



Finance Limited

Prospectus

Dated: March 18, 2016

Please read Section 26 of Companies Act, 2013

Fixed Price Issue

FRANKLIN LEASING AND FINANCE LIMITED

Our Company was incorporated as Franklin Leasing and Finance Private Limited on March 16, 1992 under the Companies Act, 1956, bearing Registration No. 048028 having its Registered Office in Delhi. Subsequently, the Company became a Public Limited Company in pursuance to a special resolution passed by the members of our Company at the EGM held on September 10, 2013 and the name of our Company was changed to Franklin Leasing and Finance Limited. A fresh Certificate of Incorporation consequent to conversion to a public limited company was issued on February 13, 2014 by the Registrar of Companies, New Delhi. For further details regarding the changes in our name and registered office, please see the chapter titled "History and Certain Corporate Matters" beginning on page 90 of this Prospectus. The Corporate Identification Number of our Company is U74899DL1992PLC048028.

Registered Office: Unit No. 205, 2nd Floor, Aggarwal City Mall, Road No. 44, Pitampura, Delhi - 110034

Tel.: +91 - 11 - 42351486; **Tele-Fax:** +91 - 11 - 42351486;

Website: www.franklinleasing.in, **Email:** info.franklinleasing@gmail.com;

Company Secretary and Compliance Officer: Ms. Shanu Jain;

Our Promoters: Mr. Pawan Dalmia and M/s. Confident Financial Advisory Pvt. Ltd.

THE ISSUE

PUBLIC ISSUE OF 42,24,000 EQUITY SHARES OF ₹ 10 EACH ("EQUITY SHARES") OF FRANKLIN LEASING AND FINANCE LIMITED ("FLFL" OR THE "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹ 15 PER SHARE (THE "ISSUE PRICE"), AGGREGATING TO ₹ 633.60 LACS ("THE ISSUE"), OF WHICH, 2,24,000 EQUITY SHARES OF ₹ 10 EACH WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKERS TO THE ISSUE (AS DEFINED IN THE CHAPTER "DEFINITIONS AND ABBREVIATIONS") (THE "MARKET MAKER RESERVATION PORTION"). THE ISSUE LESS THE MARKET MAKER RESERVATION PORTION I.E. ISSUE OF 40,00,000 EQUITY SHARES OF ₹ 10 EACH IS HEREINAFTER REFERRED TO AS THE "NET ISSUE". THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 26.76% AND 25.34%, 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, please see the section titled "Issue Related Information" beginning on page 166 of this Prospectus.

All potential investors may participate in the Issue through an Application Supported by Blocked Amount ("ASBA") process providing details about the bank account which will be blocked by the Self Certified Syndicate Banks ("SCSBs") for the same. For details in this regard, specific attention is invited to "Issue Procedure" beginning on page 173 of this Prospectus. In case of delay, if any in refund, our Company shall pay interest on the application money at the rate of 15% per annum for the period of delay.

THE FACE VALUE OF THE EQUITY SHARES IS ₹ 10 EACH AND THE ISSUE PRICE IS 1.50 TIMES OF THE FACE VALUE.

RISKS 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 1.50 times of the face value. The Issue Price (as determined by Company in consultation with the Lead Manager) as stated under the chapter titled "Basis for Issue Price" beginning on page 57 of this Prospectus, should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the equity shares of our company or regarding the price at which the equity shares will be traded after listing.

GENERAL RISKS

Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this offering. For taking an investment decision investors must rely on their own examination of the issuer and the 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 section titled "Risk Factors" beginning on page 11 of this Prospectus.**

ISSUER'S ABSOLUTE RESPONSIBILITY

The Issuer, having made all reasonable inquiries, accepts responsibility for, and confirms that this Prospectus 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 Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this 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 issued through this Prospectus are proposed to be listed on the SME Platform of BSE. In terms of the Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time, we are not required to obtain an in-principal listing approval for the shares being issued in this Issue. However, our company has received an approval letter dated June 12, 2015 from BSE for using its name in this Offer Document for listing of our shares on the SME Platform of BSE. For the purpose of this Issue, the designated Stock Exchange will be the BSE Limited ("BSE").

LEAD MANAGER

REGISTRAR TO THE ISSUE



ARYAMAN FINANCIAL SERVICES LIMITED

60, Khatau Building, Gr. Floor, Alkesh Dinesh Modi Marg,
Fort, Mumbai - 400 001, Maharashtra, India

Tel: +91 - 22 - 22618264; Fax: +91 - 22 - 22630434

Email: ipo@afsl.co.in; or info@afsl.co.in

Investor Grievance Email: feedback@afsl.co.in; Website: www.afsl.co.in

SEBI Registration No.: MB / INM000011344

Contact Person: Mr. Krish Sanghvi / Mr. Manoj Agarwal



SKYLINE FINANCIAL SERVICES PRIVATE LIMITED

D-153A, 1st Floor, Okhla Industrial Area

Phase-I, New Delhi - 110020

Tel: +91 11 64732681-88; Fax: +91 11 26812682

Email: viren@skylinerta.com; or admin@skylinerta.com;

Investor Grievance Email: info@skylinerta.com; Website: www.skylinerta.com

SEBI Registration No.: INE00003241

Contact Person: Mr. Virender Rana

ISSUE PROGRAMME

ISSUE OPENS ON: March 30, 2016

ISSUE CLOSES ON: April 05, 2016

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SECTION I: GENERAL

DEFINITIONS AND ABBREVIATIONS

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

General Terms

Term	Description
Franklin Leasing and Finance Limited / FLFL / The Company / Company / We / Us / Our Company	Unless the context otherwise indicates or implies refers to Franklin Leasing and Finance Limited, a public limited company incorporated under the provisions of the Companies Act, 1956 with its registered office in the Delhi.
Promoter(s)	The Promoter for our Company: <ul style="list-style-type: none"> • Mr. Pawan Dalmia • Confident Financial Advisory Pvt. Ltd.
Promoter Group	Such persons, entities and companies constituting our promoter group pursuant to Regulation 2(zb) of the SEBI ICDR Regulations as disclosed in the Chapter titled <i>“Our Promoter, Promoter Group and Group Companies”</i> .
Subsidiaries	As on date of this Prospectus, there are no subsidiaries of our Company
Group Companies	The Group Companies of our Company are: <ul style="list-style-type: none"> • Orbit techservices Pvt. Ltd. • Netbuzz Entertainment Pvt. Ltd.

Conventional / General Terms

Term	Description
AOA/Articles/ Articles of Association	Articles of Association of our Company.
Auditors	The statutory auditors of our Company being, M/s. Anil Hariram Gupta & Co.
Audit Committee	The audit committee constituted by our Board of Directors on January 20, 2015.
Board / Board of Directors	The collective body of Directors of our Company or a duly constituted committee 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 the 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	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.
Company Secretary and Compliance Officer	Ms. Shanu Jain
Depositories Act	The Depositories Act, 1996, as amended from time to time
Directors	The Directors of our Company, unless otherwise specified
Equity Shares	Equity Shares of our Company of Face Value of ₹10 each unless otherwise specified in the context thereof
HUF	Hindu Undivided Family
IFRS	International Financial Reporting Standards
Indian GAAP	Generally Accepted Accounting Principles in India
MOA / Memorandum / Memorandum of Association	Memorandum of Association of Franklin Leasing and Finance Limited
Nomination and Remuneration Committee	The Nomination and Remuneration Committee constituted / re-constituted by our Board of Directors on January 20, 2015

Term	Description
Registered & Corporate Office	The Registered Office of our company which is located at: Unit No. 205, 2 nd Floor, Aggarwal City Mall, Road No. 44, Pitampura, Delhi – 110034
RoC	Registrar of Companies, New Delhi
Stakeholder's Relationship Committee	The Stakeholder's Relationship Committee constituted / re-constituted by our Board of Directors on January 20, 2015

Issue Related Terms and Abbreviations

Term	Description
Allotment / Allot / Allotted	Unless the context otherwise requires, means the allotment of Equity Shares pursuant to this Issue to successful Applicants
Allottees	The successful applicant to whom the Equity Shares are allotted.
Application Supported by Blocked Amount/ ASBA	The application (whether physical or electronic) used compulsorily by QIB and those investors who have applied for Equity Shares for a cumulative amount of more than ₹ 2 lakhs and optionally by Retail Individual Investors to make an application authorizing the SCSB to block the amount payable on application in their specified bank account
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 Application	An application made by ASBA Applicant
ASBA Applicant(s)	Applicant in the Issue who intend to submit the Application through the ASBA process
Banker(s) to the Company	Such banks which are disclosed as Bankers to our Company in the chapter titled "General Information" on page 37 of this Prospectus.
Banker(s) to the Issue	The banks which are Clearing Members and registered with SEBI as Banker to an issue with whom the Escrow Agreement is entered and in this case being Axis Bank Limited.
Basis of Allotment	The basis on which the Equity Shares will be Allotted to successful Applicants under the Issue and which is described in the chapter titled "Issue Procedure" beginning on page no. 173 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.
Compliance Officer	The Company Secretary of our Company, Ms. Shanu Jain
Key Management Personnel	The personnel listed as key management personnel in "Our Management" on page 93 of this Prospectus
Controlling Branches	Such Branches of the SCSBs which co-ordinate Applications by the ASBA Applicant 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 the funds blocked by the SCSBs are transferred from the ASBA

Term	Description
	Accounts specified by the ASBA Applicants to the Public Issue Account
Designated Market Maker	MSB E-Trade Securities Limited will act as the Market Maker and has agreed to receive or deliver the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for a period as may be notified by amendment to SEBI ICDR Regulations
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 Agreement	Agreement entered into amongst the Company, Lead Manager, the Registrar and the Banker to the Issue to receive monies from the ASBA Applicants through the SCSBs Bank Account on the Designated Date in the Public Issue Account.
Foreign Portfolio Investor / FPIs	Foreign Portfolio Investor as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014.
Issue / Issue Size / Public Issue	The Public Issue of 42,24,000 Equity Shares of ₹10 each at ₹15 (including share premium of ₹5) per Equity Share aggregating to ₹633.60 lakhs by Franklin Leasing and Finance Limited
Issue Closing date	The date on which the Issue closes for subscription being April 05, 2016
Issue Opening date	The date on which the Issue opens for subscription being March 30, 2016
Issue Price	The price at which the Equity Shares are being issued by our Company under this Prospectus being ₹15.
Issue Proceeds	The proceeds of the Issue as stipulated by the Company. For further information about use of the Issue Proceeds please see the chapter titled “ <i>Objects of the Issue</i> ” beginning on page no. 53 of this Prospectus
LM / Lead Manager	Lead Manager to the Issue, in this case being Aryaman Financial Services Limited.
Listing Agreement	Unless the context specifies otherwise, this means the Equity Listing Agreement to be signed between our company and the SME Platform of BSE.
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 40,00,000 Equity Shares of ₹10 each at ₹15 (including share premium of ₹5) per Equity Share aggregating to ₹600.00 lakhs by Franklin Leasing and Finance Limited.
Net Proceeds	The Net proceeds of the Issue. For further information about use of the Net Proceeds kindly refer to the Chapter title “ <i>Objects of the Issue</i> ” on page 53 of this Prospectus.
Non-Resident	A person resident outside India, as defined under FEMA including eligible NRIs and FIIs
NRI(s)/Non-Resident Indian	A “person resident outside India”, as defined under FEMA and who is a citizen of India or is a person of Indian origin (as defined under the Foreign Exchange Management (Deposit) Regulations, 2000, as amended).
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 SCSBs from the bank accounts of the ASBA Bidders on the Designated 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 and are resident in a country which is (i) a member of Financial Action Task Force or a member of a group which is a member of Financial Action Task Force; and (ii) a signatory to the International Organization of Securities Commission’s Multilateral Memorandum of Understanding or a signatory of a bilateral memorandum of understanding with SEBI.

