00	0.00
(Increase) / Decrease in Trade Advances and Other Current assets	134.01	(3.18)	(139.64)	81.75	(69.58)
Increase / (Decrease) in Current Liabilities	16.84	(1.69)	2.99	(46.15)	36.05
Operating Profit / (Loss) after Working Capital changes	(76.53)	(60.21)	(116.24)	31.26	(33.84)
Less: Taxes Paid	1.39	0.00	1.87	0.00	0.00
Cash Flow from operating activities	(77.92)	(60.21)	(118.11)	31.26	(33.84)
Cash Flow from Investing Activities					
(Purchase) / Sale of Fixed Assets	(0.04)	(44.67)	0.00	0.00	0.00
(Increase) / Decrease in Non Trade Advances and Other Non Current assets	0.00	171.00	(1.00)	50.00	(250.00)
(Increase) / Decrease in Investments	(101.97)	82.93	(40.89)	(96.41)	(384.15)
Cash flow from Investing Activities	(102.02)	209.26	(41.89)	(46.41)	(634.15)
Cash flow from Financing Activities					
Increase / (Decrease) in Share Capital (including premium)	180.55	0.00	0.00	683.25	0.00
Increase / (Decrease) in Borrowings / advances	22.41	(67.84)	170.44	(668.20)	668.20
Finance Costs	(11.37)	(9.79)	(10.32)	(0.01)	(0.01)
Cash flow from Financing Activities	191.58	(77.63)	160.12	15.04	668.19
Net Increase / (Decrease) in Cash and Cash Equivalents	11.65	71.42	0.12	(0.11)	0.20
Opening Cash and Cash Equivalents	71.77	0.35	0.23	0.34	0.14
Closing Cash and Cash Equivalents	83.42	71.77	0.35	0.23	0.34
Net Increase / (Decrease) in Cash and Cash Equivalents	11.65	71.42	0.12	(0.11)	0.20

THE ISSUE

PRESENT ISSUE IN TERMS OF THIS PROSPECTUS

Equity Shares Offered: Present Issue of Equity Shares by our Company	35,90,000 Equity Shares of ₹ 10 each for cash at a price of ₹ 12 per share aggregating ₹ 430.80 lacs
<i>Of which:</i>	
Issue Reserved for the Market Makers	1,90,000 Equity Shares of ₹ 10 each for cash at a price of ₹ 12 per share aggregating ₹ 22.80 lacs
Net Issue to the Public	34,00,000 Equity Shares of ₹ 10 each for cash at a price of ₹ 12 per share aggregating ₹ 408 lacs
Equity Shares outstanding prior to the Issue	83,87,126 Equity Shares
Equity Shares outstanding after the Issue	119,77,126 Equity Shares
Objects of the Issue	Please see the chapter titled " <i>Objects of the Issue</i> " on page 58 of this Prospectus

This issue is being made in terms of Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time. For further details, please see the section titled "*Issue Related Information*" beginning on page 174 of this Prospectus.

GENERAL INFORMATION

Brief Company and Issue Information

Our Company was incorporated as Aryaman Broking Limited on July 22, 2008, under the Companies Act, 1956, bearing Registration No. 184939 having its Registered Office in Mumbai, Maharashtra. Subsequently, the Company received its Certificate for commencement of Business on August 2, 2008. Our Company Changed its Name from Aryaman Broking Limited to Aryaman Capital Markets Limited vide resolution dated 19th December, 2013.

Registered Office	60, Khatau Building, Ground Floor, Alkesh Dinesh Modi Marg, Fort, Mumbai 400 001 Tel No.: +91 – 22 – 22618635 Fax No.: 91 – 22 – 2263 0434
Corporate Office	713A, P.J. Towers, Dalal Street, Fort, Mumbai – 400001. Tel No.: +91 – 22 – 2272 1104 Fax No.: 91 – 22 – 2263 0434
Date of Incorporation	July 22, 2008
Company Registration No.	184939
Company Identification No.	U765999MH2008PLC184939
Address of Registrar of Companies	100, Everest, Marine Drive Mumbai - 400002. Tel No.: +91 – 22 – 22846955 Fax No.: 91 – 22 – 22811977
Issue Programme	Issue Opens on : September 25, 2014 Issue Closes on : October 01, 2014
Designated Stock Exchange	SME Platform of BSE Limited
Company Secretary and Compliance Officer	Mr. Malcolm Mascarenhas 718-A, P.J. Towers, Dalal Street, Fort, Mumbai – 400001. Tel No.: +91 22 – 22721104 Fax No.: 91 22 – 721104 Email: aryacapm@gmail.com

Board of Directors of the Company

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

Name	Designation	DIN No.
Shripal Shah	Executive Director	01628855
Shreyas Shah	Non Executive Non Independent Director	01835575
Ram Gaud	Non-Executive Independent Director	02759052
Supriya Tatkar	Non-Executive Independent Director	03340550

For further details pertaining to the educational qualification and experience of our Directors, please see the chapter titled “Our Management” beginning on page 109 of this Prospectus.

Note: Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre or post-Issue related problems, such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary account and refund orders. All grievances relating to the ASBA process may be addressed to the

Registrar to the Issue with a copy to the SCSBs, giving full details such as name, address of applicant, application number, number of Equity Shares applied for, amount paid on application and designated branch or the collection centre of the SCSB where the ASBA Application Form was submitted by the ASBA Applicants.

Details of Key Intermediaries pertaining to this Issue and Our Company

Lead Manager of the Issue

BCB Brokerage Pvt. Ltd.

1207A, P.J Towers, Dalal Street,
Mumbai - 400001, Maharashtra, India.
Tel No.: +91 - 22 – 2272 0000
Fax.: +91 - 22 – 2272 2451
Contact Person: Mr. Varun Kacholia
SEBI Registration No.: INM000012078
Website: www.bcbbrokerage.com
Email: bbplmumbai@gmail.com

Registrar to the Issue

Bigshare Services Pvt. Ltd.

E-2/3, Ansa Industrial Estate,
Sakivihar Road, Sakinaka,
Andheri East, Mumbai 400 072,
Tel No.: +91 – 22 – 4043 0200
Fax No.: +91 – 22 – 2847 5207
Contact Person: Mr. Ashok Shetty
Email: ipo@bigshareonline.com
Website: <http://www.bigshareonline.com>
SEBI Registration No.: MB/INR000001385

Legal Advisor to the Issue

M/s Kanga & Co.

Advocate and Solicitors

Readymoney Mansion,
43, Veer Nariman Road, Fort,
Mumbai - 400 001.
Tel No.: +91 – 22 – 6623 0000, +91 – 22 – 6623 2288
Fax No.: +91 – 22 – 6633 9656 / 57
Contact Person: Mr. Chetan Thakkar
Email: chetanthakkar@kangacompany.com
Website: www.kangacompany.com

Statutory Auditors of our Company

Thakur Vaidyanath Aiyar and Company

Office No 11/B, Vatsa House,
Janmabhoomi Marg, Opposite Fountain,
Fort, Mumbai - 400001.
Tel No.: +91 – 22 – 22842502
Fax No.: +91 – 22 – 22046386
Contact Person: Mr C V Parameshwar
Email: tvamum@gmail.com

Bankers to our Company**HDFC Bank**

Trade World, A – Wing 2nd Floor
Kamla Mills, S. B. Marg,
Lower Parel (W)
Mumbai - 400013
Tel No.: + 91 – 22 – 24988484
Fax No.: + 91 – 22 – 40804711
Email: samit.mehta@hdfcbank.com
Website: www.hdfcbank.com
Contact Person: Mr. Samit Mehta

Bankers to the Issue / Escrow Collection Banks**Axis Bank Limited**

Universal Insurance Building, Sir P.M Road,
Fort, Mumbai – 400 001.
Tel No.: +91 – 22 – 66107353/7265
Fax No.: +91 – 22 – 22835758/66107322
Website: www.axisbank.com
Email: rajesh.khandelwal/Viraj Vaidya
SEBI Registration No.: INBI00000017

HDFC Bank Limited

FIG – OPS Department, - Lodha, I,
Think Techno Campus, O-3 Level,
Next to Kanjurmarg Railways Station,
Kanjurmarg (East), Mumbai – 400 042.
Tel No.: +91 – 22 – 3075 2928
Fax No.: +91 – 22 – 25799801
Email: uday.dixit@hdfcbank.com
Website: hdfcbank.com
Contact Person: Mr. Uday Dixit
SEBI Registration No.: INBI00000063

Refund Banker to the Issue

HDFC Bank Limited
FIG – OPS Department, - Lodha, I,
Think Techno Campus, O-3 Level,
Next to Kanjurmarg Railways Station,
Kanjurmarg (East), Mumbai – 400 042.
Tel No.: +91 – 22 – 3075 2928
Fax No.: +91 – 22 – 25799801
Email: uday.dixit@hdfcbank.com
Website: hdfcbank.com
Contact Person: Mr. Uday Dixit
SEBI Registration No.: INBI00000063

Self Certified Syndicate Banks

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

Statement of Inter-se Allocation of Responsibilities

BCB Brokerage Pvt. Ltd. is the Sole Lead Manager to this issue, and hence is responsible for all the issue management related activities.

Monitoring Agency

As per Regulation 16(1) of the SEBI (ICDR) Regulations, 2009 the requirement of Monitoring Agency is not mandatory if the issue size is below ₹ 50000 lacs. Since the Issue size is below ₹ 50000 lacs, our Company has not appointed a monitoring agency for this issue. However, as per the Clause 52 of the SME Listing Agreement to be entered into with BSE upon listing of the equity shares and the corporate governance requirements, the audit committee of our Company, would be monitoring the utilization of the proceeds of the Issue.

IPO Grading

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

Trustees

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

Details of the Appraising Authority

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

Credit Rating

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

Expert Opinion

Except the report of the Statutory Auditor of our Company on the financial statements and Statement of Tax Benefits included in this Prospectus, our Company has not obtained any other expert opinion.

Underwriting

This Issue is 100% Underwritten. The Underwriting agreement is dated August 01, 2014. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters are several and are subject to certain conditions specified therein. The Underwriters have indicated their intention to underwrite the following number of specified securities being offered through this Issue:

Details of the Underwriter	No. of Shares Underwritten	Amount Underwritten	% of the Total Issue Size Underwritten
BCB Brokerage Pvt. Ltd. 1207A, P.J Towers, Dalal Street, Mumbai - 400001, Maharashtra, India. Tel No.: +91 - 22 – 2272 0000 Fax.: +91 - 22 – 2272 2451 Contact Person: Mrs. Hardeep Kaur SEBI Registration No.: INB011161131 Website: www.bcbbrokerage.com Email: bbplmumbai@gmail.com	35,90,000	430,80,000	100.00%
Total	35,90,000	430,80,000	100.00%

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

Details of the Market Making Arrangement for this Issue

Our Company and the Lead Manager, BCB Brokerage Pvt. Ltd. have entered into an agreement dated August 01, 2014 with the following Market Maker to fulfill the obligations of Market Making:

Name	BCB Brokerage Pvt. Ltd.
Address	1207A, P.J Towers, Dalal Street, Mumbai - 400001, Maharashtra, India.
Tel. No.	+91 - 22 – 2272 0000
Fax No.	+91 - 22 – 2272 2451
E-mail	bbplmumbai@gmail.com
SEBI Registration No.	INB011161131

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

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

1. The Market Maker shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the Stock Exchange. Further, the Market Maker shall inform the exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker.
2. The minimum depth of the quote shall be ₹ 1,00,000. However, the investors with holdings of value less than ₹ 1,00,000 shall be allowed to offer their holding to the Market Maker in that scrip provided that he sells his entire holding in that scrip in one lot along with a declaration to the effect to the selling broker.
3. The Inventory Management and Buying/Selling Quotations and its mechanism shall be as per the relevant circulars issued by SEBI and BSE SME Platform from time to time.
4. Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker, for the quotes given by him.

5. There would not be more than five Market Makers for a script at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors.
6. On the first day of the listing, there will be pre-opening session (call auction) and there after the trading will happen as per the equity market hours. The circuits will apply from the first day of the listing on the discovered price during the pre-open call auction.
7. The Market Maker may also be present in the opening call auction, but there is no obligation on him to do so.
8. There will be special circumstances under which the Market Maker may be allowed to withdraw temporarily/fully from the market – for instance due to system problems or any other problems. All controllable reasons require prior approval from the Exchange, while force-majeure will be applicable for non controllable reasons. The decision of the Exchange for deciding controllable and non-controllable reasons would be final.
9. The Market Maker shall have the right to terminate said arrangement by giving a three months notice or on mutually acceptable terms to the Lead Manager, who shall then be responsible to appoint a replacement Market Maker.

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

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

10. **Risk containment measures and monitoring for Market Maker:** BSE SME Exchange will have all margins which are applicable on the BSE Main Board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. BSE can impose any other margins as deemed necessary from time-to-time.
11. **Punitive Action in case of default by Market Maker:** BSE SME Exchange will monitor the obligations on a real time basis and punitive action will be initiated for any exceptions and/or non-compliances. Penalties / fines may be imposed by the Exchange on the Market Maker, in case he is not able to provide the desired liquidity in a particular security as per the specified guidelines. These penalties / fines will be set by the Exchange from time to time. The Exchange will impose a penalty on the Market Maker in case he is not present in the market (offering two way quotes) for at least 75% of the time. The nature of the penalty will be monetary as well as suspension in market making activities / trading membership.

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

12. **Price Band and Spreads:** SEBI Circular bearing reference no: CIR/MRD/DP/ 02/2012 dated January 20, 2012, has laid down that for issue size up to ₹ 25000 lacs, the applicable price bands for the first day shall be:

- a. In case equilibrium price is discovered in the Call Auction, the price band in the normal trading session shall be 5% of the equilibrium price.
- b. In case equilibrium price is not discovered in the Call Auction, the price band in the normal trading session shall be 5% of the issue price.
- c. Additionally, the trading shall take place in TFT segment for first 10 days from commencement of trading.

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

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

All the above mentioned conditions and systems regarding the Market Making Arrangement are subject to change based on changes or additional regulations and guidelines from SEBI and Stock Exchange from time to time.

CAPITAL STRUCTURE

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

(₹ in lacs, except share data)

Sr. No.	Particulars	Aggregate Value at Nominal Value	Aggregate Value at Issue Price
A	Authorised Share Capital		
	1,20,00,000 Equity Shares of face value of ₹ 10 each	120.00	-
B	Issued, Subscribed and Paid-up Share Capital before the Issue		
	83,87,126 Equity Shares of face value of ₹ 10 each	838.71	-
C	Present Issue in terms of this Prospectus*		
	Issue of 35,90,000 Equity Shares of ₹ 10 each at a price of ₹ 12 per Equity Share	359.00	430.80
	<i>Which comprises:</i>		
	1,90,000 Equity Shares of ₹ 10 each for cash at a price of ₹ 12 per Equity Share reserved as Market Maker Portion	19.00	22.80
	Net Issue to Public of 34,00,000 Equity Shares of ₹ 10 each at a price of ₹ 12 per Equity Share to the Public	340.00	408.00
	<i>Of which:</i>		
	17,00,000 Equity Shares of ₹ 10 each at a price of ₹ 12 per Equity Share will be available for allocation for Investors of up to ₹ 2.00 lacs	170.00	204.00
	17,00,000 Equity Shares of ₹ 10 each at a price of ₹ 12 per Equity Share will be available for allocation for Investors of above ₹ 2.00 lacs	170.00	204.00
D	Equity Share Capital after the Issue		
	119,77,126 Equity Shares of ₹ 10 each	1197.71	
E	Securities Premium Account		
	Before the Issue		30.09
	After the Issue		101.89

*The present Issue has been authorized pursuant to a resolution of our Board dated June 13, 2014 and by Special Resolution passed under Section 62 of the Companies Act, 2013 at a General Meeting of our shareholders held on July 14, 2014

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

Classes of Shares

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

Authorized Share Capital

Sr. No.	Date and Types of Shareholders Meeting approving the change	Nature of Change	Increase (No. of Shares)	Cumulative No. Of Equity Shares	Face Value (₹)	Cumulative Authorized Share Capital (₹)
1	On Incorporation	-	-	15,00,000	10	1,50,00,000
2	EGM held on January 1, 2011	Increase	55,00,000	70,00,000	10	7,00,00,000
3	EGM held on November 25, 2013	Increase	20,00,000	90,00,000	10	9,00,00,000
4	EGM held on June 02, 2014	Increase	30,00,000	1,20,00,000	10	12,00,00,000

Notes to the Capital Structure:

1. Share Capital History of our Company:

a) Equity Share Capital

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

Date of Allotment of Equity Shares	No. of Equity Shares	Face Value (₹)	Issue Price (₹)	Nature / Reason of Allotment	Nature of Consideration	Cumulative No. of Equity Shares	Cumulative Paid Up Share Capital (₹)	Cumulative Share Premium (₹)
July 22, 2008	50,000 ⁽¹⁾	10	10	Subscription to MOA	Cash	50,000	5,00,000	-
March 25, 2011	68,32,543 ⁽²⁾	10	10	Further Allotment	Cash	68,82,543	688,25,430	-
December 31, 2013	15,04,583 ⁽³⁾	10	12	Further Allotment	Cash	83,87,126	838,71,260	30,09,166

⁽¹⁾ Allotted 49,994 shares to AFSL and 1 share each to representative nominee shareholders of AFSL namely Shripal Shah, Amit Kumar, Deepak Biyani, Ajit Joshi, D.B. Choudhari and Vinod Utekar.

⁽²⁾ Allotted 68,32,543 shares to AFSL.

⁽³⁾ Allotted 15,04,583 shares to AFSL.

b) No Shares allotted for consideration other than cash

c) No shares have been allotted in terms of any scheme approved under sections 391-394 of the Companies Act, 1956.

d) No bonus shares have been issued out of Revaluation Reserves.

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

f) Shareholding of our Promoters

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

Date of Allotment of fully paid up Equity Shares / Transfer	Allotment / Transfer	Consideration	No. of Shares	Face Value (₹)	Issue Price (₹)	Cumulative no. of Equity shares	% of Pre-Issue Paid Up Capital	% of Post-Issue Paid Up Capital	Source of Funds
Aryaman Financial Services Limited									
On Incorporation	Subscription to MOA	Cash	50,000*	10	10	50,000	0.60%	0.42%	Owned Funds and Internal Accruals
25-Mar-11	Allotment	Cash	6,832,543	10	10	68,82,543	81.47%	57.05%	Owned Funds and Internal Accruals
31-Dec-13	Allotment	Cash	15,04,583	10	12	83,87,126	17.94%	12.56%	Owned Funds and Internal Accruals
Total						83,87,126	100%	70.03%	

* Allotted 49,994 shares to AFSL and 1 share each to representative nominee shareholders of AFSL namely Shripal Shah, Amit Kumar, Deepak Biyani, Ajit Joshi, D.B. Choudhari and Vinod Utekar. Subsequently the company has filed a Form 22B with the ROC, Mumbai on December 24, 2013 and the nominee shares held by Amit Kumar, Ajit Joshi and Vinod Utekar have been transferred to new nominee shareholders namely Nehar Sakaria, Samaira Sainani and Dilip Rathod. Further, the company has filed Form MGT-6 dated July 23, 2014 whereby the nominee shares held by Mrs. Saimara Sainani have been transferred to Mr. Shreyas Shah.

Notes:

- None of the shares belonging to our promoters have been pledged till date.
- All the promoters' shares shall be subject to lock-in from the date of listing of the equity shares issued through this Prospectus for periods as per applicable Regulations of the SEBI (ICDR) Regulations. For details please see Note no. 2 of "Capital Structure" on page 49 of this Prospectus.

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

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

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

Pursuant to the Regulation 32(1) and 36(a) of the SEBI (ICDR) Regulations, an aggregate of 20% of the Post-Issue Equity Share Capital held by our Promoters shall be considered as promoters' contribution ("**Promoters' Contribution**") and locked-in for a period of three years from the date of Allotment. The lock-in of the Promoters' Contribution would be created as per applicable law.

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

Name of Promoter	No. of Shares locked in	As a % of Post Issue Share Capital
Aryaman Financial Services Limited	24,00,000	20.04%
Grand Total	24,00,000	20.04%

For details on the date of Allotment of the above Equity Shares, the nature of Allotment, face value and the price at which they were acquired, please see Note 1(f) under "*Notes to Capital Structure*" on page 49 of this Prospectus.

We confirm that the minimum Promoter contribution of 20% as shown above which is subject to lock-in for three years does not consist of:

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

We also confirm that the Equity Shares held by the Promoters and offered for minimum 20% Promoters' Contribution are not subject to any pledge.

The Equity Shares held by our Promoters may be transferred to and among the Promoter Group or to new promoters or persons in control of our Company, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the Takeover Code, as applicable.

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

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

- Pursuant to Regulation 37 of the SEBI (ICDR) Regulations, in addition to the Promoters' Contribution to be locked-in for a period of 3 years, as specified above, the entire Pre-Issue issue Equity Share capital will be locked in for a period of one (1) year from the date of Allotment in this Issue.
- Pursuant to Regulation 39 of the SEBI Regulations, the Equity Shares held by our Promoters can be pledged only with banks or financial institutions as collateral security for loans granted by such banks or financial institutions for the purpose of financing one or more of the objects of the issue and the pledge of shares is one of the terms of sanction of such loan. However, as on date of this Prospectus, none of the Equity Shares held by our Promoters have been pledged to any person, including banks and financial institutions.
- Pursuant to Regulation 40 of the SEBI (ICDR) Regulations, Equity Shares held by our Promoters, which are locked in as per Regulation 36 of the SEBI (ICDR) Regulations, may be transferred to and amongst our Promoters/ Promoter Group or to a new promoter or persons in control of our Company subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011 as applicable.

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

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

Sr. No.	Name of Shareholder	Pre-Issue		Post-Issue	
		No. of Equity Shares	As a % of Issued Equity	No. of Equity Shares	As a % of Issued Equity
A	Promoters				
1.	Aryaman Financial Services Limited	83,87,126	100%	83,87,126	70.03%
	Grand Total (A)	83,87,126	100%	83,87,126	70.03%

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

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

Sr. No.	Particulars	No. of Shares	% of Shares to Pre - Issue Share Capital
1	Aryaman Financial Services Limited	83,87,120*	99.99%
2	Shripal Shah-Nominee of AFSL	1*	Negligible
3	Deepak Biyani – Nominee of AFSL	1*	Negligible
4	Devidas Choudhari – Nominee of AFSL	1*	Negligible
5	Shreyas Shah – Nominee of AFSL	1*	Negligible
6	Nehar Sakaria – Nominee of AFSL	1*	Negligible
7	Dilip Rathod – Nominee of AFSL	1*	Negligible
	TOTAL	83,87,126	100.00%

*The actual shareholding of Aryaman Financial Services Limited is 8387126 shares i.e. 100.00% of the shareholding. However to meet the minimum shareholders criteria, representatives of AFSL have been appointed to hold these shares as nominee shareholders.

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

Sr. No.	Particulars	No. of Shares	% of Shares to Pre - Issue Share Capital
1	Aryaman Financial Services Limited	83,87,120*	99.99%
2	Shripal Shah – Nominee of AFSL	1*	Negligible
3	Deepak Biyani – Nominee of AFSL	1*	Negligible
4	Devidas Choudhari – Nominee of AFSL	1*	Negligible
5	Shreyas Shah – Nominee of AFSL	1*	Negligible
6	Nehar Sakaria – Nominee of AFSL	1*	Negligible
7	Dilip Rathod – Nominee of AFSL	1*	Negligible
	TOTAL	83,87,126	100.00%

*The actual shareholding of Aryaman Financial Services Limited is 8387126 shares i.e.100.00% of the shareholding. However to meet the minimum shareholders criteria, representatives of AFSL have been appointed.

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

Sr. No.	Particulars	No. of Shares	% of then Share Capital
1	Aryaman Financial Services Limited	68,82,537	99.99%
2	Shripal Shah-Nominee of AFSL	1*	Negligible
3	Deepak Biyani – Nominee of AFSL	1*	Negligible
4	Amit Kumar – Nominee of AFSL	1*	Negligible
5	Ajit Joshi – Nominee of AFSL	1*	Negligible
6	Devidas Choudhari – Nominee of AFSL	1*	Negligible
7	Vinod Utekar – Nominee of AFSL	1*	Negligible
	TOTAL	68,82,543	100.00%

*The actual shareholding of Aryaman Financial Services Limited is 6882543 shares i.e. 100% of the shareholding. However to meet the minimum shareholders criteria, representatives of AFSL have been appointed.

5. Neither the Company, nor its Promoters, Directors and the Lead Manager have entered into any buyback and/or standby arrangements for purchase of Equity Shares of the Company from any person.
6. None of our Directors or Key Managerial Personnel holds Equity Shares in the Company, except as stated in the Chapter titled "*Our Management*" on page 109 of this Prospectus.
7. There have been no purchase or sell of Equity Shares by the Promoters, Promoter Group and the Directors during a period of six months preceding the date on which the Prospectus filed with the Designated Stock Exchange
8. Investors may note that in case of over-subscription, allotment will be on proportionate basis as detailed in "*Issue Procedure - Basis of Allotment*" on page 199 of this Prospectus.
9. An investor cannot make an application for more than the number of Equity Shares offered in this Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investor.
10. An over-subscription to the extent of 10% of the Issue can be retained for the purpose of rounding off to the nearest integer during finalizing the allotment, subject to minimum allotment, which is the minimum application size in this Issue. Consequently, the actual allotment may go up by a maximum of 10% of the Issue, as a result of which, the post-issue paid up capital after the Issue would also increase by the excess amount of allotment so made. In such an event, the Equity Shares held by the Promoters and subject to lock- in shall be suitably increased; so as to ensure that 20% of the post Issue paid-up capital is locked in.
11. Under subscription, if any, in any of the categories, would be allowed to be met with spill-over from any of the other categories or a combination of categories at the discretion of our Company in consultation with the LM and Designated Stock Exchange. Such inter-se spill over, if any, would be effected in accordance with applicable laws, rules, regulations and guidelines
12. No payment, direct, indirect in the nature of discount, commission, and allowance, or otherwise shall be made either by us or by our Promoters to the persons who receive allotments, if any, in this Issue.
13. As on date of this Prospectus, the entire issued share capital of our Company is fully paid-up. The Equity Shares offered through this Public Issue will be fully paid up.

- 14.** On the date of filing the Prospectus, there are no outstanding financial instruments or any other rights that would entitle the existing Promoters or shareholders or any other person any option to receive Equity Shares after the Issue.
- 15.** There shall be only one denomination of Equity Shares of our Company unless otherwise permitted by law. Our Company shall comply with disclosure and accounting norms as may be specified by SEBI from time to time.
- 16.** Since the entire application money is being called on application, all successful applications, shall be issued fully paid up shares only. Also, as on the date of filing of this Prospectus the entire pre-issue share capital of the Company has been made fully paid up.
- 17.** Except as disclosed in the Prospectus, our Company presently does not have any intention or proposal to alter its capital structure for a period of six months commencing from the date of opening of this Issue, by way of split / consolidation of the denomination of Equity Shares or further issue of Equity Shares or securities convertible into Equity Shares, whether on a preferential basis or issue of bonuses or rights or further public issue of specified securities or Qualified Institutional Placement.
- 18.** We have not issued any Equity Shares out of revaluation reserves. We have not issued any Equity Shares for consideration other than cash except as stated in this Prospectus.
- 19.** As on date of filing this Prospectus, there are no outstanding ESOP's, warrants, options or rights to convert debentures, loans or other instruments convertible into the Equity Shares, nor has the company ever allotted any equity shares pursuant to conversion of ESOP's till date.
- 20.** Our Company shall ensure that transactions in the Equity Shares by our Promoters and our Promoter Group between the date of this Prospectus and the Issue Closing Date shall be reported to the Stock Exchange within twenty-four hours of such transaction.
- 21.** The Lead Manager and its associates do not directly or indirectly hold any shares of the Company.
- 22.** Our Company has seven (7) shareholders, as on the date of filing of this Prospectus. This includes 6 nominee shareholders.
- 23.** Our Company has not re-valued its assets since incorporation.
- 24.** Our Company has not made any public issue or rights issue since its incorporation.
- 25.** There will be no further issue of capital whether by way of issue of bonus shares, preferential allotment, and rights issue or in any other manner during the period commencing from submission of this Prospectus with BSE until the Equity Shares to be issued pursuant to the Issue have been listed.

26. Shareholding Pattern of the Company

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

Category Code	Category of shareholder	Pre-Issue					Shares Pledged or otherwise encumbered	
		No. of shareholders	Total number of shares	Number of shares held in dematerialised form	Total shareholding as a % of total number of shares		No. of equity shares	As a %
					As a % of (A+B)	As a % of (A+B+C)		
(A)	Promoter and Promoter Group							
-1	Indian							
(a)	Individuals/ Hindu Undivided Family	6	6*	-	Negligible	Negligible	-	-
(b)	Central Government/ State Government(s)	-	-	-	-	-	-	-
(c)	Bodies Corporate	1	8387120	-	100.00%	100.00%	-	-
(d)	Financial Institutions/ Banks	-	-	-	-	-	-	-
(e)	Any Other (specify)	-	-	-	-	-	-	-
	<i>Sub-Total (A)(1)</i>	<i>7</i>	<i>8387126</i>	<i>-</i>	<i>100%</i>	<i>100%</i>	<i>-</i>	<i>-</i>
-2	Foreign							
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	-	-	-	-	-	-	-
(b)	Bodies Corporate	-	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-	-
(d)	Any Other (specify)	-	-	-	-	-	-	-
	<i>Sub-Total (A)(2)</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+ (A)(2)	7	8387126	-	100%	100%	-	-
(B)	Public shareholding							
-1	Institutions							
(a)	Mutual Funds/UTI	-	-	-	-	-	-	-
(b)	Financial Institutions/ Banks	-	-	-	-	-	-	-
(c)	Central Government/ State Government(s)	-	-	-	-	-	-	-
(d)	Venture Capital Funds	-	-	-	-	-	-	-
(e)	Insurance Companies	-	-	-	-	-	-	-
(f)	Foreign Institutional Investors	-	-	-	-	-	-	-
(g)	Foreign Venture Capital Investors	-	-	-	-	-	-	-
(h)	Nominated investors (as defined in Chapter XB of SEBI (ICDR) Regulations)	-	-	-	-	-	-	-
(i)	Market Makers	-	-	-	-	-	-	-
(j)	Any Other (specify)	-	-	-	-	-	-	-

Category Code	Category of shareholder	Pre-Issue					Shares Pledged or otherwise encumbered	
		No. of shareholders	Total number of shares	Number of shares held in dematerialised form	Total shareholding as a % of total number of shares		No. of equity shares	As a %
					As a % of (A+B)	As a % of (A+B+C)		
	<i>Sub-Total (B)(1)</i>	-	-	-	-	-	-	-
-2	Non-institutions							
(a)	Bodies Corporate	-	-	-	-	-	-	-
(b)	Individuals –	0	-	-	-	-	-	-
	i. Individual shareholders holding nominal share capital up to ₹ 1 lac							
	ii. Individual shareholders holding nominal share capital in excess of ₹ 1 lac							
(c)	Any Other (specify)						-	-
	<i>Sub-Total (B)(2)</i>						-	-
	Total Public Shareholding (B) = (B)(1) + (B)(2)			-			-	-
	TOTAL (A) + (B)	7	8387126	-	100%	100%	-	-
(C)	Shares held by Custodians and against which Depository Receipts have been issued	-	-	-	-	-	-	-
	GRAND TOTAL (A) + (B) + (C)	7*	8387126	-	100%	100%	-	-

*The actual shareholding of Aryaman Financial Services Limited is 8387126 shares i.e. 100.00% of the shareholding. However to meet the minimum shareholders criteria, 6 representatives of AFSL have been appointed and each hold 1 share as a Nominee Shareholder.

SECTION IV: PARTICULARS OF THE ISSUE

OBJECTS OF THE ISSUE

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

1. Investments and acquisition of listed / unlisted securities and financial products
 2. Repayment of Loans
 3. Issue Expenses
 4. General Corporate Purposes
- (Collectively referred to hereinafter as the "**Objects**")

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

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

Requirement of funds

The following table summarizes the requirement of funds:

		<i>(₹ in Lacs)</i>
Sr. No.	Particulars	Amount
1	Investments and acquisition of listed / unlisted securities and financial products	182.00
2	Repayment of Loans	216.00
3	Issue Expenses	31.00
4	General Corporate Purposes	1.80
	Total	430.80

Means of Finance

		<i>(₹ in Lacs)</i>
Sr. No.	Particulars	Amount
1	Public Issue Proceeds	430.80

The entire requirement of funds is proposed to be funded through the proceeds of the Issue. Hence, the requirement of firm arrangements for minimum 75% of the means of finance other than those being raised through the Issue is not applicable.

Our management, in response to the competitive and dynamic nature of the industry, will have the discretion to revise its business plan from time to time and consequently our funding requirement and deployment of funds may also change. This may, subject to compliance with applicable laws and regulations, also include rescheduling the proposed utilization of Issue Proceeds and increasing or decreasing expenditure for a particular object *vis-à-vis* the utilization of Issue Proceeds. In case of variations in the actual utilization of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in this Issue. If surplus funds are unavailable, the required financing will be through our internal accruals. Also, any decreased fund requirements that lead to additional funds available for deployment as compared to the funding requirements mentioned below, the same shall be utilized as per the discretion of our management for general corporate purposes. In case of any delay in raising the funds proposed through this Issue, the company shall utilize its Internal Accruals to pay for the Issue related expenses till then.

Details of the use of the proceeds

1. Investments and acquisition of listed / unlisted securities and financial products:

Our Investment portfolio includes Current and Non Current Investments in Securities as well as certain quoted equities which we classify as “Inventories” based on our business and operational requirements. This aggregate Investments and Trading Portfolio on our books as on March 31, 2013 and March 31, 2014 stands at ₹ 505.37 lacs and ₹ 859.42 lacs respectively. We intend to use ₹ 182 Lacs for investing in Securities. Such investments could be strategic or non-strategic for short term or long term depending upon the capital market conditions including but not limited to macroeconomic indicators, management profile of issuer companies, and industry scenarios as well as market making mandates entered into by us from time to time. Securities include shares, debentures, bonds, warrants, options, mutual funds, exchange traded funds, gold exchange traded funds or any other financial instruments in which we may invest through market, preferential, private allotments, or other such routes in public or private companies, which may include strategic investments.

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

Since, we are in the business of providing corporate advisory as well as market making services, our domain knowledge from such business activities coupled with the experience of our promoters and senior management in the capital markets helps us identify and explore various investment and trading opportunities in Indian markets. Market Making is the act of providing liquidity to scrips by way of two way quotes on the counter. Since, Market Making is a fund based activity and we believe that going forward capital adequacy would play a key role in our ability to continue adding scrips in our Market Making Portfolio; we propose to raise capital and improve our fund adequacy for the same. We believe a dominant part of our funds raised shall be used for Market Making and the relevant investments and trading activities involved in the same.

2. Repayment of Loans

Due to expansion in our fund based activities in the recent past, the company has incurred certain indebtedness from private NBFCs who have funded us in form of unsecured loans for financing our investment capital needs. We intend to utilize an amount aggregating to ₹ 216.00 lacs from the Issue proceeds in order to repay these liabilities. We believe that a low debt balance sheet would help us manage our cash flows more efficiently and create a longer term sustainability model for our newly started activities such as market making.

Following are the details of the loans we intend to repay from the issue proceeds:

(₹ in Lacs)

Sr. No.	Name of Lender	Amt. of Loan outstanding as on March 31, 2014*	Amt. of Loan outstanding as on June 30, 2014**	Amt. of Loan proposed to be repaid from IPO proceeds
1.	Franklin Leasing & Finance Ltd.	68.00	104.00	104.00
2.	Sonal Mercantile Ltd.	57.00	57.00	57.00
3.	Maheshwari Financial Services Ltd.	-	55.00	55.00
	Total	125.00	216.00	216.00

* Source: Auditor’s Report

** Source: Auditor’s Certificate dated July 22, 2014

We further confirm that the above mentioned loan proceeds were utilized towards the investment and market making activities of the company, which, is also the other primary object of the issue.

3. Public Issue Expenses

The estimated issue related expenses include, among others, underwriting and selling commissions, printing and distribution expenses, legal fees, advertisement expenses, registrar's fees, depository fees and listing Fees. The total expenses for this Issue are estimated to be approximately ₹ 31 lacs, which is 7.19% of the Issue size.

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

Sr. No.	Particulars	Amount (₹ in lacs)
1	Issue Management fees including fees and reimbursements of Market Making fees, selling commissions, brokerages, and payment to other intermediaries such as Legal Advisors, Registrars and other out of pocket expenses.	15.00
2	Printing & Stationery, Distribution, Postage, etc	2.50
3	Advertisement & Marketing Expenses	2.50
4	Regulatory & other expenses	11.00
	Total	31.00

4. General Corporate Purposes

We intend to use approximately ₹ 1.80 lacs from the Proceeds of the Issue towards general corporate expenses as decided by our Board from time to time, including but not restricted to for our working capital requirements, bank deposits, deposits for renting or otherwise acquiring business premises, setting-up of new services, deposits obtaining new or enabling accreditations and licenses, strategic initiatives, expansion into new geographies, brand building exercises, strengthening of our marketing capabilities, implementing enterprise resource planning tools and methodology, in our operations and other project related investments and commitments and execution capabilities in order to strengthen our operations.

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

Appraisal

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

Monitoring Utilization of Funds

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

Funds deployed

Our Statutory Auditors - M/s. Thakur Vaidhyanathan Aiyar & Co. have vide certificate dated August 22, 2014 confirmed that as on July 31, 2014 the Company has deployed the following funds from the proposed Requirement of Funds mentioned above:

Sr. No.	Particulars	Amount (₹ in lacs)
1	Public Issue Expenses	2.86

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

Estimated Schedule of Implementation and Deployment of Funds

Sr. No.	Particulars	Amount deployed upto March 31, 2014 (₹ in lacs)	Amount to be Deployed in F.Y. 2014-15 (₹ in lacs)
1	Investments and acquisition of listed / unlisted securities and financial products	0.00	182.00
2	Repayment of Loans	0.00	216.00
3	Issue Expenses	0.00	31.00
4	General Corporate Purposes	0.00	1.80
	Total	0.00	430.80

Interim Use of Proceeds

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

BASIC TERMS OF ISSUE

Terms of the Issue

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

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

Authority for the Issue:

The present issue has been authorized pursuant to a resolution of our Board dated June 13, 2014 and by Special Resolution passed under Section 62(1)(C) of the Companies Act, 2013 at an Annual General Meeting of our shareholders held on July 14, 2014.

Other Details

Face Value	The Equity Shares having a face value of ₹ 10 each are being offered in terms of this Prospectus. At any given point of time there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws.
Issue Price	The Equity Shares pursuant to this Prospectus are being offered at a price of ₹ 12 each.
Market Lot and Trading Lot	The Market lot and Trading lot for the Equity Share is 10,000 (Ten Thousand) and the multiple of 10,000; subject to a minimum allotment of 10,000 Equity Shares to the successful applicants.
Terms of Payment	Applications should be for a minimum of 10,000 equity shares and 10,000 equity shares thereafter. The entire price of the equity shares of ₹ 12 per share (₹ 10 face value + ₹ 2 premium) is payable on application. In case of allotment of lesser number of equity shares than the number applied, the excess amount paid on application shall be refunded by us to the applicants.
Ranking of the Equity Shares	The Equity Shares shall be subject to the Memorandum and Articles of Association of the Company and shall rank <i>pari-passu</i> in all respects including dividends with the existing Equity Shares of the Company. The allottees will be entitled to dividend, voting rights or any other corporate benefits, if any, declared by us after the date of Allotment.

Minimum Subscription

This Issue is not restricted to any minimum subscription level. This Issue is 100% underwritten.

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

BASIS FOR ISSUE PRICE

The Issue Price has been determined by our Company in consultation with the Lead Manager on the basis of the key business strengths. The face value of the Equity Shares is ₹ 10 and Issue Price is ₹ 12 per Equity Shares and is 1.20 times of the face value. Investors should read the following basis with the sections titled "Risk Factors" and "Financial Information" and the chapter titled "Our Business" beginning on pages 11, 127 and 90 respectively, of this Prospectus to get a more informed view before making any investment decisions. The trading price of the Equity Shares of our Company could decline due to these risk factors and you may lose all or part of your investments.

Qualitative Factors

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

- ***Qualified and Experienced Directors***

Our company is led by Mr. Shripal Shah and Mr. Shreyas Shah who are well qualified and experienced in the finance and legal fields. For further details regarding the education qualifications, experience and other relevant details of our Directors (who are also the natural persons owning our corporate promoter) please refer to "*Our Management*" beginning on page 109 of this Prospectus. We believe that since our Directors have been actively involved in the Financial Services Industry and have gained requisite domain knowledge, experience, and industry networks they would be able to adequately exploit opportunities in our sector going forward and help us in improving our operational performance and brand value.

- ***Strong Market Presence of our Corporate Promoter***

Our Investments and Trading Operations (including our Market Making Stocks) are primarily in Small Cap and Mid Cap companies. We believe that our group's investment banking and advisory businesses will help us better recognize investment opportunities and we believe this unique synergy will help make better investment decisions. Further, in order to generate more Underwriting Commissions, Market Making Fees and other Fee based revenue we would be in good stead due to the strong presence of our promoter AFSL in this space and hence synergies between our companies would be adequately exploited.

- ***Low Debt and Low Fixed Overheads***

Since our incorporation, we have always been well capitalized through equity from our Promoters and now through this issue we further propose to improve our equity capitalizations. Post the completion of this issue we would have paid off all of our outside indebtedness incurred upto June 30, 2014. We believe that this is a unique balance sheet situation in such uncertain times and hence would help us raise debt and when required in the future as well as ensure our long term sustainability. Further, being a fund based activity company, we do not have any substantial fixed overheads in form of employee costs, interest burdens and other administrative expenses and hence we feel that this too would mean that as and when our revenues from additional market making etc. increases it would have a multiplier effect on our net profitability.

- ***Early Mover Advantage in Market Making***

The concept of Market Making has been re-discovered in India after the advent of SME IPOs in March 2012. We are currently designated Market Makers for 6 scrips of the SME Platform of BSE. Further our promoter AFSL is among the top performing Merchant Banker in this space and hence we would have a strong brand recall for our Market Making Services in the future once the size of market making sector increases due to awareness among corporates in India of the various benefits of market making.

For further details regarding the above mentioned factors, which form the basis for computing the Issue Price, please see "*Our Business*" on page 90 of this Prospectus.

Quantitative Factors

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

1) Earnings per Share

Year ended March 31	Basic & Diluted EPS (in ₹) *	Weight
2014	0.09	3
2013	0.06	2
2012	0.12	1
Weighted Average	0.08	

Notes:

- Basic EPS has been calculated as per the following formula:
(Net profit/ (loss) as restated, attributable to Equity Shareholders)/ (Weighted average number of Equity Shares outstanding during the year/period)
- Diluted EPS has been calculated as per the following formula:
(Net profit/ (loss) as restated, attributable to Equity Shareholders)/ (Diluted weighted average number of Equity Shares outstanding during the year/period)
- Earnings per share calculations are in accordance with Accounting Standard 20 "Earnings per Share" prescribed by the Companies (Accounting Standard) Rules, 2006.

2) Price Earnings Ratio (P/E) in relation to the Issue price of ₹ 12 per share of ₹ 10 each

Particulars	P/E Ratios
P/E ratio based on Basic EPS as at March 31, 2014	135.07
P/E ratio based on Weighted Average EPS	142.21

Industry P/E	
Highest – NCL Res. & Finl.	506.10
Lowest – Williamson Fin	2.40
Industry Average	16.50

Source: Capital Market Volume XXIX/11, Jul 21 – Aug 03, 2014; Segment: Finance and Investments

3) Return on Net worth (RoNW)

Year ended March 31	RoNW (%)	Weight
2014	0.73%	3
2013	0.62%	2
2012	1.15%	1
Weighted Average	0.76%	

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

Net profit/loss after tax, as restated / Net worth excluding revaluation reserve

Minimum Return on Net Worth (RoNW) after Issue needed to maintain the Pre-Issue Basic EPS for the FY 2013-14 (based on Restated Financials) at the Issue Price of ₹ 12 is 0.81%.