Term	Description
	Provided that such non-resident investor shall not be resident in country which is listed in the public statements issued by Financial Action Task Force from time to time on: (I) jurisdictions having a strategic anti-money laundering/combating the financing of terrorism deficiencies to which counter measures apply; (ii) jurisdictions that have not made sufficient progress in addressing the deficiencies or have not committed to an action plan developed with the Financial Action Task Force to address the deficiencies.
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 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 Axis Bank Limited.
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 the Issue	Registrar to the Issue being Skyline Financial Services Private Limited
Resident Retail Individual Investor	A Retail Individual Applicant who is a “person resident in India” (as defined in FEMA).
Retail Individual Investors	Individual Applicants who have applied for Equity Shares for an amount not more than ₹2 lakhs in the Issue (including HUFs applying through their Karta and Eligible NRI’s)
Rule 144A	Rule 144A under the U. S. Securities Act of 1933, as amended from time to time.
SEBI (Foreign Portfolio Investor) Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014.
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure requirements) Regulations, 2015 notified on September 2, 2015
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 (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, 2011 as amended.
Self Certified Syndicate Bank(s) / SCSBs	Self Certified Syndicate Bank is a Banker to an Issue registered with SEBI which offers the facility of making an Application Supported by Blocked Amount and recognized as such by SEBI, a list of which is available on http://www.sebi.gov.in/pmd/scsb/html
SME Platform of BSE	The SME Platform of BSE for listing of equity shares issued 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

Term	Description
	Application.
Underwriters	Aryaman Financial Services Limited and Aryaman Capital Markets Limited.
Underwriting Agreement	The Agreement among the Underwriters and our Company dated February 13, 2015
Working Day	All trading days of the Stock Exchange excluding Sundays and Bank holidays in Mumbai.

Company Related / Industry Related / Technical Terms and Abbreviations

Term	Description
APAC	Asia-Pacific
AE(s)	Advanced Economies
AFC(s)	Asset Finance Companies
AIF(s)	Alternative Investment Funds
AUM	Assets Under Management
B.A.	Bachelor of Arts
B. Com.	Bachelor of Commerce
BG	Bank Guarantee
BIFR	Board for Industrial and Financial Reconstruction
Bps	Basis Points
BRICS	Brazil, Russia, India, China & South Africa
BSE	BSE Limited or Bombay Stock Exchange Limited
C.A.	Chartered Accountant
CAD	Current Account Deficit
CAGR	Compound Annual Growth Rate
C.S.	Company Secretary
CDSL	Central Depository Services (India) Limited
CENVAT Rules	CENVAT Credit Rules, 2004, as amended
CIC	Core Investment Companies
CEO	Chief Executive Officer
CGTMSE	Credit Guarantee Fund Scheme for Micro and Small Enterprise
CPI	Consumer Price Index
CRR	Cash Reserve Ratio
CV	Commercial Vehicle
CRISIL	Credit Rating Information Services of India Limited
DIPP	Department Of Industrial Policy and Promotion
EBITDA	Earnings Before Interest, Tax, Depreciation & Amortization
ECB	External Commercial Borrowing
ECB	European Central Bank
ECS	Electronic Clearing System
EGM	Extraordinary General Meeting
EMDE(s)	Emerging Market and Developing Economies
EL	Equipment Leasing
EPS	Earnings Per Share
FATF	Financial Action Task Force
FDI	Foreign Direct Investment
FDI Circular	Circular 1 of 2013 which consolidates the policy framework on FDI, with effect from April 05, 2013
FEMA	Foreign Exchange Management Act, 1999, as amended
FIPB	Foreign Investment Promotion Board of the Government of India
FII(s)	Foreign Institutional Investors
FICCI	Federation of Indian Chambers of Commerce
FPO	Follow On Public Offer, Further Public Offer
Fiscal / Financial Year / FY	Period of twelve months ended March 31 of that particular year, unless otherwise stated
FVCI	Foreign venture capital investor registered under the FVCI Regulations

GDP	Gross Domestic Product
GAAP	Generally Accepted Accounting Principles
GM	General Manager
HUF	Hindu Undivided Family
ICA	Industrial Computer Accountant
ICAI	Institute of Chartered Accountants Of India
ICD	Inter Corporate Deposit
ICDR / SEBI Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended
IDF-NBFC(s)	Infrastructure Debt Fund Non-Banking Financial Companies
IFSC	Indian Financial System Code
IFRS	International Financial Reporting Standards
IFC(s)	Infrastructure Finance Companies
IMF	International Monetary Fund
Indian GAAP	Generally Accepted Accounting Principles in India
INR	Indian Rupee
IPO	Initial Public Offer
IRDA	Insurance Regulatory & Development Authority
ISP	Integrated Steel Plant
IT Act	Income Tax Act, 1961, as amended
KYC Policy	Know Your Customer Policy
LAF	Liquidity Adjustment Facility
LAP	Loan Against Property
LLP	Limited Liability Partnership
LC(s)	Loan Companies
M.Com.	Masters of Commerce
MCX	Multi Commodity Exchange
MD	Managing Director
MFI(s)	Micro Finance Institutions
MICR	Magnetic Ink Character Recognition
MNBC	Miscellaneous Non Banking Company
MoU	Memorandum of Understanding
MSME	Micro, Small & Medium Enterprises
MSF	Marginal Standing Facility
NA	Not Applicable
NAV	Net Asset Value
NBFC	Non-Banking Financial Company
NBFC-ND-NSI	Non Deposit taking Non-systemically Important Non Banking Finance Company
ND	Non Deposit
NDTL	Net Demand and Time Liability
NECS	National Electronic Clearing System
NEFT	National Electronic Fund Transfer
NI Act	Negotiable Instruments Act, 1881, as amended
NII's	National Institutional Investors
NPA	Non-Performing Asset
NPL	Non-Performing Loan
No.	Number
NoC	No Objection Certificate
NRE Account	Non-Resident External Account
NRO Account	Non-Resident Ordinary Account
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
NSI	Non Systemically Important
OCB(s)	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which

	was in existence on October 3, 2003 and immediately before such date was eligible to undertake transactions pursuant to the general permission granted to OCBs under FEMA.
OMO	Open Market Operation
OTCEI	Over The Counter Exchange Of India
p.a.	Per Annum
P/E	Price/Earnings Ratio
PGDM	Post Graduate Diploma in Business Management.
PMI	Purchasing Managers' Index
PMLA	Prevention Of Money Laundering Act, 2002, as amended
RBI	Reserve Bank of India
R & D	Research and Development
Regulation S	Regulation S under the U.S. Securities Act, as amended
RM	Raw Material
RoC	Registrar Of Companies, New Delhi
RoNW	Return on Net Worth
Rs. / Rupees / ₹ / INR	Indian Rupees
RTGS	Real Time Gross Settlement
Rule 144A	Rule 144A under the U.S. Securities Act
SARFAESI	The Securitization & Reconstruction of Financial Assets & Enforcement of securities Act, 2002, as amended
SCRA	The Securities Contracts (Regulation) Act, 1956, as amended
SCRR	The Securities Contracts (Regulation) Rules, 1957, as amended
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act ,
SEBI Act	The Securities and Exchange Board of India Act, 1992, as amended
SICA	The Sick Industrial Companies (Special Provisions) Act, 1985, as amended
SIDBI	Small Industries Development Bank of India
SLR	Statutory Liquidity Ratio
SME Platform	The Small and Medium Enterprise platform of the Exchange is intended for small and medium sized companies with high growth potential
SMES	Small and Medium Enterprises
Sq. ft.	Square Feet
Sq. mt.	Square Meter
Sr.	Senior
Sr. No.	Serial Number
SSI	Small Scale Industries
STT	Securities Transaction Tax
Sub-Account	Sub-accounts registered with SEBI under the SEBI (Foreign Institutional Investor) Regulations, 1995, other than sub-accounts which are foreign corporates or foreign individuals.
TAN	Tax Deduction Account Number allotted under the Income Tax Act
TFT Segment	Trade For Trade Segment
U.S. / US / U.S.A / United States	The United States of America, together with its territories and possessions
U.S. GAAP	Generally Accepted Accounting Principles in the United States of America
U.K	United Kingdom
VAR	Value-At-Risk
VCFs	Venture Capital Funds as defined and registered with SEBI under the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 and the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
VP	Vice President
WEO	World Economic Outlook
WPI	Wholesale Price Index
WTD	Whole Time Director

CERTAIN CONVENTIONS; PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

Certain Conventions

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

Financial Data

Unless stated otherwise, the financial data in this Prospectus is derived from our audited financial statements as on and for the 6 months period ended September 30, 2015 and Fiscal Years ended March 31, 2015, 2014, 2013, 2012, and 2011, 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*”, chapters titled “*Business Overview*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on pages 11, 70 and 136 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 227 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 financial markets industry in India and overseas which we have our businesses and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India and overseas which have an impact on our business activities or investments, the monetary and fiscal policies of India and other jurisdictions in which we operate, inflation, deflation, unanticipated volatility in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes, changes in competition in our industry and incidence of any natural calamities and/or acts of violence. Other important factors that could cause actual results to differ materially from our expectations include, but are not limited to, the following:

- ✓ General economic and business conditions in the markets in which we operate and in the local, regional and national economies
- ✓ Increasing competition in or other factors affecting the industry segments in which our Company operates
- ✓ Changes in laws and regulations relating to the industries in which we operate;
- ✓ Recession in the NBFC Sector
- ✓ Volatility of general interest rates and inflation
- ✓ Our ability to successfully implement our growth strategy and expansion plans, and to successfully launch and implement various projects and business plans;
- ✓ Fluctuations in operating costs and impact on the financial results;
- ✓ Our inability to retain the services of our senior management, key managerial personnel and capable employees;
- ✓ Changes in political and social conditions in India or in countries that we may enter, the monetary policies of India and other countries, inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices
- ✓ 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*” and the chapters titled “*Business Overview*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on pages 11, 70, and 136 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 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 our equity shares. Any of the following risks as well as other risks and uncertainties discussed in this Prospectus could have a material adverse effect on our business, financial condition and results of operations and could cause the trading price of our Equity Shares to decline, which could result in the loss of all or part of your investment. 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 the considerations described below and elsewhere in this Prospectus. In addition, the risks set out in this Prospectus may not be exhaustive and additional risks and uncertainties, not presently known to us, or which we currently deem immaterial, may arise or become material in the future. Unless otherwise stated in the relevant risk factors set forth below, we are not in a position to specify or quantify the financial or other risks mentioned herein.

Materiality

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

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

Note:

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

INTERNAL RISK FACTORS

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

Any lending or investment activity is exposed to credit risk arising from the risk of default and non-payment by borrowers and other counterparties. Our loan book stood at ₹ 2555.32 lacs as on September 30, 2015 and ₹2222.43 lacs, ₹ 1912.52 lacs, and ₹1164.60 lacs for the Fiscal Years ended, March 31, 2015, 2014 and 2013 respectively. As at September 30, 2015, all the loans granted are unsecured loans and without any collateral. Approximately 10% and 15% of all of our loans in the portfolio are loans granted to Small Business Firms (Proprietors / Partnerships) and Individuals (Personal Loans) respectively.

There has not been any loan write-off in the last three years. However, the size of our loan portfolio is expected to grow as a result of our expansion strategy. This will expose us to an increasing risk of defaults as our portfolio expands. The borrowers and/or guarantors and/or third parties may default in their repayment obligations due to various reasons including insolvency, a lack of liquidity, and operational failure.

In particular, our proposed business of "Loan against Shares" and "Loan against Property" may have relatively higher sensitivity to equity and real estate market conditions and also the targeted individual borrowers are generally less financially robust than larger corporate borrowers and often do not have any credit history supported by tax returns and other related documents, as a result, are likely to be more severely affected by deteriorating economic conditions. In deciding whether to extend credit to, or to enter into transactions with, customers and counterparties, we rely on published credit information relating to such parties and financial and other relevant information furnished to us by customers, and our personal contacts and networks based on which

we perform our credit assessment. We cannot be certain that our risk management controls will continue to be sufficient or that additional risk management policies for individual borrowers will not be required. Failure to continuously monitor the loan accounts, particularly for individual borrowers, could adversely affect our credit portfolio which could have a material and adverse effect on our business, future financial performance and results of operations. If any of the aforesaid information, as obtained from customers and third parties, is misleading or inaccurate, the procedures that we follow may not be adequate or sufficient to provide accurate data as to the creditworthiness of our customers and counterparties. In the event that we do not accurately identify the risk of default, or if we rely on information that may not be true or may be materially misleading, we may face the risk of default and non-payment by borrowers and other counterparties. Any such defaults and non-payments would result in write-offs and/or provisions in our financial statements which may materially and adversely affect our profitability and asset quality.

2) *All the loans granted are short term in nature.*

All of the loans we grant are due within one year of disbursement or are to be renewed within one year if need be. The relatively short-term nature of our loans means that our long-term interest income stream is less certain than if a portion of our loans were for a longer term. In addition, our borrowers may not obtain new loans from us upon maturity of their existing loans, particularly if competition increases. Further, some of our loans are repayable on short notice / demand and hence we are unable to charge high interest rates (if at all) to these clients. The potential instability of our interest income could materially and adversely affect our results of operations and financial position.

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

Apart from our primary business of providing loans and services, we have been and will continue to be involved in the business of investing and trading in securities of all kinds. In the F.Y 2014 and 2015, we had reported gross loss of ₹72.41 lacs and ₹96.13 lacs from the investment and trading activities. For further details refer chapter titled “*Financial Statements*” and “*Our Business*” on page 136 and respectively.

However, post the induction of Mr. Pawan Dalmia, a company secretary by qualification we propose to improve our internal systems including but not limited to Trading Strategies, Financial Discipline and better utilization of our fund based portfolio. But, there can be no assurance that we would not incur losses in the future especially considering the high volatile nature of capital markets in India in the recent past. Sustained losses in the future from this vertical would lead to weaker financial performance and affect our sustainability.

4) *Our inability to ensure effective utilisation of available corpus may result in weak financial performance*

Our Loan portfolio have increased from a modest ₹ 154.45 lacs in FY 2011-12 to ₹ 2222.43 lacs as on March 31, 2015 and ₹ 2555.32 as on September 30, 2015. Our interest income have also increased from ₹ 5.37 lacs in FY 2011-12 to ₹ 184.74 lacs in FY 2014-15 and ₹ 103.81 for six months period ending on September 30, 2015. This is in line with our management’s desire to realise non-interest bearing asset and to convert the same into interest bearing and is a on-going process within the Company. However, certain portion of our assets is not interest bearing, mainly in form of investments, inventories and related advances. In future, if we are not able to generate adequate returns from the same or realize / convert the same into interest bearing loan portfolio, then this could adversely affect our results from operations.

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

The objects of the issue for which 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*” on page 53 are based on the Company’s estimates and deployment of these funds is at the discretion of the management and the Board of Directors of the company. Any inability on our part to effectively utilize the Issue proceeds could adversely affect our financials.

- 6) ***We have experienced negative cash flows in previous years / periods. Any operating losses or negative cash flows in the future could adversely affect our results of operations and financial condition.***

We have experienced negative operating as well as investing cash flows in the past, details of which are given as follows:

(₹ in lacs)

Particulars	For six months period ended September 30, 2015	For the year ended March 31,			
		2015	2014	2013	2012
Net Cash from/used in Operating Activities	(64.18)	(10.88)	(217.10)	(2,229.80)	(383.86)
Net Cash from/used in Investing Activities	61.45	(61.45)	253.00	2,277.25	378.44
Net Cash from/used in Financing Activities	-	0.00	0.00	0.00	0.00
Net Increase / (Decrease) in Cash and Cash equivalents	(2.73)	(72.33)	35.90	47.45	(5.42)

If the negative cash flow trend persists in future, our Company may not be able to generate sufficient amounts of cash flow to finance our Company's working capital, make new capital expenditure, pay dividends, repay loans, make new investments or fund other liquidity needs which could have a material adverse effect on our business and results of operations.

- 7) ***We are dependent on our Individual Promoter Mr. Pawan Dalmia for his expertise and market goodwill. Disassociation of our promoter from our company may adversely affect our business.***

Even though our company has plans to adopt acceptable industry methods / processes however; considering that we are a SME currently operating on a limited staff and heavily dependent on our promoter and senior management; we may not be able to always adopt procedures as documented and hence we are heavily dependent on our individual Promoter, *Mr. Pawan Dalmia* for his expertise and market goodwill and disassociation of our promoter from our company may adversely affect our business. We believe that our Promoter lends strength to the trust and reliability reposed in us and would enable us to attract and retain fresh talent. Our separation, if any, with our Promoter for any reasons whatsoever shall adversely affect our business and results of operations.

- 8) ***We are unable to locate certain important documents and records due to misplacement during change in management as well as change in registered office.***

Our company was taken over by our existing promoter group (Mr. Pawan Dalmia) in October 2013. Further, the registered office of the company was shifted in 2014. Post the change in management, there has been an improvement in company's record keeping systems, however, certain documents and records pertaining to the earlier management's period may not be readily available with the existing management. These include old minutes, secretarial forms, litigation records, certifications as well as other such material which may be required in case a old dispute / tax scrutiny comes up. There can be no assurance that the existing management would be able to procure or re-create essential records in case required for such situation, and hence, to that extent there lies a risk of future disputes, inspections or litigations not being managed well by the company.

- 9) ***We are significantly dependent on a few major borrowers. Our inability to expand our loan book to include more number of borrowers and hence reduce dependence on certain borrowers could result in large write-offs or other financial instability.***

We earn interest income from our Loan Portfolio and our Investment in Debt Instruments (including Bank Fixed Deposits). Being a NBFC dealing primarily in unsecured short term finance our ability to grow our loan book is restricted to only those clients whom we either know through our networks or come from a good reference. The interest earned from ten borrowers constituted approximately 42.06%, 43.71%, 69.22% and 79.16% for the six months period ended September 30, 2015, FY 2015, FY 2014 and FY 2013 respectively.

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

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

10) Restrictive or penal order may be passed against MSB E-Trade Securities Limited ("Market Maker") by SEBI in ongoing and / or future proceedings that could restrict, stop or hamper the operations of the Market Maker to the Issue or a part thereof or levy penalties in connection therewith, which may in turn adversely affect the Market Making operations in relation to the Issue.

Securities and Exchange Board of India ("SEBI") via Ex-Parte Ad Interim Order dated February 16, 2016 passed an order against certain trading members /stock brokers, including MSB E-Trade Securities Limited, as one of them under sections 11(1), 11(4) and 11B of the Securities and Exchange Board of India Act, 1992 in respect of Trading Members in the matter of Illiquid Stock Options. However the Securities Appellate Tribunal ("SAT") had quashed and set aside the impugned ex-parte ad interim order dated February 16, 2016 with respect to certain trading members /stock brokers, including MSB E-Trade Securities Limited, as one of them via its Order dated February 25, 2016. SAT while quashing the impugned order made in clear that the trading members /stock brokers would not come in the way of SEBI to initiate proceedings against them in accordance with law and pass orders as it deems. If SEBI initiate any action against the MSB E-Trade Securities Limited in future and by way of which, MSB E-Trade Securities Limited may not be in a position to provide its services as a Market Maker, then we may have to look for alternate Market Maker. Any failure or delay in appointing alternate Market Maker would restrict your ability to dispose of your Equity Shares.

11) We do not own our Registered Office as well as Branch Office from which we operate and the same is on rental basis. Our inability to occupy the same on would adversely affect our operations and financial condition.