4) *Net Asset Value (NAV)*

Financial Year	NAV (in ₹)
NAV as at March 31, 2014	10.51
NAV after Issue	10.96
Issue Price	12.00

Source: Auditors Report

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

Net worth excluding revaluation reserve / Outstanding number of Equity shares outstanding during the year/ period.

5) *Comparison with Industry peers*

There are no other listed companies which operate in the niche field of market making (as their main focus) and hence we cannot provide a peer group comparison.

6) The Company in consultation with the Lead Manager believes that the issue price of ₹ 12 per share for the Public Issue is justified in view of the above quality and quantity parameters. The investors may also want to peruse the Risk Factors and Financials of the company including important profitability and return ratios, as set out in the Financial Statements included in this Prospectus to have more informed view about the investment proposition. The Face Value of the Equity Shares is ₹ 10 per share and the Issue Price is 1.20 times of the face value i.e. ₹ 12 per share.

STATEMENT OF TAX BENEFITS

To,
The Board of Directors
Aryaman Capital Markets Ltd.,

Dear Sirs,

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

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

The benefits discussed in the Annexure are not exhaustive and the preparation of the contents stated is the responsibility of the Company's management. We are informed that this statement is only intended to provide general information to the investors and hence is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue. Our confirmation is based on the information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company and the interpretation of the current tax laws in force in India. We do not express any opinion or provide any assurance whether:

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

The contents of the annexure are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company. No assurance is given that the revenue authorities / courts will concur with the views expressed herein. The views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the view, consequent to such change. We shall not be liable to Aryaman Capital Markets Limited (formerly Aryaman Broking Limited) for any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct.

Thanking you,

Yours faithfully,
For Thakur, Vaidyanath Aiyar & Co.
Chartered Accountants
Firm Registration No. 000038N

Place: Mumbai
Date: July 22, 2014

C.V. Parmeswar
Partner
Membership No: 11541

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

I. Special Benefits available to our Company

There are no special tax benefits available to our Company.

II. Special Benefits available to the Shareholders of our Company

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

III. Benefits available to the Company

1. Depreciation

As per the provisions of Section 32 of the Act, the Company is eligible to claim depreciation on tangible and specified intangible assets as explained in the said section and the relevant Income Tax rules there under. In accordance with and subject to the conditions specified in Section 32(1)(ia) of the Act, the Company is entitled to an additional depreciation allowance of 20% of the cost of new machines acquired and put to use during a year.

2. Dividend Income

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

3. Income from Mutual Funds / Units

As per section 10(35) of the Act, the following income shall be exempt in the hands of the Company: Income received in respect of the units of a Mutual Fund specified under clause (23D) of section 10; or Income received in respect of units from the Administrator of the specified undertaking; or Income received in respect of units from the specified company. However, this exemption does not apply to any income arising from transfer of units of the Administrator of the specified undertaking or of the specified company or of a mutual fund, as the case may be. For this purpose (i), Administrator' mean the Administrator as referred to in section 2(a) of the Unit Trust of India (Transfer of Undertaking and Repeal) Act, 2002 and (ii) 'Specified Company' means a company as referred to in section 2(h) of the said Act.

4. Income from Long Term Capital Gain

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

- (i) Where the investible funds are invested by way of equity shares in domestic companies to the extent of more than sixty five percent of the total proceeds of such funds; and
- (ii) Which has been set up under a scheme of a Mutual Fund specified under section 10(23D) of the Act

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

Book Profit	A.Y.-2012-13	A.Y.-2013-14
If book profit is less than or equal to ₹ 1 Crore	19.055%	19.055%
If book profit is more than ₹ 1 Crore	20.01%	20.01%

5. Section 14A of the Act restricts claim for deduction of expenses incurred in relation to incomes which do not form part of the total income under the Act. Thus, any expenditure incurred to earn tax exempt income is not tax deductible.
6. As per the provisions of Section 112 of the Income Tax Act, 1961, long-term capital gains as computed above that are not exempt under Section 10(38) of the Income Tax Act, 1961 would be subject to tax at a rate of 20 percent (plus applicable surcharge plus education cess plus secondary and higher education cess). However, as per the provision to Section 112(1), if the tax on long-term capital gains resulting on transfer of listed securities or units, calculated at the rate of 20 percent with indexation benefit exceeds the tax on long-term capital gains computed at the rate of 10 percent without indexation benefit, then such gains are chargeable to tax at a concessional rate of 10 percent (plus applicable surcharge plus education cess plus secondary and higher education cess).
7. As per section 54EC of the Act and subject to the conditions and to the extent specified therein, long-term capital gains (in cases not covered under section 10(38) of the Act) arising on the transfer of a long-term capital asset will be exempt from capital gains tax if the capital gains are invested in a 'long term specified asset' within a period of 6 months after the date of such transfer. However, if the assessee transfers or converts the long term specified asset into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long-term capital gains in the year in which the long term specified asset is transferred or converted into money. A 'long term specified asset' means any bond, redeemable after three years and issued on or after the 1st day of April 2006:
 - (i) by the National Highways Authority of India constituted under section 3 of the National Highways Authority of India Act, 1988, and notified by the Central Government in the Official Gazette for the purposes of this section; or
 - (ii) by the Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956, and notified by the Central Government in the Official Gazette for the purposes of this section.
8. As per section 111A of the Act, short-term capital gains arising to the Company from the sale of equity share or a unit of an equity oriented fund transacted through a recognized stock exchange in India, where such transaction is chargeable to securities transaction tax, will be taxable at the rate of 15% (plus applicable surcharge plus education cess plus secondary and higher education cess).

9. Preliminary Expenses

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

10. Credit for Minimum Alternate Taxes (MAT)

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

11. Interest Income exempt under Section 10(15):-

Income by way of interest, premium on redemption or other payment on notified securities, bonds, certificates issued by the Central Government is exempt from tax under section 10(15) of the Income tax Act, 1961 (herein after referred to as 'the Act') in accordance with and subject to the conditions and limits as may be specified in notifications.

12. Scientific Research Expenses

i. Subject to authorized of specified conditions, the Company will be eligible, inter alia, for deduction in respect of revenue expenditure under section 35(1)(i) and in respect of capital expenditure (other than expenditure on the acquisition of any land) under section 35(1) (iv) of the Act incurred on scientific research.

ii. As per section 35(2AB) of the Act, the Company will be entitled to claim deduction of 200% of the expenditure incurred on in-house research and development facility subject to authorized of certain conditions specified therein.

13. Deduction under Section 36:-

i. Under section 36(1) (vii), any bad debt or part thereof written off as irrecoverable in the accounts is allowable as a deduction from the total income.

ii. In computing the business income, an amount equal to STT paid in respect of taxable securities transactions entered into in the course of business will be allowed as a deductible expense, if the income arising from such taxable securities transactions is included in the income computed under the head "Profits and Gains of Business or Profession" as per the provisions of section 36(1) (xv) of the Act.

14. Deduction under Section 48:-

As per section 48 of the Act, income chargeable under the head capital gains shall be computed by deducting from the full value of consideration, the expenses incurred in connection with the transfer of the capital asset along with the cost of acquisition and cost of improvement of the capital asset. Further, in case of long term capital gain arising from transfer of a long term capital asset, the company shall be eligible to avail the benefit of indexed cost of acquisition and cost of improvement and factor in the impact of inflation on cost.

15. Business Loss/ Capital Gain Loss:-

i. As per provisions of section 72 of the Act, the company is entitled to carry forward business losses for a period of 8 consecutive assessment years commencing from the assessment year when the losses were first computed and set off such losses from income chargeable under the head "Profits and gains from business or profession".

ii. As per provisions of section 74 of the Act, the company is entitled to carry forward losses arising from the transfer of capital assets for a period of 8 consecutive assessment years commencing from the assessment year when the losses were first computed and set off such losses from income chargeable under the head "Capital Gains". However, losses arising from long term capital assets may be set off only against long term capital gains arising to the company in future.

16. Deduction under Section 80G:-

The company is entitled to deduction under section 80G of the Act in respect of amounts contributed as donations to various charitable institutions and funds covered under that section, subject to fulfillment of conditions specified therein.

- 17.** In accordance with section 35DDA, the company is eligible for deduction in respect of payments made to its employees in connection with their voluntary retirement for an amount equal to 1/5th of the amount so paid for that previous year, and the balance in four equal installments for each of the succeeding previous years subject to conditions specified in that section.
- 18.** In accordance with section 80-IA, the company can claim, subject to fulfillment of certain conditions, deduction of an amount equal to hundred percent of the profits and gains derived from the business of, development of Infrastructure facilities including construction of roads, bridges, rail systems, highways, irrigation projects, ports etc, for Ten consecutive assessment years out of Twenty years beginning from the year in which the company develops such facility.

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

- 1.** As per section 10(34) of the Act, any income by way of dividends referred to in Section 115-O (i.e. dividends declared, distributed or paid on or after 1 April 2003) received on the shares of the Company is exempt from tax in the hands of the shareholders.
- 2.** Section 48 of the Act, which prescribes the mode of computation of capital gains, provides for deduction of cost of acquisition/improvement and expenses incurred in connection with the transfer of a capital asset, from the sale consideration to arrive at the amount of capital gains. However, in respect of long-term capital gains, it offers a benefit by permitting substitution of cost of acquisition / improvement with the indexed cost of acquisition / improvement, which adjusts the cost of acquisition / improvement by a cost inflation index as prescribed from time to time.
- 3.** Under Section 10(38) of the Income Tax Act, 1961, long-term capital gains arising to a shareholder on transfer of equity shares in the company would be exempt from tax where the sale transaction has been entered into on a recognized stock exchange of India and is liable to STT. However, the long-term capital gain of a shareholder being company shall be subject to income tax computation on book profit under section 115JB of the Income Tax, 1961.
- 4.** Section 14A of the Act restricts claim for deduction of expenses incurred in relation to incomes which do not form part of the total income under the Act. Thus, any expenditure incurred to earn tax exempt income is not tax deductible.
- 5.** As per section 112 of the Act, if the shares of the company are listed on a recognized stock exchange, taxable long-term capital gains, if any, on sale of the shares of the Company (in cases not covered under section 10(38) of the Act) would be charged to tax at the rate of 20% (plus applicable surcharge plus education cess plus secondary and higher education cess) after considering indexation benefits or at 10% (plus applicable surcharge plus education cess plus secondary and higher education cess) without indexation benefits, whichever is less.
- 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 capital gains tax if the capital gains are invested in a 'long-term specified asset' within a period of 6 months after the date of such transfer. If only part of capital gain is so reinvested, the exemption shall be allowed proportionately provided that the investment made in the long-term specified asset during any financial year does not exceed fifty Lac rupees. In such a case, the cost of such long-term specified asset will not qualify for deduction under section 80C of the Act. However, if the

assessee transfers or converts the long-term specified asset into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long-term capital gains in the year in which the long-term specified asset is transferred or converted into money. A 'long-term specified asset' means any bond, redeemable after three years and issued on or after the 1st day of April 2006:

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

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

7. Under Section 54F of the Income Tax Act, 1961 and subject to the conditions specified therein, long-term capital gains (other than those exempt from tax under Section 10(38) of the Income Tax Act, 1961) arising to an individual or a Hindu Undivided Family ('HUF') on transfer of shares of the company will be exempt from capital gains tax subject to certain conditions, if the net consideration from transfer of such shares are used for purchase of residential house property within a period of 1 year before or 2 years after the date on which the transfer took place or for construction of residential house property within a period of 3 years after the date of such transfer.
8. Under Section 111A of the Income Tax Act, 1961 and other relevant provisions of the Income Tax Act, 1961, short-term capital gains (i.e., if shares are held for a period not exceeding 12 months) arising on transfer of equity share in the company would be taxable at a rate of 15 percent (plus applicable surcharge plus education cess plus secondary and higher education cess) where such transaction of sale is entered on a recognized stock exchange in India and is liable to STT. Short-term capital gains arising from transfer of shares in a Company, other than those covered by Section 111A of the Income Tax Act, 1961, would be subject to tax as calculated under the normal provisions of the Income Tax Act, 1961.
9. As per section 36(1)(xv) of the Act, the securities transaction tax paid by the shareholder in respect of taxable securities transactions entered in the course of the business will be eligible for deduction from the income chargeable under the head —Profits and Gains of Business or Profession if income arising from taxable securities transaction is included in such income.

10. Transaction not regarded as Transfer under Section 47:-

In the event of Demerger of a company, transfer or issue of shares by the resulting company to the shareholders of the demerged company will not attract capital gain tax as per provisions of Section 47(vi) of the Act, subject to certain conditions specified therein.

11. Benefit under section 74:-

Where in respect of any assessment year, the net result of the computation under the head "Capital gains" is a loss to the assessee, the whole loss shall, subject to the other provisions of this Chapter, be carried forward to the following assessment year, and—

- in so far as such loss relates to a short-term capital asset, it shall be set off against income, if any, under the head "Capital gains" assessable for that assessment year in respect of any other capital asset;
- in so far as such loss relates to a long-term capital asset, it shall be set off against income, if any, under the head "Capital gains" assessable for that assessment year in respect of any other capital asset not being a short-term capital asset;

- if the loss cannot be wholly so set off, the amount of loss not so set off shall be carried forward to the following assessment year and so on.

No loss shall be carried forward under this section for more than eight assessment years immediately succeeding the assessment year for which the loss was first computed.

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

1. Dividend income, if any, received by the Company from its investment in shares of another domestic company will be exempt from tax under Section 10(34) read with Section 115-O of the Income Tax Act, 1961. Income, if any, received on units of a Mutual Funds specified under Section 10(23D) of the Income Tax Act, 1961 will also be exempt from tax under Section 10(35) of the Income Tax Act, 1961, received on the shares of the Company is exempt from tax.
2. As per section 10(38) of the Act, long-term capital gains arising to the shareholders from the transfer of a long-term capital asset being an equity share in the Company, where such transaction is chargeable to securities transaction tax would not be liable to tax in the hands of the shareholder.
3. Section 14A of the Act restricts claim for deduction of expenses incurred in relation to incomes which do not form part of the total income under the Act. Thus, any expenditure incurred to earn tax exempt income is not tax deductible.
4. As per section 54EC of the Act and subject to the conditions and to the extent specified therein, long-term capital gains (in cases not covered under section 10(38) of the Act) arising on the transfer of a long-term capital asset will be exempt from capital gains tax if the capital gains are invested in a 'long-term specified asset' within a period of 6 months after the date of such transfer. If only part of capital gain is so reinvested, the exemption shall be allowed proportionately provided that the investment made in the long-term specified asset during any financial year does not exceed fifty Lac rupees. In such a case, the cost of such long-term specified asset will not qualify for deduction under section 80C of the Act. However, if the assessee transfers or converts the long-term specified asset into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long-term capital gains in the year in which the long-term specified asset is transferred or converted into money. A 'longterm specified asset' means any bond, redeemable after three years and issued on or after the 1st day of April 2006:
 - (i) by the National Highways Authority of India constituted under section 3 of the National Highways Authority of India Act, 1988, and notified by the Central Government in the Official Gazette for the purposes of this section; or
 - (ii) By the Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956, and notified by the Central Government in the Official Gazette for the purposes of this section.
5. Under Section 54F of the Income Tax Act, 1961 and subject to the conditions specified therein, long-term capital gains (other than those exempt from tax under Section 10(38) of the Income Tax Act, 1961) arising to an individual or a Hindu Undivided Family ('HUF') on transfer of shares of the Company will be exempt from capital gains tax subject to certain conditions, if the net consideration from transfer of such shares are used for purchase of residential house property within a period of 1 year before or 2 years after the date on which the transfer took place or for construction of residential house property within a period of 3 years after the date of such transfer.
6. Under Section 111A of the Income Tax Act, 1961 and other relevant provisions of the Income Tax Act, 1961, short-term capital gains (i.e., if shares are held for a period not exceeding 12 months) arising on

transfer of equity share in the Company would be taxable at a rate of 15 percent (plus applicable surcharge plus education cess plus secondary and higher education cess) where such transaction of sale is entered on a recognized stock exchange in India and is liable to STT. Short-term capital gains arising from transfer of shares in a company, other than those covered by Section 111A of the Income Tax Act, 1961, would be subject to tax as calculated under the normal provisions of the Income Tax Act, 1961.

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

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

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

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

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

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

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

9. Benefits under Section 47:-

• In the event of Demerger of a company, transfer or issue of shares by the resulting company to the shareholders of the demerged company will not attract capital gain tax as per provisions of Section 47(vi) of the Act, subject to authorized of certain conditions specified therein.

- In the event of amalgamations of companies, transfer of capital asset, being a share or shares in the amalgamating company held by a shareholder will not attract capital gain tax as per the provisions of Section 47(vii) of the Act, subject to authorized of certain conditions specified therein.

10. Benefits under Section 48:-

Under the first proviso to section 48 of the Act, in case of a nonresident, in computing the capital gains arising from transfer of shares of the company acquired in convertible foreign exchange (as per exchange control regulations), protection is provided from fluctuations in the value of rupee in terms of foreign currency in which the original investment was made. Cost indexation benefits will not be available in such a case.

11. Long Term Capital Gain under Section 112:-

In accordance with section 112, the tax on capital gains on transfer of shares, where the transaction is not chargeable to Securities Transaction Tax, held as long term capital assets will be at the rate of 10% (plus applicable surcharge and education cess). A non-resident will not be eligible for adopting the indexed cost of acquisition and the indexed cost of improvement for the purpose of computation of long-term capital gain on sale of shares.

- 12.** In accordance with section 48, capital gains arising out of transfer of capital asset being shares in the company, and such transaction is not chargeable to securities transaction tax, shall be computed by converting the cost of acquisition, expenditure in connection with such transfer and the full value of the consideration received or accruing as a result of the transfer into the same foreign currency as was initially utilized in the purchase of the shares and the capital gains computed in such foreign currency shall be reconverted into Indian currency, such that the aforesaid manner of computation of capital gains shall be applicable in respect of capital gains accruing / arising from every reinvestment thereafter and sale of shares or debentures of an Indian company including the Company.
- 13.** In accordance with section 112, the tax on capital gains on transfer of listed shares, where the transaction is not chargeable to securities transaction tax, held as long term capital assets will be at the rate of 20% (plus applicable surcharge and additional surcharge called as "Education Cess").
- 14.** In accordance with section 54ED, capital gain arising on the transfer of a long-term capital asset being listed securities on which securities transaction tax is not payable, shall be exempt from tax provided the whole of the capital gain is invested within a period of six months in equity shares forming part of an eligible issue of capital. If only a part of the capital gain is so invested, the exemption would be limited to the amount of the capital gain so invested. If the specified equity shares are sold or otherwise transferred within a period of one year from the date of acquisition, the amount of capital gains on which tax was not charged earlier shall be deemed to be income chargeable under the head "Capital Gains" of the year in which the specified equity shares are transferred. The cost of the specified equity shares will not be eligible for deduction under section 80C.

IV. Foreign Institutional Investors (FIIs)

- 1.** Dividend income, if any, received by the Company from its investment in shares of another domestic company will be exempt from tax under Section 10(34) read with Section 115-O of the Income Tax Act, 1961. Income, if any, received on units of a Mutual Funds specified under Section 10(23D) of the Income Tax Act, 1961 will also be exempt from tax under Section 10(35) of the Income Tax Act, 1961 received on the shares of the Company is exempt from tax.
- 2.** As per section 10(38) of the Act, long-term capital gains arising to the FIIs from the transfer of a long-term capital asset being an equity share in the Company or a unit of equity oriented fund where such transaction is chargeable to securities transaction tax would not be liable to tax in the hands of the FIIs.

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

Nature of Income Tax Rate (%)

Long Term Capital Gain 10%

Short-Term Capital Gain (Referred to Section 111A) 15%

Short-Term Capital Gain (other than under section 111A) 30%

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

4. In case of long-term capital gains, (in cases not covered under section 10(38) of the Act), the tax is levied on the capital gains computed without considering the cost indexation and without considering foreign exchange fluctuation.
5. As per section 54EC of the Act and subject to the conditions and to the extent specified therein, long-term capital gains (in cases not covered under section 10(38) of the Act) arising on the transfer of a long-term capital asset will be exempt from capital gains tax if the capital gains are invested in a 'long-term specified asset' within a period of 6 months after the date of such transfer. If only part of capital gain is so reinvested, the exemption shall be allowed proportionately provided that the investment made in the long-term specified asset during any financial year does not exceed fifty Lac rupees. In such a case, the cost of such long-term specified asset will not qualify for deduction under section 80C of the Act. However, if the assessee transfers or converts the long-term specified asset into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long-term capital gains in the year in which the long-term specified asset is transferred or converted into money. A 'long-term specified asset' means any bond, redeemable after three years and issued on or after the 1st day of April 2006:
 - (i) by the National Highways Authority of India constituted under section 3 of the National Highways Authority of India Act, 1988, and notified by the Central Government in the Official Gazette for the purposes of this section; or
 - (ii) By the Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956, and notified by the Central Government in the Official Gazette for the purposes of this section.
6. The tax rates and consequent taxation mentioned above shall be further subject to any benefits available under the Tax Treaty, if any, between India and the country in which the FII has fiscal domicile. As per the provisions of section 90(2) of the Act, the provisions of the Act would prevail over the provisions of the Tax Treaty to the extent they are more beneficial to the FII.
7. However, where the equity shares form a part of its stock-in-trade, any income realized in the disposition of such equity shares may be treated as business profits, taxable in accordance with the DTAA between India and the country of tax residence of the FII. The nature of the equity shares held by the FII is usually determined on the basis of the substantial nature of the transactions, the manner of maintaining books of account, the magnitude of purchases, sales and the ratio between purchases and sales and the holding etc. If the income realized from the disposition of equity shares is chargeable to tax in India as business income, FII's could claim, STT paid on purchase/sale of equity shares as allowable business expenditure. Business profits may be subject to applicable Tax Laws.

8. Capital Gains:-

Under section 74 of the IT Act, unabsorbed loss, if any, under the head "Capital Gains" can be carried forward and set off in the specified manner against the capital gains for subsequent years (up to 8 years) subject to the condition specified therein.

9. Security Transaction Tax (STT) allowed as deductible expenditure:-

In computing the business income, an amount equal to STT paid in respect of taxable securities transactions entered into in the course of business will be allowed as a deductible expense, if the income arising from such taxable securities transactions is included in the income computed under the head "Profits and Gains of Business or Profession" as per the provisions of section 36(1)(xv) of the Act.

10. Tax Treaty benefits:-

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

V. Venture Capital Companies/Funds

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

VI. Mutual Funds

As per Section 10(23D) of the Act, any income of Mutual Funds registered under the Securities and Exchange Board of India Act, 1992 or Regulations made there under, Mutual Funds set up by public sector banks or public financial institutions and Mutual Funds authorized by the Reserve Bank of India would be exempt from income tax, subject to such conditions as the Central Government may by notification in the Official Gazette specify in this behalf. The stated benefits will be available only to the sole/first named holder in case the shares are held by joint shareholders.

VII. Benefit to persons carrying on Business or Profession in Shares and Securities:-

Under section 36(1)(xv) of the Act, securities transaction tax paid by a shareholder in respect of taxable securities transactions entered into in the course of its business, would be allowed as a deduction if the income arising from such taxable securities transactions is included in the income computed under the head "Profits and Gains of Business or Profession". Under section 88E of the Act, where the total income of an assessee in a previous year includes any income, chargeable under the head "Profits and gains of business or profession", arising from taxable securities transactions, he shall be entitled to a deduction, from the amount of income-tax on such income arising from such transactions, computed in the manner provided, of an amount equal to the securities transaction tax paid by him in respect of the taxable securities transactions entered into in the course of his business during that previous year.

VIII. UNDER THE WEALTH TAX ACT AND THE GIFT ACT:

Benefits to Shareholders of the Company:-

- i. Shares of the Company held by the shareholder will not be treated as an asset within the meaning of section 2(ea) of Wealth Tax Act, 1957. Hence the shares are not liable to Wealth Tax.
- ii. Gift tax is not leviable in respect of any gifts made on or after October 1, 1998. Any gift of shares of the Company is not liable to gift-tax. However, in the hands of the Donee the same will be treated as income unless the gift is from a relative as defined under Explanation to Section 56(vi) of Income-tax Act, 1961.

Notes:-

1. The above Statement sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares.
2. The above statement covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law.
3. The above statement of possible tax benefits are as per the current direct tax laws relevant for the assessment year 2014-15. Several of these benefits are dependent on the Company or its shareholder fulfilling the conditions prescribed under the relevant tax laws.
4. This statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for Professional advice. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her investment in the shares of the Company.
5. In respect of non-residents, the tax rates and consequent taxation mentioned above will be further subject to any benefits available under the relevant DTAA, if any, between India and the Country in which the non-resident has fiscal domicile.
6. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

For Thakur, Vaidyanath Aiyar & Co.
Chartered Accountants
Firm Registration No. 000038N

Place: Mumbai
Date: July 22, 2014

C.V. Parmeswar
Partner
Membership No: 11541

SECTION V: ABOUT THE ISSUER COMPANY

INDUSTRY OVERVIEW

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

Overview of the Global and Indian Economy

Global Scenario:

Global growth, after decelerating for the last three years is poised to improve in 2014, but risks to outlook remain with uncertainties arising from moves to unwind unconventional monetary policies and possibility of a renewed deflation in the euro area. Economic expansion in the US is gaining firmer footing and will aid recovery in global activity and trade. Recovery in large EMDEs could stay moderate as supply side constraints, tight monetary policies and tightening of financial conditions with tapering by the US could act as a drag on growth acceleration.

Inflation has continued to be low in advanced economies (AEs) aided by high unemployment and large spare capacities. After a year of deflation, inflation picked up in Japan. Among the emerging economies, monetary policy was tightened further by Indonesia, India, and Brazil, as they confronted high inflation and pressures on their exchange rates. Going forward, inflation risks for EMDEs are likely to stay in the near-term conditioned by structural factors and demand pressures emanating from narrowing output gap. However, global commodity price cycle is likely to stay benign on the back of improved supplies of oil, metals and food.

The US Fed's announcement on December 18 of tapering of its large scale asset purchase programme had a limited impact on global financial markets in sharp contrast to the May indication. India, having rebuilt its buffers during Q3, withstood the announcement better than many of its peers. Going forward, the spacing of the Fed's tapering moves over the course of 2014 could influence market movements even though some of it seems to have been priced in.

(Source: www.rbi.org.in)

Indian Scenario:

The Indian economy is expected to grow at 3.4 per cent in the current fiscal, a slight increase from 3.3 per cent in FY 2012–13, as per projections from the Organisation for Economic Co-operation and Development (OECD). The growth is estimated to be even greater in FY 2014–15 (5.1 per cent) and FY 2015–16 (5.7 per cent). India's exports have also been doing well, touching US\$ 303 billion in FY 2012–13, almost double of what it managed (US\$ 167 billion) four years ago. Experts express confidence that the figure will scale US\$ 325 billion by the end of the current fiscal. The HSBC Trade Confidence Index, the largest trade confidence survey in the world, has positioned India at the top with 142 points. The increasing demand due to its population makes the country a good market for consumption goods, according to the report.

India's industrial economy is gathering momentum on the back of improved output of eight core sector industries – coal, crude oil, refining, steel, cement, natural gas, fertilizers and electricity – which, at 8 per cent in September 2013, rose at its fastest pace in a year. The Cabinet Committee on Investments (CCI) has

approved the speedy execution of 36 infrastructure projects entailing investments of Rs 1,830 billion (US\$ 29.28 billion) to boost investor confidence.

With the objective of taking bilateral trade relations to the next level of a comprehensive economic partnership agreement, India is readying itself to sign the free trade agreement (FTA) on services and investment with the Association of Southeast Asian Nations (ASEAN). The target for the two-way trade partnership is US \$100 billion by 2015, for which an integrated transport network is necessary. Thus, the emphasis is on a massive road connectivity plan to tie the region together to enhance economic objectives. Moreover, agricultural gross domestic product (GDP) in India is expected to grow by over 5 per cent in the current agricultural year (July 2013–June 2014).

(Source: www.ibef.org)

Broad Constituents in the Indian Capital Markets

- **Fund Raisers** are companies that raise funds from domestic and foreign sources, both public and private.
- **Fund Providers** are the entities that invest in the capital markets. These can be categorized as domestic and foreign investors, institutional and retail investors. The list includes subscribers to primary market issues, investors who buy in the secondary market, traders, speculators, FIIs/ sub accounts, mutual funds, venture capital funds, NRIs, ADR/GDR investors, etc.
- **Intermediaries** are service providers in the market, including stock brokers, sub-brokers, financiers, merchant bankers, underwriters, depository participants, registrar and transfer agents, FIIs/ sub accounts, mutual Funds, venture capital funds, market makers, portfolio managers, custodians, etc.
- **Organizations** include various entities such as MCX-SX, BSE, NSE, other regional stock exchanges, and the two depositories National Securities Depository Limited (NSDL) and Central Securities Depository Limited (CSDL).
- **Market Regulators** include the Securities and Exchange Board of India (SEBI), the Reserve Bank of India (RBI), and the Department of Company Affairs (DCA).
- **Appellate Authority:** The Securities Appellate Tribunal (SAT)
- **Participants in the Securities Market** SAT, regulators (SEBI, RBI, DCA, DEA), depositories, stock exchanges (with equity trading, debt market segment, derivative trading), brokers, corporate brokers, sub-brokers, FIIs, portfolio managers, custodians, share transfer agents, primary dealers, merchant bankers, bankers to an issue, debenture trustees, underwriters, venture capital funds, foreign venture capital investors, mutual funds, collective investment schemes.

The following table illustrates the trends in the registration of key capital market intermediaries with SEBI in the last few years:

Market Intermediaries	2010-11	2011-12	2012-13	2013-14§
1	2	3	4	5
Stock Exchanges (Cash Market)	19	19	20	20
Stock Exchanges (Derivatives Market)	2	2	3	3
Stock Exchanges (Currency Derivatives)	4	4	3	4
Brokers (Cash Segment)*	10,203	10,268	10,128	9,411
Corporate Brokers (Cash Segment)**	4,774	4,877	5,113	4,917
Brokers (Equity Derivative)	2,111	2,337	2,957	3,051
Brokers (Currency Derivatives)	2,008	2,173	2,330	2,395
Sub-brokers (Cash Segment)	83,808	77,141	70,242	51,885
Foreign Institutional Investors	1,722	1,765	1,757	1,710
Sub-accounts	5,686	6,322	6,335	6,344
Custodians	17	19	19	19
Depositories	2	2	2	2
Depository Participants of NSDL & CDSL	805	854	871	859
Qualified Depository Participants of NSDL & CDSL	NA	NA	59	62
Merchant Bankers	NA	200	198	197
Bankers to an Issue	55	57	57	59
Underwriters	3	3	3	3
Debenture Trustees	29	31	31	31
Credit Rating Agencies	6	6	6	6
KYC Registration Agency (KRA)	NA	NA	5	5
Venture Capital Funds	184	212	211	207
Foreign Venture Capital Investors	153	174	182	192
Alternative Investment Funds	NA	NA	42	101
Registrars to an Issue & Share Transfer Agents	73	74	72	71
Portfolio Managers	267	250	241	212
Mutual Funds	51	49	52	50
Investment Advisors	NA	NA	NA	129
Collective Investment Schemes	1	1	1	1
Approved Intermediaries (Stock Lending Schemes)	2	2	2	2
STP (Centralised Hub)	1	1	1	1
STP Service Providers	2	2	2	2

** including brokers on Mangalore SE (9), Magadh SE (22)

* including brokers on Mangalore SE (57), Magadh SE (189)

§ indicates as on March 31, 2014

NA: Not Applicable

Source: SEBI

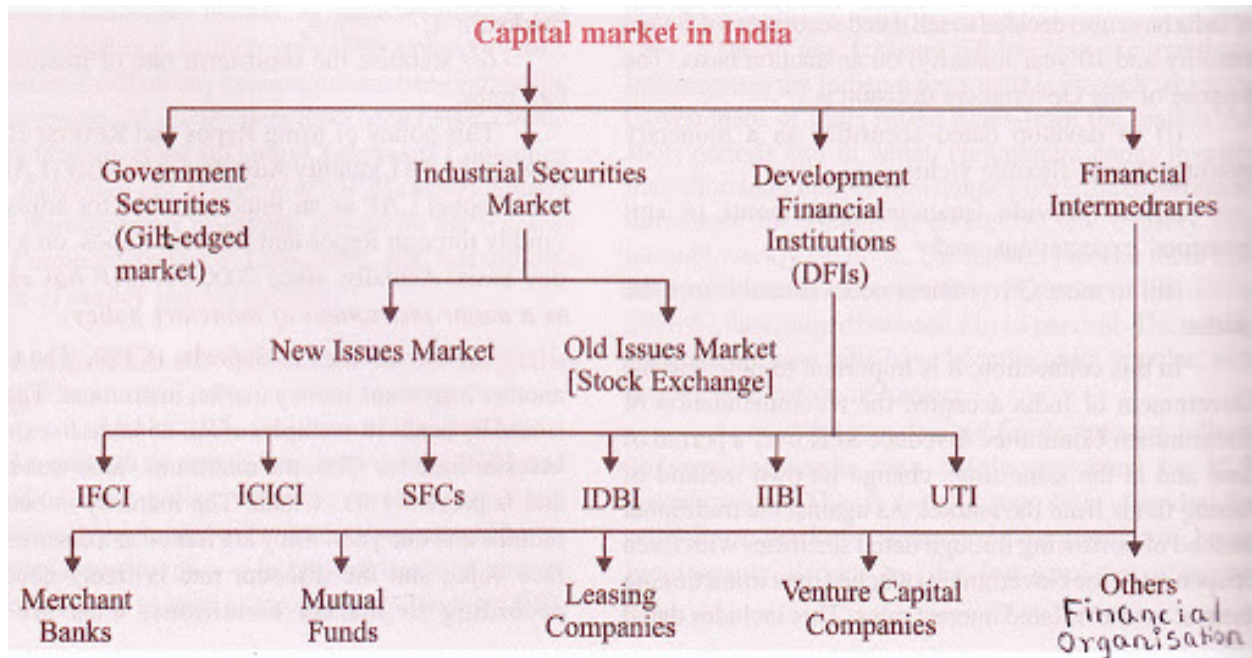
(Source: SEBI Bulletin April 2014)

As can be seen above there has been reduction in number of Stock Brokers and Sub Brokers registered with SEBI which clearly shows the lack of business opportunities in this space and hence re-emphasis' the need to innovate in order to survive as Stock Broker or other such Intermediary.

Organizational Structure of Indian Capital Markets

Broadly speaking the capital markets in India as well as most countries is classified in to two categories. They are the Primary market (New Issues Market) and the Secondary market (Old (Existing) Issues Market). This classification is done on the basis of the nature of the instrument brought in the market. However on the basis of the types of institutions involved in capital market, it can be classified into various categories such as the

Government Securities market or Gilt-edged market, Industrial Securities market, Development Financial Institutions (DFIs) and financial intermediaries. All of these components have specific features to mention. The structure of the Indian capital market has its distinct features. These different segments of the capital market help to develop the institution of capital market in many dimensions. The primary market helps to raise fresh capital in the market. In the secondary market, the buying and selling (trading) of capital market instruments takes place. The following chart will help us in understanding the organizational structure of the Indian Capital market:



Government Securities Market: This is also known as the Gilt-edged market. This refers to the market for government and semi-government securities backed by the Reserve Bank of India.

Industrial Securities Market: This is a market for industrial securities i.e. market for shares and debentures of the existing and new corporate firms. Buying and selling of such instruments take place in this market. This market is further classified into two types such as the New Issues Market (Primary) and the Old (Existing) Issues Market (secondary). In primary market fresh capital is raised by companies by issuing new shares, bonds, units of mutual funds and debentures. However in the secondary market already existing i.e old shares and debentures are traded. This trading takes place through the registered stock exchanges. In India we have three prominent stock exchanges. They are the Bombay Stock Exchange (BSE), the National Stock Exchange (NSE) and Over The Counter Exchange of India (OTCEI).

Development Financial Institutions (DFIs): This is yet another important segment of Indian capital market. This comprises various financial institutions. These can be special purpose institutions like IFCI, ICICI, SFCs, IDBI, IIBI, UTI, etc. These financial institutions provide long term finance for those purposes for which they are set up.

Financial Intermediaries: The fourth important segment of the Indian capital market is the financial intermediaries. This comprises various merchant banking institutions, mutual funds, leasing finance companies, venture capital companies and other financial institutions.

Equity Capital markets

Secondary Markets

Indian equity markets started the year 2014-15 with a big bang after the strong results announced in favour of a majority party for the general elections in May 2014. The Sensex and the Nifty are recently trading at or around their respective life time highs. In fact the broader Indian Equity market have been performing well among overall gloom in the industry and economy since the last few years as can be seen below:

Particulars	2011-12	2012-13	2013-14
A. Indices			
BSE Sensex	17,404	18,835	22,386
CNX Nifty	5,295	5,682	6,704
SX 40	-	-	13,298
B. Market Capitalisation (₹ in crores)			
BSE	62,14,941	63,87,886	74,15,296
NSE	60,96,517	62,39,034	72,77,720
MCX-SX		61,96,199	72,39,670
C. Gross Turnover (₹ in crores)			
BSE	6,67,497	5,48,774	5,21,664
NSE	28,10,893	27,08,279	28,08,489
MCX-SX	-	33	11,185
D. P/E Ratio			
BSE Sensex	17.80	16.90	18.30
CNX Nifty	18.70	17.60	18.90
SX 40	-	-	20.30

(Source: SEBI Bulletins)

As can be seen from the above table, despite good performances in the indices of the markets, the trading turnover has either dropped or not picked up as it should. The primary reason for this is the reduced retail interest in the markets in the last few years. However, with the recent developments in the markets in FY 2014-15, retail interest is expected to increase.

The trends in the various other key indices of the equity capital markets in the last few years are as shown below:

Indices	2011-12	% change over last year	2012-13	% change over last year	2013-14	% change over last year	Upto May 30 2014	% change since start of FY 2014-15
S&P BSE Mid Cap	7112	38.50%	6705	(5.72%)	8668	29.28%	9189	6.01%
S&P BSE Small Cap	7379	32.93%	6551	(11.22%)	8923	36.20%	9989	11.95%
S&P BSE 100	5975	29.44%	6326	5.87%	7473	18.13%	7799	4.03%
S&P BSE 200	2424	30.53%	2530	4.37%	2977	17.67%	3145	5.64%
S&P BSE 500	7581	30.77%	7828	3.25%	9274	18.47%	9832	6.02%
S&P BSE IPO	1878	44.24%	1548	(17.57%)	1931	24.75%	2257	16.88%
S&P BSE SME IPO	137.5	-	452.47	329.06%	872.93	92.92%	900	3.09%

(Source: www.bseindia.com)

As can be seen from the table above the Indian Equity Markets have been buoyant over the last few years despite extremely negative and pessimistic overall economic and industrial outlook during these years. Further, the Small Cap and SME indices have outperformed most of the other major indices.

Cash turnover on the nation's three stock exchanges — NSE, BSE and MCX-SX — rose 2.59% to Rs 33.41 lac crore in 2013-14 from a year earlier on account of improvement in the global and domestic economy. Trading of equity derivatives on the three exchanges surged 20.32 per cent to ₹ 466 lac crore in 2013-14 from the preceding financial year. However, the total turnover in currency derivatives trading of three domestic bourses dropped nearly 23% to ₹ 67.36 lac crore in FY 2013-14, a period that saw capital market regulator SEBI tightening exposure limits in the segment.

Certain other historical data pertaining to the trends in the turnover in various segments in the Indian Equity Markets in the recent few years is as mentioned below:

Year	Turnover (₹ crore)		
	Cash Segment (All India)	Equity Derivatives (NSE+BSE+MCX-SX)	Currency Derivatives (NSE+MCX-SX+USE)
2010-11	46,82,437	2,92,48,375	76,43,805
2011-12	34,78,391	3,21,58,208	98,96,413
2012-13	32,57,087	3,87,04,572	87,10,504

Source: BSE, NSE, MCX-SX & USE

(Source: SEBI Bulletins)

Primary Markets

Primary markets play the role of mobilizing the capital to the corporate both private and public. A healthy and efficient primary market is reflective of the economic stability that further accentuates the investor markets have seen a revival in the activity the global scenario. In the wake of renewed economic fervor, the primary market resource mobilization has increased by 72.55% in FY 2013-14 as compared to FY 2012-13. A total of ₹ 13,269 crore of Equity capital has been raised in 2013-14 through 55 issues, compared with ₹ 15,479 crore raised through 49 issues in 2012-13, which means that the number of issues have increased but the overall amount has reduced showing the trend towards smaller issues.

The trends in the last few years in the primary markets in India are illustrated in the table below:

Year/ Month	Total		Category-wise				Issue-type				Instrument-wise							
			Public		Rights		Listed		IPOs		Equities				CCPs/PCDs*		Debt	
	No. of issue	Amount (₹ crore)	No. of issue	Amount (₹ crore)	No. of issue	Amount (₹ crore)	No. of issue	Amount (₹ crore)	No. of issue	Amount (₹ crore)	At Par		At Premium		No. of issue	Amount (₹ crore)	No. of issue	Amount (₹ crore)
											No. of issue	Amount (₹ crore)	No. of issue	Amount (₹ crore)				
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
2008-09	47	16,220	22	3,582	25	12,637	25	12,637	22	3,582	5	96	40	14,176	1	448	1	1,500
2009-10	76	57,555	47	49,236	29	8,319	34	30,359	42	27,196	1	9	71	54,866	1	180	3	2,500
2010-11	91	67,609	68	58,105	23	9,503	28	32,049	63	35,559	2	50	78	57,617	1	490	10	9,451
2011-12	71	48,468	55	46,093	16	2,375	17	6,953	54	41,515	4	104	47	12,753	0	0	20	35,611
2012-13	69	32,455	53	23,510	16	8,945	36	25,927	33	6,528	10	6,176	39	9,297	0	0	20	16,982
2013-14§	90	56,004	75	51,428	15	4,576	52	54,768	38	1,236	19	824	36	12,445	0	0	35	42,735

Note: 1. The total provides category-wise total of any of the three sub-categories viz. public plus rights or issues-type (listed plus ipos) or instrument-wise (equities plus CCPs/PCDs plus debt)

2. The data for 2012-13 has been revised.

3. Amount for public debt issue for last two months is provisional.

4. All the Issues are compiled from the Prospectus of Issuer Companies filed with SEBI.

* CCPs: Compulsory Convertible Preference Shares, PCDs: Fully Convertible Debentures

§ indicates as on March 31, 2014

Source: SEBI.

(Source: SEBI Bulletin April 2014)

Also, another table which further shows the increasing trend towards smaller size issues is as seen below:

Year/ Month	Total		< 5 crore		≥ 5 crore - < 10 crore		≥ 10 crore - < 50 crore		≥ 50 crore - < 100 crore		≥ 100 crore	
	No. of issue	Amount (₹ crore)	No. of issue	Amount (₹ crore)	No. of issue	Amount (₹ crore)	No. of issue	Amount (₹ crore)	No. of issue	Amount (₹ crore)	No. of issue	Amount (₹ crore)
1	2	3	4	5	6	7	8	9	10	11	12	13
2008-09	47	16,220	1	3	1	7	21	509	6	445	18	15,255
2009-10	76	57,555	1	2	3	24	18	596	9	636	45	56,298
2010-11	91	67,609	1	2	2	11	13	455	20	1,406	55	65,735
2011-12	71	48,468	2	9	2	14	18	510	14	1,018	35	46,916
2012-13	69	32,455	2	7	13	86	15	290	6	440	33	31,632
2013-14§	90	56,004	14	41	17	122	10	174	3	221	46	55,445

§ indicates as on March 31, 2014

Source: SEBI.

(Source: SEBI Bulletin April 2014)

Demat Progress and Investor Accounts

The total number of investor accounts was 130.6 lac at NSDL and 87.8 lac at CDSL at the end of March 2014. A comparison with March 2013 showed there was an increase in the number of investor accounts to the extent of 2.9% at NSDL and 5.4% at CDSL. Certain other important historical statistics and data pertaining to demat progress in India are as below:

Year	NSDL Demat Quantity (million shares)	CDSL Demat Quantity (million shares)
2010-11	4,71,304	1,05,310
2011-12	5,79,801	1,33,570
2012-13	6,86,476	1,51,792

Source: NSDL & CDSL

Year	NSE No. of Companies listed	BSE No. of Companies listed
2010-11	1,574	5067
2011-12	1,646	5133
2012-13	1,666	5,211

Source: NSE & BSE

(Source: SEBI Bulletins)

SME and MSME Sector in India and the advent of Small and Medium Enterprises Exchanges

Small and Medium Enterprises (SMEs), particularly in developing countries, are the backbone of the nation's economy. They constitute bulk of the industrial base and also contribute significantly to their exports as well as to their Gross Domestic Product (GDP). In India, Micro, Small and Medium Enterprises (MSMEs) contribute 8% of its GDP, 45% of the manufactured output and 40% of exports. It provides employment to about 70 million people through 30 million enterprises. The MSME Sector is the largest generator of employment in the Indian economy. It forms a major portion of the industrial activity.

Special roles for SMEs were earmarked in the Indian economy with the advent of planned economy from 1951 and the subsequent industrial policy followed by the Government. By and large, SMEs developed in a manner, which made it possible for them to achieve the desired objectives. The Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 provided for facilitating the promotion and development and enhancing the competitiveness of MSMEs and for matters connected therewith or incidental thereto. It emphasized on the following:

- Remove impediments due to multiple laws
- Introduce statutory consultative and recommendatory bodies on MSME policies
- Improve registration procedure of MSMEs
- Statutory basis for purchase preference and credit policies
- Improve realization of payments due to MSMEs

Based on the recommendation of the Prime Minister's Task Force (Jan, 2010), SEBI has also laid down the Regulations for the setting up and governance of SME Exchange / Platforms in India in 2010 onwards.

(Source: www.bsesme.com/brochure)

The SME Platform of the exchange is intended for small and medium sized companies with high growth potential, whose post issue paid-up capital shall be less than or equal to ₹ 25 crore. Apart from providing an alternative asset class to prospective investors, the SME platform aims to provide easier access to equity finance for growth and expansion and also helps them to lower the cost of compliance post listing vis-à-vis listing on the main platform of the exchanges.

In the first year of introduction, 24 companies were been listed on the SME Platform raising a total amount of ₹ 239 crore and since then this segment has picked up momentum further:

Year/Month	Total	
	No. of issue	Amount (₹ crore)
1	2	3
2012-13	24	239
2013-14\$	37	317
Apr-13	0	0
May-13	2	9
Jun-13	1	16
Jul-13	2	11
Aug-13	5	67
Sep-13	5	36
Oct-13	5	84
Nov-13	1	6
Dec-13	3	18
Jan-14	2	10.5
Feb-14	6	38.7
Mar-14	5	21

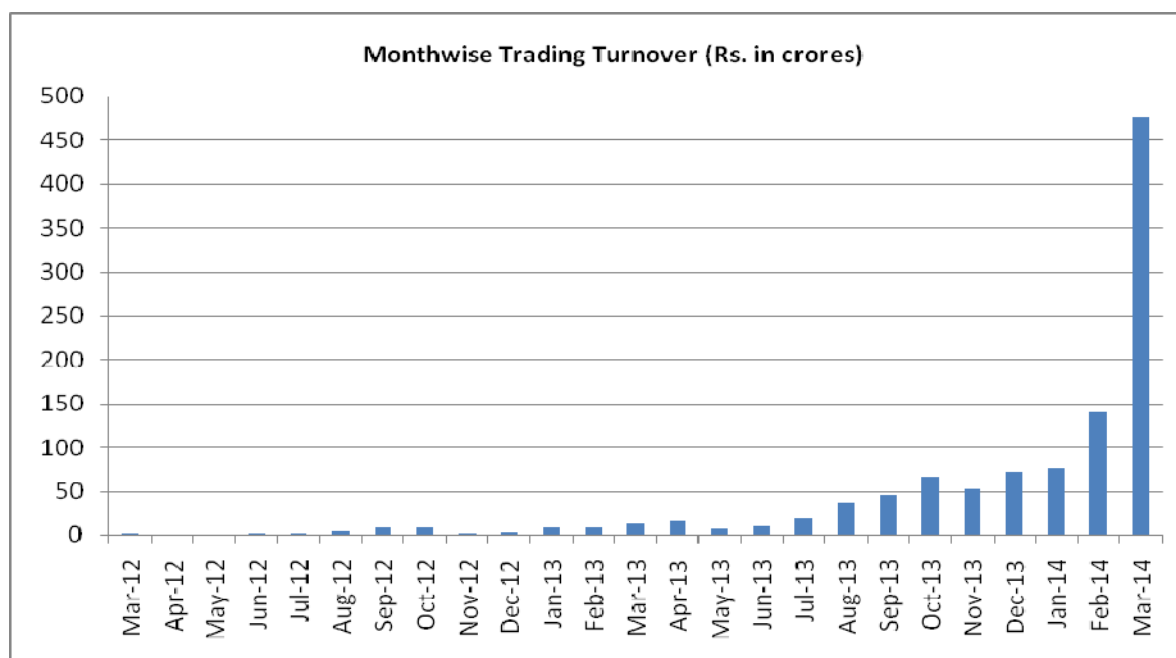
\$ indicates as on March 31, 2014

Source: SEBI

(Source: SEBI Bulletin April 2014)

Currently there are two active SME Exchanges / Platforms in India, namely, the SME Platform of BSE ("BSE SME") and the "Emerge" Platform of NSE (NSE SME). As on June 30, 2014, the number of companies listed on these platforms are 61 and 5 respectively.

The growth of trading turnover on the SME Platform of BSE Limited since March 2012 is demonstrated below:



(Source: www.bsesme.com)

Market Making Concept and its Global Overview

A market maker or liquidity provider is a company, or an individual, that quotes both a buy and a sell price in a financial instrument or commodity held in inventory, hoping to make a profit on the bid-offer spread, or turn.

A market maker aims to make money by buying a stock at a lower price than the price at which they sell it, or by selling a stock at a higher price than the price at which they buy it back. Ordinarily, they can make money in both, rising or falling markets, by taking advantage of the difference between "bid" and "offer" prices. Stock market makers also receive liquidity rebates from electronic communication networks (ECN) for each share that is sold to or purchased from each posted bid or offer. Conversely, a trader who takes liquidity from a bid or offer posted on an ECN is charged a fee for removing that liquidity.

A market maker's profitability is a function of the level of informed trading in the market. Uninformed traders have no private information, only public information already reflected in the price of the security. The direction they trade in has no statistical relationship to the future movement of the price. In contrast informed traders have private information; the direction they're trading in reflects the likely future direction of the stock. Since market makers stand ready to simultaneously buy or sell they're the primary counter-party to informed traders. In the absence of informed traders market makers would in the long-run earn the bid ask spread over every share they trade (plus any relevant liquidity rebates or exchange fees). However the inventory position market makers build up over time is inversely related to the direction informed traders are trading in. If most insiders are selling market makers tend to be net long, and if most are buying market makers tend to be net short. Since informed traders by definition predict the direction of the stock price, on average the positions market makers hold will decay in value over time. This phenomenon is termed adverse selection. In economic equilibrium market makers will set the bid-ask spread to compensate them for the costs of adverse selection (plus some amount for their operational and capital costs). Thus bid-ask spreads are a function of the level of informed trading in the market at that time. More informed trading will widen bid-ask spreads, which increases transaction costs for uninformed traders. Ultimately uninformed traders bear the cost of informed traders even though they tend not to trade directly with each other as counter-parties.

Most stock exchanges operate on a "matched bargain" or "order driven" basis. When a buyer's bid price meets a seller's offer price or vice versa, the stock exchange's matching system decides that a deal has been executed. In such a system, there may be no designated or official market makers, but market makers nevertheless exist:

- *New York:* In the United States, the New York Stock Exchange (NYSE) and American Stock Exchange (AMEX), among others, have Designated Market Makers, formerly known as "specialists", who act as the official market maker for a given security. The market makers provide a required amount of liquidity to the security's market, and take the other side of trades when there are short-term buy-and-sell-side imbalances in customer orders. In return, the specialist is granted various informational and trade execution advantages. Other U.S. exchanges, most prominently the NASDAQ Stock Exchange, employ several competing official market makers in a security. These market makers are required to maintain two-sided markets during exchange hours and are obligated to buy and sell at their displayed bids and offers. They typically do not receive the trading advantages a specialist does, but they do get some, such as the ability to naked short a stock, i.e., selling it without borrowing it. In most situations, only official market makers are permitted to engage in naked shorting. Recent changes to the rules have explicitly banned naked shorting by options market makers. The prominent Designated Market Makers on NYSE are Barclays, Brebda E. Cryan & Co., Goldman Sachs & Co., KCG, Vitu Financial Capital Markets LLC.
- *London:* On the London Stock Exchange (LSE) there are official market makers for many securities. Some of the LSE's member firms take on the obligation of always making a two-way price in each of the stocks in which they make markets. Their prices are the ones displayed on the Stock Exchange Automated Quotation (SEAO) system and it is they who generally deal with brokers buying or selling stock on behalf of clients. Proponents of the official market making system claim market makers add to the liquidity and depth of the market by taking a short or long position for a time, thus assuming some risk in return for the chance of a

small profit. On the LSE one can always buy and sell stock: each stock always has at least two market makers and they are obliged to deal. In contrast, on smaller, order-driven markets such as the JSE Securities Exchange it can be difficult to determine the buying and selling prices of even a small block of stocks that lack a clear and immediate market value because there are often no buyers or sellers on the order board. Unofficial market makers are free to operate on order driven markets or, indeed, on the LSE. They do not have the obligation to always be making a two-way price but they do not have the advantage that everyone must deal with them either. Examples of UK Market makers since Big Bang Day are Peel Hunt LLP, Winterflood Securities, Liberum Capital, Shore Capital, Fairfax IS and Altium Securities. Prior to the Big Bang, jobbers had exclusive rights of market making on the LSE.

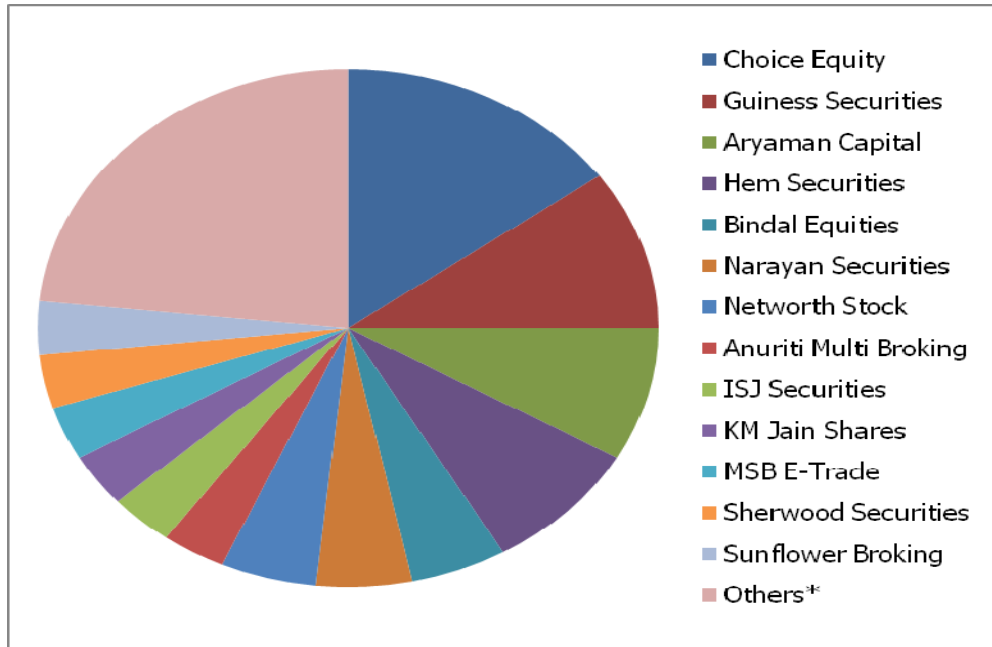
- *Frankfurt:* The Frankfurt Stock Exchange runs a system of market makers appointed by the listed companies. These are called "designated sponsors". Designated Sponsors secure higher liquidity by quoting binding prices for buying and selling the shares. The largest market maker by number of mandates in Germany is Close Brothers Seydler.

Market Making in India

Over the past several years the securities market has witnessed a sea change. The market has become more modern in terms of infrastructure, adoption of best international practices and introduction of competition. With the maturity of the regulatory framework and increased market surveillance, the market has also become safer and investor is better protected. The extensive reforms introduced by SEBI over the last few years have enhanced the integrity, transparency and efficiency of the operations of the securities market. The introduction of electronic trading and "order matching" system in all the stock exchanges, have led to reduction in transaction costs, speedier execution of trades and gains in liquidity. The, spreads have dropped by a factor of 10 and volumes have risen a hundred fold in respect of many shares. Increase in trading volume on the exchanges, however, has not been reflected always in the liquidity of all the listed shares. There are a large number of shares that are not actively or frequently traded although many of them have some fundamental strength and intrinsic value. The introduction of market making facility for such shares could be a possible means to infuse liquidity in such shares. In the year 1993 guidelines for the Market Makers were issued vide our circular no.SMD/SED/93/11362 dated August 05, 1993. However, the scheme did not elicit adequate response. Hence despite various such efforts the concept of official market makers in the equity stock exchanges in India has not been a popular one. However, with the amendment in the SEBI (ICDR) Regulations made during 2010 for the advent of SEM Exchanges in India, the requirement of appointing a market maker for each listed SME Company for the 1st few years was made compulsory and hence the concept has once again gained recognition. Even though India has a long way to go w.r.t market making being a serious part of capital markets as compared to the global scenario of the same, but a good beginning has been made with the advent of SME Exchanges and their regulations being launched in 2012.

Since then, a total of 81 companies have registered with BSE for being designated as Market Maker for the companies listed on the SME Exchange. The complete list if Market Makers registered with BSE SME Platform is available on <http://www.bsesme.com/MarketMakers/MemberList.aspx>.

Following graph shows the market share (based on no. of companies) of the various top market makers on the BSE SME Platform for the existing 61 companies listed as on June 30, 2014:



* "Others" represents 14 different Market Makers which have only one stock each in their market making portfolio.

OUR BUSINESS

In this section, unless the context requires otherwise, any reference to the terms “we”, “us” and “our” refers to our Company.

About our Promoter:

We are a wholly owned subsidiary company of Aryaman Financial Services Limited (“**AFSL**”). AFSL is a Merchant Banker registered with SEBI since 1994. AFSL is actively involved in the business of Merchant Banking and has completed 2 Main Board IPOs, 11 SME IPOs, 13 Open Offers, 1 Delisting Offer, and many other valuation and corporate advisory activities since the change in management in 2007 - 08. AFSL has been a pioneer in the field of SME IPOs having been the first Merchant Banker to complete an SME IPO and list the same on the SME Platform of BSE. AFSL has received the award for being one of the “Top Performing” Merchant Bankers in the SME Segment from BSE for last two consecutive years.

About our Company:

Being the wholly owned subsidiary of AFSL, our company represents and carries out the various fund based and secondary market activities of the group. We are hence involved in activities such as Trading and Investments in Quoted and Unquoted Securities, Underwriting Capital Market Issuances, Brokerage income from Equity/Debt Market Placements, and Market Making.

In 2012-13, we obtained the following registrations required for expanding our business activities:

SEBI Registration No.	INB011465938
BSE Trading cum Clearing Member No.	6514
BSE Market Maker Registration No.	SMEMM0651421122012

For details regarding the other government approvals pertaining to our business please refer to “Government and Other Statutory Approvals” beginning on page 160 of this Prospectus.

Since our promoter is significantly involved in floating SME IPOs governed under Regulation XB of the SEBI (ICDR) Regulations and there being a regulatory requirements of carrying out market making in the company's which are floated by a Merchant Banker for a stipulated period of time, we have shifted primary focus to providing these market making services for SMEs proposing to list their shares through an IPO on the SME Exchanges in India. We are currently sole designated market makers for 6 live scrips. Further since our Promoter is one of the Market Leaders in this segment we propose to get additional business through our synergies with the Promoter Company.

Market Making is the act of providing liquidity to scrips by way of two way quotes on the counter. Since, Market Making is a fund based activity and we believe that going forward capital adequacy would play a key role in our ability to continue adding scrips in our Market Making Portfolio; we propose to raise capital and improve our fund adequacy.

Our Strengths

Qualified and Experienced Directors

Our company is led by Mr. Shripal Shah and Mr. Shreyas Shah who are well qualified and experienced in the finance and legal fields. For further details regarding the education qualifications, experience and other relevant details of our Directors (who are also the natural persons owning our corporate promoter) please refer to “*Our Management*” beginning on page 109 of this Prospectus. We believe that since our Directors have been actively involved in the Financial Services Industry and have gained requisite domain knowledge, experience, and

industry networks they would be able to adequately exploit opportunities in our sector going forward and help us in improving our operational performance and brand value.

Strong Market Presence of our Corporate Promoter

Our Investments and Trading Operations (including our Market Making Stocks) are primarily in Small Cap and Mid Cap companies. We believe that our group's investment banking and advisory businesses will help us better recognize investment opportunities and we believe this unique synergy will help make better investment decisions. Further, in order to generate more Underwriting Commissions, Market Making Fees and other Fee based revenue we would be in good stead due to the strong presence of our promoter AFSL in this space and hence synergies between our companies would be adequately exploited.

Low Debt and Low Fixed Overheads

Since our incorporation, we have always been well capitalized through equity from our Promoters and now through this issue we further propose to improve our equity capitalizations. Post the completion of this issue we would have paid off all of our outside indebtedness incurred upto June 30, 2014. We believe that this is a unique balance sheet situation in such uncertain times and hence would help us raise debt and when required in the future as well as ensure our long term sustainability. Further, being a fund based activity company, we do not have any substantial fixed overheads in form of employee costs, interest burdens and other administrative expenses and hence we feel that this too would mean that as and when our revenues from additional market making etc. increases it would have a multiplier effect on our net profitability.

Early Mover Advantage in Market Making

The concept of Market Making has been re-discovered in India after the advent of SME IPOs in March 2012. We are currently designated Market Makers for 6 scrips of the SME Platform of BSE. Further our promoter AFSL is among the top performing Merchant Banker in this space and hence we would have a strong brand recall for our Market Making Services in the future once the size of market making sector increases due to awareness among corporates in India of the various benefits of market making.

Our Strategies

Adherence to a disciplined and innovative investment process

The Company will continue to make investments consistent with its investment process as approved by the management from time to time. The company in accordance with its investment process will aim to invest in a diversified but niche portfolio of securities (quoted and unquoted) of companies which are expected to give superior returns. Being a part of the Aryaman Group, we will continue to be able to better recognize investment opportunities and we believe this unique synergy will help make better investment decisions. The Company believes that such investments provide a sustainable competitive advantage to the Company and would contribute to its income streams. The company relies on the expertise of its management team to maximize returns through active management of the company's investment portfolio. The Company will pursue appropriate long-term value creation strategies in accordance with its investment process by employing a top-down analysis, which begins with an analysis of the overall market and ends with the individual company. We propose to use various fundamental and technical valuation methodologies to evaluate fair value of businesses. The Company seeks to achieve equity returns, subject to general market conditions, by buying and selling stocks that offer value at prevailing market prices based on the decisions of its management team. The Company may consider short-term opportunities where it may see prospects for attractive returns and will also focus on a long-term value creation strategy rather than on any near-term impact on its revenues, profits or cash flows. The Company's strategy is to extract optimal returns on its investments and to this end the management team will continue to seek opportunities that demonstrate clear growth prospects.

Focus on the niche area of Market Making

We believe that the market making business brings a unique value proposition for us, wherein we propose to earn fee based revenue from clients for the market making services and also use these funds earned to make investments in these companies during the process of market making. Going forward, we believe that the more number of companies we add to our market making portfolio will diversify our sectoral and other systemic risks and increase our fee based revenue at the same time. This would increase our ability to take up more companies and hence provide us a unique competitive edge over other new entrants in market making. Also, we believe that since most of our market making investments would be in SME companies and that we would hence be entering as investors in these companies at a very nascent stage, we would be able to take benefits of investment in lower equity base and hence protect our long term interests.

Explore opportunities in the day trading and jobbing space by hiring professional traders and analysts

Currently we are primarily into investments and market making which are being managed through our regular dealing staff guided by our senior management. Going forward, and subject to availability of finance, we propose to employ the services of experienced traders / jobbers and analysts to help increase the scale and scope of our trading operations in order to maximize returns on portfolios. Further, we believe that as and when we improve our trading capabilities, our market making operations would also become more effective and efficient.

Further strengthen the Brand Name

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

DETAILS OF OUR BUSINESS OPERATIONS

Location

We are strategically located within the BSE Buildings in line with our primary business model. Our Company operates from its corporate office located at:

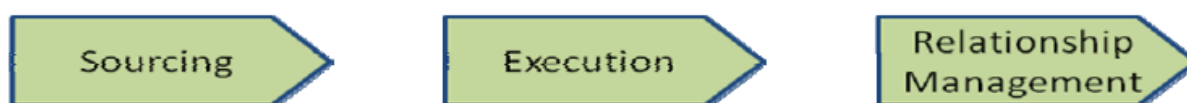
Aryaman Capital Markets Limited
 718-A, P.J. Towers, Dalal Street,
 Fort, Mumbai - 400001.

There are no branch offices of our company currently.

Key Business Processes and Policies

Business Process for our Corporate Placement / Underwriting and other fee based businesses

Our Fee based businesses can be broadly classified into three stages:



Sourcing:

- For our Market Making and underwriting Activities we currently rely on the business referred by our Corporate Promoter from its SME IPO Clients, however, going forward once our fund based capabilities improve we shall explore opportunities for other SME clients as well.
- For our Corporate Placements and other primary and secondary market transaction based brokerages and commissions business, we primarily source the same from our existing database, state / region directory, internet search, calling, etc. and also through referrals from our existing relationships with Corporates, Banks and other investors. Before taking any mandate, we do intensive study of the proposed transaction. Through this exercise, we assess a proposal on certain pre-determined criteria. An assignment is accepted only when we are satisfied about execute ability of the proposal.

Execution:

- Execution of our Market Making Activities is done by our dealing staff with guidance of our senior management team. The dealing staff regularly monitors the compliance status on the “MMCS” Portal provided by BSE SME Segment and ensuring regular reporting of the same, if any. We have a decent execution track record of market making.
- The execution of our other fee based revenues is done by our Senior Management with the support of the staff members.

Relationship Management:

Our senior management is primarily responsible for the networking and relationship management activities of the organization. Further we believe that the relationships which have evolved from our Promoter’s businesses are strengthening through long standing relationships there.

Flowchart for process of making investments / trading calls



Plant, Machinery, Technology, etc.

Being primarily a investment and trading outfit along with corporate servicing, we do not have any substantial plant and machinery. However, in order 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 and back office software.

We are connected to the BSE Network through the Ethernet Connection available in the building and hence would be able to route orders in a most effective manner to the BSE Server.

Further, for our back office operations we have purchased the "SPARK" Back office software which is created and managed by one of BSE's subsidiary company "Market Place Technology" and hence in the future this would hold us on good stead with respect to changes in formats of reporting etc.

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.

Products and Services

Our business model involves fee based service activities as well as fund based trading and investment activities. The trading and investments business stream is an internal fund based revenue generating item and is process based, which has been explained above. Further, certain details regarding our fee based revenue streams are presented below:

Market Making

Market Making is the act of providing liquidity to scrips by way of two way quotes on the counter. For details regarding the history and other industry statics w.r.t market making please refer to "*Industry Overview*" beginning on page 78 of this Prospectus. Our Market Making business heavily relies on our ability to judge the market sentiments of a particular stock and hence be able to gauge the risk levels involved in the same. Market Making activities are fund based as well as fee based i.e. we earn a fixed fee for the market making services from corporates and further we strive to earn spread and other trading revenues from the same in the secondary market transactions.

Corporate Advisory and other secondary market transaction facilitation

Various large HNI investors, Institutional Buyers need to place their holdings through bulk and block deals with other large investors or institutions. Further these large transactions normally require brokers to help find counterparties as well as advisory services on execution such deals. We intend to be involved in this niche business segment as we believe that large transactions even though fewer in number are good revenue streams for advisory commissions compared to normal retail broking commissions earned. Our senior management team has the relevant industry networks and business synergies to regularly generate, execute as well structure such deals and hence we propose to continue this line of business in our company.

Underwriting and other primary market transactions facilitation

Our Promoter being a Merchant Banker, we have been regularly involved in underwriting primary issuances as well as other deal execution and processing activities. This business stream is also fund based as well as fee based wherein we earn fees based on fixed fee basis as well as on performance fee basis and further earn revenues from investments activity in case underwriting gets triggered. We use our network of HNI and retails

investors to gauge the demand for a particular primary market issue and hence decide on the underwriting terms etc.

Manpower

Being a more fund based business model, our staff strength is currently small in line with our operational scale. Following is the staff strength as on July 31, 2014:

Particulars	No. of persons
Senior Management	1
Key Managerial Persons	3
Support Staff	2
Total	6

Owned Property (Tenancy Basis)

We own and operate from the following tenancy premises:

Particulars	Terms of Tenancy with BSE	Consideration paid to Previous Occupant	Previous Occupant
Office No. 718-A admeasuring total carpet area of 500 per sq. ft. in P.J. Towers, Dalal Street, Fort, Mumbai - 01	Rent of ₹ 1/- per month and Maintenance (including property tax) @ ₹ 20 per month per sq. ft. subject to periodic increase from time to time.	₹ 25,00,000/-*	Rajendra K. Dalal Securities and Finance Pvt. Ltd.

**In addition to the above, we have paid ₹ 18.63 lacs as transfer charges to BSE Ltd. for said premises*

We confirm that our promoters are not interested in any manner in the acquisition of this property.

Rented Property

We use the following property as our registered office:

Particulars	Terms
60, Khatau Building, Gr. Floor, Alkesh Dinesh Modi Marg, Fort, Mumbai - 400001	We have entered into a tri-partite leave and license agreement between our company, our promoter – AFSL and M/s. Vardhman Investments for the said office. The agreement is valid upto November 30, 2014 and is subject to renewal thereafter. We have not paid any rent or other consideration for the same. However, our promoter AFSL has paid requisite considerations till date.

Intellectual Property

For details regarding our intellectual properties, please see chapter titled "Government and other Key Approvals" beginning on page 160 of this Prospectus.

Insurance

We avail the following insurance policies for our operations:

Insurer	Insurance Policy No.	Policy Period	Risks Covered	Sum Assured (₹ in Lacs)
HDFC ERGO General Insurance Company Ltd.	2999200259 421102000	From June 01, 2014 to May 31, 2015 (both days inclusive)	<ul style="list-style-type: none"> • Infidelity of Employees • Computer Crime Indemnity • Legal Liability • Counterfeit securities • Loss of Securities and/or Cash for Cash, F&O, Currency Segment, and Debt Segments. 	5.00*

* In addition to ₹ 5.00 lacs of basic limit, this cover also provides for a self insured excess of ₹ 50,000 for each and every loss over and above the compulsory excess i.e. 5% of claim amount subject to minimum of ₹ 25,000 for each and every loss.

KEY INDUSTRY REGULATIONS AND POLICIES

The following description is a summary of the relevant regulations and policies as prescribed by the Government of India and other regulatory bodies that are applicable to the Company being a part of the stock brokerage industry. The information detailed in this chapter has been obtained from various legislations, including rules and regulations promulgated by the regulatory bodies that are available in the public domain. The regulations and policies set out below may not be exhaustive, and are only intended to provide general information to the investors and are neither designed nor intended to be a substitute for professional advice. The Company may be required to obtain licenses and approvals depending upon the prevailing laws and regulations as applicable. For details of such approvals, please see "Government and other Statutory Approvals".

Given below is a brief description of the certain relevant legislations that are currently applicable to the business carried on by us.

A. Industry-specific laws

The main legislations governing the securities market are as follows:

(a) SEBI Act, 1992

The SEBI Act, 1992 provides for the establishment of the Securities and Exchange Board of India to protect the interests of investors in securities markets, to promote the development of, and to regulate, the securities market and other related matters. Through the Act, the Board can conduct enquiries, investigations, audits and inspection of stock exchanges, mutual funds, intermediaries including stock brokers, self regulatory organisations and other persons associated in the securities market. It also has the authority to undertake cease and desist proceedings, adjudicate offences and impose penalties under the SEBI Act.

(b) Securities Contracts (Regulation) Act, 1956

The SCRA seeks to prevent undesirable transactions in securities by regulating the business of dealing in securities and other related matters. The SCRA provides the conditions for grant of recognition for stock exchanges by the Central Government as also withdrawal of recognition. Every recognized stock exchange is required to have bye-laws for the regulation and control of contracts which inter alia include

- i. the opening and closing of markets and the regulation of the hours of trade;
- ii. the fixing, altering or postponing of days for settlements;
- iii. the determination and declaration of market rates, including the opening, closing highest and lowest rates for securities;
- iv. the listing of securities on the stock exchange, the inclusion of any security for the purpose of dealings and the suspension or withdrawal of any such securities, and the suspension or prohibition of trading in any specified securities;
- v. the regulation of dealings by members for their own account; and
- vi. the obligation of members to supply such information or explanation and to produce such documents relating to the business as the governing body may require;

(c) SEBI (Stock Brokers and Sub-Brokers) Regulations, 1992

The SEBI (Stock Brokers and Sub-Brokers) Regulations, 1992 ("**Stock Broker Regulations**") govern the registration and functioning of stock brokers, sub-brokers and clearing members. In terms of the Stock Broker Regulations, stock brokers are required to abide by a code of conduct and are subject to penalties for noncompliance of the Stock Broker Regulations. SEBI has the authority to inspect the books of accounts of stock brokers and in case of violations by the stock broker of the provisions of the SCRA, to take such appropriate action as it deems fit after giving an opportunity for hearing. Further, in case of any change in its

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

(d) SEBI (Underwriters) Regulations, 1993 (“Underwriter Regulations”)

The SEBI Underwriter Regulations governs the certification, obligations, and responsibilities of all underwriters. While generally all underwriters must apply for and hold a certificate granted by SEBI under these regulations, a stock broker holding a valid certificate of registration under the SEBI Act, shall be entitled to act as an underwriter without obtaining a separate certificate under the Underwriter Regulations. An underwriter, including a stock broker acting as an underwriter, is required to have a minimum capital adequacy requirement of a networth of ₹ 20,00,000 (Rupees Twenty Lacs only). The underwriter is prohibited from deriving any direct or indirect benefit from underwriting the issue other than the anticipated commission or brokerage payable for the same. Further, the total underwriting obligations under all the agreements shall not exceed twenty (20) times the net worth listed above.

(e) Market Making Guidelines

The SEBI Market Maker Guidelines provide for the registration, obligations, responsibilities and monitoring of Market Makers on the Small and Medium Enterprise (SME) platform. Any member of the concerned stock exchange would be eligible to act as Market Maker provided it is registered with the concerned stock exchange as a Market Maker to Market Makers are obligated to provide quotes from the day of listing or when designated as the Market Maker on the respective scrip, in accordance with the guidelines provided by the concerned stock exchange. The Market Maker shall be required to provide a two-way quote for 75% of the time in a day, which shall be monitored by the stock exchange. Further the Market Maker must guarantee the execution of the order at the quoted price and quantity, for the quotes given by it, and in the case when quotes are not being offered by it, is required to inform the concerned stock exchange in advance for each black out period.

(f) Insider Trading Regulations:

SEBI (Prohibition of Insider Trading) Regulations, 1992 (“the Insider Trading Regulations”) governs the protection of investors against insider trading. The Insider Trading Regulations prevent insider trading in India by prohibiting an insider from dealing, either on his/her own behalf or on behalf of any other person, in the securities of a company listed on any stock exchange when in possession of unpublished price-sensitive information. Further, any person with whom such unpublished price sensitive information is shared shall not deal in securities of the concerned company. The insider is also prohibited from communicating, counseling or procuring any unpublished price-sensitive information while in possession of such information. The prohibition under Regulation 3A of the Insider Trading Regulations also extends to a company dealing in securities of another company, while in the possession of unpublished price-sensitive information. All directors, officers and substantial shareholders in a listed company are required to make periodic disclosures of their shareholding as specified in the Insider Trading Regulations.

B. Labour Laws

Payment of Gratuity Act, 1972

The Payment of Gratuity Act, 1972 provides for payment of gratuity to employees employed in factories, shops and other establishments who have put in a continuous service of five years, in the event of their superannuation, retirement, resignation, death or disablement due to accidents or diseases. The rule of ‘five year continuous service’ is however relaxed in case of death or disablement of an employee. Gratuity is calculated at the rate of 15 days’ wages for every completed year of service with the employer. Presently, an employer is obliged for a maximum gratuity payout of ₹ 10,00,000 for an employee.

The Employees State Insurance Act, 1948

The Employees State Insurance Act, 1948 (the “**ESI Act**”) provides for certain benefits to employees in case of sickness, maternity and employment injury. All employees in establishments covered by the ESI Act are required to be insured, with an obligation imposed on the employer to make certain contributions in relation thereto. Employers of factories and establishments covered under the ESI Act are required to pay contributions to the Employees State Insurance Corporation, in respect of each employee at the rate prescribed by the Central Government. Companies which are controlled by the Government are exempt from this requirement if employees receive benefits similar or superior to the benefits prescribed under the ESI Act. In addition, the employer is also required to register itself under the ESI Act and maintain prescribed records and registers.

The Minimum Wages Act, 1948

The Minimum Wages Act, 1948 was enacted to establish minimum wages for certain categories of employees. Under this Act, the Central and the State Governments stipulate the scheduled industries and establishments and fix minimum wages.

The Maternity Benefit Act, 1961

The purpose of the Maternity Benefit Act, 1961 is to regulate the employment of pregnant women in certain establishments for certain periods and to ensure that they get paid leave for a specified period before and after childbirth, or miscarriage or medical termination of pregnancy. It provides, *inter alia*, for payment of maternity benefits, medical bonus and prohibits the dismissal of and reduction of wages paid to pregnant women, etc.

The Payment of Wages Act, 1936

The Payment of Wages Act, 1936 (“**PWA**”) is applicable to the payment of wages to persons in factories and other establishments. PWA ensures that wages that are payable to the employee are disbursed by the employer within the prescribed time limit and no deductions other than those prescribed by the law are made by the employer.

Equal Remuneration Act, 1979

Equal Remuneration Act, 1979 provides for payment of equal remuneration to men and women workers and for prevention discrimination, on the ground of sex, against female employees in the matters of employment and for matters connected therewith.

C. Intellectual Property

The Trademarks Act, 1999 (“Trademarks Act”)

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

D. Tax Related Legislations

The Central Sales Tax Act, 1956

The Central Sales tax (“CST”) is levied on the sale of moveable goods within India in the course of inter-state trade or commerce and is governed by the provisions of the Central Sales Tax Act, 1956. If the goods move between States pursuant to a sale arrangement, then the taxability of such sale is determined by the Central Sales Tax Act, 1956. On the other hand, the taxability of a sale of movable goods within the jurisdiction of the State is determined as per the local sales tax/Value Added Tax legislation in place within such State.

Value Added Tax

Value Added tax (“VAT”) is a system of multi-point levies on each of the purchases in the supply chain with the facility of set-off input tax on sales whereby tax is paid at the stage of purchase of goods by a trader and on purchase of raw materials by a manufacturer. VAT is based on the value addition of goods, and the related VAT liability of the dealer is calculated by deducting input tax credit for tax collected on the sales during a particular period.

VAT is a consumption tax applicable to all commercial activities involving the production and distribution of goods and the provisions of services, and each State that has introduced VAT has its own VAT Act under which persons liable to pay VAT must register and obtain a registration number from the Sales Tax Officer of the respective State.

The following are the acts and rules and regulations there under, as are applicable to our establishments:

Maharashtra Value Added Tax Act, 2002

For details of the Company's material registration under the applicable State VAT legislations, kindly refer to the chapter titled “*Government and Other Statutory Approvals*” beginning on page 160 of this Prospectus.

Income-tax Act, 1961

The Income-tax Act, 1961 (“IT Act”) is applicable to every Company, whether domestic or foreign whose income is taxable under the provisions of this Act or Rules made there under depending upon its “Residential Status” and “Type of Income” involved. The IT Act provides for the taxation of persons resident in India on global income and persons not resident in India on income received, accruing or arising in India or deemed to have been received, accrued or arising in India. Every Company assessable to income tax under the IT Act is required to comply with the provisions thereof, including those relating to Tax Deduction at Source, Advance Tax, Minimum Alternative Tax and like. Every such Company is also required to file its returns by September 30 of each assessment year.

Service Tax

Chapter V of the Finance Act, 1994 as amended, provides for the levy of a service tax in respect of ‘taxable services’, defined therein. The service provider of taxable services is required to collect service tax from the recipient of such services and pay such tax to the Government. Every person who is liable to pay this service tax must register himself with the appropriate authorities. According to Rule 6 of the Service Tax Rules, every assessee is required to pay service tax in TR 6 challan by the 6th 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 quarterly return in Form ST 3 by the 25th of the month immediately following the half year to which the return relates. Every assessee is required to file the quarterly return electronically.

Professional Tax

The professional tax slabs in India are applicable to those citizens of India who are either involved in any profession or trade. The State Government of each State is empowered with the responsibility of structuring as well as formulating the respective professional tax criteria and is also required to collect funds through professional tax. The professional taxes are charged on the incomes of individuals, profits of business or gains in vocations. The professional tax is charged as per the List II of the Constitution. The professional taxes are classified under various tax slabs in India. The tax payable under the State Acts by any person earning a salary or wage shall be deducted by his employer from the salary or wages payable to such person before such salary or wages is paid to him, and such employer shall, irrespective of whether such deduction has been made or not when the salary and wage is paid to such persons, be liable to pay tax on behalf of such person and employer has to obtain the registration from the assessing authority in the prescribed manner. Every person liable to pay tax under these Acts (other than a person earning salary or wages, in respect of whom the tax is payable by the employer), shall obtain a certificate of enrolment from the assessing authority.

E. Other Laws

The Bombay Shops and Establishments Act, 1948

The Company has its registered office at 60, Khatau Building, Ground Floor, Alkesh Dinesh Modi Marg, Fort, Mumbai 400 001. Accordingly the provisions of various Shops and Establishments legislations formulated by the various states are applicable to the Company. These regulations regulate the conditions of work and employment in shops and commercial establishments and generally prescribe obligations in respect of *inter alia* registration, opening and closing hours, daily and weekly working hours, holidays, leave, health and safety measures, and wages for overtime work. The Company has made an application dated August 5, 2014 in the prescribed format for registration under the Bombay Shops and Establishments Act, 1948 The same is pending for approval.

The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("SHWW Act") provides for the protection of women at work place and prevention of sexual harassment at work place. The SHWW Act also provides for a redressal mechanism to manage complaints in this regard. Sexual harassment includes one or more of the following acts or behavior namely, physical contact and advances or a demand or request for sexual favors or making sexually colored remarks, showing pornography or any other unwelcome physical, verbal or non-verbal conduct of sexual nature. The SHWW Act makes it mandatory for every employer of a workplace to constitute an Internal Complaints Committee which shall always be presided upon by a woman. It also provides for the manner and time period within which a complaint shall be made to the Internal Complaints Committee i.e. a written complaint is to be made within a period of 3 (three) months from the date of the last incident. If the establishment has less than 10 (ten) employees, then the complaints from employees of such establishments as also complaints made against the employer himself shall be received by the Local Complaints Committee. The penalty for non-compliance with any provision of the SHWW Act shall be punishable with a fine extending to ₹ 50,000.

Transfer of Property Act, 1882 ("T.P. Act")

The transfer of property, including immovable property, between living persons, as opposed to the transfer property by operation of law, is governed by the T.P. Act. The T.P. Act establishes the general principles relating to the transfer of property, including among other things, identifying the categories of property that are capable of being transferred, the persons competent to transfer property, the validity of restrictions and conditions imposed on the transfer and the creation of contingent and vested interest in the property. Transfer of property is subject to stamping and registration under the specific statutes enacted for the purposes which have been dealt with hereinafter.

The T.P. Act recognizes, among others, the following forms in which an interest in an immovable property may be transferred:

- Sale: The transfer of ownership in property for a price, paid or promised to be paid.
- Mortgage: The transfer of an interest in property for the purpose of securing the payment of a loan, existing or future debt, or performance of an engagement which gives rise to a pecuniary liability. The T.P. Act recognizes several forms of mortgages over a property.
- Charges: Transactions including the creation of security over property for payment of money to another which are not classifiable as a mortgage. Charges can be created either by operation of law, e.g. decree of the court attaching to specified immovable property, or by an act of the parties.
- Leases: The transfer of a right to enjoy property for consideration paid or rendered periodically or on specified occasions.
- Leave and License: The transfer of a right to do something upon immovable property without creating interest in the property.

Further, it may be noted that with regards to the transfer of any interest in a property, the transferor transfers such interest, including any incidents, in the property which he is capable of passing and under the law, he cannot transfer a better title than he himself possesses.

The Registration Act, 1908

The Registration Act, 1908 was passed to consolidate the enactments relating to the registration of documents. The main purpose for which the Act was designed was to ensure information about all deals concerning land so that correct land records could be maintained. The Act is used for proper recording of transactions relating to other immovable property also. The Act provides for registration of other documents also, which can give these documents more authenticity. Registering authorities have been provided in all the districts for this purpose.

The Indian Stamp Act, 1899

Stamp duty in relation to certain specified categories of instruments as specified under Entry 91 of the list, is governed by the provisions of the Stamp Act which is enacted by the Central Government. All other instruments are required to be stamped, as per the rates prescribed by the respective State Governments. Stamp duty is required to be paid on all the documents that are registered and as stated above the percentage of stamp duty payable varies from one state to another. Certain states in India have enacted their own legislation in relation to stamp duty while the other states have adopted and amended the Stamp Act, as per the rates applicable in the state. On such instruments stamp duty is payable at the rates specified in Schedule I of the Stamp Act.

Instruments chargeable to duty under the Stamp Act which are not duly stamped are incapable of being admitted in court as evidence of the transaction contained therein. The Stamp Act also provides for impounding of instruments which are not sufficiently stamped or not stamped at all. Unstamped and deficiently stamped instruments can be impounded by the authority and validated by payment of penalty. The amount of penalty payable on such instruments may vary from state to state.

The Indian Contract Act, 1872

The Indian Contract Act, 1872 ("**Contract Act**") codifies the way in which a contract may be entered into, executed, implementation of the provisions of a contract and effects of breach of a contract. A person is free to contract on any terms he chooses. The Contract Act consists of limiting factors subject to which contract may be entered into, executed and the breach enforced. It provides a framework of rules and regulations that govern formation and performance of contract. The contracting parties themselves decide the rights and duties of parties and terms of agreement.

The Specific Relief Act, 1963

The Specific Relief Act, 1963 is complimentary to the provisions of the Contract Act and the Transfer of Property Act, as the Act applies both to movable property and immovable property. The Act applies in cases where the Court can order specific performance of a contract. Specific relief can be granted only for purpose of enforcing individual civil rights and not for the mere purpose of enforcing a civil law. 'Specific performance' means Court will order the party to perform his part of agreement, instead of imposing on him any monetary liability to pay damages to other party.