We do not own the premises on which our Registered Office as well as our Branch Office is situated. The details of such office premises are as under:

Office	Location	Type of Property	Name of Lessor / Owner	Rent	Rent Period
Registered Office	Unit No.205, 2nd Floor, Aggarwal City Mall, Road No. 44, Pitampura, Delhi - 110034	Rental	Mr. Vipin Mittal	₹ 21,000 p.m.	11 months beginning from October 01, 2015
Branch Office	18, Rabindra Sarani, Poddar Court, Gate No. 4, 4 th Floor, Room No. 4, Kolkata – 700001	Rental	Ridhi Sidhi Advisory Pvt. Ltd.	₹ 7,000 p.m.	36 months beginning from March 02, 2016

The tenure of Our Registered office as per the agreement is for 11 months renewable on mutual comfort. We cannot assure that we will have the right to occupy, this premises in the future, or that we will be able to continue with the uninterrupted use of these properties, which may impair our operations and adversely affect our financial condition. For further details of our current lease arrangements please see the chapters titled "Business Overview" beginning on pages 70 of this Prospectus.

12) Failure on our part to adhere to RBI or other Regulatory norms may lead to penalties affecting our business and financial condition and / or cancellation of NBFC license.

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

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

Secondly, even though, till date RBI has not conducted any Inspection of our Company and its operations, the RBI has the right to conduct inspections of all NBFCs and notify its findings and observations to such NBFC, which is expected to respond to the RBI's observations and provide clarifications and additional information, as necessary. Being a Non-Deposit Taking, Non-Systematically Important NBFC Company, means that RBI norms for us are relatively lesser stringent, however, there can be no assurance that we would have complied with all requirements as and when applicable.

In the event that we are unable to comply with the regulatory requirements within the specified time limit, or at all, we may be subject to regulatory actions by the RBI including the levy of fines or penalties and/or the cancellation of registration as an NBFC. For further details, please see the chapter titled "*Key Industry Regulations and Policies*" beginning on page 80 of this Prospectus. We cannot assure you that we may not breach the exposure norms or other regulatory norms in the future. Any levy of fines or penalties or the cancellation of our registration as an NBFC by the RBI by the Government of India, due to the breach of exposure or other applicable norms, may adversely affect our business, prospects, and result of operations, financial condition and the trading price of our Equity Shares.


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

Our Company requires certain statutory and regulatory registrations, licenses, permits and approvals for our business. In future, we shall be required to renew such registrations and approvals and obtain new registrations and approvals for any proposed operations, including any expansion of existing operations. While we believe that we will be able to renew or obtain such registrations and approvals, as and when required, there can be no assurance that the relevant authorities will renew or issue any such registrations or approvals in the time frame anticipated by us or at all. Failure to obtain and renew such registrations and approvals with statutory time frame attracts penal provisions. If we are unable to renew, maintain or obtain the required registrations or approvals, it may result in the interruption of our operations and may have a material adverse effect on our revenues, profits and operations and profits. For further details regarding our existing as well as pending approvals, please see the chapter titled "*Government and Other Statutory Approvals*" beginning on page 151 of this Prospectus.

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

As per the SEBI (ICDR) Regulations 2009, appointment of monitoring agency is required only for Issue size above ₹50,000 lacs. Hence, we have not appointed any monitoring agency and the deployment of Issue Proceeds as stated in the chapter titled "*Objects of the Issue*" beginning on page 53 of this Prospectus, is not subject to monitoring by any independent agency. Major portion of the funds being raised through this Issue will be utilized for augmenting our capital base and for providing for our fund requirements for increasing our operational scale with respect to our NBFC activities which are based on the management estimates.

15) We have applied for registration of our company logo and trademark the same has not been registered. Consequently, we may be unable to adequately protect our intellectual property. Furthermore, we may be subject to claims alleging breach of third party intellectual property rights.

We have applied for registration of our company logo and trademark  under the provisions of the Trademarks Act, 1999. As such, we do not enjoy the statutory protections accorded to a registered trademark as on date. There can be no assurance that we will be able to register the trademark and the logo in future or that, third parties will not infringe our intellectual property, causing damage to our business prospects, reputation and goodwill. Further, we cannot assure you that any application for registration of our trademark in future by our Company will be granted by the relevant authorities in a timely manner or at all. Our efforts to protect our intellectual property may not be adequate and may lead to erosion of our business value and our operations could be adversely affected. We may need to litigate in order to determine the validity of such claims and the scope of the proprietary rights of others. Any such litigation could be time consuming and costly and the outcome cannot be guaranteed. We may not be able to detect any unauthorized use or take appropriate and timely steps to enforce or protect our intellectual property. For further details, please see the chapter titled “Government and Other Statutory Approvals” beginning on page 151 of this Prospectus.

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

Our Promoters and Directors may be deemed to be interested to the extent of the Equity Shares held by them, or their relatives or our Group Entities and benefits deriving from their directorship in our Company. Our Promoters are interested in the transactions entered into between our Company and themselves as well as between our Company and our Group Entities. For further details, please see the chapters titled “Business Overview” and “Our Promoters and Promoter Group”, and “Annexure XX – Statement of Related Party Transactions” of the section “Financial Information” beginning on pages 70, 105 and 117 respectively, of this Prospectus.

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

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

18) Our Company has not entered into any long-term contracts with any of its customers and typically operate on the basis of contacts and enquiries, which could adversely impact our revenues and profitability.

Our Company has not entered into any long-term contracts with any of its customers and any change in the customer preferences or customer satisfaction towards our services could adversely affect the business of our Company. Although our Company, through its Promoters has good business relations with the customers and has received continued business from many customers, there is no certainty that the same will continue in the years to come and as a result may affect our profitability.

19) We may enter into related party transactions in the future.

Subject to compliance of applicable laws, we may enter into related party transactions. While we would try to ensure that all such transactions be conducted on an arm’s length basis, there can be no assurance that we would not be able to achieve more favorable terms had such transactions not been entered into with related parties. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our business, prospects, results of operations and financial condition, including because of potential conflicts of interest or otherwise.

20) Certain of our Group Companies have incurred losses in the past.

One of our Group Company – M/s. Netbuzz Entertainment Pvt. Ltd. has reported losses in some of the last three financial years as set forth below:

(₹ in lacs)

Particulars	As at March 31		
	2015	2014	2013
Profit / /(Loss) after Taxes	(0.89)	(12.36)	(11.14)

Any adverse impact on the business and revenue of our Group Companies could adversely affect the financial condition and goodwill of our promoters and hence affect our ability to raise funds from our Promoters and also affect our goodwill in the market.

21) Conflicts of interest with our company and our corporate Promoter

There are no other RBI registered NBFC companies which are promoted by our promoters. However, the Memorandum of Associations of our corporate promoter has certain Object Clauses which would allow it to undertake a similar business as us. We have not entered into any non-compete agreements with our Corporate Promoter and hence, to that extent there exists a potential conflict of interest. We shall endeavor to ensure that most of such conflicts are addressed in a mutually acceptable manner, however, we may not be able to resolve certain situations, for e.g. there can be no assurance that a good investment opportunity in which our corporate promoter may participate would be shared with our company or that our corporate promoter could offer Inter corporate Deposits to companies at better terms than we would. Further, all corporate companies, irrespective of their main objects, have permissions through their ancillary objects to provide ICDs to other corporate companies and earn short term or longer term interest income. Hence, to that extent, even our group companies (who are not in financial business) may compete with us in giving loans to corporate bodies. Potential conflicts of interests between our company and our corporate promoter could hence adversely affect our business prospects.

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

We have not taken any insurance coverage for a number of the risks associated with our business, such as insurance cover against loss or damage by fire, explosion, burglary, theft and robbery. To the extent that we suffer any loss or damage that is not covered by insurance, our business and results of operations could be adversely affected.

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

Our Company faces significant competition in the businesses that we are involved in. In particular, we compete with other finance companies, both in India and abroad; and public and private sector commercial banks operating in the markets in which we are present. In recent years, large international banks have also entered these markets. For further details, please see the paragraph titled “*Competition*”, as contained in the chapter titled “*Business Overview*”, beginning on page 70 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.
- Better Credit Ratings etc.

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

24) We depend on the accuracy and completeness of information provided by potential borrowers and our reliance on any misleading information given may affect our judgment of credit worthiness of potential borrowers, which may affect our business, results of operations and financial condition.

In deciding whether to advance loan to a particular customers, we rely on publically available credit information relating to such party and financial and other relevant information furnished to us by the customer, and our personal contacts and networks based on which we perform our credit assessment. Please see "Business Overview" beginning on page 70 of this Prospectus for further details regarding our credit appraisal process. We cannot be certain that our risk management controls will continue to be sufficient or that additional risk management policies for individual borrowers will not be required. Failure to continuously monitor the loan accounts, particularly for individual borrowers, could adversely affect our credit portfolio which could have a material and adverse effect on our business, future financial performance and results of operations. If any of the aforesaid information, as obtained from customers and third parties, is misleading or inaccurate, the procedures that we follow may not be adequate or sufficient to provide accurate data as to the creditworthiness of our customers. In the event that we do not accurately identify the risk of default, or if we rely on information that may not be true or may be materially misleading, our business, future financial performance and results of operations may be materially and adversely affected.

25) 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.

26) Our inability to effectively implement our growth strategies or manage our growth could have an adverse effect on our business, results of operations and financial condition.

Our growth strategy envisages a very strong asset size and operational income growth. However, there could be a possibility that we may not grow at a comparable rate to our growth rate in the past or the required growth rate to effectively compete in the market either in terms of profit or income. Further, such growth strategy will place significant demands on our management, financial and other resources. It will require us to continuously develop and improve our operational, financial and internal controls and more importantly adhering to quality and high standards that meet customer expectations. Any inability on our part to manage such growth could disrupt our business prospects, impact our financial condition and adversely affect our results of operations.

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

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

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

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

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

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

30) *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.

31) *We will be impacted by volatility in interest rates in our operations, which could cause our net interest margins to decline and adversely affect our profitability.*

We will be impacted by volatility in interest rates in our operations. We offer loans to borrowers on pre-determined / fixed rates. Interest rates are highly sensitive due to many factors beyond our control, including the monetary policies of the RBI, deregulation of the financial sector in India, domestic and international economic and political conditions and other factors. If interest rates decline, we will face an Asset-Liability mismatch and our borrowers may take advantage of the attractive interest rate environment and seek to reduce their borrowing cost by asking us to re-price loans. Thus, we are subject to greater re-pricing and prepayment risks. If we are required to restructure loans, it could adversely affect our profitability. If borrowers prepay loans, the return on our capital may be impaired as any prepayment premium we receive may not fully compensate us for the costs of utilizing funds elsewhere. If interest rates rise we may have greater difficulty in maintaining a low effective cost of funds compared to our competitors, who may have access to lower cost funds.