Competition Act, 2002

The Competition Act 2002 (the "**Competition Act**") aims to prevent anti-competitive practices that cause or are likely to cause an appreciable adverse effect on competition in the relevant market in India. The Competition Act regulates anti-competitive agreements, abuse of dominant position and combinations. The Competition Commission of India (the "**Competition Commission**") which became operational from May 20, 2009 has been established under the Competition Act to deal with inquiries relating to anti-competitive agreements and abuse of dominant position and regulate combinations.

The Competition Act also provides that the Competition Commission has the jurisdiction to inquire into and pass orders in relation to an anti-competitive agreement, abuse of dominant position or a combination, which even though entered into, arising or taking place outside India or signed between one or more non-Indian parties, but causes an appreciable adverse effect in the relevant market in India.

The Companies Act, 1956

The Companies Act, 1956 deals with laws relating to companies and certain other associations. It was enacted by the parliament in 1956. The Act primarily regulates the formation, financing, functioning and winding up of companies. The Act prescribes regulatory mechanism regarding all relevant aspects, including organizational, financial and managerial aspects of companies. It deals with issue, allotment and transfer of securities and various aspects relating to company management. It provides for standard of disclosure in public issues of capital, particularly in the fields of company management and projects, information about other listed companies under the same management, and management perception of risk factors. In the functioning of the corporate sector, although freedom of companies is important, protection of the investors and shareholders, on whose funds they flourish, is equally important. The Act plays the balancing role between these two competing factors, namely, management autonomy and investor protection.

The Companies Act, 2013

The Companies Act, 2013 has been introduced to replace the existing Companies Act, 1956 in a phased manner. The Ministry of Corporate Affairs has vide its notification dated September 12, 2013 March 26, 2013 notified a total of 283 Sections of the Companies Act, 2013, which have become effective till July 31, 2014.

F. Regulations regarding Foreign Investment

Foreign investment in stock broking companies is governed by the provisions of the FEMA read with the applicable regulations. The Department of Industrial Policy and Promotion ("**DIPP**"), Ministry of Commerce and Industry has issued 'Circular 1 of 2014' (the "**FDI Circular**") which consolidates the policy framework on Foreign Direct Investment ("**FDI**"), with effect from April 17, 2014. The FDI Circular consolidates and subsumes all the press notes, press releases, and clarifications on FDI issued by DIPP till April 16, 2014. All the press notes, press releases, clarifications on FDI issued by DIPP till April 16, 2014 stand rescinded as on April 17, 2014.

Foreign investment is permitted (except in the prohibited sectors) in Indian companies either through the automatic route or the approval route, depending upon the sector in which foreign investment is sought to be

made. Under the approval route, prior approval of the Government of India through FIPB is required. FDI for the items or activities that cannot be brought in under the automatic route may be brought in through the approval route. Where FDI is allowed on an automatic basis without the approval of the FIPB, the RBI would continue to be the primary agency for the purposes of monitoring and regulating Foreign Investment. In cases where FIPB approval is obtained, no approval of the RBI is required except with respect to fixing the issuance price, although a declaration in the prescribed form, detailing the foreign investment, must be filed with the RBI once the foreign investment is made in the Indian company. The RBI, in exercise of its power under the FEMA, has also notified the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000 to prohibit, restrict or regulate, transfer by or issue security to a person resident outside India.

The Consolidated FDI Policy dated April 17, 2014 issued by the DIPP, permits investment up to 100% of the paid-up share capital of the NBFC under the automatic route in the following NBFC activities:

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

Investment would be subject to the guidelines issues by the RBI and the following minimum capitalization norms:

- a) Minimum capitalization norms:
 - (i) For FDI up to 51% - US\$ 0.5 million to be brought upfront;
 - (ii) For FDI above 51% and up to 75% - US \$ 5 million to be brought upfront;
 - (iii) For FDI above 75% and up to 100% - US \$ 50 million out of which US \$ 7.5 million to be brought up front and the balance in 24 months.
- b) Minimum capitalization norm of US\$0.5 million is applicable in respect of all permitted non-fund based NBFCs with foreign investment irrespective of the level of foreign investment. However, it will not be permissible for such a company set-up any subsidiary for any other activity, nor can it participate in any equity of an NBFC holding/operating company.
- c) NBFCs having more than 75% and upto 100% foreign investment and with a minimum capitalization of US \$ 50 million can set up step down subsidiaries for specific NBFC activities, without any restriction on the number of operating subsidiaries and without bringing in additional capital. However, the minimum capitalization condition shall not apply to downstream subsidiaries.

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

Further US \$ 0.5 million are required to be brought upfront for all permitted non-fund based NBFCs irrespective of the level of foreign investment provided that such NBFC shall not be able to set up any subsidiary for any other activity nor can it participate in the equity of an NBFC holding/operating company. Non-Fund Based activities would include (a) Investment Advisory Services; (b) Financial Consultancy; (c) Forex Broking; (d) Money Changing Business; and (e) Credit Rating Agencies.

RBI has also issued the Master Circular on Foreign Investment in India dated July 01, 2014. The aforesaid Master Circular shall stand withdrawn from June 30, 2015. In terms of the Master Circular, an Indian company may issue fresh shares to persons resident outside India (who are eligible to make investments in India, for which eligibility criteria are as prescribed). Such fresh issue of shares shall be subject to inter-alia, the pricing guidelines prescribed under the Master Circular. As mentioned above, the Indian company making such fresh issue of shares would be subject to the reporting requirements, inter-alia with respect to consideration for issue of shares and also subject to making certain filings including filing of Form FC-GPR.

HISTORY AND CERTAIN CORPORATE MATTERS

Our Company was originally incorporated as Aryaman Broking Limited on July 22, 2008, under the Companies Act, 1956, bearing Registration No. 184939 having its Registered Office in Mumbai, Maharashtra. Subsequently, the Company received its Certificate for Commencement of Business on August 2, 2008. Pursuant to resolution passed at the EGM dated December 19, 2013 the name was changed to Aryaman Capital Market Limited on January 27, 2014.

Our company carries out various fund based and secondary market activities. We are involved in activities such as Trading and Investments in Quoted and Unquoted Securities, Underwriting Capital Market Issuances, Brokerage income from Equity/Debt Market Placements, and Market Making.

For further details regarding our business operations and corporate profile, please see the Chapter titled “*Our Business*” beginning on page 90 of this Prospectus.

Our Company has seven (7) shareholders, as on the date of filing of this Prospectus.

Major events in the history of Our Company:

Year	Major Event
2011	Raised the equity capital base to ₹ 688.25 Lacs
2012	Reported first Net Profit of ₹ 7.95 lacs
	Received SEBI Registration as a Trading Member of BSE
	Received SEBI Registration as a Market Maker
2013	Began first Market Making operations with BCB Finance Limited
	Acquired and Established Corporate Office located at 718-A, PJ Towers, Fort, Mumbai 400001
2014	Change of name from “Aryaman Broking Ltd.” to “Aryaman Capital Markets Ltd.” approved by all agencies.
	Adoption of New set of Articles and Alteration of Memorandum of Association

Main Objects of our Company:

The main object of our Company as contained in the Memorandum includes:

1. Subject to the compliance of the provisions of Securities And Exchange board of India Act, 1992 and the rules and regulations framed there under as may be applicable to invest in, acquire, hold, buy, sell or otherwise dispose of or deal in kind of shares, debentures, debentures stock, bonds, units, obligations and securities issued or guaranteed by any Government, State Municipal or Civil body, Financial Institutions, Commercial papers, negotiable instruments and papers, all types of instrument and to carry on the business of stock broking and its allied matters vis acting as underwriters, brokers to the issue of securities, dealer in securities, merchant bankers in all its aspects, issue house managers, registrar to the issue of securities, share transfer agents, investment business, public issue subscription, portfolio management, investment consulting, fixed deposit broker, inter corporate investment canvassers, finance and discount brokers, advisers, promoters, advertisement consultants to issue of securities of all kinds and types in all their aspect in or outside India.
2. Subject to the Section 58 A of the Companies Act, 1956 and the rules framed there under and the directions issued by Reserve Bank of India as may be applicable, to receive money on deposits on interest or otherwise and to lend, invest, subscribe money and negotiate with or without security to such companies, firm or persons upon such conditions as may seem expedient and to guarantee the performance of contracts by any person, companies or firms provided that the company shall not carry on the business of banking within the meaning of Banking Regulation Act, 1949.

3. To apply for and become a corporate member of any stock exchanges or over the counter exchanges (OTCEI) in India, if permissible by law.
4. To carry on the business of investment and to investment and to invest in acquire, underwrite, subscribe for and hold shares, bonds, stocks, securities, debenture stocks issued or guaranteed by any company constituted and carry on business in India or elsewhere, any government state, dominions, sovereign, central or provincial, commissioners, port trust, public body or authority supreme, municipal local or otherwise whether in India or elsewhere and also act as underwriters and brokers of stock, share, debentures, government bonds, units of Unit Trust of India, National Savings Certificate and fixed deposits.
5. To lend or to acquire and give on lease on let out on hire, such let mortgage, pledge hypothecate and hire purchase, purchase selling and to assist in machineries, plants, accessories, equipments computers, motor vehicles, spare parts, tools, instruments, excavators, agriculture equipments, cranes, other capital, goods to industrial undertakings, agriculture traders, mine holders, and to receive each rentals lease money instruments thereof in any part of India or abroad.
6. To apply for and obtain license for money changer business from the government of India (RBI or statutory authorities and to carry on the business of money changers and to transact and do all matters and things incidental thereto or which may at any time hereafter, at any place where the company shall carry on business, be usual in the connection of money changers or dealing currency on local and foreign and dealing in exchanges in currency of permitted countries

Changes in Registered Office of our Company

Date of Change of Registered Office	Old Address	New Address	Reason for Change
14/11/2009	306-307, Mint Chambers, 45/47, Mint Road, Fort, Mumbai - 400 001	60, Khatau Building Ground Floor, Alkesh Dinesh Modi, Fort , Mumbai - 400 001	Shifting of office after the completion of rent period at Mint Chambers premises.

Amendments to the Memorandum of Association

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

Date	Nature of Amendment
01/01/2011	Alteration of Capital clause. Increase in the authorised Share Capital of the Company from ₹ 1.5 Crores to 7 Crores
06/08/2012	Alteration of object clause. The clause III (A) of the MOA of the Company altered by inserting new clause No.1A after existing clause no. 1 and renumbered the entire existing clause thereafter.
25/11/2013	Alteration of Capital clause. Increase in the authorised Share Capital of the Company from ₹ 7 Crores to 9 Crores
19/12/2013	Change of name from "Aryaman Broking Ltd." to "Aryaman Capital Markets Ltd.".
02/06/2014	Alteration of Capital clause. Increase in the authorised Share Capital of the Company from ₹ 9 Crores to 12 Crores
02/06/2014	Adoption of New set of Articles of Association in order to comply with Companies Act, 2013
02/06/2014	Deletion of other object from the Memorandum of Association in order to comply with Companies Act, 2013

Shareholders' Agreement

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

Acquisition of business/ undertakings

We have not acquired any business/ undertakings till date.

Other Agreements

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

Financial Partners

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

Injunctions or restraining orders

There are no injunctions / restraining orders that have been passed against the company

Strategic Partners

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

Company's subsidiaries

Our Company does not have any subsidiary.

OUR MANAGEMENT

Board of Directors

At present, we have 1 Executive Director, 1 Non - Executive Non - Independent Director and 2 Non-Executive Independent Directors.

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

S. No.	Name, Designation, Address, Occupation,	Term, DIN Nationality	Date of Birth and Age	Other Directorships
1	<p>Mr. Shripal Shah Executive Director</p> <p><i>Address:</i> 2 Neel Sagar Bldg, Narayan P Nagar, A G Khan Road, Worli, Mumbai – 400018.</p> <p><i>Occupation:</i> Business</p>	<p><i>Term:</i> 5 years w.e.f July 14, 2014 to July13, 2019</p> <p><i>DIN:</i> 01628855</p> <p>Indian</p>	<p><i>Date of birth:</i> November 10, 1984</p> <p>29 years</p>	<ul style="list-style-type: none"> • Mahshri Enterprises Pvt. Ltd • Aryaman Financial Services Ltd • Escorp Industries Pvt. Ltd
2	<p>Mr. Shreyas Shah Non-Executive Non - Independent Director</p> <p><i>Address:</i> 2 Neel Sagar Bldg, Narayan P Nagar, A G Khan Road, Worli, Mumbai – 400018.</p> <p><i>Occupation:</i> Business</p>	<p><i>Term:</i> Liable to retire by rotation</p> <p><i>DIN:</i> 01835575</p> <p>Indian</p>	<p><i>Date of birth:</i> February 22, 1988</p> <p>26 years</p>	<ul style="list-style-type: none"> • Mahshri Enterprises Pvt. Ltd • Nopea Capital Services Pvt. Ltd. • Overskud Multi Asset Management Pvt. Ltd. • Eduxel Infotainment Ltd. • Omni Ax's Software Ltd. • Aryaman Financial Services Ltd.
3	<p>Mr. Ram Gaud Non-Executive Independent Director</p> <p><i>Address:</i> C-26/511/5, Panchavti CHS, Charkop,, Kandivali (W), Mumbai – 400067, Maharashtra, India</p> <p><i>Occupation:</i> Professional</p>	<p><i>Term:</i> 5 years w.e.f July 14, 2014 to July 13, 2019</p> <p><i>DIN:</i> 02759052</p> <p>Indian</p>	<p><i>Date of birth:</i> January 01, 1968</p> <p>45 years</p>	<ul style="list-style-type: none"> • Aryaman Financial Services Limited. • Uttam Exports Private Limited. • Paritosa Properties Pvt. Ltd. • Evergreen Tradeplace Pvt. Ltd.
4	<p>Mrs. Supriya Tatkar Additional Director (Non-Executive Independent Director)</p> <p><i>Address:</i> 1, Gurubela 137, Dr. Charatsingh Colony, Andheri-Kurla Road, Andheri (E), Mumbai 400 093</p> <p><i>Occupation:</i> Professional</p>	<p><i>Term:</i> Until next AGM</p> <p><i>DIN:</i> 03340550</p> <p>Indian</p>	<p><i>Date of birth:</i> October 29, 1983</p> <p>30 years</p>	NIL

For further details on their qualification, experience etc, kindly refer to their respective biographies under the heading "*Brief Biographies*" below.

Other Notes:

- Except for Shreyas Shah being the brother of Shripal Shah, none of the Directors on our Board are related to each other.
- There are no arrangements or understanding with major shareholders, customers, suppliers or others, pursuant to which any of the Directors or member of our senior management were appointed / selected.
- There are no service contracts entered into by the Directors with our Company providing for benefits upon termination of employment.
- None of our Directors of our Company are debarred from accessing the capital market under any order by SEBI.
- None of our Directors are/were directors of any company whose shares were suspended from trading by stock exchange(s) or under any order or directions issued by the Stock Exchange(s) / SEBI / other regulatory authority in the last 5 years.
- None of our Directors are/were directors of any company which was delisted from stock exchange(s) or under any order or directions issued by the Stock Exchange(s) / SEBI / other regulatory authority in the last five years.

Brief Biographies

- **Shripal Shah**

Shripal Shah, aged 29 years is the Executive Director and also the natural person behind the Corporate Promoter of our company since incorporation. He is a Management Graduate (International Finance) and a CFA (USA). He has an experience of over 8 years in the field of finance and investments. He has been associated with our Promoter Company - AFSL since 2008 when he acquired management control of the company and is the spear head behind our steady growth in the last few years. He is the founder of our company having incorporated it in 2008 after the management change. His functional responsibility in our Company involves handling the overall business affairs of our Company including devising investment strategies, and overall development of the business of the Company.

- **Shreyas Shah**

Shreyas Shah, aged 26 years, is one of our promoter group directors. He is a Management Graduate from Mumbai University and has also completed his graduation in Law (LLB) from Mumbai University. He has an experience of over 5 years in the field of investments and finance. He has been part of the management of our promoter company – AFSL since May 2013 and has been working on developing industry networks for further business development. He has been designated as a Non-Executive Promoter Director of our company since July 17, 2014.

- **Ram Gaud**

Ram Gaud, aged 45 years, is a Non-Executive Independent Director of our company. He holds a Bachelors degree in Commerce from Mumbai University and is an Associate Member of the Institute of Company Secretaries of India bearing membership number– F 6932. He has diversified experience of over 2 decades of secretarial compliance and other industry experience. He is currently working as a Company Secretary and Compliance Officer. He was appointed on our board on March 20, 2009

- **Supriya Tatkar**

Supriya Tatkar, aged 30 years, is a Non-Executive Independent Director of our company. She holds a Bachelors degree in Commerce from Mumbai University and is an Associate Member of the Institute of Company Secretaries of India bearing membership number– 29465. She has diversified experience of around 4 years in handling compliances having worked in a listed Company as well as with the Firm of Practicing Company Secretaries. She is currently working as a Company Secretary and Compliance Officer. She was appointed on our board on July 17, 2014.

Borrowing Powers of our Board of Directors

Our Company at its Annual General Meeting held on July 14, 2014, passed a resolution authorizing Board of Directors pursuant to the provisions of section 180 of Companies act, 2013 for borrowing from time to time any sum or sums of money from any person(s) or bodies corporate (including holding Company) or any other entity, whether incorporated or not, on such terms and conditions as the Board of Directors may deem fit for the purpose of the Company's business. The monies so borrowed together with the monies already borrowed by our Company (apart from temporary loans obtained from the banks in the ordinary course of business) may exceed the aggregate of the paid up share capital of our Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total amount of such borrowings together with the amount already borrowed and outstanding shall not, at any time, exceed ₹ 25 crore.

Remuneration of Directors

a) Executive Directors

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

- **Shripal Shah, Executive Director**

Our Company at its Annual General Meeting held on July 14, 2014, passed a resolution authorizing Board of Directors pursuant to the provisions of section 196-197 of Companies act, 2013 to approve as and when they deem fit and based on the company's financial stability position to approve a remuneration payable to Shripal Shah not exceeding ₹ 42,00,000 (Rupees Forty Two Lacs only) per annum as provided under the provisions of the Act unless otherwise approved by the Central Government. However, till date the board has not approved any remuneration package for our Executive Director.

The amount of remuneration paid to Shripal Shah for FY 2013-14 is NIL.

b) Non-Executive Directors

The Non-Executive Directors shall be paid sitting fees of upto ₹ 10,000 (per board meeting) and upto ₹ 2,500 (per committee meeting) for attending the meetings of the Board as well as relevant committees. The same has been approved by our board of directors on July 17, 2014.

The amount of sitting fees paid to Non-Executive Directors for FY 2013-14 is NIL

Shareholding of Directors

Except for 1 share each held by Shripal Shah and Shreyas Shah as nominee shareholders on behalf of AFSL none of our directors have any direct shareholding in our company.

Interest of Directors

Except as stated in the Chapter titled “*Related Party Transactions*” beginning on page 143 of this Prospectus, all our Directors may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of our Board or committees thereof as well as to the extent of remuneration and/or reimbursement of expenses payable to them in accordance with the provisions of the Companies Act and in terms of the Articles.

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

Further, this company being a wholly owned subsidiary of AFSL, our directors who are also directors in AFSL may be interested in our company to that extent as well.

Interest as to Property

We have not entered into any contracts, agreements or arrangements during the preceding two years from the date of this Prospectus in which our directors are directly or indirectly interested and no payments have been made to them in respect of any contracts, agreements or arrangements which are proposed to be made to them.

Changes in our Board of Directors in the last three years

Name	Date of change	Reason
Shripal Shah	February 13, 2014	Change in Designation
Shripal Shah	July 14, 2014	Change in Designation
Shreyas Shah	July 17, 2014	Change in Designation
Supriya Tatkar	July 17, 2014	Appointment

Corporate Governance

The provisions of the listing agreements, to be entered into by our Company with the Stock Exchanges, will be applicable to our Company immediately upon the listing of our Equity Shares with the Stock Exchanges. We have complied with the corporate governance code in accordance with Clause 52 (as applicable) of the Listing Agreement, particularly in relation to appointment of Independent Directors to our Board and constitution of the Audit Committee and Shareholders’/ Investors’ Grievance Committee.

Our Company undertakes to take all necessary steps to continue to comply with all the requirements of Clause 52 of the listing agreement. In addition, our Company intends to adopt a code of conduct for prevention of insider trading.

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

- a) Audit Committee
- b) Stakeholders Relationship Committee
- c) Nomination and Remuneration Committee

1. Audit Committee

The Audit Committee of our Board was reconstituted by our Directors by a board resolution dated July 23, 2014. The Audit Committee comprises of:

S. No.	Name	Designation in Committee	Nature of Directorship
1	Ram Gaud	Chairman	Non- Executive Independent Director
2	Supriya Tatkar	Member	Non- Executive Independent Director
3	Shripal	Member	Executive Director

The scope of Audit Committee shall include but shall not be restricted to the following:

1. Oversight of the Issuer's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report
 - b. Changes, if any, in accounting policies and practices and reasons for the same
 - c. Major accounting entries involving estimates based on the exercise of judgment by management
 - d. Significant adjustments made in the financial statements arising out of audit findings
 - e. Compliance with listing and other legal requirements relating to financial statements
 - f. Disclosure of any related party transactions
 - g. Qualifications in the draft audit report.
5. Reviewing, with the management, the half yearly financial statements before submission to the board for approval
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
7. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
8. 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.
9. Discussion with internal auditors any significant findings and follow up there on.
10. 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.

11. 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.
12. 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.
13. To review the functioning of the Whistle Blower mechanism, in case the same is existing.
14. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
15. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The Audit Committee enjoys following powers:

- a. To investigate any activity within its terms of reference,
- b. To seek information from any employee
- c. To obtain outside legal or other professional advice, and
- d. To secure attendance of outsiders with relevant expertise if it considers necessary.
- e. The audit committee may invite such of the executives, as it considers appropriate (and particularly the head of the finance function) to be present at the meetings of the committee, but on occasions it may also meet without the presence of any executives of the Issuer. The finance director, head of internal audit and a representative of the statutory auditor may be present as invitees for the meetings of the audit committee.

The Audit Committee shall mandatorily review the following information:

- a. Management discussion and analysis of financial condition and results of operations;
- b. Statement of significant related party transactions (as defined by the audit committee), submitted by management;
- c. Management letters / letters of internal control weaknesses issued by the statutory auditors;
- d. Internal audit reports relating to internal control weaknesses; and
- e. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

The recommendations of the Audit Committee on any matter relating to financial management, including the audit report, are binding on the Board. If the Board is not in agreement with the recommendations of the Committee, reasons for disagreement shall have to be incorporated in the minutes of the Board Meeting and the same has to be communicated to the shareholders. The Chairman of the committee has to attend the Annual General Meetings of the Company to provide clarifications on matters relating to the audit.

The Company Secretary of the Company acts as the Secretary to the Committee.

Meeting of Audit Committee

The audit committee shall meet at least four times in a year and not more than four months shall elapse between two meetings. The quorum shall be either two members or one third of the members of the audit committee whichever is greater, but there shall be a minimum of two independent members present.

2. Stakeholders Relationship Committee

The Stakeholders Relationship Committee of our Board was constituted by our Directors by a board resolution dated July 23, 2014. The Stakeholders Relationship Committee comprises of:

Name of the Member	Nature of Directorship	Designation in Committee
Supriya Tatkar	Non- Executive Independent Director	Chairman
Shripal Shah	Executive Director	Member
Ram Gaud	Non- Executive Independent Director	Member

This committee will address all grievances of Shareholders/Investors and its terms of reference include the following:

1. Allotment and listing of our shares in future
2. Redressing of shareholders and investor complaints such as non-receipt of declared dividend, annual report, transfer of Equity Shares and issue of duplicate/split/consolidated share certificates;
3. Monitoring transfers, transmissions, dematerialization, splitting and consolidation of Equity Shares and other securities issued by our Company, including review of cases for refusal of transfer/ transmission of shares and debentures;
4. Reference to statutory and regulatory authorities regarding investor grievances;
5. To otherwise ensure proper and timely attendance and redressal of investor queries and grievances;
6. And to do all such acts, things or deeds as may be necessary or incidental to the exercise of the above powers.

The Company Secretary of our Company acts as the Secretary to the Committee.

Policy on Disclosures & 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 Exchange. We shall comply with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 1992 on listing of our Equity Shares on stock exchange. Further, Board of Directors have approved and adopted the policy on insider trading in view of the proposed public issue.

Mrs. Supriya Tatkar 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.

3. Nomination and Remuneration Committee

The Nomination and Remuneration Committee of our Board was constituted by our Directors by a board resolution dated July 23, 2014. The Nomination and Remuneration Committee currently comprises of:

Name of the Member	Nature of Directorship	Designation in Committee
Ram Gaud	Non- Executive Independent Director	Chairman
Supriya Tatkar	Non- Executive Independent Director	Member
Shreyas Shah	Non- Executive Promoter Director	Member

The remuneration committee has been constituted to recommend/review remuneration of Directors and key managerial personnel based on their performance and defined assessment criteria. The remuneration policy of our Company is directed towards rewarding performance, based on review of achievements on a periodic basis. The remuneration policy is in consonance with the existing industry practice.

The board has set up a remuneration committee to determine on their behalf and on behalf of the shareholders with agreed terms of reference our Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment. To avoid conflicts of interest, the remuneration committee, this would determine the remuneration packages of the executive directors. It comprises of at least three directors, all of whom are non-executive directors the chairman of committee being an independent Director.

The scope of Remuneration/Compensation Committee shall include but shall not be restricted to the following:

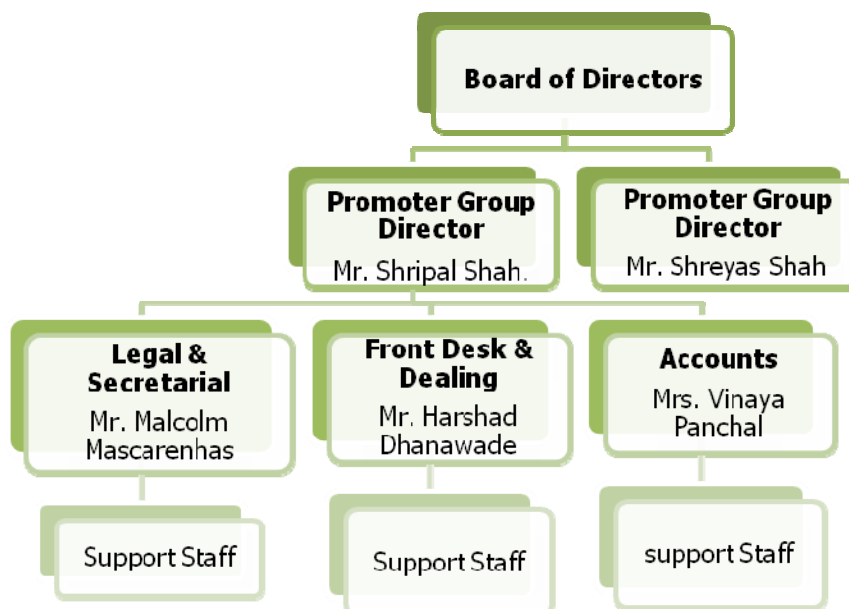
1. To recommend to the Board, the remuneration packages of the Company's Managing / Joint Managing / Deputy Managing / Whole time / Executive Directors, including all elements of remuneration package (i.e. salary, benefits, bonuses, perquisites, commission, incentives, stock options, pension, retirement benefits, details of fixed component and performance linked incentives along with the performance criteria, service contracts, notice period, severance fees etc.);
2. To be authorized at its duly constituted meeting to determine on behalf of the Board of Directors and on behalf of the shareholders with agreed terms of reference, the Company's policy on specific remuneration packages for Company's Managing/Joint Managing/ Deputy Managing/ Whole-time/ Executive Directors, including pension rights and any compensation payment;
3. To implement, supervise and administer any share or stock option scheme of the Company;
4. To attend to any other responsibility as may be entrusted by the Board within the terms of reference.

The Committee is required to meet at least once a year.

Policy on Disclosure and Internal Procedure for Prevention of Insider Trading

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

Management Organisation Structure



Key Managerial Personnel

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

Name of Employee	Designation & Functional Area	Current C.T.C (₹ in lacs)	Perks & Requisites	Qualification	Name of Previous Employer(s)	Total years of Experience
Mr. Malcolm Mascarenhas*	Company Secretary & Compliance Officer	3.60	Nil (except for reimbursement of expenses)	B.Com & ACS	M/s. JNG & Co.	3 years (including internship)
Mrs. Vinaya Panchal	Sr. Manager – Accounts and Finance	1.14	Nil (except for reimbursement of expenses)	B.Com	Matru Smriti Traders Ltd Radika Agency D Mart	10 years
Mr. Harshad Dhanawade	Sr. Manager – Market Operations	1.68	Nil (except for reimbursement of expenses)	B.Com	Overskud Multi Asset Management Pvt. Ltd. Frames Productions Roopa Shah (Commodities)	8 years

* Except for Mr. Malcolm Mascarenhas, who is on payroll of our promoter – AFSL; but is deployed to us for secretarial work, all the other KMPs are on the payrolls of our Company as permanent employees.

None of the KMPs are related parties as per the Accounting Standard 18.

Relationship amongst the Key Managerial Personnel

None of the aforementioned KMP are related to each other. Further, none of them have been selected pursuant to any arrangement/understanding with major shareholders/ customers/ suppliers.

Shareholding of Key Managerial Personnel

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

Interest of Key Managerial Personnel

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

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

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

Loans taken by Key Managerial Personnel

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

Employee Share Purchase and Employee Stock Option Scheme

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

Payment or Benefit to our Officers

Except for the payment of salaries, yearly bonus and other perks and requisites as mentioned in this chapter, we do not provide any other benefits to our employees.

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

Name	Designation	Date of Joining	Date of Leaving
Ms. Vinaya Panchal	Sr. Manager – Accounts and Finance	October 2013	-
Mr. Harshad Dhanawade	Sr. Manager – Market Operations	January 2013	-
Mr. Malcolm Mascarenhas	Company Secretary & Compliance Officer	July 2014	-

OUR PROMOTER, PROMOTER GROUP AND GROUP COMPANIES

Our Promoter: Aryaman Financial Services Limited

Our promoter, Aryaman Financial Services Limited (AFSL) holds 100.00% of the pre-issue subscribed equity share capital of our company (including 1 share each held by 6 nominee shareholders).

AFSL was originally incorporated on 11th May 1994 with the name M/s. Aryaman Financial Services Limited and Certificate of Commencement of Business was received on 16th June 1994. In the year 1995 AFSL floated its Initial Public Offer and listed on Bombay Stock Exchange in April 1995. AFSL was a category – I Merchant Banker registered with SEBI having certificate number INM000006807. M/s. Mahshri Enterprises Private Limited acquired substantial control from Aryaman Holding Limited in 2007 vide a Share Purchase Agreement dated August 10, 2007 and pursuant to change in management and after completion of all SEBI formalities a fresh registration certificate bearing number INM000011344 was issued to AFSL.

Since then, AFSL has been a growing capital market intermediary and has received its permanent registration as a Merchant Banker in 2013. AFSL has been a pioneer in the SME exchange segment in India and has been awarded as being “one of top performing” merchant bankers in the BSE SME Segment for two consecutive years. The registered office of AFSL is located at C/o Thakur Research Foundation, 221-223 Deen Dayal Marg, New Delhi 110055 and it operated from corporate office at 60, Khatau Building, Alkesh Dinesh Modi Marg, Fort, Mumbai - 400001.

Mahshri Enterprises Pvt. Ltd. is currently the single largest share holder in AFSL and holds 65.66% of the equity share capital of the company.

Main Objects

The main objects of AFSL as set out in its Memorandum of Association are:

- i. To carry on business of Merchant banking, assist capital formation, manage, advise, underwrite, provide stand-by assistance, subscribe to and invest in or arrange, to manage advise, underwrite, sub-underwrite, provide standby assistance, in any form of money raising effort, offers or instruments or securities by way of shares, stocks, debentures, debenture stock, bonds, fixed deposits, units, loans, obligations and securities of all kinds issued, to be issued and/or guaranteed by any company, corporation, society, firm, trust, person, Government, State, Dominion, Sovereign, Municipality, Civic Body, Public Authority, established in India or elsewhere; to create a secondary market for bills and discount or re-discount bills and act as an acceptance house*

Listing of equity shares of AFSL

The shares of Aryaman Financial Services Limited are listed on

- Bombay Stock Exchange
- Ahmedabad Stock Exchange
- Delhi Stock Exchange

AFSL has made an application dated October 07, 2013 to Ahmedabad Stock Exchange for Delisting and the application is currently pending and is suspended from Delhi Stock Exchange. Thus it is currently traded only on Bombay Stock Exchange.

Shareholding Pattern as on June 30, 2014

Category of Shareholder	No. of Shareholders	Total No. of Shares	Total No. of Shares held in Dematerialized Form	Total Shareholding as a % of Total No. of Shares		Shares pledged or otherwise encumbered	
				As a % of (A+B)	As a % of (A+B+C)	No. of shares	%
(A) Shareholding of Promoter and Promoter Group							
(1) Indian							
Bodies Corporate	1	7183030	7183030	65.45	65.45	-	-
Sub Total	1	7183030	7183030	65.45	65.45	-	-
(2) Foreign							
Total shareholding of Promoter and Promoter Group (A)	1	7183030	7183030	65.45	65.45	-	-
(B) Public Shareholding							
(1) Institutions							
Mutual Funds / UTI	1	700	0	0.01	0.01	-	-
Financial Institutions / Banks	1	800	0	0.01	0.01	-	-
Sub Total	2	1500	0	0.01	0.01	-	-
(2) Non-Institutions							
Bodies Corporate	31	785008	782008	7.15	7.15	-	-
Individuals							
Individual shareholders holding nominal share capital up to ₹ 1 lac	1258	485937	252577	4.43	4.43	-	-
Individual shareholders holding nominal share capital in excess of ₹ 1 lac	45	2515953	2356553	22.92	22.92	-	-
Any Others (Specify)	4	3572	3572	0.03	0.03	-	-
Non Resident Indians	3	2072	2072	0.02	0.02	-	-
Clearing Members	1	1500	1500	0.01	0.01	-	-
Sub Total	1338	3790470	3394710	34.54	34.54	-	-
Total Public shareholding (B)	1340	3791970	3394710	34.55	34.55	-	-
Total (A) + (B)	1341	10975000	10577740	100.00	100.00	-	-
(C) Shares held by Custodians and against which Depository Receipts have been issued							
(1) Promoter and Promoter Group	0	0	0	0.00	0.00	-	-
(2) Public	0	0	0	0.00	0.00	-	-
Sub Total	0	0	0	0.00	0.00	-	-
Total (A) + (B) + (C)	1341	10975000	10577740	0.00	100.00	-	-

Board of Directors

The Board of Directors of AFSL as on date are as below:

- i. Mr. Shripal Shah
- ii. Mr. Shreyas Shah
- iii. Mr. Ram Gaud
- iv. Mr. Darshit Parikh
- v. Mrs. Tejal Vala

Financial Information

Particulars	Financial Years		
	2013-14	2012-13	2011-12
Equity Share Capital	109,750,000	109,750,000	109,750,000
Reserves and Surplus (excluding revaluation reserve if any)	32,950,283	28,832,299	24,792,688
Total Income	26,328,811	32,371,567	12,739,840
Profit after Tax	4,117,985	4,039,610	3,293,252
Earnings Per Share (EPS)	0.38	0.37	0.30
Net Worth	142,700,283	138,582,299	134,542,688
Net Asset Value (NAV) per share	13.00	12.63	12.26

Share price Information

The details of monthly high and low of the closing prices on BSE during the preceding six months are as follows:

Month Year	Monthly Low	Monthly High
August 2014	17.85	15.40
July 2014	14.75	17.50
June 2014	14.25	16.25
May 2014	13.55	15.35
April 2014	14.25	16.50
March 2014	14.25	17.50

Source: www.bseindia.com

We confirm that the PAN, CIN Number (L74899DL1994PLC059009), bank account number of our Promoter and the details of the Registrar of Companies, Maharashtra, where our Promoter is registered will be submitted to the Stock Exchanges, at the time of filing the Prospectus with the Stock Exchange.

Promise vis-à-vis Objects

AFSL has not undertaken any public issue/ rights issue in the last ten years.

Mechanism for redressal of investor grievance

All share related matters namely transfer, transmission, transposition, nomination, dividend, change of name, address and signature, registration of mandate and power of attorney, replacement, split, consolidation, dematerialization and dematerialization of shares, issue of duplicate certificates etc. are handled by AFSL's registrars and transfer agents, Adroit Corporate Services Private Limited.

Investors correspond directly with Adroit Corporate Services Private Limited, on all share related matters. AFSL has an established mechanism for investor service and grievance handling, with Adroit Corporate Services Private Limited and the compliance officer appointed by AFSL for this purpose being the important functional nodes.

AFSL has constituted shareholders and investor grievance committee consisting of Mr. Shripal Shah, Mr. Ram Gaud and Mr. Darshit Parikh, which, inter alia, approves issue of duplicate certificates and oversees and reviews all matters connected with securities transfers and other processes. As of June 30, 2014, there were no investor complaints pending against AFSL.

Interests of Promoter

AFSL is interested in our Company to the extent that it is the Promoter of our Company, its shareholding in our Company, dividend payable, other distributions in respect of the Equity Shares.

Further Mr. Shripal Shah, Mr. Shreyas Shah and Mr. Ram Gaud, directors on the board of our promoter are also directors in our company.

Except as stated in "*Financial Statements - Related Party Transactions*" and in the chapter "*History and Certain Corporate Matters*" on page 143 and 106 respectively, our Company has not entered into any contract, agreements or arrangements (other than those in the ordinary course of business) in which AFSL is directly or indirectly interested and no payments have been made to AFSL in respect of the contracts, agreements or arrangements which are proposed to be made with them.

No part of the proceeds of the Fresh Issue is payable to the AFSL.

Payment or benefits to our Promoter in the last two years

Except as stated in "*Financial Statements - Related Party Transactions*" on page 143, neither any benefits have been paid or given to AFSL by our Company.

Other Confirmations

- AFSL is neither a sick company within the meaning of SICA nor has any winding up proceedings been initiated against AFSL.
- No application has been made to RoC for striking off its name. Additionally, neither AFSL nor any of our Group Companies have become defunct in the five years preceding the filing of this Prospectus.
- AFSL is not interested in any property acquired by us in the two years immediately preceding the date of this Prospectus.
- AFSL is not interested in any property proposed to be acquired by us except as provided for in the Framework Agreement.
- AFSL has no interest in acquisition of land, construction of building and supply of machinery undertaken by our Company.
- Promoters or directors of AFSL have not been declared as willful defaulters by the RBI or any other governmental authority and except as stated in "*Outstanding Litigations and Material Developments*" and "*Risk Factors*" beginning on page 155 and 11 respectively of this Prospectus, there are no violations of securities laws committed by them in the past and no proceedings pertaining to such penalties are pending against them.
- There has been no change in the control or management of AFSL in the preceding three years prior to the filing of this Prospectus.
- None of the Promoter Group entities or persons in control of AFSL or bodies corporate forming part of the Promoter Group have been (i) prohibited from accessing the capital markets under any order or direction passed by SEBI or any other authority or (ii) refused listing of any of the securities issued by such entity by any stock exchange, in India or abroad.

Loans granted or taken from our Company



Except as stated in “Financial Statements - Related Party Transactions” on page 143, AFSL has not granted any unsecured loan to our Company.

Companies with which our Promoter has disassociated in the last three years

AFSL has not disassociated with any Company or firms in the last three years.

Natural Persons in control of the Promoter – Mr. Shripal Shah and Mr. Shreyas Shah

Mahshri Enterprises Private Limited (“MEPL”) is the promoter of Aryaman Financial Services Limited. Mr. Shripal Shah and Mr. Shreyas Shah who are also directors of AFSL together hold 70% of the paid up equity share capital of MEPL. Hence, Mr. Shripal Shah and Mr. Shreyas Shah are the natural persons in control of AFSL, the promoter of our company.

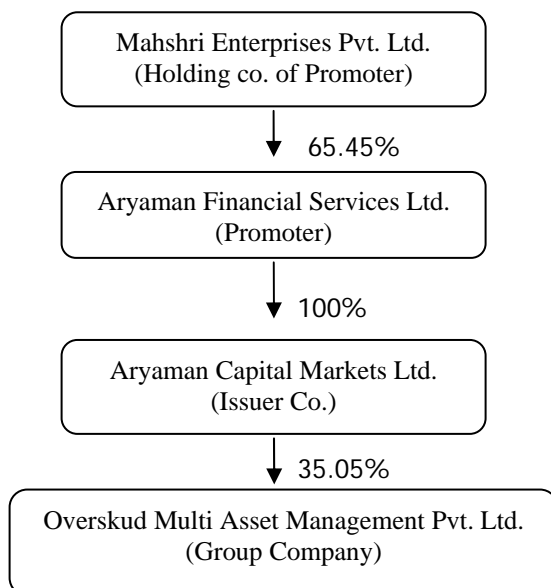
	Identification	Details
	Mr. Shripal Shah	
	PAN	BBTPS8152C
	Passport No.	J1697902
	<i>Mr. Shripal Shah, aged 29 years is on our Board. For further details, please see chapter titled “Our Management” beginning on page 109 of this Prospectus.</i>	
	Identification	Details
	Mr. Shreyas Shah	
	PAN	BEOPS6554N
	Passport No.	F4532866
	<i>Mr. Shreyas Shah, aged 26 years is on our Board. For further details, please see chapter titled “Our Management” beginning on page 109 of this Prospectus.</i>	

Our Promoter Group

Since our promoter – AFSL is a body corporate; as per 2(1)(zb) of SEBI (ICDR) Regulations, following entities shall form part of our promoter group:

Particulars	Name of Promoter Group Entity
a subsidiary or holding company of such body corporate	Mahshri Enterprises Pvt. Ltd.
anybody corporate in which the promoter holds ten per cent. Or more of the equity share capital or which holds ten per cent. Or more of the equity share capital of the promoter	NIL
anybody corporate in which a group of individuals or companies or combinations thereof which hold twenty per cent. or more of the equity share capital in that body corporate also holds twenty per cent or more of the equity share capital of the issuer.	NIL

Aryaman Group /Holding Structure



Our Group Companies

In addition to our Company, its Corporate Promoter (AFSL) and its holding company (MEPL), the following entity is co-promoted by our Promoter (through our company) and thus is our Group Company as defined under Schedule VIII of the SEBI Regulations.

- **Overskud Multi Assets Management Private Limited**

The financial information and other relevant details of OMAMPL are given below:

OMAMPL was incorporated as Roopshri Finvest Private Limited under the Companies Act, 1956 on December 15, 1993 in the state of Maharashtra. Pursuant to a fresh certificate of incorporation issued by ROC, Mumbai on June 28, 2010 the company changed its name to Overskud Multi Assets Management Private Limited. The CIN of the Company is U67190MH1993PTC075605. OMAMPL is currently a FMC registered member of the MCX (Mem no. 29435) & NCDEX (Mem no. 701) and is in the business of Commodity Trading and Broking.

Its registered office is situated at 56/1421, MIG Adarsh Nagar, Near Century Bazar, Worli, Mumbai 400025.

Board of Directors

- Mr. Shreyas Shah
- Mrs. Roopa Shah

Shareholding Pattern:

Sr. No.	Particulars	No. of shares held	% of total paid up capital of the company
1	Roopa Shah	3,04,750	60.95%
2	Aryaman Capital Markets Ltd.	1,75,250	35.05%
3	Shripal Shah	10,000	2.00%
4	Shreyas Shah	10,000	2.00%
	Total	5,00,000	100.00%

Financial Performance

The summary audited financial information of OMAMPL is as follows:

(in ₹)

Sr. No.	Particulars	As at March 31		
		2013	2012	2011
1	Equity Capital	50,00,000	50,00,000	50,00,000
2	Reserves (excluding revaluation reserve) and Surplus	31,644,580	31,493,939	31,344,298
3	Income including other income	7,64,633	4,29,612	1,000,733
4	Profit/ (Loss) after tax	1,50,641	1,49,641	95,655
5	Earnings per share (face value of ₹ 10 each)	0.30	0.30	0.19
6	Net asset value per share	73.29	72.99	72.69

Overskud Multi Assets Management Private Limited is an unlisted company and it has not made any public issue (including any right issue to the public) in the preceding three years. It has not become a sick company under the meaning of SICA, it is not under winding – up and does not have a negative net worth.

Defunct Group Companies

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

Outstanding Litigation

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

Common Pursuits of our Group Company

OMAMPL is primarily engaged in commodities brokerage and trading business. However, it also carries our investment and trading in capital markets from time to time depending on availability of funds. Further, OMAMPL's memorandum allows it to do businesses which may be similar to that of our company and hence to that extent, there exists, a conflict of interest therein.

Related Business Transactions

For details, please see the section titled "Financial Information - Related Party Transactions" beginning on page 143 of this Prospectus.

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

For details, please see "Financial Information - Related Party Transactions" beginning on page 143 of this Prospectus.

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

Except as disclosed in the section "Financial Information – Related Party Transactions" beginning on page 143 of this Prospectus, no amount or benefits were paid or were intended to be paid to our Group Companies since the incorporation of our Company.

DIVIDEND POLICY

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

There are no dividends declared by our Company since incorporation.

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

SECTION VI: FINANCIAL INFORMATION

FINANCIAL STATEMENT

AUDITORS REPORT ON FINANCIAL INFORMATION OF ARYAMAN CAPITAL MARKETS LIMITED

To,
The Board of Directors,
Aryaman Capital Markets Ltd
718-A, P.J. Towers,
Dalal Street, Fort,
Mumbai – 400001.

Dear Sirs,

Re: Proposed Public Issue of Equity Shares of Aryaman Capital Markets Limited

1. We have examined the attached **Restated Financial Information** of Aryaman Capital Markets Ltd. , as on year ended 31st March 2014, 31st March 2013 , 31st March 2012, 31st March 2011 and 31st March 2010 and **Restated Profit & Loss and Cash Flow Statements** for the year ended 31st March 2014, 31st March 2013 , 31st March 2012, 31st March 2011 and 31st March 2010 for (Collectively the **“Restated Financial Statements”**), as approved by the Board of Directors of ACML prepared in terms of the requirements of sub clause (i) and (iii) of clause (b) of sub-section (1) of section 26 of the companies Act, 2013 (the “Act”) and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, 2009 as amended to date (the “SEBI Regulations”) in connection with the Company’s Proposed Initial Public Offer (IPO) of equity shares at ₹ 10/- each (referred to as the **“Issue”**) under the Fixed Price Issue Method.
2. The Restated Financial Information have been extracted by the management from the financial statements for the year ended 31st March 2014, 31st March 2013 , 31st March 2012, 31st March 2011 and 31st March 2010. Audit for these year’s financial statements was carried out by us, approved by the Board of Directors and adopted by the Members in those respective financial years.
3. In accordance with the requirements of sub-clause (i) and (iii) of clause (b) of sub-section (1) of section 26 of the Companies Act, 2013 read with Rule 4 of Companies (Prospectus and Allotment of Securities) Rule, 2014, the SEBI Regulations; Revised Guidance Note on Reports in Company Prospectus (as amended from time to time) issued by the Institute of Chartered Accountants of India (the “ICAI”) and the term of our engagement agreed with you, we further report that:
 - i. The Restated Statement of Assets and Liabilities of the Company as at 31st March 2014, 31st March 2013, 31st March 2012, 31st March 2011 and 31st March 2010 as set out in **“Annexure I”** to this report read with the Significant Accounting Policies and related Notes in Annexure IV are after making such adjustments and regroupings as in our opinion are appropriate in the year to which they relate and more fully described in Schedules to the Restated Summary Statements.
 - ii. The Restated Profit & Loss Statement of the Company for the Period ended 31st March 2014, 31st March 2013, 31st March 2012, 31st March 2011 and 31st March 2010 as set out in **“Annexure II”** to this report read with the significant accounting policies and related Notes in Annexure IV are after making such adjustments and regroupings as in our opinion are appropriate in the year to which they relates and more fully described in Schedules to the Restated Summary Statements.

- iii. We have also examined the following financial information as set out in Annexure prepared by the Management and approved by the Board of Directors relating to the Company for the year ended 31st March 2014, 31st March 2013, 31st March 2012, 31st March 2011 and 31st March 2010:

Annexure I:	Statement of Assets and Liabilities as Restated
Annexure II:	Statement of Profits and Losses as Restated
Annexure III:	Statement of Cash Flows as Restated
Annexure IV:	Significant Accounting Policies and Notes to Accounts
Annexure V:	Details of Reserves and Surplus as Restated
Annexure VI:	Details of Short Term Borrowings as Restated
Annexure VII:	Details of Short Term Provisions and Other Current Liabilities as Restated
Annexure VIII:	Details of Fixed Assets as Restated
Annexure IX:	Details of Long Term Loans and Advances as Restated
Annexure X:	Details of Other Non Current Assets as Restated
Annexure XI:	Details of Non-Current Investments as Restated
Annexure XII:	Details of Inventories as Restated
Annexure XIII:	Details of Trade Receivables as Restated
Annexure XIV:	Details of Short Term Loans and Advances
Annexure XV:	Details of Income from Operations as Restated
Annexure XVI:	Details of Contingent Liabilities as Restated
Annexure XVII:	Summary of Accounting Ratios as Restated
Annexure XVIII:	Capitalization Statement as Restated
Annexure XIX:	Statement of Tax Shelters As Restated
Annexure XX:	Details of Related Party Transactions
Annexure XXI:	Details of Dividend, as Restated

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

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

For THAKUR VAIDYANATH AIYAR & CO (Firm Registration No. 000038N)

C.V. Parmeswar
Partner

Membership No: 11541

Place: Mumbai

Date: July 22, 2014

(₹ in Lacs)

Annexure I: Statement of Assets and Liabilities as Restated						
	Particulars	Financial years ended				
		2014	2013	2012	2011	2010
	<u>Equity and Liabilities</u>					
(1)	Shareholder's Funds	881.62	694.62	690.35	682.39	4.08
	(a) Share Capital	838.71	688.25	688.25	688.25	5.00
	(b) Reserves and Surplus	42.90	6.37	2.10	(5.86)	(0.92)
(2)	Share Application Money outstanding	0.00	0.00	0.00	0.00	195.00
(3)	Non Current Liabilities	1.79	0.68	0.00	0.00	0.00
	(a) Long Term Borrowings	0.00	0.00	0.00	0.00	0.00
	(b) Deffered Tax Liabilities (Net)	1.79	0.68	0.00	0.00	0.00
	(c) Long Term Provisions	0.00	0.00	0.00	0.00	0.00
(4)	Current Liabilities	143.30	104.05	173.58	0.16	519.52
	(a) Short Term Borrowings	125.00	102.59	170.44	0.00	473.20
	(b) Trade Payables	10.74	0.35	0.25	0.16	0.07
	(c) Other Current Liabilities	5.89	0.97	1.03	0.00	46.25
	(d) Short Term Provisions	1.67	0.14	1.87	0.00	0.00
	Total	1,026.71	799.36	863.93	682.55	718.60
	<u>Assets</u>					
(5)	Non Current Assets	614.24	513.82	723.94	682.32	636.51
	(a) Fixed Assets	43.43	44.39	0.00	0.00	0.00
	(b) Non Current Investments	540.49	438.51	521.44	480.56	384.15
	(c) Long Term Loans and Advances	30.00	30.00	201.00	200.00	250.00
	(d) Other Non Current Assets	0.32	0.91	1.50	1.77	2.36
(6)	Current Assets	412.47	285.54	139.99	0.23	82.09
	(a) Inventories	318.93	66.85	0.00	0.00	0.00
	(b) Trade Receivables	1.31	4.10	0.00	0.00	0.00
	(c) Cash and Cash Equivalents	83.42	71.77	0.35	0.23	0.34
	(d) Short Term Loans and Advances	8.80	142.81	139.64	0.00	81.75
	Total	1,026.71	799.36	863.93	682.55	718.60

(₹ in Lacs)

Annexure II: Statement of Profit and Loss as Restated						
	Particulars	Financial years ended				
		2014	2013	2012	2011	2010
A	Income					
	Income from Operations	293.10	51.18	21.62	0.00	0.00
	Other Income	0.00	0.00	0.00	0.00	0.00
	Total Income	293.10	51.18	21.62	0.00	0.00
B	Expenditure					
	Purchases of Stock-in Trade	512.60	80.08	0.00	0.00	0.00
	Changes in Inventories (Stock-in trade)	(252.08)	(66.85)	0.00	0.00	0.00
	Employee Benefits Expenses	2.53	0.36	0.00	0.00	0.00
	Administration and Other Expenses	8.13	21.98	1.21	4.34	0.31
	Preliminary Expenses Written off	0.59	0.59	0.27	0.59	0.59
	Finance Costs	11.37	9.79	10.32	0.01	0.01
	Depreciation and Amortization expenses	1.00	0.28	0.00	0.00	0.00
	Total Expenditure	284.15	46.22	11.79	4.94	0.92
C	Profit / (Loss) before Tax and Extraordinary Items	8.95	4.95	9.83	(4.94)	(0.92)
	Extra-Ordinary Items	0.00	0.00	0.00	0.00	0.00
D	Profit / (Loss) before Tax after Extra ordinary item	8.95	4.95	9.83	(4.94)	(0.92)
	<i>Tax Expenses</i>					
	- Current Tax (Normal)	1.39	1.32	0.00	0.00	0.00
	- Current Tax (MAT)	0.00	0.00	1.87	0.00	0.00
	- Less: MAT Adjusted	0.00	(1.32)	0.00	0.00	0.00
	- Deferred Tax	1.11	0.68	0.00	0.00	0.00
E	Net Profit / (Loss) after Tax available for Appropriations	6.44	4.27	7.96	(4.94)	(0.92)

(₹ in Lacs)

Annexure III: Statement of Cash Flows as Restated					
Particulars	Financial years ended				
	2014	2013	2012	2011	2010
Cash Flow from operating activities					
Net Profit / (Loss) before Tax	8.95	4.95	9.83	(4.94)	(0.92)
<i>Adjustments for:</i>					
Depreciation	1.00	0.28	0.00	0.00	0.00
Preliminary Expenses Written off	0.59	0.59	0.27	0.59	0.59
Finance Costs	11.37	9.79	10.32	0.01	0.01
Operating Profit / (Loss) before Working Capital changes	21.92	15.61	20.41	(4.34)	(0.31)
(Increase) / Decrease in Trade Receivables	2.78	(4.10)	0.00	0.00	0.00
(Increase) / Decrease in Inventories	(252.08)	(66.85)	0.00	0.00	0.00
(Increase) / Decrease in Trade Advances and Other Current assets	134.01	(3.18)	(139.64)	81.75	(69.58)
Increase / (Decrease) in Current Liabilities	16.84	(1.69)	2.99	(46.15)	36.05
Operating Profit / (Loss) after Working Capital changes	(76.53)	(60.21)	(116.24)	31.26	(33.84)
Less: Taxes Paid	1.39	0.00	1.87	0.00	0.00
Cash Flow from operating activities	(77.92)	(60.21)	(118.11)	31.26	(33.84)
Cash Flow from Investing Activities					
(Purchase) / Sale of Fixed Assets	(0.04)	(44.67)	0.00	0.00	0.00
(Increase) / Decrease in Non Trade Advances and Other Non Current assets	0.00	171.00	(1.00)	50.00	(250.00)
(Increase) / Decrease in Investments	(101.97)	82.93	(40.89)	(96.41)	(384.15)
Cash flow from Investing Activities	(102.02)	209.26	(41.89)	(46.41)	(634.15)
Cash flow from Financing Activities					
Increase / (Decrease) in Share Capital (including premium)	180.55	0.00	0.00	683.25	0.00
Increase / (Decrease) in Borrowings / advances	22.41	(67.84)	170.44	(668.20)	668.20
Finance Costs	(11.37)	(9.79)	(10.32)	(0.01)	(0.01)
Cash flow from Financing Activities	191.58	(77.63)	160.12	15.04	668.19
Net Increase / (Decrease) in Cash and Cash Equivalents	11.65	71.42	0.12	(0.11)	0.20
Opening Cash and Cash Equivalents	71.77	0.35	0.23	0.34	0.14
Closing Cash and Cash Equivalents	83.42	71.77	0.35	0.23	0.34
Net Increase / (Decrease) in Cash and Cash Equivalents	11.65	71.42	0.12	(0.11)	0.20

Annexure IV: SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

Significant Accounting Policies

A. Basis of Preparation of Financial Statements

The Financial Statements are prepared under the Historical Cost Convention and comply in all material aspects with the applicable Accounting Principles in India and the relevant provisions of the Companies Act, 2013.

B. Own Fixed Assets

Fixed Assets are valued at cost less accumulated depreciation and net of CENVAT, unless re-valued, for which proper disclosure is made. All expenditure, including advances given and interest cost during the asset construction period, are accumulated and shown as Capital Work-in-Progress until the project/assets commences commercial production. Assets under construction are not depreciated. Expenditure arising out of trial run is part of pre operative expenses included in Capital Work-in-Progress.

C. Depreciation

Depreciation on items listed in Schedule XIV of the Companies Act, 1956 is charged according to the straight-line method at rates specified in the said Schedule. Depreciation on Assets acquired/purchased during the year is provided on pro-rata basis according to the period each asset was put to use during the year.

D. Revenue Recognition

Revenue from sale of inventories is recognized (net of sales return & trade discounts) on transfer of significant risks and rewards of ownership to the buyer. Income from Project Consultancy is accrued considering stage wise completion of work, wherever agreed upon or feasible, otherwise it is accrued on percentage basis based on the quantum of work completed. Income from Broking Activities is accounted on accrual basis. Income from Trading, Investments, Dividends and Interests are recorded on a accrual basis. Other Income if any accounted on accrual basis.

E. Inventories

The general practice adopted by the Company for valuation of inventory is at cost or net realizable value whichever is lower. The net realizable value is the estimated selling price in the ordinary course of business less estimated cost necessary to make sale.

F. Investment

Investments are classified into long-term investments and short-term investments. Investments, which are intended to be held for one year or more, are classified as long-term investments and investments, which are intended to be held for less than one year, are classified as current investments. Long Term Investments & Short Term Investments are carried at cost. No provisions for diminution has been made as in the opinion of the management the diminution are temporary in nature.

G. Impairment of Assets

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

H. Segment Reporting

The Company does not have reportable Segment as per requirement of "Accounting Standards 17 - Segment Reporting". All the Revenue shown as part of revenue from operations comes from the Broking / Investing Activities of the company. All other revenues/incomes are show as Other Income.

I. Borrowing cost:

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

J. Taxation:

Provision for current tax is made after taking into consideration benefits admissible under the provisions of The Income-tax Act, 1961. Deferred tax resulting from "timing difference" between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date. Deferred Tax assets are recognized only to the extent there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be adjusted.

K. Provisions, Contingent Liabilities and Contingent Assets:

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

L. Earnings Per Share

The Company reports basic and diluted earnings per equity share in accordance with (AS) 20, Earnings per share issued by the Institute of Chartered Accountants of India. Basic earnings share have been computed by dividend net income by the weighted average number of equity shares outstanding for the period. Diluted earnings per equity shares have been computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the period.

Notes to Accounts:

1. There are no Auditor's Qualifications in the Financial Statements of the Company.
2. In view of the number of employees being below the stipulated numbers, the Payment of Gratuity Act is not applicable to the company for the year. The same is the case with respect to payment of Bonus Act.
3. **Income/Expenditure in foreign currency:**

Particulars	Amount (₹)	Amount (₹) (P.Y.)
Expenditure	NIL	NIL
Income	NIL	NIL

4. Directors' Remuneration:

Particulars	Amount (₹)	Amount (₹) (P.Y.)
Salary	NIL	NIL
Provident Fund	NIL	NIL
Perquisites	NIL	NIL
Legal & Professional	NIL	NIL
TOTAL	NIL	NIL

5. Remuneration to Statutory Auditors:

(₹ in lacs)

Particulars	FY 2014	FY 2013	FY 2012	FY 2011	FY 2010
Audit Fees	0.15	0.15	0.13	0.12	0.05
Taxation Matters	0.10	0.10	0	0	0
ROC Matters	0	0	0	0	0
Other Legal & Professional	0	0	0	0	0
TOTAL	0.25	0.25	0.13	0.12	0.05

6. Deferred Tax Calculations:

Deferred Tax Liability is calculated on the Timing Difference between W. D. V. of Fixed Assets as per Companies Act and as per Income Tax Act & Deferred Tax Asset is recognized for business losses as per income Tax Act to the extent that there is virtual certainty that sufficient future taxable income will be taxable against which Deferred Tax Assets can be realized.

(₹ in lacs)

FY 2014	FY 2013	FY 2012	FY 2011	FY 2010
1.79	0.68	0.0	0.0	0.0

- The Company has not received any intimation from suppliers regarding their status under micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure, if any, in relation to amount unpaid as at the yearend as required under the said Act have not been furnished.
- In the opinion of Board of Directors, the value of realization of current assets, loans and advances in the ordinary course of business will not be less than the amount at which these are stated in the balance sheet.
- The management has confirmed that adequate provisions have been made for all the known and determined liabilities and the same is not in excess of the amounts reasonably required.

10. Contingent Liability

There are no Contingent Liabilities in the Company as on March 31, 2014.

11. Adjustments made of Restated Financial Statements (for FY 2011 & 2010) due to representation under new format of Schedule VI of the Companies Act, 1956

a) Reconciliation of Current Assets and Loans & Advances:

Particulars	FY 2011	FY 2010
As per Balance Sheet		
Inventories	0.00	0.00
Sundry Debtors	0.00	0.00
Deposits*	200.00	250.00
Cash and Bank Balances	0.23	0.34
Loans and Advances	0.00	81.75
Total	200.23	332.09
Restated as follows		
Inventories	0.00	0.00
Trade Receivables	0.00	0.00
Cash and Bank Balances	0.23	0.34
Short Term Loans and Advances	0.00	81.75
Total	0.23	82.09

*These amounts representing the Refundable deposits given by the company was restated as part of "Long Term Loans and Advances" in the restated financials.

b) Reconciliation of Current Liabilities & Provisions

Particulars	FY 2011	FY 2010
As per Balance Sheet		
Sundry Creditors	0.16	0.06
Other Current Liabilities	0.00	519.45
Provisions	0.00	0.00
Total	0.16	519.51
Restated as follows		
Short Term Borrowings	0.00	473.20
Trade Payables	0.16	0.06
Other Current Liabilities	0.00	46.25
Short Term Provisions	0.00	0.00
Total	0.16	519.51

c) In the FY 2009-10 and 2010-11, Profit & Loss Debit balance was shown on the asset side on the face of Balance Sheet in the Audited Financials. However, in accordance to the new format of Schedule VI of the Companies Act, 1956, the same is shown as part of reserves (negative figure) in restated financials.

12. Other notes regarding adjustments or regroupings:

- i. There have been no Adjustments/ rectification for any incorrect accounting practices or failures to make provisions or other adjustments which would result in audit qualifications.
- ii. There are no Audit qualifications, which have not been given effect to.
- iii. There are no material events whereby any adjustment would need to be made in previous years in order to ensure that the profits of each year pertain to events triggered in that year.

- iv. There has not been any change in accounting policy, whereby the profits or losses of the earlier years (required to be shown in the offer document) need to be recomputed to reflect what the profits or losses of those years would have been if a uniform accounting policy was followed in each of these years.
- v. Appropriate adjustments have been made in the Restated financial statements, wherever required, by a reclassification of the corresponding items of assets, liabilities, Income, Expenditure and cash flows, in order to bring them in line with the groupings as per the audited financials of the Company for the year ended March 31, 2014. However, there has been no impact on the "Profit after tax" figure disclosed in the Restated Financial Statements for any of these re-groupings.

(₹ in Lacs)

Annexure V: Details of Reserves and Surplus as Restated					
Particulars	Financial years ended				
	2014	2013	2012	2011	2010
Share Premium A/c	30.09	0.00	0.00	0.00	0.00
Opening Balance of Profit and Loss A/c	6.37	2.10	(5.86)	(0.92)	0.00
Add: Profit (Loss) for the period	6.44	4.27	7.96	(4.94)	(0.92)
Closing Balance of Profit and Loss A/c	12.81	6.37	2.10	(5.86)	(0.92)
Total Reserves and Surplus	42.90	6.37	2.10	(5.86)	(0.92)

(₹ in Lacs)

Annexure VI: Details of Short Term Borrowings as Restated					
Particulars	Financial years ended				
	2014	2013	2012	2011	2010
Loans and Advances from Related Parties*	0.00	102.59	170.44	0.00	473.20
Loans and Advances from others**	125.00	0.00	0.00	0.00	0.00
Total Short Term Borrowings	125.00	102.59	170.44	0.00	668.20

*These amounts represent the Short Term Finance; Share Application Monies as well as other transactions forming part of the current account of our Corporate Promoter or certain relatives of KMP with our company. These are all unsecured in nature and do not have any specific terms of conditions.

**Details of Outstanding Unsecured Loans:		
Name of Lender	Amt. o/s	Terms and Conditions
Franklin Leasing and Finance Ltd.	68.00	These are unsecured loans from NBFCs, which are repayable on demand. They carry a interest rate of 12% p.a.
Sonal Mercantile Ltd.	57.00	
Total	125.00	

(₹ in Lacs)

Annexure VII: Details of Short Term Provisions and Other Current Liabilities as Restated					
Particulars	Financial years ended				
	2014	2013	2012	2011	2010
Other Current Liabilities					
- TDS Payable	1.14	0.97	1.03	0.00	0.00
- Rental Deposit Payable	0.00	0.00	0.00	0.00	46.25
- Advance from Customers	4.75	0.00	0.00	0.00	0.00
Total	5.89	0.97	1.03	0.00	46.25
Short Term Provisions					
Provisions for Income Tax	1.39	0.00	1.87	0.00	0.00
Provision for salaries	0.28	0.14	0.00	0.00	0.00
Total	1.67	0.14	1.87	0.00	0.00

(₹ in Lacs)

Annexure VIII: Details of Fixed Assets as Restated					
Particulars	Financial years ended				
	2014	2013	2012	2011	2010
Tangible Fixed Assets					
Office Premises at BSE (Tenancy)					
- Gross Block	43.63	43.63	0.00	0.00	0.00
- Less: Accumulated Depreciation	0.79	0.07	0.00	0.00	0.00
- Net Block	42.85	43.56	0.00	0.00	0.00
Furniture and Fixtures					
- Gross Block	0.11	0.11	0.00	0.00	0.00
- Less: Accumulated Depreciation	0.01	0.00	0.00	0.00	0.00
- Net Block	0.10	0.11	0.00	0.00	0.00
Office Equipments and Computers					
- Gross Block	0.44	0.40			
- Less: Accumulated Depreciation	0.13	0.03			
- Net Block	0.31	0.37	0.00	0.00	0.00
Total Tangible Fixed Assets (Net Block)	43.26	44.04	0.00	0.00	0.00
Intangible Fixed Assets					
Software's					
- Gross Block	0.53	0.53	0.00	0.00	0.00
- Less: Accumulated Depreciation	0.35	0.18	0.00	0.00	0.00
- Net Block	0.18	0.35	0.00	0.00	0.00
Total Intangible Fixed Assets (Net Block)	0.18	0.35	0.00	0.00	0.00

(₹ in Lacs)

Annexure IX: Details of Long Term Loans and Advances as Restated					
Particulars	Financial years ended				
	2014	2013	2012	2011	2010
Base Capital and Margin Deposits with BSE	30.00	30.00	1.00	0.00	0.00
Office Deposit	0.00	0.00	200.00	200.00	250.00
Total Long Term Loans and Advances	30.00	30.00	201.00	200.00	250.00

(₹ in Lacs)

Annexure X: Details of Other Non Current Assets as Restated					
Particulars	Financial years ended				
	2014	2013	2012	2011	2010
Preliminary Expenses not w/o	0.32	0.91	1.50	1.77	2.36
Total Non Current Assets	0.32	0.91	1.50	1.77	2.36

(₹ in Lacs)

Annexure XI: Details of Non-Current Investments as Restated					
Particulars	Financial years ended				
	2014	2013	2012	2011	2010
<u>Unquoted Equity Shares</u>					
- Overskud Multi Asset Management Pvt. Ltd.	262.88	262.88	315.00	315.00	315.00
<u>Quoted Equity Shares</u>					
- Zenith Birla Ltd.	62.55	60.75	60.75	60.75	0.00
- Indra Deco Ltd.	94.67	94.67	94.67	93.96	69.15
- Birla Precision Technologies Ltd.	10.85	10.85	10.85	10.85	0.00
- BB Reality Ltd.	0.00	0.00	40.17	0.00	0.00
- Sangam Advisors Ltd.	9.37	9.37	0.00	0.00	0.00
- Jet Airways Ltd.	32.51	0.00	0.00	0.00	0.00
- Reliance Power Ltd.	3.68	0.00	0.00	0.00	0.00
- SRG Housing Finance Ltd.	36.58	0.00	0.00	0.00	0.00
- SRG Securities Finance Ltd.	27.40	0.00	0.00	0.00	0.00
Total	540.49	438.51	521.44	480.56	384.15
Book Value of Quoted Investments	277.61	175.64	206.44	165.56	69.15
Market Value of Quoted Investments	139.90	32.97	71.32	72.80	55.50

(₹ in Lacs)

Annexure XII: Details of Inventories as Restated					
Particulars	Financial years ended				
	2014	2013	2012	2011	2010
Equity Shares (quoted)	318.93	66.85	0.00	0.00	0.00
Book Value of Quoted Shares	318.93	66.85	0.00	0.00	0.00
Market Value of Quoted Shares	327.74	71.73	0.00	0.00	0.00

(₹ in Lacs)

Annexure XIII: Details of Trade Receivables as Restated					
Particulars	Financial years ended				
	2014	2013	2012	2011	2010
Debts outstanding for a period exceeding six months					
Unsecured, considered good	-	-	0.00	0.00	0.00
Other Debts					
Unsecured, considered good	1.31	4.10	0.00	0.00	0.00
Total	1.31	4.10	0.00	0.00	0.00

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

Particulars	Financial years ended				
	2014	2013	2012	2011	2010
From Promoters / Directors / Relatives	0.00	0.00	0.00	0.00	0.00
From Group Companies	0.00	0.00	0.00	0.00	0.00
Total	0.00	0.00	0.00	0.00	0.00

(₹ in Lacs)

Annexure XIV: Details of Short Term Loans and Advances					
Particulars	Financial years ended				
	2014	2013	2012	2011	2010
Balances with Revenue Authorities / Advance Tax / Tax Deducted at Source	8.41	8.92	1.65	0.00	0.00
Advances recoverable in cash or in kind or for value to be received	0.39	133.89	137.99	0.00	81.75
Total	8.80	142.81	139.64	0.00	81.75

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

Particulars	Financial years ended				
	2014	2013	2012	2011	2010
From Promoters / Directors / Relatives	0.00	0.00	0.00	0.00	0.00
From Group Companies	0.00	0.00	0.00	0.00	0.00
Total	0.00	0.00	0.00	0.00	0.00

(₹ in Lacs)

Annexure XV: Details of Income from Operations as Restated					
Particulars	Financial years ended				
	2014	2013	2012	2011	2010
Sales (Stock in Trade)	271.15	13.13	0.00	0.00	0.00
Income from Fees and Commissions Earned	12.21	56.50	0.00	0.00	0.00
Income from Trading & Investment Activity	1.38	(23.48)	5.17	0.00	0.00
Income from Dividends & Interest	8.35	5.03	16.45	0.00	0.00
Total Income from Operations	293.10	51.18	21.62	0.00	0.00

(₹ in Lacs)

Annexure XVI: Details of Contingent Liabilities as Restated					
Particulars	Financial years ended				
	2014	2013	2012	2011	2010
NIL	NIL	NIL	NIL	NIL	NIL

(₹ in Lacs in Lacs, except for share data)

Annexure XVII: Summary of Accounting Ratios as Restated					
Particulars	Financial years ended				
	2014	2013	2012	2011	2010
Face Value per share	10.00	10.00	10.00	10.00	10.00
Net Worth	881.29	693.71	688.85	680.63	1.72
Restated Profit (Loss) after Tax	6.44	4.27	7.96	(4.94)	(0.92)
Weighted Average No. of shares outstanding for the period	7,253,536	6,882,543	6,882,543	162,316	50,000
Actual Number of shares at the end of the period	8,387,126	6,882,543	6,882,543	6,882,543	50,000
EPS (Basic and Diluted)	0.09	0.06	0.12	-	-
Return on Networth (%)	0.73%	0.62%	1.15%	-0.73%	-53.24%
Net Asset Value per share	10.51	10.08	10.01	9.89	3.45

Annexure XVIII: Capitalisation Statement as restated		
Particulars	Pre Issue (as on March 31, 2014)	Post Issue
<u>Borrowings:</u>		
Short Term Debt (A)	125.00	0.00
Long Term Debt (B)	0.00	0.00
Total Borrowings (C)	125.00	0.00
<u>Shareholder's Funds</u>		
Equity Share Capital	838.71	1,197.71
Reserves and Surplus	42.90	114.70
Misc. expenses	(0.33)	(0.33)
Net Worth	881.29	1,312.09
Long Term Debt / Shareholder's Funds	-	-
Total Debt / Shareholder's Funds	0.14	-

Note: The post issue capitalisation has been assumed based on management representation of the issue size as approved via board meeting dated 13/06/2014 and assuming the repayment of debt from the issue proceeds as specified in such board meeting.

(₹ in Lacs)

Annexure XIX: Statement of Tax Shelters As Restated					
Particulars	Financial years ended				
	2014	2013	2012	2011	2010
Normal Corporate Tax Rate	30.00%	30.00%	30.00%	30.00%	30.00%
Minimum Alternative Tax Rate	18.50%	18.50%	18.50%	18.00%	15.00%
Profit before tax as per Restated P&L A/c	8.95	4.95	9.83	(4.94)	(0.92)
Less: LTCG	0.00	0.00	0.00	0.00	0.00
PBT after LTCG	8.95	4.95	9.83	(4.94)	(0.92)
Tax thereon at the above rate (A)	2.69	1.49	2.95	0.00	0.00
Timing Differences					
Difference between Tax Depreciation and Book Depreciation	3.48	2.16	0.00	0.00	0.00
Loss on sale of Fixed Assets	0.00	0.00	0.00	0.00	0.00
Total Timing Differences	3.48	2.16	0.00	0.00	0.00
Tax Saving to the extent of Tax Rate (B)	1.04	0.65	0.00	0.00	0.00
Net Adjustments	0.00	0.00	0.00	0.00	0.00
Exempted Income	(2.65)	0.00	0.00	0.00	0.00
Set off of Business Losses/Unabsorbed	0.00	0.00	(5.86)	0.00	0.00
Total Net Adjustments	(2.65)	0.00	(5.86)	0.00	0.00
Tax Saving to the extent of Tax Rate (C)	(0.80)	0.00	(1.76)	0.00	0.00
Total Tax Payable D = (A+B+C)	2.93	2.14	1.19	0.00	0.00
Tax payable on items chargeable at special rate (E)	0.00	0.00	0.00	0.00	0.00
Total Tax Payable (F=D+E)	2.93	2.14	1.19	0.00	0.00
Tax Rebates (G)	0.00	0.00	0.00	0.00	0.00
Net Tax Payable (H=F-G)*	2.93	2.14	1.19	0.00	0.00
Tax Payable under MAT(115JB of Income Tax Act, 1961) (I)	1.66	0.92	1.82	0.00	0.00
Net Tax Payable (Higher of H & I)	2.93	2.14	1.82	0.00	0.00

1. The aforesaid Statement of tax shelters has been prepared as per the 'Restated Unconsolidated Profit & Loss Statement.

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

Annexure XX: Details of Related Party Transactions						
Details of related parties and description of relationship						
Particulars	Nature of Relationship	Financial years ended				
		2014	2013	2012	2011	2010
Names of related parties with whom transactions have taken place and their relationship						
Key Managerial Personnel	Director	-	-	-	-	-
		-	-	-	-	-
Relatives of Key Managerial Personnel	Director's Relative	Roopa Shah	Roopa Shah	-	Roopa Shah	Roopa Shah
	Directors' Relative is Proprietor of Concern	-	Vardhman Investments	-	Vardhman Investments	Vardhman Investments
	Company in which relative is Director	-	Overskud Multi Asset Mgt. Pvt. Ltd.	-	-	Overskud Multi Asset Mgt. Pvt. Ltd.
Enterprise having substantial voting rights	Holding Company	Aryaman Financial Services Ltd.	Aryaman Financial Services Ltd.	Aryaman Financial Services Ltd.	Aryaman Financial Services Ltd.	Aryaman Financial Services Ltd.
	Ultimate Holding Company	-	-	-	Mahshri Enterprises Pvt. Ltd.	-

Details of Related Party Transactions are as follows:

(₹ in Lacs)

Nature of Transaction	Name of Party	Financial years ended					
		2014	2013	2012	2011	2010	
Equity Capital Allotted	Aryaman Financial Services Ltd.	150.46	0.00	0.00	683.25	0.00	
	<i>Closing Balance</i>	<i>838.71</i>	<i>688.25</i>	<i>688.25</i>	<i>688.25</i>	<i>5.00</i>	
Loans and Advances received / (given)	Aryaman Financial Services Ltd.	Received	100.00	110.11	242.44	217.71	704.48
		Utilized / Paid	180.55	200.00	72.00	885.91	46.50
	<i>Closing Balance</i>	<i>0.00</i>	<i>80.55</i>	<i>170.44</i>	<i>0.00</i>	<i>668.20</i>	
	Mahshri Enterprises Pvt. Ltd.	Received	0.00	0.00	0.00	2.50	0.00
		Utilized / Paid	0.00	0.00	0.00	2.50	0.00
	<i>Closing Balance</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	
	Roopa Shah	Received	0.00	84.16	0.00	81.41 ⁽¹⁾	167.17
Utilized / Paid		22.04	62.12 ⁽²⁾	0.00	0.00	248.58	
<i>Closing Balance</i>	<i>0.00</i>	<i>22.04</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>(81.41)</i>	

Investment	Overskud Multi Asset Management Pvt. Ltd.	Purchase / Allotted	0.00	0.00	0.00	0.00	315.00
		Sale	0.00	52.13	0.00	0.00	0.00
	<i>Closing Balance</i>		<i>262.87</i>	<i>262.87</i>	<i>315.00</i>	<i>315.00</i>	<i>315.00</i>
Net Deposit against Office Premises paid (received back)	Vardhman Investments	Received	0.00	200.00	0.00	3.75	0.00
		Utilized / Paid	0.00	0.00	0.00	0.00	203.75
	<i>Closing Balance</i>		<i>0.00</i>	<i>0.00</i>	<i>(200.00)</i>	<i>(200.00)</i>	<i>(203.75)</i>
Shares Purchased / (Sold)	Roopa Shah	Purchase	0.00	0.00	0.00	96.41	0.00
		Sale	0.00	0.00	0.00	0.00	0.00
Interest Paid / (received)	Aryaman Financial Services Ltd.		7.69	9.71	10.30	0.00	0.00

⁽¹⁾ This amount was adjusted against consideration payable for the shares purchased in 2011 from this entity.

⁽²⁾ This amount includes the shares of OMAMPL worth ₹ 52.13 lacs sold to this entity.

(₹ in Lacs)

Annexure XXI: Details of Dividend as Restated					
Particulars	Financial years ended				
	2014	2013	2012	2011	2010
NIL	NIL	NIL	NIL	NIL	NIL

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS AS PER RESTATED FINANCIALS

Summary of Business Overview

Being the wholly owned subsidiary of AFSL, our company represents and carries out the various fund based and secondary market activities of the group. We are hence involved in activities such as Trading and Investments in Quoted and Unquoted Securities, Underwriting Capital Market Issuances, Brokerage income from Equity/Debt Market Placements, and Market Making.

In 2012-13, we obtained the following registrations required for expanding our business activities:

SEBI Registration No.	INB011465938
BSE Trading cum Clearing Member No.	6514
BSE Market Maker Registration No.	SMEMM0651421122012

For details regarding the other government approvals pertaining to our business please refer to "Government and Other Statutory Approvals" beginning on page 160 of this Prospectus

Market Making is the act of providing liquidity to scrips by way of two way quotes on the counter. Since, Market Making is a fund based activity and we believe that going forward capital adequacy would play a key role in our ability to continue adding scrips in our Market Making Portfolio; we propose to raise capital and improve our fund adequacy.

Significant Developments after March 31, 2014 that may affect our Future Results of Operations

The Directors confirm that there have been no events or circumstances since the date of the last financial statements as disclosed in the Prospectus which materially or adversely affect or is likely to affect the profitability of our Company, or the value of our assets, or our ability to pay liabilities within next twelve months.

Factors Affecting Our Results of Operations and Financial Condition

Economic Conditions in India

Our results of operations and financial condition have been and will continue to be influenced by macroeconomic, market and other conditions and developments in India that affect the growth and performance of the companies in which we invest and trade. These factors include levels of, and growth rates in, GDP and per capita GDP as well as the rate of inflation. India's economy is expected to continue to grow during the next few years, contributing to higher disposable incomes, which we expect will fuel growth capital markets and the value of existing assets. Indian economy may be adversely affected by changes in various macro economic factors, including a general rise in interest rates, currency exchange rates, commodity and fuel prices and any adverse conditions which affect food and agricultural production and infrastructure. A slow down of the Indian economy may adversely affect our business, including our ability to implement our strategy.

Developments in SME Exchange Space in India

Apart from being a Trading and Investment Company; one of our major businesses consists of Market Making in stocks listed on SME Exchanges in India. Market making is a relatively new concept in India and has been introduced only in 2012 through the advent of SME Exchanges and the regulations making it mandatory to carry our market making in such listed companies. We believe that this is a start of a major trend in Indian Capital Markets and hence we have decided to expand our business in this segment over the course of the future. However, it may so happen that SME exchanges in India do not flourish either due to lower investor demand, or regulatory hurdles or any other externality which cannot be predicted today and hence this module may not be able to be successful in the future. Further, because most of our assets owned would be listed on the SME

Exchanges in India, any adverse development W.R.T SME Exchanges in India and inability to create a market for such stocks, would result in erosion of value of these assets and hence we may not be able to monetize these assets on a timely manner or at all.

Material changes in the regulations that govern us

We are regulated by the Companies Act and our activities are subject to supervision and regulation by statutory and regulatory authorities including the SEBI and the Stock Exchanges. In addition, we are subject to changes in Indian law, as well as to changes in regulation, government policies and accounting principles. Material changes in market making related rules, stock broker regulations and rules or any other key regulations and policies which are applicable to our company could materially adversely affect our business operations in the future. For details regarding the important laws and regulations that govern us please refer "*Key Industry Regulations and Policies*" on page 97 of this Prospectus.

Market Conditions

Our income from operations consists principally fee based and fund based revenue streams. The fund based revenue streams consist of interest/dividend income, sale of shares, profits from investment and trading activity. These sources of income will be affected by market factors, including the strength and liquidity of Indian and global capital markets, market volatility, trends in investor asset allocation and movements in interest rates. We will pursue appropriate longer-term value creation strategies. We may seek to achieve this by unlocking value in our Investments through public market or private sales after taking into account factors such as the stage of development of the relevant project of the Invested Company and general market conditions. The strength of India's capital markets generally, and the SME Exchange market specifically, will affect our ability to profitably unlock value in our Investments. Movements in interest rates may also affect our results of operations. Our fixed-income instruments may be exposed to risks associated with changes in interest rates.

Our Financial Expenses

Our profitability is significantly impacted by our financial costs. For the fiscal 2014, 2013, and 2012 our financing costs were 3.88%, 19.12% and 47.72% of our total income. Further, when compared to our profit after tax, the financing costs were 176.49%, 229.09% and 129.97% of the PAT. Hence, we propose to repay our debt through equity raised in this issue.

Our ability to successfully implement its strategy and its growth and expansion plans

Our growth plans are considerable and would put significant demands on our management team and other resources. Any delay in implementation of our strategy and growth plans could impact our result of operations and financial conditions.

Increasing competition in the industry

Our Company faces significant competition in the businesses that we are involved in. In particular, we compete with other brokerage and investment companies, both in India and abroad; and public and private sector funds operating in the markets in which we are present. In recent years, large international banks have also entered these markets. For further details, please refer to the paragraph titled "Competition", as contained in the chapter titled "*Our Business*", on page 90 of this Prospectus. We compete on the basis of a number of factors, including execution, depth of product and service offerings, innovation, reputation and price. Our competitors may have advantages over us, including, but not limited to:

- Substantially greater financial resources;
- Longer operating history than in certain of our businesses;
- Greater brand recognition among consumers;
- Larger customer bases in and outside India; or

- More diversified operations which allow profits from certain operations to support others with lower profitability.

In addition, it is possible that certain large financial services groups may decide to begin offering services that we currently provide, such Market Making etc. thereby further intensifying the competition. These competitive pressures may affect our business, and our growth will largely depend on our ability to respond in an effective and timely manner to these competitive pressures.

Results of our Operations

(₹ in lacs)

	Particulars	FY 2014	% of total income	FY 2013	% of total income	FY 2012	% of total income
A	Income						
	<i>Income from Operations:</i>						
	Sales (Stock in Trade)	271.15	92.51%	13.13	25.66%	0.00	0.00%
	Income from Fees and Commissions Earned	12.21	4.17%	56.50	110.40%	0.00	0.00%
	Income from Trading & Investment Activity	1.38	0.47%	(23.48)	-45.89%	5.17	23.90%
	Income from Dividends & Interest	8.35	2.85%	5.03	9.82%	16.45	76.10%
	<i>Other Income</i>	-	-	-	-	-	-
	Total Income	293.10		51.18		21.62	
B	Expenditure						
	Purchases of Stock-in Trade	512.60	174.89%	80.08	156.48%	0.00	0.00%
	Changes in Inventories (Stock-in trade)	(252.08)	-86.00%	(66.85)	-130.64%	0.00	0.00%
	Employee Benefits Expenses	2.53	0.86%	0.36	0.71%	0.00	0.00%
	Administration and Other Expenses	8.13	2.77%	21.98	42.95%	1.21	5.59%
	Preliminary Expenses Written off	0.59	0.20%	0.59	1.15%	0.27	1.23%
	Finance Costs	11.37	3.88%	9.79	19.12%	10.32	47.72%
	Depreciation and Amortization expenses	1.00	0.34%	0.28	0.54%	0.00	0.00%
	Total Expenditure	284.15	96.95%	46.22	90.32%	11.79	54.54%
C	Profit / (Loss) before Tax and Extraordinary Items	8.95	3.05%	4.95	9.68%	9.83	45.46%
	Extra-Ordinary Items	-	-	-	-	-	-
D	Profit / (Loss) before Tax	8.95	3.05%	4.95	9.68%	9.83	45.46%
	<i>Tax Expenses</i>						
	- Current Tax (Normal)	1.39	0.48%	1.32	2.58%	-	-
	- Current Tax (MAT)	-	-	-	-	1.87	8.66%
	- Less: MAT Adjusted	-	-	(1.32)	-2.58%	-	-
	- Deffered Tax	1.11	0.38%	0.68	1.33%	-	-
	- Fringe Benefit Tax	-	-	-	-	-	-
E	Net Profit / (Loss) after Tax available for Appropriations	6.44	2.20%	4.27	8.35%	7.96	36.80%

Main Components of our Profit and Loss Account

Income

Our total income comprises of revenue from operations and other income.