32) *Our business requires substantial capital, and any disruption in funding sources would have a material and adverse effect on our liquidity and financial condition.*

The liquidity and ongoing profitability of our business are, in large part, dependent upon our timely access to, and the costs associated with, raising capital. Our funding requirements historically have been met from a combination of shareholder funding, secured and unsecured loan funds, with equity being a pre-dominant source. Thus, our business depends and will continue to depend on our ability to access diversified funding sources. Our ability to raise funds on acceptable terms and at competitive rates continues to depend on various factors including our credit ratings, the regulatory environment and policy initiatives in India, developments in the international markets affecting the Indian economy, investors' and/or lenders' perception of demand for debt and equity securities of NBFCs, and our current and future results of operations and financial condition. Further as we grow, we may have to finance our funding from debt also.

Any disruption in our primary funding sources at competitive costs would have a material adverse effect on our liquidity and financial condition.

EXTERNAL RISK FACTORS

33) *The new Companies Act, 2013 is recently being implemented and any developments in the near future may be material with respect to the disclosures to be made in this Prospectus as well as other rules and formalities for completing the Issue.*

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 notifications, resulting in the corresponding provisions of the companies Act, 1956 ceasing to have effect. The new 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 deposits a restriction on investment by an Indian company through more than two layers of subsidiary investment companies (subject to certain permitted exceptions), prohibition on loans to directors and insider trading and restriction on directors and insider trading and restriction on directors and insider trading and restrictions on directors and key managerial personnel from engaging in forward dealing. To ensure compliance with the requirement of the Companies Act, 2013, we may need to allocate additional resources, which may increase our regulatory compliance cost and divert management attention.

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 pronouncement or clarifications issued by the Government in the future, we may face regulatory actions or we may be required to undertake remedial step. 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 adverse effects on our business and results of operations.

34) *Tax rates applicable to Our Company may increase and may have an adverse impact on our business.*

The tax rates including surcharge and education cess applicable to us for fiscal 2015 are 30.90%. Any increase in the tax rates may have an adverse impact on our business and results of operations and we can provide no assurance as to the extent of the impact of such changes.

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

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

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

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

Indian financial markets have in the past experienced substantial fluctuations in the prices of listed securities. Further, the Indian financial markets have experienced high volatility in the recent past. If similar volatility occurs in the future, the market price and liquidity of our Equity Shares could be adversely affected.

Prior to the Issue, there has been no public market for our Company's Equity Shares, and an active trading market on the Indian Stock Exchanges may not develop or be sustained after the Issue. The Issue Price of the Equity Shares may bear no relationship to the market price of the Equity Shares after the Issue. The market price of the Equity Shares after the Issue may be subject to significant fluctuations in response to, among other factors, variations in our Company's operating results, market conditions specific to the packaging sector in India, developments relating to India and volatility in the BSE and the NSE and securities markets elsewhere in the world. The risk of loss associated with this characteristic may be greater for investors expecting to sell Equity Shares purchased in this Issue soon after the Issue. For further details of the obligations and limitations of Market Makers please refer to the chapter titled "*General Information – Details of the Market Making Arrangement for this Issue*" beginning on page 37 of this Prospectus.

37) All of our revenue is derived from business in India and a decrease in economic growth in India could cause our business to suffer.

We derive all of our revenue from our operations in India and, consequently, our performance and the quality and growth of our business are dependent on the health of the economy of India. However, the Indian economy may be adversely affected by factors such as adverse changes in liberalization policies, social disturbances, terrorist attacks and other acts of violence or war, natural calamities or interest rates changes, which may also affect the microfinance industry. Any such factor may contribute to a decrease in economic growth in India which could adversely impact our business and financial performance.

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

Following the Issue, we will be subject to a daily "circuit breaker" imposed by BSE, which does not allow transactions beyond specified increases or decreases in the price of the Equity Shares. This circuit breaker operates independently of the index-based, market-wide circuit breakers generally imposed by SEBI on Indian stock exchanges. The percentage limit on our circuit breakers will be set by the stock exchanges based on the historical volatility in the price and trading volume of the Equity Shares. The BSE may not inform us of the percentage limit of the circuit breaker in effect from time to time and may change it without our knowledge. This circuit breaker will limit the upward and downward movements in the price of the Equity Shares. As a result of this circuit breaker, no assurance can be given regarding your ability to sell your Equity Shares or the price at which you may be able to sell your Equity Shares at any particular time.

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

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

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

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

In terms of Section 45-IA of the RBI Act, 1934, it is mandatory that every NBFC should be registered with RBI to commence or carry on any business of non-banking financial institution as defined in clause (a) of Section 45 I of the RBI Act, 1934. NBFCs are governed under the rules laid down by RBI and any change in the laws including those recommended by the Working Group constituted to review the existing regulatory and

supervisory framework of non-banking finance companies (NBFCs) and others, which may change the current regime of regulations governing NBFC's and any such adverse change could affect our business operations and as a result, affect our financial conditions.

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

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

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

42) Our Company's transition to IFRS reporting could have a material adverse effect on our reported results of operations or financial condition.

Public companies in India, including our Company, may be required to prepare annual and interim financial statements under IFRS in accordance with the roadmap for the adoption of, and convergence with, IFRS announced by the Ministry of Corporate Affairs, Government, through the press note dated January 22, 2010 ("Press Release") and the clarification thereto dated May 4, 2010 (together with the Press Release, the "IFRS Convergence Note"). Pursuant to the IFRS Convergence Note, which have a net worth of ₹5,000 million or less, as per the audited balance sheet as at March 31, 2011 or the first balance sheet for accounting periods which ends after that date, are required to convert their opening balance sheet as at April 1, 2014 in compliance with the notified accounting standards to be converged with IFRS. The Company has not yet determined with any degree of certainty what impact the adoption of IFRS will have on its financial reporting.

The Company's financial condition, results of operations, cash flows or changes in shareholders' equity may appear materially different under IFRS than under Indian GAAP or our adoption of IFRS may adversely affect our reported results of operations or financial condition. This may have a material adverse effect on the amount of income recognized during that period and in the corresponding (restated) period in the comparative Fiscal Year/period.

In addition, in our transition to IFRS reporting, we may encounter difficulties in the ongoing process of implementing and enhancing our management information systems. Moreover, our transition may be hampered by increasing competition and increased costs for the relatively small number of IFRS experienced accounting personnel available as more Indian companies begin to prepare IFRS financial statements

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

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

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

Our business and financial performance could be adversely affected by unfavorable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations applicable to us and our business, including those relating to consumer protection, Internet and privacy. Please see the chapter titled “*Key Industry Regulations and Policies*” beginning on page 80 of this Prospectus for details of the material laws currently applicable to us.

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

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

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

46) *Political, economic, environmental and social developments in India could adversely affect our Company’s business.*

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

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

47) 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.

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

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

PROMINENT NOTES

1) Key Issue Particulars:

Pre Issue Net worth (Based on audited accounts as on March 31, 2015)	₹ 2,965.75lacs
Post Issue Net worth (assuming full subscription)	₹ 3,599.35 lacs
Issue Size	Issue of 42,24,000 shares of ₹ 10/- each at ₹ 15/- per shares aggregating to ₹ 633.60 lacs.
Cost Per Share to the Promoters	
Mr. Pawan Dalmia	₹ 25.31
M/s. Confident Financial Advisory Pvt. Ltd	₹ 25.31
Net Asset Value per share or Book Value (Based on Audited Accounts as on March 31, 2015) (Face Value of ₹10 per share)	₹ 25.66

- 2) Our Company, its Promoters / Directors, Company's Associates or Group companies have not been prohibited from accessing the Capital Market under any order or direction passed by SEBI. The Promoters, their relatives, Company, Group Companies and Associate Companies are not declared as willful defaulters by RBI / Government authorities and there are no violations of securities laws committed in the past or pending against them.
- 3) Investors are advised to see the chapter titled "*Basis for Issue Price*" beginning on page 57 of this prospectus.
- 4) The Lead Manager and our Company shall update this Prospectus and keep the investors / public informed of any material changes till listing of the Equity Shares offered in terms of this Prospectus and commencement of trading.
- 5) Investors are free to contact the Lead Manager for any clarification, complaint or information pertaining to the Issue. The Lead Manager and our Company shall make all information available to the public and investors at large and no selective or additional information would be made available for a section of the investors in any manner whatsoever.
- 6) In the event of over-subscription, allotment shall be made as set out in paragraph titled "*Basis of Allotment*" beginning on page 57 of this Prospectus and shall be made in consultation with the Designated Stock Exchange i.e. BSE Ltd. The Registrar to the Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner as set out therein.
- 7) None of our Directors / Promoters of the Company have any interest in our Company except to the extent of compensation paid/ payable 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 see the chapters titled "*Our Management*" and "*Our Promoters and Promoter Group*" beginning on pages 93 and 105 of this Prospectus.
- 8) No loans and advances have been made to any person(s) / companies in which Directors are interested except as stated in the Auditors Report. For details please see the chapter titled "*Financial Statements*" beginning on page 117 of this Prospectus.
- 9) The details of transaction by our Company with Group Companies during the last year are disclosed under the chapter titled "*Financial Statements – Annexure XX– Statement of Related Party Transactions*" beginning on page 134 of this Prospectus.
- 10) Our Company was incorporated as Franklin Leasing and Finance Private Limited on March 16, 1992 under the Companies Act, 1956, bearing Registration No. 048028 having its Registered Office in Delhi. Subsequently, the Company became a Public Limited Company pursuant to a special resolution passed by

the members of our Company at the EGM held on September 10, 2013 and the name of our Company was changed to Franklin Leasing and Finance Limited. A fresh Certificate of Incorporation consequent to conversion to a public limited company was issued on February 13, 2014 by the Registrar of Companies, Delhi. The Company's Corporate Identity Number is U74899DL1992PLC048028 and its Registered Office is situated at Unit No.205, 2nd Floor, Aggarwal City Mall, Road No. 44, Pitampura, Delhi – 110034.

- 11) Except as disclosed in the chapters titled "*Our Promoters, and Promoter Group*" and "*Our Group Companies*" beginning on pages 105 and 111, of this Prospectus, respectively, none of our Group Companies have business interests or other interests or any other transaction with / in our Company.

SECTION III: INTRODUCTION

SUMMARY OF INDUSTRY OVERVIEW

These may be various factors which pose a risk to our industry and hence may affect our company to that extent. This chapter should hence be read in conjunction with the chapter titled “Risk Factors” beginning on page 11 of this Prospectus.

SIGNIFICANCE OF NBFCs IN INDIA

As of September 30, 2015, there were 11,781 non-banking financial companies (NBFCs) registered with the Reserve Bank, of which 212 deposit accepting (NBFCs-D) and 11,569 were non-deposit accepting (NBFCs-ND). There were 210 Systemically Important Non-Deposit accepting NBFCs (NBFCs-ND-SI).

Performance:

The aggregated balance sheet of the NBFC sector expanded by 14.2 per cent on y-o-y basis in September 2015 as compared to 16.8 in March. Loans and advances increased by 14.2 per cent, while, total borrowings increased by 14.5 per cent.