Revenue from Operations

Our revenue from operations consists of sale of securities held as inventories (market making portfolio), Income earned from Fee based activities such as Market Making Fees, Consultancy Fees, Advisory commissions on placement of large quantity of securities, Processing fee received from Banks for processing and procuring applications in a primary market issuance, underwriting commissions and new issue brokerage. Further, being an investment and trading company we book net profits or losses on sale of investments as well as interest and dividends earned on invested/deployed money as revenue from operations.

Only an additional income which does not form part of our core operations such as Interest on Income Tax refunds, etc. would be booked as "Other Income".

Expenditure

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

Purchases & Change in Inventories

Costs of Purchases are primarily in relation to purchases of securities in listed and/or unlisted companies, which are shown as inventories in our books. The change in inventories figure represents the entry passed in order to provide the net effect of purchases in the Profit and Loss Account. i.e. it reduces the purchases figure if the purchases made have not yet been sold and are held at same or more realizable values and vice versa. Hence, the net figure of sales, purchases and change in inventories will represent the profits made from trading in our inventories during a particular year.

Employee Benefit Expenses

Expenses in relation to employees' remuneration and benefits include salary, bonus and allowances, workmen and staff welfare costs, Director's remuneration etc.

Administration and Other Expenses

Administration and Other Expenses represents the various overhead expenses including the charges paid to stock exchanges regulatory bodies, rent, etc.

Fiscal 2014 compared with fiscal 2013

Income

In fiscal 2014, our total income increased by ₹ 241.92 lacs or 472.73%, from ₹ 51.18 lacs in fiscal 2013 to ₹ 293.10 lacs in fiscal 2014. The major factor for such increase was the increase in the trading activities of the market making portfolio stocks and a better positive performance in the trading and investment activities as compared to a loss in the same in the earlier year.

Purchases

The purchases in fiscal 2014 were ₹ 512.60 lacs, an increase of 540.12% as compared to the previous year purchases of ₹80.08 lacs in fiscal 2013. The above increase was mainly due to increase in our number of market making clients and the relevant increase in acquiring their inventories.

Employee Benefit Expenses

Our staff cost increased by ₹ 2.17 lacs or 594.97%, from ₹ 0.36 lacs in fiscal 2013 to ₹ 2.53 lacs in 2014. This increase was mainly due to increase in manpower on account of growing operations of the company.

Other Expenses

Other expenses decreased by ₹ 13.85 lacs from ₹ 21.98 lacs in fiscal 2013 to ₹ 8.13 lacs in fiscal 2014. The main cause of decrease is because as compared to last year where we had earned transaction based advisory income and against which we had expensed relevant legal and professional fees and commissions, this year, no such income was earned from this vertical and these expenses were also not incurred.

Depreciation and Amortization Expenses

Depreciation expenses increased by ₹ 0.73 lacs, from ₹ 0.28 lacs in fiscal 2013 to ₹ 1.00 lac in fiscal 2014. This increase was due full year depreciation being charged on the office premises acquired during 2013, while in 2013; only a part year charge was made.

Profit before Tax

Due to a better profit margin and operational efficiency, our PBT increased by ₹ 4.00 lacs (i.e. 80.69%) from ₹ 4.95 lacs in fiscal 2013 to ₹ 8.95 lacs in fiscal 2014.

Profit after Tax

Our PAT increased by ₹ 2.17 lacs (i.e. 50.84%) from ₹ 4.27 lacs in fiscal 2013 to ₹ 6.44 lacs in fiscal 2014. The difference in % increase of PBT and PAT is due to the MAT credit availed in 2013, which was not available in 2014.

Fiscal 2013 compared with fiscal 2012

Income

In fiscal 2013, our total income increased by ₹ 29.56 lacs or 136.71%, from ₹ 21.62 lacs in fiscal 2012 to ₹ 51.18 lacs in fiscal 2013. The major factor for such increase was the increase in the trading activities of the market making portfolio stocks and a strong fee based revenue due to a large transaction based advisory fees earned during 2013 which was not earned in the earlier year. However, the 2013, we declared a loss from investment and trading activities as compared to a profit for the same vertical declared in 2012.

Purchases

The purchases in fiscal 2013 were ₹ 80.08 lacs, as compared to NIL for 2012. The reason for this difference is the market making activities were commenced for the first time in 2013 and hence prior to that no inventories were held, bought or sold by us.

Employee Benefit Expenses

Our staff costs in fiscal 2013 were ₹ 0.36 lacs, as compared to NIL for 2012. The reason for this difference is the market making activities were commenced for the first time in 2013 and hence we had started appointing the team for that. Prior to this, we were dependent on the services of our promoters and directors.

Other Expenses

Our administration and other expenses in fiscal 2013 were ₹ 21.98 lacs, as compared to 1.21 lacs for 2012. The reason for this difference is that in 2013 we had completed a transaction based advisory mandate and earned revenue of ₹ 56.50 lacs from this vertical. Hence, in doing so we had incurred certain legal and professional fees and commissions as expenses and the same represent this steep jump in this expenses head.

Depreciation and Amortization Expenses

Depreciation in fiscal 2013 was ₹ 0.28 lacs, as compared to NIL for 2012. The main reason for this is that in 2012 we had NIL fixed assets and hence all fixed assets such as Office premises and Computer/Software's were acquired during 2013, hence culminating to this depreciation charge.

Profit before Tax

Due to losses declared in the investment and trading activities in 2013, despite a better fee based performance our PBT decreased by ₹ 4.87 lacs (i.e. 49.60%) from ₹ 9.83 lacs in fiscal 2012 to ₹ 4.95 lacs in fiscal 2013.

Profit after Tax

Our PAT decreased by ₹ 3.68 lacs (i.e. 46.30%) from ₹ 7.96 lacs in fiscal 2012 to ₹ 4.27 lacs in fiscal 2013. The difference in % decrease of PBT and PAT is due to the MAT credit availed in 2013, which was not available in 2012.

Fiscal 2012 compared with fiscal 2011

Our company had begun revenue generation in FY 2012 itself. Hence comparing 2012 to 2011 will not provide any substantial insight into the financials of the company.

Liquidity and Capital Resources

Our liquidity primarily depends on interest and dividend payouts from our investment products. We may also expect to receive funds in form of receipt of Market Making Fees and other fee based revenues generated. Lastly, our primary source of cash generation shall be when we unlock a substantial portion of invested assets, which we do not wish to redeploy in securities market and hence may lie as cash with us for the time being. Being market makers, we may incur debt despite having cash funds in our banks due to the very nature of the business and the need to maintain contingency funds for smooth market making as well as for immediate response to opportunities that may arise in the market.

Cash Flow Data

The following table presents the Company's cash flows for Fiscal 2010, 2009 and 2008:

Particulars	2014	2013	2012
Cash Flow from Operating activities	(77.92)	(60.21)	(118.11)
Cash flow from Investing Activities	(102.02)	209.26	(41.89)
Cash flow from Financing Activities	191.58	(77.63)	160.12
Net Increase / (Decrease) in Cash and Cash Equivalent	11.65	71.42	0.12

Operating Activities

Net cash used in operating activities was ₹ 77.92 lacs for FY 2014. Net cash from operating activities consisted of net profit/(loss) before tax of ₹ 8.95 lacs, as adjusted for interest and financial charges of ₹ 11.37 lacs, and a number of non-cash items including depreciation and preliminary expenses w/o of ₹ 1.00 lac and ₹ 0.59 lacs respectively. Changes in working capital primarily consists of increase in inventory of ₹ 252.08 lacs, decrease in trade and other receivables of ₹ 2.78 lacs, an decrease in trade and other advances of ₹ 134.01 lacs and increase in current liabilities and provisions of ₹ 16.84 lacs.

Net cash used in operating activities was ₹ 60.21 lacs for FY 2013. Net cash from operating activities consisted of net profit/(loss) before tax of ₹ 4.95 lacs, as adjusted for interest and financial charges of ₹ 9.79 lacs, and a number of non-cash items including depreciation and preliminary expenses w/o of ₹ 0.28 lacs and ₹ 0.59 lacs respectively. Changes in working capital primarily consists of increase in inventory of ₹ 66.85 lacs, increase in trade and other receivables of ₹ 4.10 lacs, an increase in trade and other advances of ₹ 3.18 lacs and decrease in current liabilities and provisions of ₹ 1.69 lacs.

Net cash used in operating activities was ₹ 118.11 lacs for FY 2012. Net cash from operating activities consisted of net profit/ (loss) before tax of ₹ 9.83 lacs, as adjusted for interest and financial charges of ₹ 10.32 lacs, and non-cash item of preliminary expenses w/o aggregating to ₹ 0.27 lacs. Changes in working capital primarily consist of an increase in trade and other advances of ₹ 139.64 lacs and an increase in current liabilities and provisions of ₹ 2.99 lacs.

Investing Activities

In Fiscal 2014, our net cash used in investing activities primarily included purchase of investments of ₹ 101.97 lacs and purchase of fixed assets of ₹ 0.04 lacs.

In Fiscal 2013, our net cash generated from investing activities primarily included purchase of fixed assets of ₹ 44.67 lacs, sale of investments of ₹ 82.93 lacs and receipt of non trade advances given earlier of ₹ 171.00 lacs.

In Fiscal 2012, our net cash used in investing activities primarily included purchase of investments of ₹ 40.89 lacs and non trade advances made of ₹ 1.00 lac.

Financing Activities

In Fiscal 2014, our net cash generated from financing activities primarily included ₹ 180.55 lacs as proceeds from issue of equity shares and additional borrowings of ₹ 22.41 lacs, which were offset by payment of financial charges of ₹ 11.37 lacs.

In Fiscal 2013, our net cash used in financing activities primarily included ₹ 67.84 lacs as repayment of borrowings and payments of financial charges of ₹ 9.79 lacs.

In Fiscal 2012, our net cash generated from financing activities primarily included additional borrowings of ₹ 170.44 lacs, which were offset by payment of financial charges of ₹ 10.32 lacs.

Related Party Transactions

We have entered and may in the future continue to enter into transactions of a material nature with certain of our promoters, and Directors and entities controlled by such persons that may have a potential conflict of interest with our interests. Such related party transactions include and will continue to include will include asset purchases from Group entities, payment of interest to our promoter, sharing of administration expenses etc. We

intend that all our related party transactions will be in the normal course of business and conducted on an arm's length commercial basis, in compliance with applicable laws.

Quantitative and Qualitative Disclosures about Market Risk

We are exposed to securities market risks and interest rate risks in the normal course of our business.

Securities Market Risks

We may invest in companies whose securities are publicly traded. The market prices and values of publicly traded securities of companies in which we have participated may be volatile and are likely to fluctuate due to a number of factors beyond our control, including the illiquidity of some such securities compared to other publicly traded securities, actual or anticipated fluctuations in the quarterly and annual results of our and other companies in the industries in which they operate, market perceptions concerning the availability of additional securities for sale, general economic, social or political developments, changes in industry conditions, changes in government regulation, shortfalls in operating results from levels forecast by securities analysts, the general state of the securities markets and other material events, such as significant management changes, refinancing, acquisitions and dispositions. Changes in the values of these assets could lead to significant changes in our operating results.

Interest Rate Risks

We and the companies in which we acquire interests may incur indebtedness which will result in exposure to risks associated with movements in prevailing interest rates. An increase in interest rates could make it more difficult or expensive to obtain debt financing, could negatively impact the value of our Invested companies and could decrease the returns that these companies may generate. We believe that we will be subject to risks associated with changes in prevailing interest rates due to the fact that we may deploy our capital in companies whose capital structures may have a significant degree of indebtedness. Participation in highly leveraged companies are inherently more sensitive to declines in revenues, increases in expenses and interest rates and adverse economic, market and industry developments. A leveraged company's income and net assets also tend to increase or decrease at a greater rate than would be the case if money had not been borrowed. As a result, the risk of loss associated with participation in a leveraged company is generally greater than for companies with comparatively less debt.

Unusual or Infrequent Events or Transactions

Except as discussed above, there have been no events or transactions to our knowledge which may be described as unusual or infrequent.

OTHER MATTERS

1. Unusual or infrequent events or transactions

Except as described in this Prospectus, during the periods under review there have been no transactions or events, which in our best judgment, would be considered unusual or infrequent.

2. Significant economic changes that materially affected or are likely to affect income from continuing Operations

Other than as described in the Chapters titled "*Risk Factors*", "*Financial Information*" and "*Management's Discussion and Analysis of Financial Conditions and Results of Operations*", beginning on pages 11, 127 and 145 respectively of this Prospectus respectively, to our knowledge there are no Significant economic changes that materially affected or are 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 revenue or income from continuing operations.

Other than as described in the section titled *"Risk Factors"* and the chapter titled *"Management's Discussion and Analysis of Financial Conditions and Result of Operations"*, beginning on pages 11 and 145 respectively of this Prospectus respectively to our knowledge there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenues or income of our company from continuing operations.

4. Future relationship between Costs and Income

Other than as described in the section titled *"Risk Factors"* beginning on page 11 of this Prospectus, to our knowledge there are no factors, which will affect the future relationship between costs and income or which are expected to have a material adverse impact on our operations and finances.

5. The extent to which material increases in revenue or income from operations are due to increased volume, introduction of new products or services or increased prices

Increases in revenues are by and large linked to increases in volume of business activity carried out by the Company.

6. Total turnover of each major industry segment in which the issuer company operates.

The Company is a Capital Markets Company and is in the business of market making, corporate advisory and Investments and Trading activities. Hence, the entire turnover is from one industry segment.

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

Please refer to the chapter titled *"Our Business"* beginning on page 90 of this Prospectus.

8. The extent to which the business is seasonal.

Our business is not seasonal in nature. However, the business is cyclical in nature due to heavy dependence on the Capital Market conditions in India.

9. Any significant dependence on a single or few suppliers or customers

Our revenues in the past have been concentrated amongst few customers and this trend may continue in the future. For the fiscal year ended March 31, 2014 and the fiscal year ended March 31, 2013, our top 5 clients have contributed to 100% of our fee based revenues. Our business is significantly dependent on developing and maintaining relationships and obtaining business from such clients. Since, these customers generally deal with us for specific assignments; we may lose these customers from year to year after their assignments with us are completed.

10. Competitive Conditions

Our Company faces significant competition in the businesses that we are involved in. In particular, we compete with other brokerage and investment companies, both in India and abroad; and public and private sector funds operating in the markets in which we are present. In recent years, large international banks have also entered these markets. For further details, please refer to the paragraph titled *"Competition"*, as contained in the chapter titled *"Our Business"*, on page 90 of this Prospectus. We compete on the basis of a number of factors, including execution, depth of product and service offerings, innovation, reputation and price. Our competitors may have advantages over us, including, but not limited to:

- Substantially greater financial resources;

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

In addition, it is possible that certain large financial services groups may decide to begin offering services that we currently provide, such Market Making etc. thereby further intensifying the competition. These competitive pressures may affect our business, and our growth will largely depend on our ability to respond in an effective and timely manner to these competitive pressures.

SECTION VII: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated herein, there are no outstanding or pending litigations, suits, civil prosecution, criminal proceedings or tax liabilities proceedings before any judicial, quasi-judicial, arbitral or administrative tribunals including pending proceedings for violation of statutory regulation or alleging criminal or economic offences against our Company, our Directors, our Promoters and Promoter Group and there are no defaults, non-payment of statutory dues, over dues to banks and financial institutions, defaults against bank and financial institutions and there are no outstanding debentures, bonds, fixed deposits or preference shares issued by our Company; no default in creation of full security as per the terms of the issue, no proceedings initiated for economic or other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (1) of Part I of Schedule XIII of the Companies Act, 1956), and no disciplinary action has been taken by SEBI or any stock exchanges against our Promoters, our Directors or Promoter Group Companies.

PART 1: LITIGATION RELATING TO THE COMPANY

A. CASES FILED AGAINST COMPANY

1. Litigation involving Civil Laws:

NIL

2. Litigation involving Criminal Laws:

NIL

3. Litigation involving Securities and Economic Laws:

NIL

4. Litigation involving Statutory Laws

Notice dated August 8, 2013 issued by the Deputy Commissioner of Income-tax to the Company.

The Deputy Commissioner of Income-tax has issued a Notice dated August 8, 2013 under Section 143(2) of the Income-tax Act, 1961 to the Company seeking further information regarding the return of income filed by the Company for the assessment year 2012-2013. The company is corresponding with the department and assessment order for the same is not yet finalized.

5. Litigation involving Labour Laws:

NIL

B. CASES FILED BY THE COMPANY

1. Litigation involving Civil Laws:

NIL

2. *Litigation involving Criminal Laws:*

NIL

3. *Litigation involving Securities and Economic Laws:*

NIL

4. *Litigation involving Statutory Laws*

NIL

5. *Litigation involving Labour Laws:*

NIL

C. **PAST PENALTIES**

Notice dated January 25, 2014 issued by the Bombay Stock Exchange limited to the Company

The Sr. General Manager and Deputy General Manager of Surveillance & Supervision of the Bombay Stock Exchange has issued a notice dated January 28, 2014 bearing reference number: L/DOSS/ONL/SME/2013-14/PL for violation of Market Making Guidelines to the Company inter alia that the Company has failed to meet the criteria of offering two way quotes for 75% of the time of a day for its set of securities on January 22, 2014. Therefore, a penalty of ₹ 2,000 (Rupees Two Thousand Only) was imposed, which the Company has duly paid.

D. **OUTSTANDING LITIGATIONS, DEFAULTS PERTAINING TO MATTERS LIKELY TO AFFECT OPERATIONS AND FINANCE OF THE ISSUER, INCLUDING DISPUTED TAX LIABILITIES, PROSECUTION UNDER ANY ENACTMENT IN RESPECT OF SCHEDULE XIII TO THE COMPANIES ACT, 1956 (1 of 1956) .**

NIL

E. **THE NAME(S) OF THE SMALL SCALE UNDERTAKING(S) OR ANY OTHER CREDITORS TO WHOM THE ISSUER OWES A SUM EXCEEDING ₹ ONE LAC WHICH IS OUTSTANDING MORE THAN THIRTY DAYS.**

NIL

PART 2: LITIGATION RELATING TO THE DIRECTORS OF THE COMPANY

A. **LITIGATION AGAINST THE DIRECTORS**

1. *Civil Cases:*

NIL

2. *Criminal Cases:*

NIL

3. *Economic and Statutory Offences:*

NIL

4. Tax Liabilities:

NIL

B. LITIGATIONS FILED BY THE DIRECTORS

Appeal dated April 17, 2014 filed by Mr. Shripal Shah with the Commissioner of Income-tax in response to notices issued by the Income-tax Officer under Section 156 and Section 274 of the Income Tax, 1961 in respect of the Assessment Year 2011-2012

The Income-tax Officer has issued a Notice of Demand dated March 26, 2014 to Mr. Shripal S. Shah demanding a payment of ₹ 12,84,000 as tax for the assessment year 2011-2012 within 30 (thirty) days of the service of the notice failing which Mr. Shripal S. Shah shall be liable to pay simple interest of one and one-half percent on the said amount for every month or part of month and to pay penalty as prescribed under Section 221 of the Income-tax Act, 1961. Further, the Income-tax Officer, Ward – 18(1)(1), Mumbai issued Show Cause Notice dated March 26, 2014 under Section 274 read with Section 271(1)(c) of the Income-tax Act, 1961 to Mr. Shripal Shah inter-alia requesting his presence before the Income-Tax officer within 7 (seven) days from the receipt of the notice and to show cause as to why an order imposing a penalty on Mr. Shripal Shah should not be made under Section 271(1)(c) of the Income Tax Act, 1961. Thereafter, the Income-tax Officer vide its order initiated penalty proceedings against Mr. Shripal Shah for furnishing inaccurate particulars of income and concealing taxable income and determined an amount of ₹ 12,84,000 (Rupees Twelve Lacs and Eighty Four Thousand only) as payable by Mr. Shripal Shah being tax for the assessment year 2011-2012. Subsequently, Mr. Shripal Shah filed an appeal dated April 17, 2014 against the aforesaid order of the Income Tax Officer. The hearing in the matter is awaited.

C. PAST PENALTIES

NIL

PART 3: LITIGATION RELATING TO THE PROMOTERS AND GROUP COMPANIES

A. LITIGATION AGAINST THE PROMOTERS AND GROUP COMPANIES:

1. *Civil Cases:*

Notice of Motion No.905 of 2014 filed by Resham Resha Private Limited, Manmade Fibres Private Limited and Mr. Pavankumar Sanwormalin Suit No. 309 of 2005 against Mr. Dilip Balkrishna Sheth, AFSL and Others.

On the basis of the information available in the records of the Hon'ble Bombay High Court, it appears that a notice of motion has been filed against Mr. Dilip Balkrishna Sheth, AFSL and Others by Resham Resha Private Limited, Manmade Fibres Private Limited and Mr. Pavankumar Sanwormal in Suit No. 309 of 2005. The notice of motion appears to have been filed on July 10, 2014. AFSL has not been served in the matter. Hence, AFSL is not aware of the cause of action in the matter. The case status of the above matter on the website (uptil 11th September 2014 EOD) of the Hon'ble Bombay High Court reflects that the matter is at the preadmission stage.

2. *Criminal Cases:*

NIL

3. *Securities and Economic Offences:*

NIL

B. LITIGATION FILED BY THE PROMOTERS AND GROUP COMPANIES

Tax Liabilities:

Appeal No.987 DEL-2004 filed by AFSL against the Income-tax Officer, Ward-2(1), New Delhi.

AFSL has filed an appeal against the Income-tax Officer, Ward-2(1), New Delhi in respect of a tax dispute relating to the assessment year 1997-1998. The said appeal appears to have been filed on March 3, 2004. AFSL's management was taken over by Mr. Shripal Shah through an open offer in the year 2008 and the management of AFSL changed. The particulars of the appeal are not available with the new management. No summons/notices have been received from the income-tax department in relation to the said appeal. However, an amount of ₹ 2,35,000 (Rupees Two Lacs Thirty Five Thousand only) appears as a contingent liability arising from tax related disputes in the accounts of AFSL.

C. PAST PENALTIES

Consent order dated September 2, 2009 bearing no: CO/MIRSD/DRA-IV/276/2009

The SEBI had on June 17, 2008 issued a Notice under Regulation 6(1) of the SEBI (Procedure for Holding Enquiry by Enquiry Officer and Imposing Penalty) Regulations, 2002 to AFSL alleging violation by AFSL of the provisions of SEBI (Merchant Bankers) Regulations, 1992, SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, SEBI (Buy-Back of Securities) Regulations, 1998 and SEBI (Disclosure & Investor Protection) Guidelines, 2000 inter-alia pertaining to the alleged failure of AFSL to exercise proper due diligence in the course of the various public issues, rights issues and open offers handled by AFSL as a merchant banker. Since this matter pertained to the violations alleged to have occurred during the tenure of the old management tenure and AFSL's management was taken over by Mr. Shripal Shah through an open offer in 2008, the new management of AFSL requested for settlement of the proceedings through a consent order in terms of SEBI circular No. EFD/ED/Cir.01 effective April 20, 2007 vide application dated August 28, 2008. SEBI issued a consent order dated September 2, 2009 bearing no: CO/MIRSD/DRA-IV/276/2009 disposing of the proceedings pending against AFSL. An amount of ₹ 4,25,000 (Rupees Four Lac Twenty Five Thousand only) was paid by AFSL in pursuance of the aforesaid consent order.

Consent order on January 14, 2009 bearing CO/CFD-DCR/548/AO/VSS/09/2009

The SEBI had on January 30, 2008 issued a Notice under Rule 4 of the SEBI (Procedure for Holding Enquiry by Enquiry Officer and Imposing Penalty) Regulations, 2002 to AFSL alleging violation by AFSL of the provisions Regulation 8(3) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 inter-alia pertaining to the alleged failure of AFSL to exercise proper yearly disclosures to the stock exchanges pursuant to the open offer of Mahashri Enterprises Private Limited and appointing an adjudicating officer to conduct an inquiry under Section 15A(b) read with 15I of SEBI Act, 1992. Since this matter pertained to the violations alleged to have occurred during the tenure of the old management tenure and AFSL's management was taken over by Mr. Shripal Shah through an open offer in 2008, the new management of AFSL requested for settlement of the proceedings through a consent order in terms of SEBI circular No. EFD/ED/Cir.01 effective April 20, 2007. The adjudicating officer issued a consent order on January 14, 2009 bearing CO/CFD-DCR/548/AO/VSS/09/2009. An amount of ₹ 4,00,000 (Rupees Four Lac only) was paid by AFSL pursuant to the aforesaid consent order.

Case No.4135/SEM filed by S.V. Pawaskar, Inspector, Shops and Establishments, Municipal Corporation of Greater Mumbai.

The Inspector, Shops and Establishments, Municipal Corporation of Greater Mumbai has filed a case against AFSL and Mr. Shripal S. Shah alleging violation of Section 51 of the Shops and Establishment Act, 1948, Rule 20(5) and Rule 20A of Shops and Establishment Act, 1948. The Additional Chief Metropolitan Magistrate for Hon. Presidency Magistrate, Miscellaneous Court passed an order imposing a penalty of ₹ 27,000 and the same has been duly paid by AFSL on February 18, 2013.

MATERIAL DEVELOPMENTS

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

GOVERNMENT AND OTHER STATUTORY APPROVALS

In view of the approvals listed below, the Company can undertake this Issue and its current business activities and no further major approvals from any government or regulatory authority or any other entity are required to undertake the Issue or continue its business activities. Unless otherwise stated, these approvals are all valid as of the date of this Prospectus. It must, however, be distinctly understood that in granting the above approvals, the Government and other authorities do not take any responsibility for the financial soundness of the Company or for the correctness of any of the statements or any commitments made or opinions expressed.

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:

Approvals for the Issue:

- The Board of Directors has, pursuant to a resolution passed at its meeting held on June 13, 2014, authorized the Issue subject to the approval of the shareholders of the Company under Section 62(1)(C) of the Companies Act, 2013 and approvals by such other authorities as may be necessary.
- The shareholders of the Company have, pursuant to a resolution dated July 14, 2014 under Section 62(1)(c) of the Companies Act 2013 authorized the Issue.
- The Company has obtained approval from BSE for using its name in the prospectus vide letter dated September 04, 2014.

Approvals pertaining to Incorporation, name and constitution of the company:

- Certificate of Incorporation dated July 22, 2008 issued by the Registrar of Companies, Mumbai in the name of "Aryaman Broking Limited".
- Certificate for Commencement of Business dated August 02, 2008 issued by the Registrar of Companies, Mumbai in the name of "Aryaman Broking Limited".
- A fresh Certificate of Incorporation consequent to change of name from "Aryaman Broking Ltd." to "Aryaman Capital Markets Ltd." was issued on January 27, 2014 by the Registrar of Companies, Mumbai bearing Corporate Identity Number U65999MH2008PLC184939.


Approvals for Business / General Approvals:

Sr. No.	Particulars	Granting Authority	License / Registration No.	Date of Certificate	Validity
1.	Permanent Account Number (PAN)	Income Tax Department (GOI)	AAHCA7893B	July 22, 2008	Valid until cancelled
2.	Tax Deduction Account Number (TAN)*	Income Tax Department (GOI)	MUMA41316C	March 27, 2012	Valid until cancelled
3.	Service Tax Registration*	Central Excise Department	AAHCA7893BSD001	May 21, 2012	Valid until cancelled
4.	Certificate of Enrolment as an employer under Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975.*	Profession Tax Officer	99722040602P	June 1, 2013	Valid until cancelled

Sr. No.	Particulars	Granting Authority	License / Registration No.	Date of Certificate	Validity
5.	Certificate of Registration as a Stock Broker / Trading Member (Capital Market Segment of BSE)*	Securities and Exchange Board of India	INB011465938	September 25, 2012	Valid until cancelled
6.	Certificate of Registration as a Stock Broker / Trading Member (Derivatives Market Segment of BSE)*	Securities and Exchange Board of India	INF011465938	September 25, 2012	Valid until cancelled
7.	Registration as a Market Maker with BSE SME Platform*	BSE	SMEMM0651421122012	December 21, 2012	Valid until cancelled

* These registrations are currently in the old name of the company and the company is in the process of applying / intimating the respective agencies regarding the change in name.

Pending Approvals:

- The company has made an application dated August 5, 2014 in the prescribed format for registration as a "Commercial Establishment" under the Bombay Shops and Establishments Act, 1948. The same is pending for approval.
- Aryaman Financial Services Limited has made an application dated May 16, 2014 for registration of trademark " ARYAMAN" under Class 36 with the Trade Marks Registry, Mumbai. The same is pending. Upon receiving this approval the Company shall enter into a written understanding with AFSL for using this logo.

SECTION VIII: OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

Our Board of Directors have vide resolution dated June 13, 2014 authorized the Issue, subject to the approval by the shareholders of our Company under Section 62 (1C) of the Companies Act, 2013.

The shareholders have authorized the Issue, by passing a Special Resolution at the Share holder Meeting held on July 14, 2014 in accordance with the provisions of Section 62 (1C) of the Companies Act, 2013.

The Company has obtained approval from BSE vide letter dated September 04, 2014 to use the name of BSE in this offer Document for listing of equity shares on the SME platform of the BSE. BSE is the designated stock exchange.

Prohibition by SEBI, the RBI or Governmental Authorities

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

We further confirm that none of our Company, its Promoter, and our Group Companies were ever identified as willful defaulters by RBI or other authorities.

Association with Securities Market

None of our directors are associated with securities market in their individual capacity. However, some of our directors are also directors in the following companies which are associated with the securities market:

Name of Company	Common Directors	Association with Securities Market	Action by SEBI
Aryaman Financial Services Ltd.	Shripal Shah Shreyas Shah Ram Gaud	SEBI Registered Merchant Banker	For details please refer to " <i>Outstanding Litigations and Material Developments</i> " beginning on page 155 of this Prospectus"
Mahshri Enterprises Pvt. Ltd.	Shripal Shah Shreyas Shah	SEBI Registered Trading Member of NSE	No Action taken till date.

Eligibility for the Issue

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

We confirm that:

- In accordance with Regulation 106 (P) of the SEBI (ICDR) Regulations, this issue has been hundred percent underwritten and that the Lead Manager to the Issue has underwritten more than 15% of the total Issue Size. For further details pertaining to the said underwriting please see "*General Information Underwriting*" on page 45 of this Prospectus.

- b) In accordance with Regulation 106(R) of the SEBI (ICDR) Regulations, we shall ensure that the total number of proposed allottees in the issue is greater than or equal to fifty, otherwise, the entire application money will be refunded within such time which shall be prescribed by the SEBI. If the stated minimum amount has not been subscribed and the sum payable on application is not received within a period of thirty days from the date of issue of the prospectus, or such other period as may be specified by the Securities and Exchange Board, the amount received under sub-section (3) of Section 39 shall be returned within such time and manner as may be prescribed under the Companies Act, 2013.
- c) In accordance with Regulation 106(O) the SEBI (ICDR) Regulation, we have not filed any Draft Offer Document with SEBI nor has SEBI issued any observations on our Offer Document. Also, we shall ensure that our Lead Manager submits the copy of Prospectus along with a Due Diligence Certificate including additional confirmations as required to SEBI at the time of filing the Prospectus with Stock Exchange and the Registrar of Companies.
- d) In accordance with Regulation 106(V) of the SEBI (ICDR) Regulations, we have entered into an agreement with the Lead Manager and Market Maker to ensure compulsory Market Making for a minimum period of three years from the date of listing of equity shares offered in this issue. For further details of the arrangement of Market Making please refer to "General Information- Details of the Market Making Arrangements for this Issue" on page 42 of this Prospectus.

We further confirm that we shall be complying with all other requirements as laid down for such issue under Chapter XB of SEBI (ICDR) Regulations, as amended from time to time and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

- e) Our Company has Net Tangible assets of at least ₹ 1 crore as per the latest audited financial results.
- f) The Net worth (excluding revaluation reserves) of our Company is at least ₹ 1 crore as per the latest audited financial results
- g) Our Company has track record of distributable profits in terms of sec. 123 of Companies Act, 2013 for at least two years out of immediately preceding three financial years and each financial year has to be a period of at least 12 months.
- h) The distributable Profit, Net tangible Assets and Net worth of our Company as per the restated financial statements for the period ended December 31, 2013 and year ended as at March 31, 2013 and 2012 is as set forth below:

(₹ in lacs)

Particulars	FY 2014	FY 2013	FY 2012
Distributable Profits ¹	6.44	4.27	7.96
Net Tangible Assets ²	882.91	694.04	688.85
Net Worth ³	881.29	693.71	688.85

¹Distributable profits have been computed terms of sec. 205 of Companies Act, 1956.

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

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

- i) As on the date of this Prospectus, our Company has a paid up capital of ₹ 838.71 lacs (₹ 8.39 Crores), which is in excess of ₹ 1 crore, and the Post Issue Capital shall also be in excess of ₹ 1 crore.
- j) Our Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR).

- k) There is no winding up petition against our company, which has been admitted by the Court or a liquidator has not been appointed.
- l) There has been no change in the promoter/s of the Company in the preceding one year from date of filing application to BSE for listing on SME segment
- m) Our company shall mandatorily facilitate trading in demat securities and enter into an agreement with both the depositories.
- n) We have a website: www.afsl.com/Acml

Disclaimer Clause of SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF OFFER DOCUMENT TO SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE LEAD MERCHANT BANKER, BCB BROKERAGE PRIVATE LIMITED, HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE OFFER DOCUMENT, THE LEAD MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MERCHANT BANKER, BCB BROKERAGE PRIVATE LIMITED HAS FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED SEPTEMBER 11, 2014 WHICH READS AS FOLLOWS:

- 1. WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THE PROSPECTUS PERTAINING TO THE SAID ISSUE;**
- 2. ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE ISSUER, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE ISSUER,**

WE CONFIRM THAT:

- A. THE PROSPECTUS FILED WITH THE BOARD IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;**
- B. ALL THE LEGAL REQUIREMENTS RELATING TO THE ISSUE AS ALSO THE REGULATIONS GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY THE BOARD, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND**

C. THE DISCLOSURES MADE IN THE PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956, THE COMPANIES ACT, 2013 (TO THE EXTENT NOTIFIED), THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 AND OTHER APPLICABLE LEGAL REQUIREMENTS.

- 3. WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE PROSPECTUS ARE REGISTERED WITH THE BOARD AND THAT TILL DATE SUCH REGISTRATION IS VALID.**
- 4. WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS.**
- 5. WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES AS PART OF PROMOTERS CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTERS CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED / SOLD / TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING OF THE PROSPECTUS WITH THE BOARD TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE PROSPECTUS.**
- 6. WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE PROSPECTUS.**
- 7. WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITOR'S CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE BOARD. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE ISSUER ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE. – 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 (SECTION 40 OF COMPANIES ACT, 2013) AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION. – NOTED FOR COMPLIANCE.**

10. WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE. – 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 PROSPECTUS:
 - A. AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE ISSUER, AND
 - B. AN UNDERTAKING FROM THE ISSUER THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE BOARD FROM TIME TO TIME.
13. WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 WHILE MAKING THE ISSUE.
14. WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OF THE ISSUER, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS EXPERIENCE, ETC.
15. WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.
16. WE ENCLOSE STATEMENT ON PRICE INFORMATION OF PAST ISSUES HANDLED BY MERCHANT BANKER AS PER FORMAT SPECIFIED BY SEBI THROUGH CIRCULAR – NOT APPLICABLE
17. WE CERTIFY THAT PROFITS FROM RELATED PARTY TRANSACTIONS HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS.

THE FILING OF THIS OFFER DOCUMENT DOES NOT, HOWEVER, ABSOLVE OUR COMPANY FROM ANY LIABILITIES UNDER SECTION 63 OR SECTION 68 OF THE COMPANIES ACT, 1956 (SECTION 34 OR SECTION 36 OF THE COMPANIES ACT, 2013) OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND/OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THE LEAD MERCHANT BANKER ANY IRREGULARITIES OR LAPSES IN THE OFFER DOCUMENT.

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

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

Disclaimer Clause of the SME Platform of BSE

BSE Limited ("BSE") has given vide its letter dated September 4, 2014 permission to this Company to use its name in this offer document as one of the stock exchanges on which this company's securities are proposed to be listed on the SME Platform. BSE has scrutinized this offer document for its limited internal purpose of deciding on the matter of granting the aforesaid to this Company. BSE does not in any manner:-

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

And it should not for any reason be deemed or construed that this offer document has been cleared or approved by BSE. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against BSE 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 from our Company and the Lead Manager

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

CAUTION

The Lead Manager accepts no responsibility, save to the limited extent as provided in the MOU for Issue Management entered into among the Lead Manager and our Company dated August 01, 2014 the Underwriting Agreement dated August 01, 2014 entered into among the Underwriters and our Company and the Market Making Agreement dated August 01, 2014 entered into among the Market Maker, Lead Manager and our Company.

All information shall be made available by us and the Lead Manager to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports or at collection centres or elsewhere.

Note:

Investors who apply in the Issue will be required to confirm and will be deemed to have represented to our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company and will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company. Our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our Company.

Disclaimer in respect of Jurisdiction

This Issue is being made in India to persons resident in India including Indian nationals resident in India (who are not minors), Hindu Undivided Families (HUFs), companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in shares, Mutual Funds, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), Trusts registered under the Societies Registration Act, 1860, as amended from time to time, or any other trust law and who are authorized under their constitution to hold and invest in shares, permitted insurance companies and pension funds and to non-residents including NRIs and FIIs. The Prospectus does not, however, constitute an offer to sell or an invitation to subscribe to Equity Shares offered hereby in any other jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession the Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in Mumbai only.

No action has been or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose. Accordingly, the Equity Shares represented thereby may not be offered or sold, directly or indirectly, and this Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been any change in the affairs of our Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

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

The Equity Shares have not been and will not be registered under the U.S. Securities Act 1933, as amended (the "Securities Act") or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S of the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares will be offered and sold (i) in the United States only to "qualified institutional buyers", as defined in Rule 144A of the Securities Act, and (ii) outside the United States in offshore transactions in reliance on Regulation S under the Securities Act and in compliance with the applicable laws of the jurisdiction where those offers and sales occur.

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

Filing

The Draft Prospectus shall not be filed with SEBI, nor will SEBI issue any observation on the offer document in term of Reg. 106 (O) (1). However, a copy of the Prospectus shall be filed with SEBI at Plot No.C4-A,'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai 400051.

A copy of the Prospectus, along with the documents required to be filed under Section 32 of the Companies Act, 2013 will be delivered to the RoC situated at 100, Everest, Marine Drive, Mumbai- 400002.

Listing

In terms of Chapter XB of the SEBI (ICDR) Regulations, 2009, there is no requirement of obtaining In Principle approval of the SME Platform of BSE. However, application shall be made to SME Platform of BSE for obtaining permission for listing of the Equity Shares being offered and sold in the Issue on its SME Platform after the allotment in the Issue. BSE is the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the Issue. If the permission to deal in and for an official quotation of the Equity Shares on the SME Platform is not granted by BSE, our Company shall forthwith repay, without interest, all moneys received from the applicants in pursuance of the prospectus. The allotment letters shall be issued or application money shall be refunded within fifteen days from the closure of the issue or such lesser time as may be specified by Securities and Exchange Board or else the application money shall be refunded to the applicants forthwith, failing which interest shall be due to be paid to the applicants at the rate of fifteen per cent per annum for the delayed period as prescribed under Section 40 of the Companies Act, 2013.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the SME Platform of BSE mentioned above are taken within 12 Working Days of the Issue Closing Date. The Company has obtained approval from BSE vide letter dated September 04, 2014 to use the name of BSE in this Offer document for listing of equity shares on SME Platform of BSE.

Price Information of past issues handled by the Lead Manager

Not Applicable

Track record of past issues handled by the Lead Manager

Not Applicable

Consents

Consents in writing of: (a) the Directors, the Company Secretary and Compliance Officer, the Statutory Auditors, Bankers to the Company; and (b) the Lead Manager, Escrow Collection Bankers, Refund Banker, Peer Review Auditor, Registrar to the Issue, the Legal Advisors to the Issue, to act in their respective capacities, have been obtained and shall be filed along with a copy of the Prospectus with the RoC, as required under Section 32 of the Companies Act, 2013 and such consents shall not be withdrawn up to the time of delivery of the Prospectus for registration with the RoC.

In accordance with the Companies Act, 2013 and the SEBI (ICDR) Regulations, M/s. Thakur Vaidyanath Aiyar & Co., Chartered Accountants, have provided their written consent to the inclusion of their report dated July 22, 2014 on Restated Financial Statements and the report on Statement of Tax benefits dated July 22, 2014 which may be available to the Company and its shareholders included in this Prospectus in the form and context in which they appear therein and such consent and reports have not been withdrawn up to the time of filing of this Prospectus.

Expert Opinion

Except for the below stated reports and certificate included in the Prospectus, our Company has not obtained any expert opinions:

- Statutory Auditor – Statement of Tax Benefits
- Statutory Auditor - Restated Financial Statements

ISSUE RELATED EXPENSES

The expenses of this Issue include, among others, underwriting and management fees, Market Making Fees, selling commissions, SCSB's commission/ fees, printing and distribution expenses, legal fees, statutory advertisement expenses, registrar and depository fees and listing fees is given below:

Sr. No.	Particulars	Amount (₹ in lacs)
1.	Issue Management fees including fees and reimbursements of Market Making fees, selling commissions, brokerages, and payment to other intermediaries such as Legal Advisors, Registrars and other out of pocket expenses.	15.00
2.	Printing & Stationery, Distribution, Postage, etc	2.50
3.	Advertisement & Marketing Expenses	2.50
4.	Regulatory & other expenses	11.00
	Total	31.00

Fees, Brokerage and Selling Commission Payable to the Lead Manager

The total fees payable to the Lead Manager is as stated in the MOU dated August 01, 2014, the Underwriting Agreement dated August 01, 2014 and the Market Making Agreement dated August 01, 2014 among the Company and the Lead Manager and other parties, a copy of which will be made available for inspection at our Registered Office.

Fees Payable to the Registrar to the Issue

The fees payable to the Registrar to the Issue, for processing of application, data entry, printing of refund order, preparation of refund data on magnetic tape, printing of bulk mailing register will be as per the MoU between the Company and the Registrar to the Issue dated August 01, 2014.

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

Commission and Brokerage Paid on Previous Issues of our Equity Shares

Since this is the Initial Public Offer of the Company, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since inception of the Company.

CAPITAL ISSUE DURING THE LAST THREE YEARS

Aryaman Capital Markets Limited has not made any capital issue viz. initial public offering, rights issue or composite issue during the last three years.

Previous Public and Rights Issues

We have not made any previous rights and public issues, and we are an “Unlisted Company” in terms of the SEBI (ICDR) Regulations and this Issue is an “Initial Public Offering” in terms of the SEBI (ICDR) Regulations.

Previous Issues of Equity Shares otherwise than for Cash

Except as stated in the chapter titled “*Capital Structure*” beginning on page 49 of this Prospectus, we have not issued any Equity Shares for consideration other than for cash.

DETAILS OF CAPITAL ISSUES BY COMPANIES UNDER THE SAME MANAGEMENT

There are no companies under the same management within the meaning of section 370 (1B) of the Companies Act, 1956, that has made any public issue (including any rights issues or composite issues to the public) during the last three years.

PERFORMANCE VIS-À-VIS OBJECTS

Issuer Company

Our Company has not made any previous rights and public issues.

Listed Group Companies / Subsidiaries / Associate Companies

None of our group companies or associate concerns has made a public issue or rights issue in the last 10 years preceding the date of this Prospectus.

OUTSTANDING DEBENTURES, BONDS, REDEEMABLE PREFERENCE SHARES AND OTHER INSTRUMENTS ISSUED BY THE COMPANY

The Company has no outstanding debentures or bonds. The Company has not issued any redeemable preference shares or other instruments in the past.