Consolidated Balance Sheet of the NBFC Sector: y-o-y growth

Item	Mar-15	Sep-15
	(per cent)	
1. Share Capital	7.5	6.7
2. Reserves and Surplus	15.1	12.8
3. Total Borrowings	18.7	14.5
4. Current Liabilities and Provisions	6.8	19.7
Total Liabilities / Assets	16.8	14.2
1. Loans & Advances	16.3	14.2
2. Hire Purchase and Lease Assets	9.7	5.3
3. Investments	23.5	18.0
4. Other Assets	16.2	9.7
Income/Expenditure		
1. Total Income	15.7	12.7
2. Total Expenditure	14.9	19.7
3. Net Profit	19.0	-11.5

Source: RBI supervisory returns.

(Source: Financial Stability Report: December 2015)

The financial performance of the NBFC sector deteriorated during the quarter ended September 2015 as compared to March 2015. The net profit as a percentage to total income declined from 18.8 percent to 15.0 per cent between March and September 2015. RoA declined sharply from 2.2 per cent to 1.0 per cent.

Financial performance of the NBFC Sector

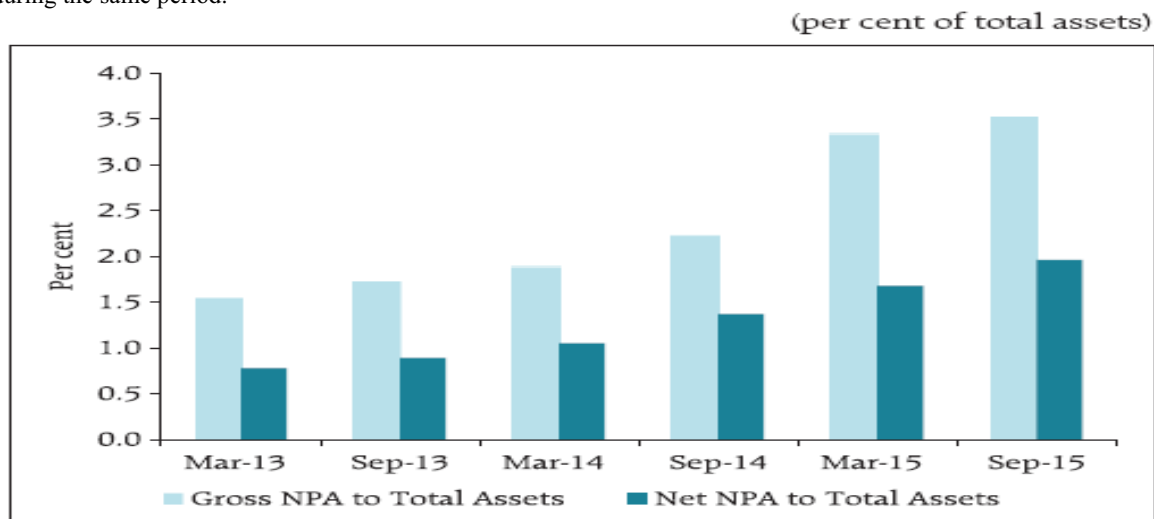
Item	Mar-15	Sep-15
	(per cent)	
1. Capital market exposure(CME) to Total Assets	6.7	6.6
2. Leverage Ratio	3.5	3.7
3. Net Profit to Total Income	18.8	15.0
4. RoA (annualised)	2.2	1.0

Source: RBI supervisory returns.

(Source: Financial Stability Report: December 2015)

Asset quality of NBFC sector

The GNPA of the NBFC sector as a percentage of total assets increased to 3.5 per cent in September 2015 from 3.4 per cent in March. The NNPA as percentage of total assets also increased to 2.0 per cent during the same period.



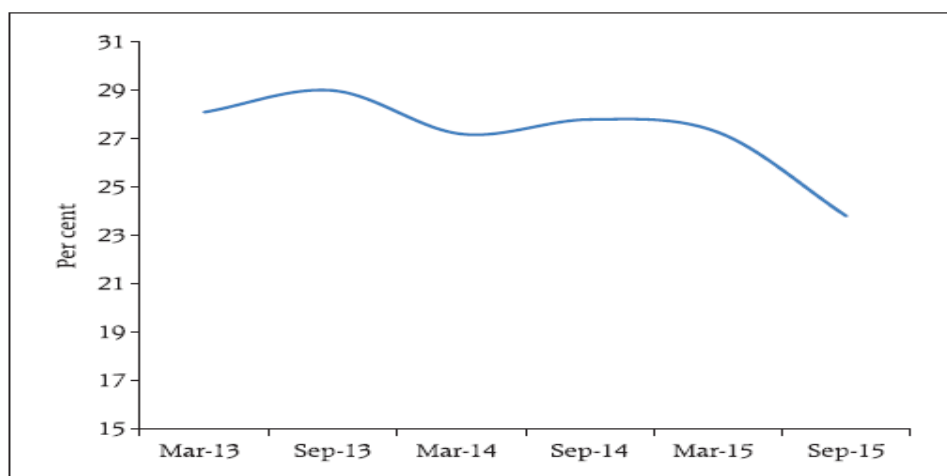
Source: RBI supervisory returns.

(Source: Financial Stability Report: December 2015)

Capital Adequacy:

As per the extant guidelines, NBFCs are required to maintain a minimum capital consisting of Tier-I and Tier-II capital, of not less than 15 percent of their aggregate risk-weighted assets. The CRAR of NBFCs declined to 23.8 per cent as of September 2015 from 27.3 per cent as of March 2015. At the disaggregated level, eight NBFCs were unable to meet the regulatory required minimum CRAR of 15 per cent as of September 2015.

CRAR of the NBFC Sector:



Source: RBI supervisory returns.

As per the extant guidelines, NBFCs are required to maintain a minimum capital consisting of Tier-I and Tier-II capital, of not less than 15 per cent of their aggregate risk-weighted assets. The CRAR of NBFCs declined to

23.8 per cent as of September 2015 from 27.3 per cent as of March 2015, though this is well above the regulatory minimum requirement, the decline signifies that due to the stress in their loan portfolio, NBFCs are facing the risk on the capital front as well and may not have sufficient funds available with them in case of any exigency if the NPA levels are not brought under control. Thus RBI has stressed the importance of monitoring the balance sheets of the corporate and identifying the stress signals much in advance in order to avoid the contagion effect.

Another interesting aspect observed in the financial stability report is the interconnectedness in the financial system where NBFCs have emerged as net receivers. As of September 2015, the banking sector had an outstanding exposure close to 2 trillion to NBFCs. Further, the exposure of AMC-MFs and insurance companies to NBFCs displayed an increasing trend between March 2012 and September 2015 from ₹425 billion to Rs 1376 billion in case of AMC-MFs and ₹780 billion to ₹1064 billion respectively. It shows that NBFCs are moving from traditional sources of borrowing i.e banks to AMC-MFs and Insurance companies who subscribe to the commercial paper etc. issued by the NBFCs, which provides AMC-MFs and Insurance companies with high rate of returns and in turn also reduces the cost of funds for the NBFCs.

RBI has been looking at the entire financial system including NBFCs and is slowly trying to align the regulatory requirements between a bank and the NBFC to eliminate instances of regulatory arbitrage that exist right now. In the coming months we expect RBI to come up with guidelines for NBFCs which may align the NBFC regulations with that for banks. This is visible from RBI's effort to include the NBFCs in the joint lending forums and also the rationalizing the type of returns files by the NBFCs.

Future Prospects of the NBFC Sector

Going forward, high historical growth rates observed in the past may not be feasible since NBFCs would need to take up further capital raising exercise to be able to lend significant amounts. Hence, for the purpose of estimation the growth rate for FY11-17 is assumed at ~20 percent per annum which is at the same levels as commercial banks.

The future projections of yearly growth in NBFCs Sector are furnished below –

NBFCs- Projections (INR billion)								
	FY11	FY12	FY13	FY14	FY15	FY16	FY17	
Credit (Infrastructure) –total outstanding	2,176	2,608	3,126	3,747	4,492	5,384	6,453	
Credit (Infrastructure) – yearly growth			518	620	744	892	1,069	3,844

Most Indian banks offer homogeneous services, which result in high competition in the industry on finer points, such as loan rates and interest rates. Many new entrants, especially non banking financial corporation's (NBFC), are expected to enter the industry in the coming years due to the new Banking License Guidelines of the RBI. High competition will benefit the industry in the long run by driving all banks (especially public sector banks) to improve their performance.

Recently, take-out financing arrangement has been permitted through ECB, under the approval route, for refinancing of Rupee loans availed from domestic banks by eligible borrowers in the port, airport, roads including bridges and power sectors for development of new projects. The impact of Suggested measures on availability of non- budgetary funds (INR billion) are furnished below -

Particulars	Funds Estimated	Additional Funds	Funds estimated (revised)
Commercial Banks	7,435	1,450	8,885
NBFCs	3,844	533	4,377
Insurance	1,507	4,522	6,030
ECBs	549	-	549
Total	13,337	6,505	19,843

(Source: www.deloitte.com)

To conclude, concrete policy and regulatory measures need to be undertaken. Some of the most important include measures taken to increase the breadth and the depth of the corporate bond markets in India.

SUMMARY OF OUR BUSINESS

Our company has certain weaknesses and threats, which pose a risk to our future performance. This chapter should hence be read in conjunction with the chapter titled “Risk Factors” beginning on page 11 of this Prospectus.

OVERVIEW

Our Company was incorporated as Franklin Leasing and Finance Private Limited on March 16, 1992 under the Companies Act, 1956, bearing Registration No. 048028 having its Registered Office in Delhi. Subsequently, the Company became a Public Limited Company pursuant to a special resolution passed by the members of our Company at the EGM held on September 10, 2013 and the name of our Company was changed to Franklin Leasing and Finance Limited. A fresh Certificate of Incorporation consequent to conversion to a public limited company was issued on February 13, 2014 by the Registrar of Companies, Delhi.

Our Company is a NBFC registered with RBI to carry on NBFC Activities under Section 45-IA of the Reserve Bank of India Act, 1934 bearing Registration no. B-14.02383 dated May 22, 2001.