Stock Market Data for our Equity Shares

This being an initial public issue of the Company, the Equity Shares of the Company are not listed on any stock exchange.

DISPOSAL OF INVESTOR GRIEVANCES

Mechanism for Redressal of Investor Grievances

The Company has appointed Bigshare Services Private Limited as the Registrar to the Issue, to handle the investor grievances in co-ordination with the Compliance Officer of the Company. All grievances relating to the present Issue may be addressed to the Registrar with a copy to the Compliance Officer, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and name of bank and branch. The Company would monitor the work of the Registrar to ensure that the investor grievances are settled expeditiously and satisfactorily.

The Registrar to the Issue, namely Bigshare Services Private Limited, will handle investor's grievances pertaining to the Issue. A fortnightly status report of the complaints received and redressed by them would be forwarded to the Company. The Company would also be co-coordinating with the Registrar to the Issue in attending to the grievances to the investor.

All grievances relating to the ASBA process may be addressed to the SCSBs, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the Designated Branch of the SCSB where the Application Form was submitted by the ASBA Applicant. We estimate that the average time required by us or the Registrar to the Issue or the SCSBs for the redressal of routine investor grievances will be seven business days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible.

Our Board by a resolution on July 23, 2014 constituted a Stakeholders Relationship Committee. The composition of the Stakeholders Relationship Grievance Committee is as follows:

Name of the Member	Nature of Directorship	Designation in Committee
Supriya Tatkar	Non- Executive Independent Director	Chairman
Shripal Shah	Executive Director	Member
Ram Gaud	Non- Executive Independent Director	Member

For further details, please see the chapter titled "*Our Management*" beginning on page 109 of this Prospectus.

The Company has also appointed Mr. Malcolm Mascarenhas as the Company Secretary and Compliance Officer for this Issue and he may be contacted at the Corporate Office of our Company. The contact details are as follows:

Name: Mr. Malcolm Mascarenhas

Address: Aryaman Capital Markets Limited,
718-A, P.J.Towers, Dalal Street,
Fort, Mumbai - 400001
Tel. No.: +91 – 22 – 22721104
Fax No.: +91 – 79 – 22630434
Email: aryacapm@gmail.com

Investors can contact the Compliance Officer or the Registrar to the Issue or the Lead Manager in case of any pre-Issue or post-Issue related problems, such as non-receipt of letters of Allotment, credit of Allotted Equity Shares in the respective beneficiary accounts and refund orders.

Status of Investor Complaints

We confirm that we have not received any investor complaint during the three years preceding the date of this Prospectus and hence there are no pending investor complaints as on the date of this Prospectus.

DISPOSAL OF INVESTOR GRIEVANCES BY LISTED COMPANIES UNDER THE SAME MANAGEMENT

For details of Investor Grievances by Listed Companies under the same Management, see the chapter "*Our Promoter, Promoter Group and Group Companies*" beginning on page 119 of this Prospectus.

CHANGE IN AUDITORS

There has been no change in auditors of our company in the last 3 years.

CAPITALISATION OF RESERVES OR PROFITS

Except as stated in the chapter titled "*Capital Structure*" beginning on page 49 of this Prospectus, our Company has not capitalised our reserves or profits during the last five years.

REVALUATION OF ASSETS

We have not revalued our assets in the last 5 years.

SECTION IX: ISSUE RELATED INFORMATION

TERMS OF THE ISSUE

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

Authority for the Issue

This Issue of Equity Shares has been authorized by the Board of Directors of our Company at their meeting held on June 13, 2014 and was approved by the Shareholders of the Company by passing a Special Resolution at the Annual General Meeting held on July 14, 2014 in accordance with the provisions of Section 32 of the Companies Act, 2013.

Ranking of Equity Shares

The Equity Shares being issued shall be subject to the provisions of the Companies Act, our Memorandum and Articles of Association and shall rank pari-passu in all respects with the existing Equity Shares including in respect of the rights to receive dividends and other corporate benefits, if any, declared by us after the date of Allotment.

For further details, please see the chapter titled "*Main Provisions of the Articles of Association of our Company*" beginning on page 205 of this Prospectus.

Mode of Payment of Dividend

The declaration and payment of dividend will be as per the provisions of Companies Act and recommended by the Board of Directors and the Shareholders at their discretion and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company. We shall pay dividends in cash and as per provisions of the Companies Act, 1956. For further details, please see the chapter titled "*Dividend Policy*" beginning on page 126 of this Prospectus.

Face Value and Issue Price

The Equity Shares having a face value of ₹ 10 each are being issued in terms of this Prospectus at the price of ₹ 12 per Equity Share. The Issue Price is determined by our Company in consultation with the Lead Manager and is justified under the chapter titled "*Basis for Issue Price*" beginning on page 63 of this Prospectus. At any given point of time there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws.

Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, the equity shareholders shall have the following rights:

- ✓ Right to receive dividend, if declared;
- ✓ Right to attend general meetings and exercise voting rights, unless prohibited by law;
- ✓ Right to vote on a poll either in person or by proxy;

- ✓ Right to receive offer for rights shares and be allotted bonus shares, if announced;
- ✓ Right to receive surplus on liquidation;
- ✓ Right of free transferability; and
- ✓ Such other rights, as may be available to a shareholder of a listed Public Limited Company under the Companies Act, terms of the listing agreements with the Stock Exchange and the Memorandum and Articles of Association of our Company.

For a detailed description of the main provision of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien and / or consolidation / splitting, etc., please see the section titled "*Main Provisions of Articles of Association of our company*" beginning on page 205 of this Prospectus.

Minimum Application Value; Market Lot and Trading Lot

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

The investors have an option either to receive the security certificate or to hold the securities with depository. However, as per SEBI's circular RMB (compendium) series circular no. 2 (1999-2000) dated February 16, 2000, it has been decided by the SEBI that trading in securities of companies making an initial public offer shall be in Dematerialised form only.

Trading of the Equity Shares will happen in the minimum contract size of 10,000 Equity Shares in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012 and the same may be modified by BSE from time to time by giving prior notice to investors at large.

Allocation and allotment of Equity Shares through this Issue will be done in multiples of 10,000 Equity Share subject to a minimum allotment of 10,000 Equity Shares to the successful applicants.

Minimum Number of Allottees

The minimum number of allottees in this Issue shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and the monies collected shall be refunded within 12 Working days of closure of issue.

Joint Holders

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

Nomination Facility to Investor

In accordance with Section 109A of the Companies Act, the sole or first applicant, along with other joint applicant, may nominate any one person in whom, in the event of the death of sole applicant or in case of joint applicant, death of all the applicants, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 109A of the Companies Act, be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Registered Office of our Company or to the Registrar and Transfer Agents of our Company.

In accordance with Section 109B of the Companies Act, any Person who becomes a nominee by virtue of Section 109A of the Companies Act, shall upon the production of such evidence as may be required by the Board, elect either:

- ✓ to register himself or herself as the holder of the Equity Shares; or
- ✓ to make such transfer of the Equity Shares, as the deceased holder could have made

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with. In case the allotment of Equity Shares is in dematerialized form, there is no need to make a separate nomination with us. Nominations registered with the respective depository participant of the applicant would prevail. If the investors require changing the nomination, they are requested to inform their respective depository participant.

Minimum Subscription

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

Arrangements for Disposal of Odd Lots

The trading of the Equity Shares will happen in the minimum contract size of 10,000 shares. However, the Market Maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the SME platform of BSE.

Restrictions, if any, on transfer and transmission of shares or debentures and on their consolidation or splitting

For a detailed description in respect of restrictions, if any, on transfer and transmission of shares and on their consolidation / splitting, please see the section titled "*Main Provisions of the Articles of Association of our Company*" on page 205 of this Prospectus.

Option to receive Equity Shares

As per Section 29(1) of the Companies Act, 2013, allotment of Equity Shares will be made only in dematerialized form. As per SEBI's circular RMB (compendium) series circular no. 2 (1999-2000) dated February 16, 2000, it has been decided by the SEBI that trading in securities of companies making an initial public offer shall be in Dematerialised form only. The Equity Shares on Allotment will be traded only on the dematerialized segment of the SME Platform of BSE.

Migration to Main Board

In accordance with the BSE Circular dated November 26, 2012, our Company will have to be mandatorily listed and traded on the SME Platform of the BSE for a minimum period of two years from the date of listing and only after that it can migrate to the Main Board of the BSE as per the guidelines specified by SEBI and as per the procedures laid down under Chapter XB of the SEBI (ICDR) Regulations.

As per the provisions of the Chapter XB of the SEBI (ICDR) Regulation, 2009, our Company may migrate to the main board of BSE from the SME Exchange on a later date subject to the following:

- If the Paid up Capital of the company is likely to increase above ₹ 25 crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the company has obtained in-principal approval from the main board), we shall have to apply to BSE for listing our shares on its Main Board subject to the fulfilment of the eligibility criteria for listing of specified securities laid down by the Main Board.
- If the Paid up Capital of the company is more than ₹ 10 crores but below ₹ 25 crores, we may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

Market Making

The shares issued through this Issue are proposed to be listed on the SME Platform of BSE (SME Exchange), wherein the Lead Manager to this Issue shall ensure compulsory Market Making through the registered Market Maker of the SME Exchange for a minimum period of three years from the date of listing on the SME Platform of BSE or up to the Migration to Main Board whichever is earlier.

For further details of the agreement entered into between our Company, the Lead Manager and the Market Maker, please see "*General Information - Details of the Market Making Arrangement for this Issue*" on page 42 of this Prospectus.

New Financial Instruments

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

Jurisdiction

Exclusive jurisdiction for the purpose of this Issue is with the competent courts / authorities in Mumbai, Maharashtra. The Equity Shares have not been and will not be registered under the Securities Act or any state securities laws in the United States, and may not be offered or sold within the United States, except pursuant to an exemption from or in a transaction not subject to, registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered or sold outside the United States in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions where those offers and sales occur. The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

ISSUE STRUCTURE

This Issue is being made in terms of Regulation 106(M)(2) of Chapter XB of SEBI (ICDR) Regulations, 2009, as amended from time to time, whereby, an issuer whose post issue paid up capital does not exceed ₹ 10 crores, shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange ("SME Exchange", in this case being the SME Platform of BSE). For further details regarding the salient features and terms of such an issue, please see the chapters titled "*Terms of the Issue*" and "*Issue Procedure*" on pages 174 and 180 respectively, of this Prospectus.

Following is the issue structure:

Public issue of 35,90,000 Equity Shares of ₹ 10 each (the "Equity Shares") for cash at a price of ₹ 12 per Equity Share (including a Share premium of ₹ 2 per Equity Share) aggregating to ₹ 430.80 lacs ("the Issue") by Aryaman Capital Markets Limited ("ACML" or the "Company" or the "Issuer").

The issue comprises a Net Issue to Public of 34,00,000 Equity Shares of ₹ 10 each ("the Net issue") and a reservation of 1,90,000 Equity Shares for subscription by the designated Market Maker ("the Market Maker Reservation Portion").

Particulars of the Issue	Net Issue to Public*	Market Maker Reservation Portion
Number of Equity Shares available for allocation	34,00,000 Equity Shares	1,90,000 Equity Shares
Percentage of Issue Size available for allocation	94.71% of the Issue Size	5.29% of the Issue Size
Basis of Allotment	Proportionate subject to minimum allotment of 10,000 Equity Shares and further allotment in multiples of 10,000 Equity Shares each.	Firm Allotment
Mode of Application	For QIB and NII Applicants the application must be made compulsorily through the ASBA Process. The Retail Individual Applicant may apply through the ASBA or the Physical Form.	Through ASBA Process Only
Minimum Application Size	<i>For QIB and NII:</i> Such number of Equity Shares in multiples of 10,000 Equity Shares such that the Application Value exceeds ₹ 2,00,000. <i>For Retail Individuals:</i> 10,000 Equity Shares	1,90,000 Equity Shares
Maximum Application Size	<i>For QIB and NII:</i> Such number of Equity Shares in multiples of 10,000 Equity Shares such that the Application Size does not exceed 34,00,000 Equity Shares.	1,90,000 Equity Shares

Particulars of the Issue	Net Issue to Public*	Market Maker Reservation Portion
	<p><i>For Retail Individuals:</i></p> <p>Such number of Equity Shares in multiples of 10,000 Equity Shares such that the Application Value does not exceed ₹ 2,00,000.</p>	
Mode of Allotment	Dematerialized Form	Dematerialized Form
Trading Lot	10,000 Equity Shares	10,000 Equity Shares, However the Market Maker may accept odd lots if any in the market as required under the SEBI (ICDR) Regulations, 2009.
Terms of Payment	The entire Application Amount will be payable at the time of submission of the Application Form.	

**50 % of the shares offered are reserved for allocation to applications below or equal to ₹ 2 lacs and the balance for higher amount applications.*

Withdrawal of the Issue

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

- i. The final listing and trading approvals of BSE for listing of Equity Shares offered through this Issue on its SME Platform, which the Company shall apply for after Allotment; and
- ii. The final RoC approval of this Prospectus after it is filed with the RoC.

In case, the Company wishes to withdraw the Issue after Issue Opening but before allotment, the Company will give public notice giving reasons for withdrawal of Issue. The public notice will appear in two widely circulated national newspapers (one each in English and Hindi) and one in regional newspaper.

The LM, through the Registrar to the Issue, will instruct the SCSBs to unblock the ASBA Accounts within one Working Day from the day of receipt of such instruction. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisements have appeared and the Stock Exchange will also be informed promptly. If our Company withdraws the Issue after the Issue Closing Date and subsequently decides to undertake a public offering of Equity Shares, our Company will file a fresh offer document with the stock exchange where the Equity Shares may be proposed to be listed.

Issue Programme

ISSUE OPENING DATE	September 25, 2014
ISSUE CLOSING DATE	October 01, 2014

Applications and any revisions to the same will be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time) during the Issue Period at the Application Centers mentioned in the Application Form, or in the case of ASBA Applicants, at the Designated Bank Branches except that on the Issue Closing Date applications will be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time). Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday).

ISSUE PROCEDURE

Fixed Price Issue Procedure

The Issue is being made under Regulation 106(M)(2) of Chapter XB of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 via Fixed Price Process. Applicants are required to submit their Applications to the Selected Branches / Offices of the Escrow Bankers to the Issue who shall duly submit to them the Registrar of the Issue. In case of QIB Applicants, the Company in consultation with the Lead Manager may reject Applications at the time of acceptance of Application Form provided that the reasons for such rejection shall be provided to such Applicant in writing. In case of Non-Institutional Applicants and Retail Individual Applicants, our Company would have a right to reject the Applications only on technical grounds.

Investors should note that allotment of Equity Shares to all successful Applicants will only be in the dematerialised form. The Application Forms which do not have the details of the Applicant's depository account including DP ID, PAN and Beneficiary Account Number shall be treated as incomplete and rejected. In case DP ID, Client ID and PAN mentioned in the Application Form and entered into the electronic application system of the stock exchanges by the SCSBs do not match with the DP ID, Client ID and PAN available in the depository database, the application is liable to be rejected. Applicants 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 dematerialised segment of the Stock Exchanges.

Applicants are required to ensure that the PAN (of the sole/ first Applicant) provided in the Application Form is exactly the same as the PAN of the person(s) in whose name the relevant beneficiary account is held. In case of joint Applications, the Application Form should contain only the name of the first Applicant whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such first Applicant would be required in the Application Form and such first Applicant would be deemed to have signed on behalf of the joint holders.

Application Form

Applicants shall only use the specified Application Form for the purpose of making an Application in terms of this Prospectus. Upon completing and submitting the Application Form to the Bankers, the Applicant is deemed to have authorized our Company to make the necessary changes in the Prospectus and the Application Form as would be required for filing the Prospectus with the RoC and as would be required by RoC after such filing, without prior or subsequent notice of such changes to the Applicant.

ASBA Applicants shall submit an Application Form either in physical or electronic form to the SCSBs authorizing blocking funds that are available in the bank account specified in the Application Form used by ASBA applicants. Upon completing and submitting the Application Form for ASBA Applicants to the SCSB, the ASBA Applicant is deemed to have authorized our Company to make the necessary changes in the Prospectus and the ASBA as would be required for filing the Prospectus with the RoC and as would be required by RoC after such filing, without prior or subsequent notice of such changes to the ASBA Applicant.

The prescribed color of the Application Form for various categories is as follows:

Category	Colour of Application Form
Resident Indians and Eligible NRIs applying on a non-repatriation basis	White
Non-Residents and Eligible NRIs applying on a repatriation basis	Blue

In accordance with the SEBI (ICDR) Regulations, 2009 in public issues w.e.f. May 1, 2010 all the investors can apply through ASBA process and w.e.f. May 02, 2011, the Non-Institutional Applicants and the QIB Applicants have to compulsorily apply through the ASBA Process.

Who Can Apply?

- ✓ Indian nationals resident in India, who are not minors (without guardianship), in single or joint names (not more than three);
- ✓ Hindu Undivided Families or HUFs, in the individual name of the Karta. The Applicant should specify that the application is being made in the name of the HUF in the Application Form as follows: —Name of Sole or First Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta. Applications by HUFs would be considered at par with those from individuals;
- ✓ Companies, Corporate Bodies and Societies registered under the applicable laws in India and authorised to invest in equity shares;
- ✓ Mutual Funds registered with SEBI;
- ✓ Eligible NRIs on a repatriation basis or on a non-repatriation basis subject to applicable laws. NRIs other than Eligible NRIs are not eligible to participate in this issue;
- ✓ Indian financial institutions, scheduled commercial banks (excluding foreign banks), regional rural banks, co-operative banks (subject to RBI regulations and the SEBI Regulations and other laws, as applicable);
- ✓ FIIs and sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual under the QIB portion;
- ✓ Sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals only under the Non-Institutional Applications portion;
- ✓ VCFs registered with SEBI;
- ✓ FVCIs registered with SEBI;
- ✓ Eligible QFIs;
- ✓ Multilateral and bilateral development financial institutions;
- ✓ State Industrial Development Corporations;
- ✓ Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to trusts/societies and who are authorised under their respective constitutions to hold and invest in equity shares;
- ✓ Scientific and/or industrial research organizations authorized in India to invest in equity shares;
- ✓ Insurance companies registered with Insurance Regulatory and Development Authority;
- ✓ Provident Funds with a minimum corpus of ₹ 250 million and who are authorised under their constitution to hold and invest in equity shares;
- ✓ Pension Funds with a minimum corpus of ₹ 250 million and who are authorised under their constitution to hold and invest in equity shares;
- ✓ Limited liability partnerships;

- ✓ National Investment Fund set up by resolution no. F.NO.2/3/2005-DDII dated November 23, 2005 of the GoI, published in the Gazette of India;
- ✓ Nominated Investor and Market Maker
- ✓ Insurance funds set up and managed by the army, navy or air force of the Union of India; and
- ✓ Multilateral and Bilateral Development Financial Institutions
- ✓ Insurance funds set up and managed by the Department of Posts, India
- ✓ Any other person eligible to Apply in this Issue, under the laws, rules, regulations, guidelines and policies applicable to them and under Indian laws.

As per RBI regulations, OCBs are not permitted to make an application in this Issue. There is no reservation for Non-Residents, NRIs, FIIs and foreign venture capital funds and all Non-Residents, NRI, FII and Foreign Venture Capital Funds applicants will be treated on the same basis with other categories for the purpose of allotment.

Applications not to be made by:

1. Minors (without guardians)
2. Partnership firms or their nominations
3. Foreign Nationals (except NRIs)
4. Overseas Corporate Bodies

Availability of Prospectus and Application Forms

The Memorandum Form 2A containing the salient features of the Prospectus together with the Application Forms and copies of the Prospectus may be obtained from the Registered Office of our Company, from the Corporate Office of the Lead Manager to the Issue, Registrar to the Issue and the Collection Centres of the Bankers to the Issue, as mentioned in the Application Form. The Application Forms may also be downloaded from the website of BSE Limited i.e. www.bseindia.com.

Option to Subscribe in the Issue

- a) Investors will be allotted the specified securities in dematerialization form only.
- b) The equity shares, on allotment, shall be traded on stock exchange in demat segment only.
- c) A single application from any investor shall not exceed the investment limit/minimum number of specified securities that can be held by him/her/it under the relevant regulations/statutory guidelines.

Participation by Associates of Lead Manager

Except for the underwriting obligations, the LM shall not be allowed to subscribe to this Issue in any manner. However, except 1,08,000 Equity Shares which shall be subscribing under the Market Maker Reservation Portion, associates and affiliates of the LM may subscribe for Equity Shares in the Issue, either in the QIB Portion and Non-Institutional Portion where the allotment is on a proportionate basis.

Information for certain types of Investors for making an Application

Application by Indian Public including eligible NRIs applying on Non-Repatriation

Application must be made only in the names of individuals, Limited Companies or Statutory Corporations/ Institutions and not in the names of Minors, Foreign Nationals, Non Residents (except for those applying on

non-repatriation), Trusts (unless the Trust is registered under the Societies Registration Act, 1860 or any other applicable Trust laws and is authorized under its constitution to hold shares and debentures in a Company), Hindu Undivided Families, Partnership firms or their nominees. In case of HUFs application shall be made by the Karta of the HUF. An applicant in the Net Public Category cannot make an application for that number of securities exceeding the number of securities offered to the public.

Application by Mutual Funds

As per the current regulations, the following restrictions are applicable for investments by mutual funds:

No mutual fund scheme shall invest more than 10% of its net asset value in the Equity Shares or equity related instruments of any Company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No mutual fund under all its schemes should own more than 10% of any Company's paid up share capital carrying voting rights.

Multiple Applications: In case of a Mutual Fund, a separate Application can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Applications in respect of more than one scheme of the Mutual Fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

Applications by Eligible NRIs/FIIs on Repatriation Basis

Application Forms have been made available for Eligible NRIs at our registered Office. Eligible NRI applicants may please note that only such applications as are accompanied by payment in free foreign exchange shall be considered for Allotment. The Eligible NRIs who intend to make payment through Non Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians. Under the Foreign Exchange Management Act, 1999 (FEMA) general permission is granted to the companies vide notification no. FEMA/20/2000 RB dated 03/05/2000 to issue securities to NRI's subject to the terms and conditions stipulated therein. The Companies are required to file the declaration in the prescribed form to the concerned Regional Office of RBI within 30 days from the date of issue of shares for allotment to NRI's on repatriation basis. Allotment of Equity Shares to Non-Resident Indians shall be subject to the prevailing Reserve Bank of India Guidelines. Sale proceeds of such investments in Equity Shares will be allowed to be repatriated along with the income thereon subject to permission of the RBI and subject to the Indian Tax Laws and regulations and any other applicable laws. The Company does not require approvals from FIPB or RBI for the Transfer of Equity Shares in the issue to eligible NRI's, FII's, Foreign Venture Capital Investors registered with SEBI and multilateral and bilateral development financial institutions.

As per the current Regulations, the following Restrictions are applicable for investments by FIIs:

The issue of Equity Shares to a single FII should not exceed 10% of our post-Issue paid- up capital. In respect of an FII investing in the Equity Shares on behalf of its sub-accounts, the investment on behalf of each sub-account shall not exceed 10% of our total issued capital of the Company or 5% of the total issued capital, in case such sub-account is a foreign corporate or an individual. In accordance with the foreign investment limits applicable to our Company, such investment must be made out of funds raised or collected or brought from outside India through normal banking channels and the investment must not exceed the overall ceiling specified for FIIs. Under the portfolio investment scheme, the aggregate issue of equity shares to FIIs and their sub-accounts should not exceed 24% of post-issue paid-up equity capital of a company. However, this limit can be increased to the permitted sectoral cap/statutory limit, as applicable to our Company after obtaining approval of its Board of Directors followed by a special resolution to that effect by its shareholders in their general meeting. As of the date of this Prospectus, no such resolution has been recommended to the shareholders of our Company for adoption.

Subject to compliance with all applicable Indian laws, rules, regulations guidelines and approvals in terms of Regulation 15A(1) of the SEBI (Foreign Institutional Investors) Regulations 1995, as amended, by the SEBI (Foreign Institutional Investors)(Amendment) Regulations, 2008 ("SEBI FII Regulations"), an FII, as defined in

the SEBI FII Regulations, or its sub account may issue, deal or hold, off shore derivative instruments (defined under the SEBI FII Regulations, as any instrument, by whatever name called, which is issued overseas by a foreign institutional investor against securities held by it that are listed or proposed to be listed on any recognized stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate foreign regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with 'know your client' norms. The FII or sub-account is also required to ensure that no further issue or transfer of any offshore derivative instrument issued by it is made to any persons that are not regulated by an appropriate foreign regulatory authority as defined under the SEBI FII Regulations. Associates and affiliates of the underwriters including the LM that are FIIs may issue offshore derivative instruments against Equity Shares Allotted to them in the Issue.

Applications by Eligible QFIs

The RBI in its circular dated January 13, 2012 has permitted Eligible QFIs to purchase equity shares of Indian companies on a repatriation basis subject to certain terms and conditions. Eligible QFIs have been permitted to invest through SEBI registered qualified depository participants ("DP") in equity shares of Indian companies which are offered to the public in India in accordance with SEBI regulations. The individual and aggregate investment limits for Eligible QFIs in an Indian company are 5% and 10% of the paid up capital respectively. These limits are in addition to the investment limits prescribed under the portfolio investment scheme for FIIs and NRIs. However, in cases of those sectors which have composite foreign investment caps, Eligible QFI investment limits are required to be considered within such composite foreign investment cap.

SEBI in its circular dated January 13, 2012 has specified among other things eligible transactions for Eligible QFIs (which includes purchase of equity shares in public issues to be listed on recognised stock exchanges and sale of equity shares held by Eligible QFIs in their demat account through SEBI registered brokers), manner of operation of demat accounts by Eligible QFIs, transaction processes and investment restrictions. SEBI has specified that transactions by Eligible QFIs shall be treated at par with those made by Indian non-institutional investors with respect to margins, voting rights, public issues etc.

Eligible QFIs are required to instruct their DPs to make the application on their behalf for the Issue. DPs are advised to use the Application Form meant for Non-Residents (blue in colour). DPs are required to utilise the ASBA process to participate in the Issue.

Eligible QFIs are not permitted to issue off-shore derivative instruments or participatory notes.

Applications by SEBI registered Venture Capital Funds and Foreign Venture Capital Investors

As per the current regulations, the following restrictions are applicable for SEBI Registered Venture Capital Funds and Foreign Venture Capital Investors:

The SEBI (Venture Capital) Regulations, 1996 and the SEBI (Foreign Venture Capital Investor) Regulations, 2000 prescribe investment restrictions on venture capital funds and foreign venture capital investors registered with SEBI.

Accordingly, whilst the holding by any individual venture capital fund registered with SEBI in one Company should not exceed 25% of the corpus of the venture capital fund, a Foreign Venture Capital Investor can invest its entire funds committed for investments into India in one Company. Further, Venture Capital Funds and Foreign Venture Capital Investors can invest only up to 33.33% of the investible funds by way of subscription to an initial public offer.

Applications by Limited Liability Partnerships

In case of Applications made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, as amended ("LLP Act") a certified copy of certificate of registration issued under the LLP Act must be attached to the Application Form. Failing this, our Company reserves the right to reject any Application without assigning any reason thereof.

Applications by Insurance Companies

In case of applications made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Application Form. Failing this, our Company reserves the right to reject any application, without assigning any reason thereof. The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000, as amended (the "IRDA Investment Regulations"), are broadly set forth below:

- a) equity shares of a company: the least of 10% of the investee company's subscribed capital (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;
- b) the entire group of the investee company: the least of 10% of the respective fund in case of a life insurer or 10% of investment assets in case of a general insurer or reinsurer (25% in case of ULIPS); and
- c) The industry sector in which the investee company operates: 10% of the insurer's total investment exposure to the industry sector (25% in case of ULIPS).

In addition, the IRDA partially amended the exposure limits applicable to investments in public limited companies in the infrastructure and housing sectors, i.e. December 26, 2008, providing, among other things, that the exposure of an insurer to an infrastructure company may be increased to not more than 20%, provided that in case of equity investment, a dividend of not less than 4% including bonus should have been declared for at least five preceding years. This limit of 20% would be combined for debt and equity taken together, without sub ceilings.

Further, investments in equity including preference shares and the convertible part of debentures shall not exceed 50% of the exposure norms specified under the IRDA Investment Regulations.

Application by Provident Funds/ Pension Funds

In case of applications made by provident funds/ pension funds, subject to applicable laws, with minimum corpus of ₹ 2500 lacs, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be attached to the Application Form. Failing this, our Company reserves the right to reject any application, without assigning any reason thereof.

Application under Power of Attorney

In case of applications made pursuant to a power of attorney by Limited Companies, Corporate Bodies, Registered Societies, Mutual Funds, Eligible QFIs, Insurance Companies and Provident Funds with minimum corpus of ₹ 25 Crores (subject to applicable law) and pension funds with a minimum corpus of ₹ 25 Crores a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged with the Application Form. Failing this, our Company reserves the right to accept or reject any application in whole or in part, in either case, without assigning any reason therefore.

In addition to the above, certain additional documents are required to be submitted by the following entities:

- a) With respect to applications by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject any application, in whole or in part, in either case without assigning any reasons thereof.
- b) With respect to applications by insurance companies registered with the Insurance Regulatory and Development Authority, in addition to the above, a certified copy of the certificate of registration issued by the Insurance Regulatory and Development Authority must be lodged with the Application Form as applicable. Failing this, our Company reserves the right to accept or reject any application, in whole or in part, in either case without assigning any reasons thereof.
- c) With respect to applications made by provident funds with minimum corpus of ₹ 25 Crores (subject to applicable law) and pension funds with a minimum corpus of ₹ 25 Crores, a certified copy of a certificate from a Chartered Accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject such application, in whole or in part, in either case without assigning any reasons thereof.

Our Company in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Application Form, subject to such terms and conditions that our Company, the lead manager may deem fit.

Our Company, in its absolute discretion, reserves the right to permit the holder of the power of attorney to request the Registrar to the Issue that, for the purpose of printing particulars on the refund order and mailing of the Allotment Advice / CANs / refund orders / letters notifying the unblocking of the bank accounts of ASBA applicants, the Demographic Details given on the Application Form should be used (and not those obtained from the Depository of the application). In such cases, the Registrar to the Issue shall use Demographic Details as given on the Application Form instead of those obtained from the Depositories.

The above information is given for the benefit of the Applicants. The Company and the LM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.

Maximum and Minimum Application Size

a) For Retail Individual Applicants

The Application must be for a minimum of 10,000 Equity Shares and in multiples of 10,000 Equity Shares thereafter, so as to ensure that the Application Price payable by the Applicant does not exceed ₹ 2,00,000. In case of revision of Applications, the Retail Individual Applicants have to ensure that the Application Price does not exceed ₹ 2,00,000.

b) For Other Applicants (Non-Institutional Applicants and QIBs)

The Application must be for a minimum of such number of Equity Shares such that the Application Amount exceeds ₹ 2,00,000 and in multiples of 10,000 Equity Shares thereafter. An Application cannot be submitted for more than the Issue Size. However, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. **A QIB and a Non-Institutional Applicant cannot withdraw or lower the size of their Applications (both in terms of number of Equity Shares applied for and Application Amount) at any stage and are required to pay the entire Application Amount upon submission of the Application.**

The identity of QIBs applying in the Net Issue under the QIB Portion shall not be made public during the subscription Period. In case of revision in Applications, the Non-Institutional Applicants, who are individuals, have to ensure that the Application Amount is greater than ₹ 2,00,000 for being considered for allocation in the Non-Institutional Portion.

Applicants are advised to ensure that any single Application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Prospectus.

Information for the Applicants

1. Our Company will file the Prospectus with the RoC at least 3 (three) days before the Issue Opening Date.
2. The LM will circulate copies of the Prospectus along with the Application Form to potential investors.
3. Any investor (who is eligible to invest in our Equity Shares) who would like to obtain the Prospectus and/ or the Application Form can obtain the same from the Registered Office of the Company or from the Corporate office of the LM.
4. Applications made in the name of Minors (without guardian) and/or their nominees shall not be accepted.
5. Applicants are requested to mention the application form number on the reverse of the instrument to avoid misuse of instrument submitted along with the application for shares. Applicants are advised in their own interest, to indicate the name of the bank and the savings or current a/c no in the application form. In case of refund, the refund order will indicate these details after the name of the payee. The refund order will be sent directly to the payee's address.
6. Applicants who are interested in subscribing for the Equity Shares should approach the branches of the Banker to the Issue or collection centres to submit their Applications. Applicants should obtain the acknowledgement from the Banks/collection centres and retain with them for reference.
7. After the Issue Closing Date, the Registrar will process the Applications and our company will approach the BSE for approval of the Basis of Allotment.
8. On approval of the Basis of Allotment, the Registrar will process and effect the demat credits to the successful applicants and the refund for the other applicants.
9. Our Company will complete the listing formalities and obtain the listing and trading approval so as to commence trading within 12 working days of the Issue Closing Date.

ISSUE PROCEDURE FOR ASBA (APPLICATION SUPPORTED BY BLOCKED ACCOUNT) APPLICANTS

This section is for the information of investors proposing to subscribe to the Issue through the ASBA process. Our Company and the LM are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of this Prospectus. ASBA Applicants are advised to make their independent investigations and to ensure that the ASBA Application Form is correctly filled up, as described in this section.

The lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on <http://www.sebi.gov.in>. For details on designated branches of SCSB collecting the Application Form, please refer the above mentioned SEBI link.

ASBA Process

A Resident Retail Individual Investor shall submit his Application through an Application Form, either in physical or electronic mode, to the SCSB with whom the bank account of the ASBA Applicant or bank account utilized by the ASBA Applicant ("ASBA Account") is maintained. The Application Form shall bear the stamp of the SCSBs and if not, the same shall be rejected.

The SCSB shall block an amount equal to the Application Amount in the bank account specified in the ASBA Application Form, physical or electronic, on the basis of an authorization to this effect given by the account holder at the time of submitting the Application. The Application Amount shall remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount against the allocated shares to the ASBA Public Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the ASBA Application, as the case may be. The ASBA data shall thereafter be uploaded by the SCSB in the electronic IPO system of the Stock Exchange. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the Controlling Branch of the SCSB for unblocking the relevant bank accounts and for transferring the amount allocable to the successful ASBA Applicants to the ASBA Public Issue Account.

In case of withdrawal/failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the LM. ASBA Applicants are required to submit their Applications, either in physical or electronic mode. In case of application in physical mode, the ASBA Applicant shall submit the ASBA Application Form at the Designated Branch of the SCSB. In case of application in electronic form, the ASBA Applicant shall submit the Application Form either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for applying and blocking funds in the ASBA account held with SCSB, and accordingly registering such Applications.

Who can apply?

In accordance with the SEBI (ICDR) Regulations, 2009 in public issues w.e.f. May 1, 2010 all the investors can apply through ASBA process and w.e.f May 02, 2011, the Non-Institutional applicants and the QIB Applicants have to compulsorily apply through the ASBA Process.

Mode of Payment

Upon submission of an Application Form with the SCSB, whether in physical or electronic mode, each ASBA Applicant shall be deemed to have agreed to block the entire Application Amount and authorize the Designated Branch of the SCSB to block the Application Amount, in the bank account maintained with the SCSB. Application Amount paid in cash, by money order or by postal order or by stockinvest, or ASBA Application Form accompanied by cash, draft, money order, postal order or any mode of payment other than blocked amounts in the SCSB bank accounts, shall not be accepted. After verifying that sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Application Amount mentioned in the ASBA Application Form till the Designated Date. On the Designated Date, the SCSBs shall transfer the amounts allocable to the ASBA Applicants from the respective ASBA Account, in terms of the SEBI Regulations, into the ASBA Public Issue Account. The balance amount, if any against the said Application in the ASBA Accounts shall then be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the Issue.

The entire Application Amount, as per the Application Form submitted by the respective ASBA Applicants, would be required to be blocked in the respective ASBA Accounts until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount against allocated shares to the ASBA Public Issue Account, or until withdrawal/failure of the Issue or until rejection of the ASBA Application, as the case may be.

Unblocking of ASBA Account

On the basis of instructions from the Registrar to the Issue, the SCSBs shall transfer the requisite amount against each successful ASBA Applicant to the ASBA Public Issue Account and shall unblock excess amount, if any in the ASBA Account. However, the Application Amount may be unblocked in the ASBA Account prior to receipt of intimation from the Registrar to the Issue by the Controlling Branch of the SCSB regarding finalization of the Basis of Allotment in the Issue, in the event of withdrawal/failure of the Issue or rejection of the ASBA Application, as the case may be.

ESCROW MECHANISM

For details of the escrow mechanism and payment instructions, see section titled "*Issue Procedure – Payment Instructions*" on page 180 of this Prospectus

ELECTRONIC REGISTRATION OF APPLICATIONS

1. The SCSBs will register the applications using the on-line facilities of the Stock Exchange.
2. The SCSBs will undertake modification of selected fields in the application details already uploaded within one Working Day from the Issue Closing Date.
3. The SCSBs shall be responsible for any acts, mistakes or errors or omission and commissions in relation to (i) the applications accepted by the Bankers to the Issue and the SCSBs, (ii) the applications uploaded by the Bankers to the Issue and the SCSBs, (iii) the applications accepted but not uploaded by the SCSBs or (iv) with respect to applications by ASBA Applicants, applications accepted and uploaded without blocking funds in the ASBA Accounts. It shall be presumed that for applications uploaded by the SCSBs, the Application Amount has been blocked in the relevant ASBA Account. With respect to applications by ASBA Applicants, the Designated Branch of the relevant SCSB, which receives the relevant schedule (along with Application Forms), will be responsible for blocking the necessary amounts in the ASBA Accounts.
4. Neither the Lead Manager nor our Company nor the Registrar to the Issue shall be responsible for any acts, mistakes or errors or omission and commissions in relation to (i) the applications accepted by a Banker to the Issue or the SCSBs, (ii) the applications uploaded by the SCSBs or (iii) the applications accepted but not uploaded by the SCSBs.
5. The Stock Exchange will offer an electronic facility for registering applications for the Issue. This facility will be available at the terminals of the Bankers to the Issue and the SCSBs and their authorised agents during the Issue Period. The Designated Branches of the SCSBs can also set up facilities for off-line electronic registration of applications subject to the condition that they will subsequently upload the off-line data file into the on-line facilities on a regular basis. On the Issue Closing Date, the Bankers to the Issue and the Designated Branches of the SCSBs shall upload the applications till such time as may be permitted by the Stock Exchange. This information will be available with the Lead Manager on a regular basis.
6. At the time of registering each Application and each ASBA Application submitted by an ASBA Applicant, the Designated Branches shall enter the following details of the investor in the on-line system, as applicable:
 - Name of the Applicant
 - IPO Name
 - Application Form number
 - Investor Category;
 - PAN (of First Applicant, if more than one Applicant);
 - DP ID of the demat account of the Applicant;
 - Client Identification Number of the demat account of the Applicant;
 - Numbers of Equity Shares Applied for;

- Cheque Details in case of Applications other than ASBA Application and Bank Account details in case of ASBA Applicants;
- Location of the Banker to the Issue or Designated Branch, as applicable, and bank code of the SCSB branch where the ASBA Account is maintained; and
- Bank account number.

In case of submission of the Application by an ASBA Applicant through the Electronic Mode, the ASBA Applicant shall complete the above-mentioned details and mention the bank account number, except the Electronic ASBA Application Form number which shall be system generated.

7. A system generated TRS will be given to the Applicant as a proof of the registration of the application. It is the Applicant's responsibility to obtain the TRS from the Bankers to the Issue or the Designated Branches. The registration of the Application by the Bankers to the Issue or the Designated Branches does not guarantee that the Equity Shares shall be allocated / allotted either by our Company.
8. Such TRS will be non-negotiable and by itself will not create any obligation of any kind.
9. In case of QIB Applicants, the Lead Manager has the right to accept the Application or reject it. However, the rejection should be made at the time of receiving the Application and only after assigning a reason for such rejection in writing. In case on Non-Institutional Applicants and Retail Individual Applicants, Applications would be rejected on the technical grounds.
10. The permission given by the Stock Exchange to use its network and software of the online IPO connectivity system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the Lead Manager are cleared or approved by the Stock Exchange; 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, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchange.
11. The SCSBs will be given up to one day after the Issue Closing Date to verify DP ID and Client ID uploaded in the online IPO system during the Issue Period after which the Registrar to the Issue will receive this data from the Stock Exchange and will validate the electronic application details with Depository's records. In case no corresponding record is available with Depositories, which matches the three parameters, namely, DP ID, Client ID and PAN, then such applications are liable to be rejected.
12. The details uploaded in the online IPO system shall be considered as final and Allotment will be based on such details for ASBA applications.

Signing of Underwriting Agreement

Vide an Underwriting agreement dated August 01, 2014 this issue is 100% Underwritten.

Filing of the Prospectus with the RoC

Our Company will file a copy of the Prospectus with the RoC at 100, Everest, Marine Drive, Mumbai 400 002as required under the Companies Act.

Pre-Issue Advertisement

Subject to Section 30 of the Companies Act, 2013 the Company shall, after registering the Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in one widely circulated English language national daily newspaper and one widely circulated Hindi language national daily newspaper. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the Issue Price.

Issuance of a Confirmation of Allocation Note (“CAN”)

1. Upon approval of the basis of allotment by the Designated Stock Exchange, the Lead Manager or Registrar to the Issue will dispatch an Allotment Advice to Applicants who have been allocated Equity Shares in the Issue.
2. The Registrar will then dispatch a CAN to their Applicants who have been allocated Equity Shares in the Issue. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Applicant.

Designated Date and Allotment of Equity Shares

Our Company will ensure that the (i) Allotment of Equity Shares; and (ii) credit to the successful Applicant's depository account is done within 12 Working Days of the Issue Closing Date.

In accordance with the SEBI Regulations, Equity Shares will be issued and Allotment shall be made only in the dematerialised form to the Allottees.

Allottees will have the option to re-materialise the Equity Shares so Allotted 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/ Allotted to them pursuant to this Issue.

Applicants to whom refunds are made through electronic transfer of funds will be sent a letter intimating them about the mode of credit of refund within 12 Working days of closure of Issue.

The Company will provide adequate funds required for dispatch of refund orders or allotment advice to the Registrar to the Issue.

Refunds will be made by cheques, pay orders or demand drafts drawn on a bank appointed by us, as Refund Banker and payable at par at places where applications are received. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centres will be payable by the Applicants.

GENERAL INSTRUCTIONS

Do's:

- Check if you are eligible to apply;
- Read all the instructions carefully and complete the applicable Application Form;
- Ensure that the details about Depository Participant and Beneficiary Account are correct as Allotment of Equity Shares will be in the dematerialized form only;
- Each of the Applicants should mention their Permanent Account Number (PAN) allotted under the Income Tax Act, 1961;
- Ensure that the Demographic Details (as defined herein below) are updated, true and correct in all respects;

- Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant.

Don'ts:

- Do not apply for lower than the minimum Application size;
- Do not apply at a Price different from the Price Mentioned herein or in the Application Form
- Do not apply on another Application Form after you have submitted an Application to the Bankers of the Issue
- Do not pay the Application Price in cash, by money order or by postal order or by stock invest;
- Do not send Application Forms by post; instead submit the same to the Selected Branches / Offices of the Banker to the Issue.
- Do not fill up the Application Form such that the Equity Shares applied for exceeds the Issue Size and/ or investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;
- Do not submit the GIR number instead of the PAN as the Application is liable to be rejected on this ground.

Instructions for Completing the Application Form

The Applications should be submitted on the prescribed Application Form and in BLOCK LETTERS in ENGLISH only in accordance with the instructions contained herein and in the Application Form. Applications not so made are liable to be rejected. ASBA Application Forms should bear the stamp of the SCSBs. ASBA Application Forms, which do not bear the stamp of the SCSB, will be rejected. Applicants residing at places where the designated branches of the Bankers to the Issue are not located may submit/mail their applications at their sole risk along with Demand Draft payable at Mumbai.