Our existing promoter i.e. Mr. Pawan Dalmia, and M/s. Confident Financial Advisory Pvt. Ltd. are not the original promoters of the company and have acquired controlling interest in the company in 2013. *For details regarding the share capital build-up of our company please see note 1(f) of the chapter titled “Capital Structure” beginning on page 44 of this prospectus.*

We are a Non Deposit taking Non-systemically Important Non Banking Finance Company (NBFC-ND-NSI) engaged primarily in the business of advancing loans and investing/trading in securities. We have been running on a modest operating scale till the mid of FY 2013-14, however, post the induction of Mr. Pawan Dalmia who is a company secretary by qualification, we have commenced a process of improving our internal systems including but not limited to allocation Strategies, Financial Discipline and better utilization of our fund based portfolio, through which we have posted a Net Profit before tax of ₹46.51 lacs for the 6 months period ended September 30, 2015, ₹ 50.56 lacs for the year ended March 31, 2015 and ₹ 15.31 lacs for the year ended March 31, 2014. Our loan portfolio stood at ₹ 2555.32 lacs, ₹ 2222.43 lacs and ₹ 1912.52 lacs respectively in the above mentioned periods.

Our revenue from operations has decline from ₹104.39 lacs in F. Y. 2012-2013 to ₹102.82 lacs in F. Y. 2013-14. However, our revenues witnessed an increase of 79.67% to ₹184.74 lacs in F. Y. 2014-2015. For the 6 months period ended September 30, 2015, our Revenues were ₹ 103.81 lacs.

Our Profit before tax has increased from ₹ 9.68 lacs in FY 2012-13 to ₹ 15.31 lacs in FY 2013-14 and then further increased to ₹ 50.56 lacs in FY 2014-15. Our Profit before tax for 6 months period ended September 30, 2015 was ₹ 46.51 lacs. Our Total Loans have increased from a modest ₹ 154.45 lacs in 2011-12 to ₹ 2222.43 lacs as on March 31, 2015 and ₹ 2555.32 as on September 30, 2015. We propose to increase our operating efficiencies and scale and plan to become a notable player in the Finance and Investment Field in Northern India.

Business Strengths:

- ***Well Qualified and Experienced Promoter***

Our company is backed by a well qualified and experienced promoter. We believe that the past experience and industry networks of our Promoter/ Director will help us in achieving our key business strategies. For further details regarding the experience and qualifications of our management and promoter please see the chapter titled “Our Management” and “Our Promoters and Promoter Group” beginning on pages 93 and 105 of this Prospectus respectively.

- ***Long Standing Track-record and Established relationships***

Our company received its NBFC Registration in the year 2001. Hence, this company has been in the business of providing short term as well as longer duration loans and advances in the North Indian region for around a

decade. Our newly inducted Promoter / Director – Mr. Pawan Dalmia along with our other directors proposes to utilise the readily available database of clients as well as long standing relationships with Capital Market Players to ensure effective utilisation of our assets and improve the overall operational and financial efficiencies of the company.

- ***Low Debt Balance Sheet***

As on March 31, 2015, our total net owned funds stood at ₹ 2,965.75 lacs where as our total outstanding liabilities (including provisions) stood at ₹ 34.79 lacs. We believe that, this is a good balance sheet situation and makes our long term sustainability more strong. Further, this issue will help us improve this capitalisation situation further. We believe that having a low debt balance sheet helps us with the prospect of raising debt in the future, when we wish to expand our business opportunities and also acts a long term stability factor for our shareholders.

Business Strategy:

- ***Improve the investment process***

Our company has in the past made losses while investing and trading in securities. The Company will continue to trade and invest in Stock Markets and other avenues; however, we intend to improve our internal systems and processes in order to maximize the risk adjusted returns of the available assets. Further, we intend to assess better market opportunities for loans and advances and aim at diversifying the customer base in order to reduce per account risks. For details regarding our proposed Processes please see “*Key Business Processes*” and “*Summary of Key Policies*” beginning on pages 72 and 73 of this Prospectus respectively.

- ***Increase our client database***

The Company believes that business is a by-product of relationship. Since, most of our loans are short term as well as unsecured in nature, this business model is heavily reliant on client relationships that are established over period of time. The Company believes that a long term client relationship with large clients fetches better dividends. The Company intends to establish strategic alliances and share risks with companies whose resources, skills and strategies are complementary to the Company’s business and are likely to enhance its opportunities.

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

- ***Focus on other geographical areas and key cities to increase our market share***

Our company intends to extend its financing services in other geographical areas in India and target the cities that are financial centres. In line with this strategic objective, we have recently opened our new full time office in Kolkata. For details please refer to the “*Properties*” Section in “*Our Business*” on Page 70_ Further as and when, the opportunity arises we shall explore opening of offices / centres at other financial centres such as Mumbai, Ahmedabad & Chennai.

SUMMARY OF OUR FINANCIALS

ANNEXURE I: RESTATED STATEMENT OF ASSETS AND LIABILITIES

(₹ in lakhs)

Particulars	As on September 30, 2015	As on March 31,				
		2015	2014	2013	2012	2011
EQUITY AND LIABILITIES						
Share Holder's Fund						
Equity Share Capital	1,155.84	1,155.84	72.24	72.24	72.24	72.24
Reserves & Surplus	1,842.05	1,809.91	2,861.26	2,846.58	2,847.82	2,847.45
Non Current Liabilities						
Long Term Provisions	6.55	6.55	3.82	7.91	-	-
Current Liabilities						
Trade Payables	10.04	4.90	614.27	549.26	11.32	0.02
Short Term Provisions	14.75	23.34	7.72	2.99	0.16	0.01
Current Liabilities			-	0.50	-	-
Total	3,029.23	3,000.54	3,559.28	3,479.46	2,931.52	2,919.70
ASSETS						
Non-Current Assets						
Fixed Assets	-	-	0.17	0.20	0.23	0.27
Deferred Tax Asset	0.07	0.07	0.02	0.02	0.02	0.02
Capital & Amortised Expenses W/off	0.16	0.16	0.32	0.49	0.65	-
Current Assets						
Current Investment	-	61.45	-	253.00	2,530.25	2,909.50
Trade Receivables	0.67	0.67	3.50	-	-	0.17
Cash and Cash Equivalents	12.65	15.38	87.69	51.79	4.34	9.76
Short Term Loans and Advances	3,005.50	2,868.19	3,444.54	3,165.95	395.53	-
Other Current Assets	4.06	35.35	16.58	8.04	0.52	-
Inventories	6.12	19.08	6.48	-	-	-
Total	3,029.23	3,000.54	3,559.28	3,479.46	2,931.52	2,919.70

ANNEXURE II: RESTATED STATEMENT OF PROFITS AND LOSSES

(₹ in lakhs)

Particular	For period ending September 30, 2015	For the year ended on March 31,				
		2015	2014	2013	2012	2011
REVENUE						
Revenue from Operations						
Total Income	103.81	184.74	102.82	104.39	5.37	0.18
EXPENSES						
Purchases	-	59.40	87.54	85.72	-	-
Changes in Inventories	12.96	(12.60)	(6.48)	-	-	-
Employee Benefit Expenses	18.05	16.00	3.72	7.14	3.31	-
Financial Cost	-		0.10	0.08	0.02	0.01
Depreciation and Amortization Expenses	-	0.33	0.19	0.19	0.20	0.04
Other Administrative Expenses	26.29	71.06	2.44	1.58	1.31	0.10
Total Expenditure	57.30	134.19	87.51	94.71	4.84	0.15
Net Profit/(Loss) Before Tax	46.51	50.56	15.31	9.68	0.53	0.03
Less: Provision for Taxation						
Current Years Income Tax	14.37	15.62	4.73	2.99	0.16	0.01
Deferred Tax (Asset)\Liability		(0.05)	-	0.01	(0.01)	(0.01)
Prior Period Expenses/(Income)			-	-	-	-
Total	14.37	15.57	4.73	3.00	0.15	0.00
Net Profit After Tax but Before Extraordinary Items	32.14	34.98	10.58	6.68	0.38	0.03
Extraordinary items			-	-	-	0.01
Net Profit After Extraordinary Items Available for Appropriation	32.14	34.98	10.58	6.68	0.38	0.02

ANNEXURE III: RESTATED STATEMENT OF CASH FLOWS
(₹.in lakhs)

Particular	As on March 31,					
	As on September 30, 2015	2015	2014	2013	2012	2011
CASH FLOW FROM OPERATING ACTIVITIES						
Net Profit (adjusted) Before Tax and Extra-ordinary Items	46.51	50.56	15.31	9.68	0.53	0.03
Adjustments for						
Depreciation & amortisation exp.	-	0.33	0.19	0.19	0.20	0.04
Interest Expenses	-	-	-	-	-	-
Operating Cash Generated Before Working Capital Changes and Taxes	46.51	50.89	15.50	9.87	0.73	0.07
(Increase)/Decrease in Inventories	12.96	(12.60)	(6.48)	-	-	-
(Increase)/Decrease in Loans & Advances	(105.83)	557.38	(287.14)	(2,777.94)	(396.05)	5.50
(Increase)/Decrease in Receivables	-	2.83	(4.00)	-	0.17	-
(Increase)/Decrease in Other Current Assets	-	-	-	-	-	-
Increase/(Decrease) in Payables	5.14	(609.38)	65.02	537.93	11.31	(0.11)
Increase/(Decrease) in Other Current Liabilities	-	-	-	0.50	-	-
Operating Cash Generated Before Taxes	(41.22)	(10.88)	(217.10)	(2,229.64)	(383.84)	5.46
Less : Income Tax paid (MAT/FBT)	(22.96)	(0.00)	(0.00)	(0.16)	(0.02)	0.01
Net Cash Generated from Operating Activities (A)	(64.18)	(10.88)	(217.10)	(2,229.80)	(383.86)	5.45
CASH FLOW FROM INVESTING ACTIVITIES						
Purchase of Fixed Assets (Net)	-	-	-	-	-	-
Other Investments	61.45	(61.45)	253.00	2277.25	379.25	(2,582.00)
Deferred revenue expenses	-	-	-	-	(0.81)	-
Net Cash Flow from Investing Activities (B)	61.45	(61.45)	253.00	2277.25	378.44	(2,582.00)
CASH FLOW FROM FINANCING ACTIVITIES						
Proceeds from Issue of Share Capital and Application Money	-	-	-	-	-	51.65
Securities Premium on Share Allotment	-	-	-	-	-	2530.85
Proceeds / (Repayment) from/of Long-term Borrowings	-	-	-	-	-	-
Proceeds / (Repayment) from/of short-term Borrowings	-	-	-	-	-	-
Interest Expenses	-	-	-	-	-	-
Net Cash Flow from Financing Activities (C)	-	-	-	-	-	2,582.50
Net Increase/(decrease) in Cash and Cash Equivalents (A+B+C)	(2.73)	(72.33)	35.90	47.45	(5.42)	5.95
Opening Balance of Cash and Cash Equivalents	15.38	87.69	51.79	4.34	9.76	3.81
Closing Balance of Cash and Cash Equivalents	12.65	15.38	87.69	51.79	4.34	9.76

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

THE ISSUE

PRESENT ISSUE IN TERMS OF THIS PROSPECTUS

Equity Shares Offered: Present Issue of Equity Shares by our Company	42,24,000 Equity Shares of ₹ 10 each for cash at a price of ₹ 15 per share aggregating ₹ 633.60 lacs
<i>Of which:</i>	
Issue Reserved for the Market Makers	2,24,000 Equity Shares of ₹ 10 each for cash at a price of ₹ 15 per share aggregating ₹ 33.60 lacs
Net Issue to the Public	40,00,000 Equity Shares of ₹ 10 each for cash at a price of ₹ 15 per share aggregating ₹ 600.00 lacs
Equity Shares outstanding prior to the Issue	1,15,58,400 Equity Shares
Equity Shares outstanding after the Issue	1,57,82,400 Equity Shares
Objects of the Issue	Please see the chapter titled “ <i>Objects of the Issue</i> ” beginning on page 53 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 166 of this Prospectus.