Applicant's Depository Account and Bank Details

Please note that, providing bank account details in the space provided in the application form is mandatory and applications that do not contain such details are liable to be rejected.

Applicants should note that on the basis of name of the Applicants, Depository Participant's name, Depository Participant Identification number and Beneficiary Account Number provided by them in the Application Form, the Registrar to the Issue will obtain from the Depository the demographic details including address, Applicant's Bank Account details, MICR code and occupation (hereinafter referred to as 'Demographic Details'). These Bank Account details would be used for giving refunds to the Applicants. Hence, Applicants are advised to immediately update their Bank Account details as appearing on the records of the depository participant. Please note that failure to do so could result in delays in dispatch/ credit of refunds to Applicants at the Applicants sole risk and neither the LM or the Registrar or the Escrow Collection Banks or the SCSB nor the Company shall have any responsibility and undertake any liability for the same. Hence, Applicants should carefully fill in their Depository Account details in the Application Form.

These Demographic Details would be used for all correspondence with the Applicants including mailing of the CANs / Allocation Advice and printing of Bank particulars on the refund orders or for refunds through electronic transfer of funds, as applicable. The Demographic Details given by Applicants in the Application Form would not be used for any other purpose by the Registrar to the Issue. By signing the Application Form, the Applicant would be deemed to have authorized the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

Applications by Non-Residents including Eligible NRIs, FIIs and Foreign Venture Capital Funds on a repatriation basis

Applications and revision to Applications must be made in the following manner:

1. On the Application Form or the Revision Form, as applicable (Blue in colour), and completed in full in BLOCK LETTERS in ENGLISH in accordance with the instructions contained overleaf.
2. In a single name or joint names (not more than three and in the same order as their Depository Participant Details).
3. Applications on a repatriation basis shall be in the names of individuals, or in the name of FIIs but not in the names of persons not competent to contract under the Indian Contract Act, 1872, as amended, OCBs, firms or partnerships, foreign nationals (excluding NRIs) or their nominees.

Applications by Eligible NRIs for an amount of up to ₹ 200,000 would be considered under the Retail Portion for the purposes of allocation and Applications for an amount of more than ₹ 200,000 would be considered under Non-Institutional Portion for the purposes of allocation.

Refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and / or commission. In case of Applicants who remit money through Indian Rupee drafts purchased abroad, such payments in Indian Rupees will be converted into US Dollars or any other freely convertible currency as may be permitted by the RBI at PAYMENT INSTRUCTIONS

PAYMENT INSTRUCTIONS

Escrow Mechanism for Applicants other than ASBA Applicants

Our Company shall open Escrow Accounts with one or more Escrow Collection Bank(s) in whose favour the Applicants (other than ASBA Applicants) shall make out the cheque or demand draft in respect of his or her Application and/or revision of the Application. Cheques or demand drafts received for the full Application Amount from Applicants in a certain category would be deposited in the Escrow Account.

The Escrow Collection Banks will act in terms of the Prospectus and the Escrow Agreement. The Escrow Collection Bank(s) for and on behalf of the Applicants shall maintain the monies in the Escrow Account. 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 Applicants. On the Designated Date, the Escrow Collection Bank(s) shall transfer the funds represented by allocation of Equity Shares (other than ASBA funds with the SCSBs) from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account opened with the Public Issue Account Bank. The balance amount after transfer to the Public Issue Account shall be transferred to the Refund Account. Payments of refund to the Applicants shall also be made from the Refund Account as per the terms of the Escrow Agreement and the Prospectus.

The Applicants should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Escrow Collection Bank(s) and the Registrar to the Issue to facilitate collections from the Applicants.

Terms of Payment / Payment Instructions

The entire Issue Price of ₹ 12 per share is payable on application. In case of allotment of lesser number of Equity shares than the number applied, the Company shall refund the excess amount paid on Application to the Applicants.

Payments should be made by cheque, or demand draft drawn on any Bank (including a Co operative Bank), which is situated at, and is a member of or sub member of the bankers' clearing house located at the centre where the Application Form is submitted. Outstation cheques/ bank drafts drawn on banks not participating in the clearing process will not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected.

Cash/ Stock invest/ Money Orders/ Postal orders will not be accepted.

A separate Cheque or Bank Draft should accompany each Application Form. Applicants should write the Share Application Number on the back of the Cheque /Draft. Outstation Cheques will not be accepted and applications accompanied by such cheques drawn on outstation banks are liable for rejection. Money Orders / Postal Notes will not be accepted.

Each Applicant shall draw a cheque or demand draft for the amount payable on the Application and/ or on allocation/ Allotment as per the following terms:

- 1) The payment instruments for payment into the Escrow Account should be drawn in favour of:
 - Indian Public including eligible NRIs applying on non-repatriation basis: "Escrow Account – ACML– R".
 - In case of Non-Resident Retail Applicants applying on repatriation basis: "Escrow Account – ACML– NR"
- 2) In case of Application by NRIs applying on repatriation basis, the payments must be made through Indian Rupee drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in Non-Resident External (NRE) Accounts or Foreign Currency Non Resident (FCNR) Accounts, maintained with banks authorized to deal in foreign exchange in India, along with documentary evidence in support of the remittance. Payment will not be accepted out of Non-Resident Ordinary (NRO) Account of Non-Resident Applicant applying on a repatriation basis. Payment by drafts should be accompanied by bank certificate confirming that the draft has been issued by debiting to NRE Account or FCNR Account.
- 3) Where an Applicant has been allocated a lesser number of Equity Shares than the Applicant has applied for, the excess amount, if any, paid on Application, after adjustment towards the balance amount payable by the Pay-In Date on the Equity Shares allocated will be refunded to the Applicant from the Refund Account.
- 4) On the Designated Date and no later than 12 Working days from the Issue Closing Date, the Escrow Collection Bank shall also refund all amounts payable to unsuccessful Applicants and also the excess amount paid on Application, if any, after adjusting for allocation / Allotment to the Applicants.

For Terms of Payment / Payment Instructions for ASBA Applicants, please see "Issue Procedure for ASBA Applicants" under the chapter "Issue Procedure" on page 180 of this Prospectus.

Payment by Stock Invest

In terms of the RBI Circular No. DBOD No. FSC BC 42 / 24.47.00 / 2003-04 dated November 5, 2003; the option to use the stock invest instrument in lieu of cheques or bank drafts for payment of Application money has been withdrawn. Hence, payment through stock invest would not be accepted in this Issue.

SUBMISSION OF APPLICATION FORM

All Application Forms duly completed and accompanied by account payee cheques or drafts shall be submitted to the Bankers to the Issue at the time of submission of the application. With respect to the ASBA Applicants, the Application Form shall be submitted to the Designated Branches of the SCSBs.

No separate receipts shall be issued for the money payable on the submission of Application Form. However, the collection centre of the Bankers to the Issue will acknowledge the receipt of the Application Forms by stamping and returning to the Applicant the acknowledgement slip. This acknowledgement slip will serve as a duplicate of the Application Form for the records of the Applicant.

OTHER INSTRUCTIONS

Joint Applications in the case of Individuals

Applications may be made in single or joint names (not more than three). In the case of joint Applications, all payments will be made out in favour of the Applicant whose name appears first in the Application Form or Revision Form. All communications will be addressed to the First Applicant and will be dispatched to his or her address as per the Demographic Details received from the Depository.

Multiple Applications

An Applicant should submit only one Application (and not more than one) for the total number of Equity Shares required. Two or more Applications will be deemed to be multiple Applications if the sole or First Applicant is one and the same.

In this regard, the procedures which would be followed by the Registrar to the Issue to detect multiple applications are given below:

- a. All applications are electronically strung on first name, address (1st line) and applicant's status. Further, these applications are electronically matched for common first name and address and if matched, these are checked manually for age, signature and father/ husband's name to determine if they are multiple applications
- b. Applications which do not qualify as multiple applications as per above procedure are further checked for common DP ID/ beneficiary ID. In case of applications with common DP ID/ beneficiary ID, are manually checked to eliminate possibility of data entry error to determine if they are multiple applications.
- c. Applications which do not qualify as multiple applications as per above procedure are further checked for common PAN. All such matched applications with common PAN are manually checked to eliminate possibility of data capture error to determine if they are multiple applications.

In case of a mutual fund, a separate Application can be made in respect of each scheme of the mutual fund registered with SEBI and such Applications in respect of more than one scheme of the mutual fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

In cases where there are more than 20 valid applications having a common address, such shares will be kept in abeyance, post allotment and released on confirmation of "know your client" norms by the depositories. The Company reserves the right to reject, in our absolute discretion, all or any multiple Applications in any or all categories.

Permanent Account Number or PAN

Pursuant to the circular MRD/DoP/Circ 05/2007 dated April 27, 2007, SEBI has mandated Permanent Account Number ("PAN") to be the sole identification number for all participants transacting in the securities market, irrespective of the amount of the transaction w.e.f. July 2, 2007. Each of the Applicants should mention his/her PAN allotted under the IT Act. Applications without this information will be considered incomplete and are liable

to be rejected. It is to be specifically noted that Applicants should not submit the GIR number instead of the PAN, as the Application is liable to be rejected on this ground.

Right to Reject Applications

In case of QIB Applicants, the Company in consultation with the Lead Manager may reject Applications provided that the reasons for rejecting the same shall be provided to such Applicant in writing. In case of Non Institutional Applicants and Retail Individual Applicants who applied, the Company has a right to reject Applications based on technical grounds.

Grounds for Technical Rejections

Applicants are advised to note that Applications are liable to be rejected inter alia on the following technical grounds:

1. Amount paid does not tally with the amount payable for the highest value of Equity Shares applied for;
2. 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;
3. Application by persons not competent to contract under the Indian Contract Act, 1872 including minors (without guardian), insane persons;
4. PAN not mentioned in the Application Form;
5. GIR number furnished instead of PAN;
6. Applications for lower number of Equity Shares than specified for that category of investors;
7. Applications at a price other than the Fixed Price of the Issue;
8. Applications for number of Equity Shares which are not in multiples of 10,000;
9. Category not ticked;
10. Multiple Applications as defined in this Prospectus;
11. In case of Application under power of attorney or by limited companies, corporate, trust etc., where relevant documents are not submitted;
12. Applications accompanied by Stock invest/ money order/ postal order/ cash;
13. Signature of sole Applicant is missing;
14. Application Forms are not delivered by the Applicant within the time prescribed as per the Application Forms, Issue Opening Date advertisement and the Prospectus and as per the instructions in the Prospectus and the Application Forms;
15. In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Applicants (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's account number;
16. Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;

17. Applications where clear funds are not available in the Escrow Account as per the final certificate from the Escrow Collection Bank(s);
18. Applications by OCBs;
19. Applications by US persons other than in reliance on Regulation S or “qualified institutional buyers” as defined in Rule 144A under the Securities Act;
20. Applications not duly signed;
21. Applications by any persons outside India if not in compliance with applicable foreign and Indian laws;
22. Applications that do not comply with the securities laws of their respective jurisdictions are liable to be rejected;
23. Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
24. Applications by persons who are not eligible to acquire Equity Shares of the Company in terms of all applicable laws, rules, regulations, guidelines, and approvals;
25. Applications or revisions thereof by QIB Applicants, Non Institutional Applicants where the Application Amount is in excess of ₹ 2,00,000 received after 5.00 pm on the Issue Closing Date;

APPLICANTS SHOULD NOTE THAT IN CASE THE PAN, THE DP ID AND CLIENT ID MENTIONED IN THE APPLICATION FORM AND ENTERED INTO THE ELECTRONIC APPLICATION SYSTEM OF THE STOCK EXCHANGES BY THE SCSBs DO NOT MATCH WITH PAN, THE DP ID AND CLIENT ID AVAILABLE IN THE DEPOSITORY DATABASE, THE APPLICATION FORM IS LIABLE TO BE REJECTED.

Equity Shares in Dematerialised Form with NSDL or CDSL

As per the provisions of Section 68B of the Companies Act, the allotment of Equity Shares in this Issue shall be only in a de-materialised 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 agreements have been signed among the Company, the respective Depositories and the Registrar to the Issue:

1. Agreement dated September 8, 2014 with NSDL, the Company and the Registrar to the Issue;
2. Agreement dated August 21, 2014 with CDSL, the Company and the Registrar to the Issue.

All Applicants can seek allotment only in dematerialised mode. Applications from any Applicant without relevant details of his or her depository account are liable to be rejected.

1. An Applicant applying for Equity Shares must have at least one beneficiary account with either of the Depository Participants of either NSDL or CDSL prior to making the Application.
2. The Applicant must necessarily fill in the details (including the Beneficiary Account Number and Depository Participant's identification number) appearing in the Application Form or Revision Form.
3. Allotment to a successful Applicant will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Applicant.

4. Names in the Application Form or Revision Form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the Depository.
5. If incomplete or incorrect details are given under the heading 'Applicants Depository Account Details' in the Application Form or Revision Form, it is liable to be rejected.
6. The Applicant is responsible for the correctness of his or her Demographic Details given in the Application Form vis-à-vis those with his or her Depository Participant.
7. Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. All the Stock Exchanges where our Equity Shares are proposed to be listed have electronic connectivity with CDSL and NSDL.
8. The trading of the Equity Shares of our Company would be in dematerialised form only for all investors in the demat segment of the respective Stock Exchanges.
9. Non-transferable allotment advice or refund orders will be directly sent to the Applicants by the Registrar to the Issue.

Communications

All future communications in connection with the Applications made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Applicant, Application Form number, Applicants Depository Account Details, number of Equity Shares applied for, date of Application form, name and address of the Banker to the Issue where the Application was submitted and cheque or draft number and issuing bank thereof and a copy of the acknowledgement slip.

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

DISPOSAL OF APPLICATIONS AND APPLICATION MONEYS AND INTEREST IN CASE OF DELAY

The Company shall ensure the dispatch of Allotment advice, refund orders (except for Applicants who receive refunds through electronic transfer of funds) and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchange within twelve working days of Issue Closing Date.

In case of applicants who receive refunds through ECS, Direct Credit or RTGS, the refund instructions will be given to the clearing system within 12 working days from the Issue Closing Date. A suitable communication shall be sent to the Applicants receiving refunds through this mode within 12 working days of Issue Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund.

The Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at SME Platform of BSE where the Equity Shares are proposed to be listed are taken within 12 working days of closure of the issue.

In accordance with the Companies Act, the requirements of the Stock Exchange and the SEBI Regulations, the Company further undertakes that:

- 1) Allotment of Equity Shares shall be made within 12 (twelve) working days of the Issue Closing Date;

- 2) Dispatch of refund orders or in a case where the refund or portion thereof is made in electronic manner, the refund instructions are given to the clearing system within 12 (twelve) working days of the Issue Closing Date would be ensured; and

The Company shall pay interest at 15% p.a. for any delay beyond the 12 (twelve) working days time period as mentioned above, if Allotment is not made and refund orders are not dispatched or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner and/ or demat credits are not made to investors within the 12 (twelve) working days time.

IMPERSONATION

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 68 A of the Companies Act, which is reproduced below:

“Any person who:

- (a) makes in a fictitious name, an application to a company for acquiring or subscribing for, any shares therein, or*
- (b) otherwise induces a company to allot, or register any transfer of shares therein to him, or any other person in a fictitious name,*

shall be punishable with imprisonment for a term which may extend to five years.”

BASIS OF ALLOTMENT

Allotment will be made in consultation with BSE Limited (The Designated Stock Exchange). In the event of oversubscription, the allotment will be made on a proportionate basis in marketable lots as set forth here:

- 1) The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of Shares applied for in that category multiplied by the inverse of the over subscription ratio (number of applicants in the category x number of Shares applied for).
- 2) The number of Shares to be allocated to the successful applicants will be arrived at on a proportionate basis in marketable lots (i.e. Total number of Shares applied for by each applicant in that category multiplied by the inverse of the over subscription ratio).
- 3) For applications where the proportionate allotment works out to less than 10,000 equity shares the allotment will be made as follows:
 - a) Each successful applicant shall be allotted 10,000 equity shares; and
 - b) The successful applicants out of the total applicants for that category shall be determined by the drawal of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (2) above.
- 4) If the proportionate allotment to an applicant works out to a number that is not a multiple of 10,000 equity shares, the applicant would be allotted Shares by rounding off to the lower nearest multiple of 10,000 equity shares subject to a minimum allotment of 10,000 equity shares.
- 5) If the Shares allotted on a proportionate basis to any category is more than the Shares allotted to the applicants in that category, the balance available Shares for allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful applicants in that category, the balance Shares, if any, remaining after such adjustment will be added to the

category comprising of applicants applying for the minimum number of Shares. If as a result of the process of rounding off to the lower nearest multiple of 10,000 equity shares, results in the actual allotment being higher than the shares offered, the final allotment may be higher at the sole discretion of the Board of Directors, up to 110% of the size of the offer specified under the Capital Structure mentioned in this Prospectus.

- 6) The above proportionate allotment of shares in an Issue that is oversubscribed shall be subject to the reservation for small individual applicants as described below:
- a) A minimum of 50% of the net offer of shares to the Public shall initially be made available for allotment to retail individual investors as the case may be.
 - b) The balance net offer of shares to the public shall be made available for allotment to (i) individual applicants other than retails individual investors and (ii) other investors, including Corporate Bodies/ Institutions irrespective of number of shares applied for.
 - c) The unsubscribed portion of the net offer to any one of the categories specified in (i) or (ii) shall/may be made available for allocation to applicants in the other category, if so required.

If the retail individual investor category is entitled to more than fifty percent on proportionate basis, the retail individual investors shall be allocated that higher percentage.

'Retail Individual Investor' means an investor who applies for shares of value of not more than ₹ 2,00,000. Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with BSE.

The Executive Director / Managing Director of BSE - the Designated Stock Exchange in addition to the Lead Manager and the Registrar to this Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations, 2009.

As per the RBI regulations, OCBs are not permitted to participate in the Issue.

There is no reservation for Non Residents, NRIs, FIIs and foreign venture capital funds and all Non Residents, NRI, FII and Foreign Venture Capital Funds applicants will be treated on the same basis with other categories for the purpose of allocation.

Letters of Allotment or Refund Orders or Instructions to the SCSBS

The Registrar to the Issue shall give instructions for credit of the Allotted Equity Shares to the beneficiary account with depository participants within 12 Working Days from the Issue Closing Date. Applicants residing at the centers where clearing houses are managed by the RBI will get refunds through NECS only except where applicant is otherwise disclosed as eligible to get refunds through direct credit, RTGS and NEFT. Our Company shall ensure dispatch of refund orders, if any, by registered post or speed post at the sole or First Applicant's sole risk within 12 Working Days of the Issue Closing Date. Applicants to whom refunds are made through electronic transfer of funds will be sent a letter through ordinary post, intimating them about the mode of credit of refund within 12 Working Days of closure of Issue Closing Date. In case of ASBA Applicants, the Registrar shall instruct the relevant SCSBs to, on the receipt of such instructions from the Registrar, unblock the funds in the relevant ASBA Account to the extent of the Application Amount specified in the Application Forms for withdrawn, rejected or unsuccessful or partially successful ASBA Applications within 12 Working Days of the Issue Closing Date.

Payment of Refund

Applicants other than ASBA Applicants must note that on the basis of the names of the Applicant's DP ID and beneficiary account number provided by them in the Application Form, the Registrar to the Issue will obtain, from the Depositories, the Applicants' bank account details, including the nine digits MICR code as appearing on a cheque leaf.

On the Designated Date and no later than 12 Working Days from the Issue Closing Date, the Escrow Collection Banks shall dispatch refund orders for all amounts payable to unsuccessful Applicants (other than ASBA Applicants) and also the excess amount paid on applying, if any, after adjusting for allocation/Allotment to such Applicants.

Mode of making refunds for Applicants other than ASBA Applicants

The payment of refund, if any, would be done through various modes as given hereunder:

- 1) **ECS** (*Electronic Clearing System*) - Payment of refund would be done through ECS for applicants having an account at any of the centres where such facility has been made available specified by the RBI. This mode of payment of refunds would be subject to availability of complete bank account details including the MICR code from the Depositories.
- 2) **Direct Credit** - Applicants having bank accounts with the Refund Banker(s), as mentioned in the Application Form, shall be eligible to receive refunds through direct credit. Charges, if any, levied by the Refund Bank(s) for the same would be borne by the Company.
- 3) **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.
- 4) For all other applicants, including those who have not updated their bank particulars with the MICR code, the refund orders will be through Speed Post/ Registered Post. Such refunds will be made by cheques, pay orders or demand drafts drawn on the Escrow Collection Banks and payable at par at places where Applications are received. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centres will be payable by the Applicants.

Mode of making refunds for ASBA Applicants

In case of ASBA Applicants, the Registrar to the Issue shall instruct the relevant SCSBs to unblock the funds in the relevant ASBA Account to the extent of the Application Amount specified in the Application Forms for withdrawn, rejected or unsuccessful or partially successful ASBA applications within 12 Working Days of the Issue Closing Date.

Interest in case of delay in dispatch of Allotment Letters or Refund Orders/ Instruction to the SCSBs by the Registrar

In accordance with the Companies Act, the requirements of the Stock Exchange and the SEBI Regulations, our Company agrees that as far as possible Allotment of Equity Shares to the public and credit to the successful Applicants' Depository Accounts will be completed within 12 Working Days from the Issue Closing Date. Our Company further agrees that they shall pay interest at 15% per annum (for any delay beyond the 15 day time period as mentioned above), if Allotment is not made, refund orders are not dispatched and/or demat credits are not made to investors within the 12 Working Day time prescribed above. However applications received after the closure of the Issue in fulfillment of underwriting obligations to meet the minimum subscription requirement, shall not be entitled for the said interest.

Undertakings by Our Company

The Company undertakes the following:

- 1) That the complaints received in respect of this Issue shall be attended to by us expeditiously;
- 2) That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchange where the Equity Shares are proposed to be listed within 12 (twelve) working days of closure of the Issue;
- 3) That funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by us;
- 4) That where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 12 (twelve) working days of the Issue Closing Date, as the case may be, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- 5) That the letter of allotment/ refund orders to the non resident Indians shall be dispatched within specified time; and
- 6) That no further issue of Equity Shares shall be made till the Equity Shares offered through this Prospectus are listed or until the Application monies are refunded on account of non listing, under subscription etc.
- 7) That if our Company does not proceed with the Issue after the Issue Closing Date, the reason thereof shall be given as a public notice within two days of the Issue Closing Date. The public notice shall be issued in the same newspapers where the pre-Issue advertisements were published. The Stock Exchange on which the Equity Shares are proposed to be listed shall also be informed promptly.
- 8) That adequate arrangement shall be made to collect all Application Forms and to consider them similar to Non-ASBA applications while finalizing the basis of allotment.
- 9) That we shall not have recourse to the Issue proceeds until the approval for trading of the Equity Shares from the Stock Exchange where listing is sought has been received.

Utilization of Issue Proceeds

Our Board certifies that:

- 1) All monies received out of the Issue shall be credited/ transferred to a separate bank account other than the bank account referred to in sub section (3) of Section 40 of the Companies Act, 2013;
- 2) Details of all monies utilized out of the Issue shall be disclosed under an appropriate head in our balance sheet indicating the purpose for which such monies have been utilized;
- 3) Details of all unutilized monies out of the Issue, if any shall be disclosed under the appropriate head in the balance sheet indicating the form in which such unutilized monies have been invested and
- 4) Our Company shall comply with the requirements of Clause 52 of the SME Listing Agreement in relation to the disclosure and monitoring of the utilization of the proceeds of the Issue.

Our Company shall not have recourse to the Issue Proceeds until the approval for listing and trading of the Equity Shares from the Stock Exchange where listing is sought has been received.

Withdrawal of the Issue

The Company, in consultation with the Lead Manager, reserves the right not to proceed with the Issue at any time before the Issue Opening Date, without assigning any reason thereof. Notwithstanding the foregoing, the Issue is also subject to obtaining the final listing and trading approvals of BSE for listing of Equity Shares offered through this issue on its SME Platform, which the Company shall apply for after Allotment.

In case, the Company wishes to withdraw the Issue after Issue Opening but before allotment, the Company will give public notice giving reasons for withdrawal of Issue. The public notice will appear in two widely circulated national newspapers (one each in English and Hindi) and one in regional newspaper. The Stock Exchanges where the Equity Shares are proposed to be listed shall also be informed promptly.

If the Company withdraws the Issue after the Application Closing Date, the Company will be required to file a fresh Draft Offer Document with the Stock Exchange.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. Foreign investment is allowed up to 100% under automatic route in our Company.

India's current Foreign Direct Investment ("FDI") Policy issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, GOI ("DIPP") by circular 1 of 2012, with effect from April 10, 2012 ("Circular 1 of 2012"), consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DIPP. The Government proposes to update the consolidated circular on FDI Policy once every Year and therefore, Circular 1 of 2012 will be valid until the DIPP issues an updated circular. (It is effective from April 10, 2013).

FII's are permitted to subscribe to shares of an Indian company in a public offer without the prior approval of the RBI, so long as the price of the equity shares to be issued is not less than the price at which the equity shares are issued to residents.

The transfer of shares by an Indian resident to a Non-Resident does not require the prior approval of the FIPB or the RBI, provided that (i) the activities of the investee company are under the automatic route under the Consolidated FDI Policy and transfer does not attract the provisions of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (ii) the non-resident shareholding is within the sectoral limits under the Consolidated FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI/RBI. Further, in terms of the Consolidated FDI Policy, prior approval of the RBI shall not be required for transfer of shares between an Indian resident and person not resident in India if conditions specified in the Consolidated FDI Policy have been met. The transfer of shares of an Indian company by a person resident outside India to an Indian resident, where pricing guidelines specified by RBI under the foreign exchange regulations in India are not met, will not require approval of the RBI, provided that (i) the original and resultant investment is in line with Consolidated FDI policy and applicable foreign exchange regulations pertaining to inter alia sectoral caps and reporting requirements; (ii) the pricing is in compliance with applicable regulations or guidelines issued by SEBI; and (iii) a compliance certificate in this regard is obtained from chartered accountant and attached to the filings made before the authorised dealer bank.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue.

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

The above information is given for the benefit of the Applicants. Our Company and the LM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Prospectus. Applicants are advised to make their independent investigations and ensure that the Applications are not in violation of laws or regulations applicable to them.

SECTION X – MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION OF OUR COMPANY

SHARE CAPITAL AND VARIATION OF RIGHTS

4. Subject to the provisions of the Act and these Articles, the shares in the capital of the company shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit.
5. (i) Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after incorporation, in case of subscribers to the memorandum or after allotment or within one month after the application for the registration of transfer or transmission or within such other period as the conditions of issue shall be provided:—
 - (a) one certificate for all his shares without payment of any charges; or
 - (b) several certificates, each for one or more of his shares, upon payment of twenty rupees for each certificate after the first.(ii) Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.
 - (iii) In respect of any share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.
6. (i) If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back 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 is lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of twenty rupees for each certificate.
 - (ii) The company may issue new share certificates pursuant to consolidation or sub-division of share certificate(s) upon written request received from shareholder together with production and surrender of respective original share certificate(s). Every certificate under this Article shall be issued on payment of twenty rupees for each certificate.
 - (iii) The provisions of Articles (5) and (6) shall mutatis mutandis apply to debentures of the company.
7. Except as required by law, no person shall be recognized by the company as holding any share upon any trust, and the company shall not be bound by, or be compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.
8. (i) The company may exercise the powers of paying commissions conferred by sub-section (6) of section 40, provided that the rate per cent. or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rules made thereunder.
 - (ii) The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under sub-section (6) of section 40.

(iii) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.

9. (i) If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of section 106 & 107 of Companies Act, 1956, and whether or not the company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.

(ii) To every such separate meeting, the provisions of these regulations relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question.

10. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking pari passu therewith.
11. Subject to the provisions of section 55, any preference shares may, with the sanction of an ordinary resolution, be issued on the terms that they are to be redeemed on such terms and in such manner as the company before the issue of the shares may, by special resolution, determine.

LIEN

12. (i) The company shall have a first and paramount lien—
(a) on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and
(b) on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the company:

Provided that the Board of directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause.

(ii) The company's lien, if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares.

13. The company may sell, in such manner as the Board thinks fit, any shares on which the company has a lien:

Provided that no sale shall be made—

- (a) unless a sum in respect of which the lien exists is presently payable; or
(b) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.

14. (i) To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.

(ii) The purchaser shall be registered as the holder of the shares comprised in any such transfer.

(iii) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

15. (i) The proceeds of the sale shall be received by the company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.
- (ii) The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.

CALLS ON SHARES

16. (i) The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times:

Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call.

(ii) Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the company, at the time or times and place so specified, the amount called on his shares.

(iii) A call may be revoked or postponed at the discretion of the Board.

(iv) Company may delegate power to make calls on shares subject to approval of the shareholders in a general meeting of the company.

17. A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by instalments

18. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

19. (i) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent. per annum or at such lower rate, if any, as the Board may determine.

(ii) The Board shall be at liberty to waive payment of any such interest wholly or in part.

20. (i) Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.

(ii) In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

21. The Board—

(a) may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and

(b) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the company in general meeting shall otherwise direct, twelve per cent. per annum, as may be agreed upon between the Board and the member paying the sum in advance but shall not confer a right to dividend or to participate in profits.

TRANSFER OF SHARES

22. (i) The instrument of transfer of any share in the company shall be executed by or on behalf of both the transferor and transferee.
- (ii) The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.
23. The Board may, subject to the right of appeal conferred by section 58 decline to register—
- (a) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or
- (b) any transfer of shares on which the company has a lien.
24. The Board may decline to recognise any instrument of transfer unless—
- (a) the instrument of transfer is in the form as prescribed in rules made under sub-section (1) of section 56;
- (b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and
- (c) the instrument of transfer is in respect of only one class of shares.
25. On giving not less than seven days' previous notice in accordance with section 91 and rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:
- Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.
26. Subject to the provisions of Section 59 of Companies Act, 2013, the Board may decline to register any transfer of Shares on such grounds as it think fit in the benefit of the company (notwithstanding that the proposed transferee be already a Member), but in such case it shall, within two (2) months from the date the instrument of transfer was lodged with the Company, send to the transferee and the transferor notice of the refusal to register such transfer giving reasons for such refusal. Provided that registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company.

TRANSMISSION OF SHARES

27. (i) On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the company as having any title to his interest in the shares.
- (ii) Nothing in clause (i) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.
28. (i) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either—
- (a) to be registered himself as holder of the share; or
- (b) to make such transfer of the share as the deceased or insolvent member could have made.
- (ii) The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.

29. (i) If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the company a notice in writing signed by him stating that he so elects.
- (ii) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.
- (iii) All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.

30. 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 to 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 share, until the requirements of the notice have been complied with.

FORFEITURE OF SHARES

31. If a member fails to pay any call, or installment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or installment remains unpaid, serve a notice on him requiring payment of so much of the call or installment as is unpaid, together with any interest which may have accrued.
32. The notice aforesaid shall—
- (a) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and
- (b) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.
33. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.
34. (i) A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.
- (ii) At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.
35. (i) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the company all monies which, at the date of forfeiture, were presently payable by him to the company in respect of the shares.
- (ii) The liability of such person shall cease if and when the company shall have received payment in full of all such monies in respect of the shares.

36. (i) A duly verified declaration in writing that the declarant is a director, the manager or the secretary, of the company, and that a share in the company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share.
- (ii) The company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of.
- (iii) The transferee shall thereupon be registered as the holder of the share
- (iv) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.
37. The provisions of these regulations as to forfeiture shall apply in the case of nonpayment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

ALTERATION OF CAPITAL

38. The company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution.
39. Subject to the provisions of section 61, the company may, by ordinary resolution,—
- (a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
 - (b) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;
 - (c) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;
 - (d) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.
40. Where shares are converted into stock,—
- (a) 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.

(b) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.

(c) such of the regulations of the company as are applicable to paid-up shares shall apply to stock and the words "share" and "shareholder" in those regulations shall include "stock" and "stock-holder" respectively.

41. The company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law,—
- (a) its share capital;
 - (b) any capital redemption reserve account; or
 - (c) any share premium account.

CAPITALISATION OF PROFITS

42. (i) The company in general meeting may, upon the recommendation of the Board, resolve—
- (a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and
 - (b) that such sum be accordingly set free for distribution in the manner specified in clause (ii) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.
- (ii) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (iii), either in or towards—
- (a) paying up any amounts for the time being unpaid on any shares held by such members respectively;
 - (b) paying up in full, unissued shares of the company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;
 - (c) partly in the way specified in sub-clause (A) and partly in that specified in sub-clause (B);
 - (d) A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the company as fully paid bonus shares;
 - (e) The Board shall give effect to the resolution passed by the company in pursuance of this regulation.
43. (i) Whenever such a resolution as aforesaid shall have been passed, the Board shall—
- (a) make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares if any; and
 - (b) generally do all acts and things required to give effect thereto.
- (ii) The Board shall have power—
- (a) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and
 - (b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares;
- (iii) Any agreement made under such authority shall be effective and binding on such members.

DEMATERIALISATION OF SECURITIES

44. **(I) For the purpose of this Article:-**

"Beneficial Owner": Beneficial Owner shall have the meaning assigned thereto in section 2(1)(a) of the Depositories Act, 1996.

"Depositories Act": Depositories Act shall mean the Depositories Act, 1996 and includes any statutory modification or re-enactment thereof for the time being in force.

"Depository": Depository shall mean a Depository as defined in section 2(1)(e) of the Depositories Act, 1996.

"Member": Member shall mean a duly registered holder from time to time of the security of the company and includes every person whose name is entered as beneficial owner in the records of the Depository.

"Security": Security shall mean such security as may be specified by SEBI.

(ii) "Dematerialisation of Securities": Notwithstanding anything on the contrary contained in this Article, the company shall be entitled to dematerialise its securities and to offer securities in a dematerialised form and further to rematerialise the securities held on depository pursuant to the Depositories Act, 1996 or any amendment thereof.

(iii) "Option to hold securities in physical form or with depository": Every person holding securities of the company through allotment or otherwise shall have the option to receive and hold the same in the dematerialised form with a depository.

(iv) "Beneficial Owner may opt out of a Depository": Every person holding securities of the company with a depository, being the beneficial owner thereof, may at any time opt out of the depository in the manner provided under the provisions of the Depositories Act and the Rules, if any, prescribed there under and on fulfilment of the conditions prescribed by the company from time to time, company shall issue the relevant security certificates to the beneficial owner thereof.

(v) "Securities in Depositories to be in fungible form": All securities held by a depository shall be dematerialised and shall be in fungible form. Nothing contained in Sections 153, 153A, 153B, 187B, 187C and 372A of the Companies Act, shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners.

(vi) "Rights of depository and beneficial owners": A depository shall be deemed to be the registered owner for the purposes of affecting the transfer of ownership of securities on behalf of the beneficial owners and shall not have any voting rights or any other rights in respect of the securities held by it.

(vii) Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of securities shall be entitled to all rights and benefits and be subject to all the liabilities in respect of his/her securities, which are held by a depository.

(viii) "Transfer of securities": Transfer of security held in a depository will be governed by the provisions of the Depository Act, 1996. Nothing contained in Section 108, of the Companies Act, 1956 or these Articles shall apply to a transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository.

(ix) "Register and Index of beneficial owners": The Register and Index of beneficial owners maintained by a depository under the Depositories Act, 1996 shall be deemed to be the Register and Index of Members and Security holders for the purpose of these Articles.

(x) "Other matters": Notwithstanding anything contained in these Articles, the provision of Depositories Act, 1996 relating to dematerialization of securities including any modification(s) or re-enactment thereof and Rules/Regulations made there under shall prevail accordingly.

(xi) Notwithstanding anything contained in the Act or the Articles, where securities are held in a depository, the records of the beneficial ownership may be served by such depository on the company by means of electronic mode or by delivery of floppies or disks.

NOMINATION

45. Notwithstanding anything contained in Articles, every holder of shares(s) or debenture(s) of the Company may, at any time, nominate, in the prescribed manner, a person to whom these share(s) shall

vest in the event of his death and the provisions of Section 109A and Section 109B of the Companies Act, 1956 shall apply in respect of such nomination.

The provisions of this Article shall apply mutatis mutandis to a depository of money with the Company as per the provisions of Section 58A of the Act.

BUY-BACK OF SHARES

46. Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the company may purchase its own shares or other specified securities.

GENERAL MEETINGS

47. All general meetings other than annual general meeting shall be called extraordinary general meeting.
48. (i) The Board may, whenever it thinks fit, call an extraordinary general meeting.
(ii) If at any time directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any two members of the company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.

PROCEEDINGS AT GENERAL MEETINGS

49. (i) No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.
(ii) Save as otherwise provided herein, the quorum for the general meetings shall be as provided in section 103.
50. The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the company.
51. If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the directors present shall elect one of their members to be Chairperson of the meeting.
52. If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their members to be Chairperson of the meeting.

ADJOURNMENT OF MEETING

53. (i) The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.
- (ii) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
- (iii) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.
- (iv) Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

VOTING RIGHTS

- 54.** Subject to any rights or restrictions for the time being attached to any class or classes of shares,—
(a) on a show of hands, every member present in person shall have one vote; and
(b) on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company.
- 55.** A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.
- 56.** (i) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.
(ii) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.
- 57.** A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.
- 58.** Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.
- 59.** No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the company have been paid.
- 60.** (i) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.

(ii) Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.

PROXY

- 61.** The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.
- 62.** An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.
- 63.** A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given:

Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

BOARD OF DIRECTORS

- 64.** The number of the directors and the names of the first directors shall be determined in writing by the subscribers of the memorandum or a majority of them.
- 65.** (i) The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.
- (ii) In addition to the remuneration payable to them in pursuance of the Act, the directors may be paid all travelling, hotel and other expenses properly incurred by them—
- (a) in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the company; or
- (b) in connection with the business of the company.
- 66.** The Board may pay all expenses incurred in getting up and registering the company.
- 67.** The company may exercise the powers conferred on it by section 88 with regard to the keeping of a foreign register; and the Board may (subject to the provisions of that section) make and vary such regulations as it may think fit respecting the keeping of any such register.
- 68.** All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.
- 69.** Every director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose.
- 70.** (i) Subject to the provisions of section 149, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the articles.
- (ii) Such person shall hold office only up to the date of the next annual general meeting of the company but shall be eligible for appointment by the company as a director at that meeting subject to the provisions of the Act.

PROCEEDINGS OF THE BOARD

- 71.** (i) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.
- (ii) A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.
- 72.** (i) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.
- (ii) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.
- 73.** The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors

or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the company, but for no other purpose.

- 74.** (i) The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.
(ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the directors present may choose one of their number to be Chairperson of the meeting.
- 75.** (i) The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or members of its body as it thinks fit.
- 76.** (ii) Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.
- 77.** (i) A committee may meet and adjourn as it thinks fit.
(ii) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.
- 78.** All acts done in 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 of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.
- 79.** Save as otherwise expressly provided in the Act, a resolution in writing, signed by all the members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held.

CHIEF EXECUTIVE OFFICER, MANAGER, COMPANY SECRETARY OR CHIEF FINANCIAL OFFICER

- 80.** Subject to the provisions of the Act,—
(i) A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;
(ii) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.
- 81.** A provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.

THE SEAL

- 82.** (i) The Board shall provide for the safe custody of the seal.

(ii) The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorised by it in that behalf, and except in the presence of at least two directors and of the secretary or such other person as the Board may appoint for the purpose; and those two directors and the secretary or other person aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.

DIVIDENDS AND RESERVE

- 83.** The company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.
- 84.** Subject to the provisions of section 123, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the company.
- 85.** (i) The Board may, before recommending any dividend, set aside out of the profits of the company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the company) as the Board may, from time to time, think fit.
- (ii) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.
- 86.** (i) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the company, dividends may be declared and paid according to the amounts of the shares.
- (ii) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.
- (iii) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.
- 87.** The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the company on account of calls or otherwise in relation to the shares of the company.
- 88.** (i) Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.
- (ii) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent
- 89.** Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.
- 90.** Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.

- 91.** No dividend shall bear interest against the company.
- 92.** No unclaimed Dividend shall be forfeited, and unclaimed Dividends shall be dealt with in accordance with the applicable provisions of the Act

ACCOUNTS

- 93.** (i) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the company, or any of them, shall be open to the inspection of members not being directors.
- (ii) No member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorised by the Board or by the company in general meeting.

WINDING UP

- 94.** If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.
- 95.** For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.
- 96.** The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

INDEMNITY

- 97.** Every officer of the company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the Tribunal.

SECTION XI: OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been entered into by the Company (not being contracts entered into in the ordinary course of business carried on by the Company or contracts entered into more than two years before the date of this Prospectus) which are or may be deemed material have been attached to the copy of this Prospectus delivered to the RoC for registration. Copies of the abovementioned contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office between 10 a.m. and 5 p.m. on all Working Days from Application/Issue Opening Date until the Application/Issue Closing Date.

A. Material Contracts

1. Memorandum of Understanding dated August 01, 2014 between our Company and the Lead Manager.
2. Memorandum of Understanding dated August 01, 2014 between our Company and the Registrar to the Issue.
3. Escrow Agreement dated September 04, 2014 between our Company, the Lead Manager, Escrow Collection Bank(s), Refund bank and the Registrar to the Issue.
4. Market Making Agreement dated August 01, 2014 between our Company, the Lead Manager and the Market Maker.
5. Underwriting Agreement dated August 01, 2014 between our Company and the Lead Manager and the Market Maker.
6. Tripartite agreement between the NSDL, our Company and the Registrar dated September 08, 2014
7. Tripartite agreement between the CDSL, our Company and the Registrar dated August 21, 2014.

B. Material Documents

1. Certified true copies of the Memorandum and Articles of Association of our Company, as amended from time to time.
2. Copy of Certificate of Incorporation of Aryaman Capital Markets Limited.
3. Resolution of the Board of Directors meeting dated June 13, 2014 authorizing the Issue.
4. Shareholders' resolution passed at the Annual General Meeting dated July 14, 2014 authorizing the Issue.
5. Consent from the Statutory and Peer Review Auditors for inclusion of their reports on the restated accounts in this Prospectus.
6. Auditor's report for Restated Financials dated July 22, 2014 included in this Prospectus.
7. The Statement of Tax Benefits dated July 22, 2014 from our Statutory Auditors.
8. Consent of our Directors, Company Secretary and Compliance Officer, LM, Legal Advisor to the Issue, Registrar to the Issue, Bankers to our Company, Market Maker, Underwriters, Escrow Collection Bank(s) and Refund Bank as referred to in their specific capacities.

9. Due Diligence Certificate(s) dated September 11, 2014 of the Lead Manager to be submitted to SEBI along with the filing of the Prospectus.
10. Approval from BSE vide letter dated September 04, 2014 to use the name of BSE in this Offer Document for listing of Equity Shares on the SME Platform of the BSE.

Any of the contracts or documents mentioned in this Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

We, the Directors of the Company, hereby declare that, all the relevant provisions of the Companies Act, 1956, Companies Act, 2013 (to the extent notified) and the guidelines issued by the Government of India or the regulations or guidelines issued by the Securities and Exchange Board of India, as the case may be, have been complied with and no statement made in the Prospectus is contrary to the provisions of the Companies Act, 1956, Companies Act, 2013 (to the extent notified), the Securities and Exchange Board of India Act, 1992, each as amended or rules made there under or guidelines / regulations issued, as the case may be. We further certify that all the disclosures and statements made in the Prospectus are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY:

Mr. Shripal Shah
(Executive Director and CFO)

Mr. Shreyas Shah
(Non-Executive Non Independent Director)

Mr. Ram Gaud
(Non-Executive Independent Director)

Mrs. Supriya Tatkar
(Non-Executive Independent Director)

Mr. Malcolm Mascarenhas
(Company Secretary & Compliance Officer)

Date: September 12, 2014
Place: Mumbai