The present issue has been authorized by our Board vide resolution passed at its meeting held on December 15, 2014 and February 01, 2016 and by our Shareholders vide a special resolution passed pursuant to section 62 (1) (C) of the Companies Act, 2013 at the EGM held with a notice on January 10, 2015 and February 26, 2016,

GENERAL INFORMATION

Our Company was incorporated as Franklin Leasing and Finance Private Limited on March 16, 1992 under the Companies Act, 1956, bearing Registration No. 048028 having its Registered Office in Delhi. Subsequently, the Company became a Public Limited Company in pursuance to a special resolution passed by the members of our Company at the EGM held on September 10, 2013 and the name of our Company was changed to Franklin Leasing and Finance Limited. A fresh Certificate of Incorporation consequent to conversion to a public limited company was issued on February 13, 2014 by the Registrar of Companies, Delhi. The Company's Corporate Identity Number is U74899DL1992PLC048028 and its Registered Office is situated at Unit No.205, 2nd Floor, Aggarwal City Mall, Road No. 44, Pitampura, Delhi - 110034.

For further details, please see chapter titled "*History and Certain Corporate Affairs*" beginning on page 90 of this Prospectus.

Brief Company and Issue Information

Registered Office	Address: Unit No.205, 2nd Floor, Aggarwal City Mall, Road No. 44, Pitampura, Delhi - 110034 Tele Fax No.: +91-11-42351486 Email: info.franklinleasing@gmail.com Website: www.franklinleasing.in
Date of Incorporation	March 16, 1992
Company Registration No.	048028
Company Identification No.	U74899DL1992PLC048028
Address of Registrar of Companies	4 th Floor, IFCI Tower, 61, Nehru Place, New Delhi - 110019 Tel No.: +91 - 11 - 2623 5704 Fax No.: + 91 - 11 - 2623 5702
Issue Programme	Issue Opens on : March 30, 2016 Issue Closes on : April 05, 2016
Designated Stock Exchange	SME Platform of BSE Limited
Company Secretary & Compliance Officer	Name: Ms. Shanu Jain Address: Unit No.205, 2nd Floor, Aggarwal City Mall, Road No. 44, Pitampura, Delhi - 110034 Tele Fax No.: +91-11-42351486 Email: info.franklinleasing@gmail.com

Board of Directors of our Company

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

Name	Designation	DIN No.
Pawan Dalmia	Chairman and Managing Director	01541707
Ramesh Dalmia	Non Executive Director	03257468
Pushpaben Kothari	Non Executive Independent Director	06556945
Shilpi Agrawal	Non Executive Independent Director	06933517

For further details pertaining to the educational qualification and experience of our Directors, please see the chapter titled "*Our Management*" beginning on page 93 of this Prospectus.

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

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

Details of Key Intermediaries pertaining to this Issue and our Company

Lead Manager of the Issue

Aryaman Financial Services Limited

60, Khatau Building, Ground Floor,
Alkesh Dinesh Modi Marg,
Opp. P.J. Tower (BSE Bldg.),
Fort, Mumbai – 400 001
Tel. No.: +91 – 22 – 2261 8264
Fax No.: +91 – 22 – 2263 0434
Website: www.afsl.co.in
Email: ipo@afsl.co.in
Investor Grievance Email: feedback@afsl.co.in
Contact Person: Mr. Krish Sanghvi / Mr. Manoj Agarwal
SEBI Registration No.: INM000011344

Registrar to the Issue

Skyline Financial Services Private Limited

D-153A, 1st Floor, Okhla Industrial Area
Phase-I, New Delhi – 110020
Tel No.: +91 – 11 – 64732681-88
Fax No.: +91 – 11 – 26812682
Contact Person: Mr. Virender Rana
Email: virenr@skylinerta.com; or admin@skylinerta.com
Website: www.skylinerta.com
SEBI Registration No.: INE00003241

Legal Advisor to the Issue

Kanga & Co., Advocates & Solicitors

Readymoney Mansion, 43,
Veer Nariman Road, Mumbai-400 001,
Tel. No.: 91-22-66230000, 66332288
Fax No.: 91-22-66339656, 66339657
Email: chetan.thakkar@kangacompany.com
Contact Person: Mr. Chetan Thakkar

Statutory Auditors of our Company

Anil Hariram Gupta & Co.

14, Rajendra Mullick Street, Ground Floor,
Opp. Marble Palace (Singhi Bagan), Kolkata – 700 007
Tel No.: +91 – 33 - 22692090
Telefax No.: +91 – 33 - 22692090
Contact Person: Anil Gupta
Email: anilgupta81@yahoo.com

Peer Review Auditors

M/s. V. N. Purohit & Co.

214, New Delhi House, 27, Barakhamba Road, New Delhi - 110001
Tel No.: +91 – 11 – 43596011 / 98102 63110
Fax No.: +91 – 11 – 4359 6011
Contact Person: Mr. O. P. Pareek
Email: vnpdelhi@vnpaudit.com
Website: www.vnpaudit.com

Bankers to our Company

Axis Bank

D-12, Outer Ring Road, Prashant Vihar, Delhi- 110085
Telefax No.: +91 – 011-42581030
Contact Person: Akhil Aggarwal
Email: Akhil.Aggarwal@axisbank.com
Website: www.axisbank.com

Bankers to the Issue

Axis Bank Ltd.

Ground Floor, Jeevan Prakash Building,
Sir P M Road, Fort,
Mumbai - 400 001
Tel No.: 022-4086 7373 / 7371 / 7429
Fax No.: 022-4086 7327
Contact Person: Linford D'Abreo / Mr. Adison Chittedam
Email: linford.d'abreo@axisbank.com
Website: www.axisbank.com
SEBI Registration No.: INBI00000017

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, please see the above mentioned SEBI link.

Registered Brokers

The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the website of the Stock Exchange, at BSE Limited, as updated from time to time.

Registrar to Offer and Share Transfer Agents

The list of the RTAs eligible to accept Bid cum Applications forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, are provided on the website of Stock Exchange at BSE Limited, as updated from time to time.

Collecting Depository Participants

The list of the CDPs eligible to accept Bid cum Application Forms at the Designated CDP Locations, including details such as name and contact details, are provided on the website of Stock Exchange at BSE Limited, as updated from time to time.

The list of branches of the SCSBs named by the respective SCSBs to receive deposits of the Bid cum Application Forms from the Designated Intermediaries will be available on the website of the SEBI (www.sebi.gov.in) and updated from time to time.

Market Maker

MSB E-Trade Securities Limited
C-619, Ground Floor, Saraswati Vihar,
Pitampura, New Delhi- 110034
Tel. No.: +91-11- 47107777
Fax No.: +91-11- 47107731
Contact Person: Mr. Munish Bajaj
Website: www.msbetrade.com
Email: msbetrade@rediffmail.com

Statement of Inter-se Allocation of Responsibilities

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

Monitoring Agency

As per Regulation 16(1) of the SEBI (ICDR) Regulations, 2009 the requirement of Monitoring Agency is not mandatory if the issue size is below ₹50,000 lakhs. Since the Issue size is below ₹50,000 lakhs, our Company has not appointed a monitoring agency for this issue.

Pursuant to Regulation 32(3) of the SEBI Listing Regulations, our Company shall on a half yearly basis disclose to the Audit Committee the uses and application of the Net Proceeds. Until such time as any part of the Net Proceeds remains unutilized, our Company will disclose the utilization of the Net Proceeds under separate heads in our Company's balance sheet(s) clearly specifying the amount of and purpose for which Net Proceeds have been utilized so far, and details of amounts out of the Net Proceeds that have not been utilized so far, also indicating interim investments, if any, of such unutilized Net Proceeds. In the event that our Company is unable to utilize the entire amount that we have currently estimated for use out of the Net Proceeds in a fiscal, we will utilize such unutilized amount in the next fiscal.

Further, in accordance with Regulation 32(1)(a) of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges on a half yearly basis, a statement indicating material deviations, if any, in the utilization of the Net Proceeds for the objects stated in this Prospectus.

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

ISSUE PROGRAMME

An indicative timetable in respect of the Issue is set out below:

Event	Indicative Date
Issue Opening Date	March 30, 2016
Issue Closing Date	April 05, 2016
Finalization of Basis of Allotment with the Designated Stock Exchange	On or about April 11, 2016

Event	Indicative Date
Initiation of Allotment / Refunds / Unblocking of Funds	On or about April 12, 2016
Credit of Equity Shares to demat accounts of Allottees	On or about April 13, 2016
Commencement of trading of the Equity Shares on the Stock Exchange	On or about April 18, 2016

The above timetable is indicative and does not constitute any obligation on our Company or the Lead Manager. Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchange are taken within 6 Working Days of the Issue Closing Date, the timetable may change due to various factors, such as extension of the Issue Period by our Company or any delays in receiving the final listing and trading approval from the Stock Exchange. The Commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchange and in accordance with the applicable laws.

Applications shall be accepted **only between 10.00 a.m. and 5.00 p.m.** (IST) during the Issue Period as mentioned above with the Brokers, CDPs, Designated RTAs and designated branches of SCSBs as mentioned in the Application Form. On the Issue Closing Date, the Applications shall be accepted only between **10.00 a.m. and 5.00 p.m.** (IST) or such extended time as permitted by the Stock Exchanges, in case of Applications by Retail Individual Applicants after taking into account the total number of applications received up to the closure of timings and reported by the Lead Manager to the Stock Exchanges. It is clarified that Applications not uploaded on the electronic bidding system would be rejected. Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday).

Due to limitation of time available for uploading the Applications on the Issue Closing Date, the Applicants are advised to submit their Applications one day prior to the Issue Closing Date and, in any case, no later than 5.00 p.m. (IST) on the Issue Closing Date. All times mentioned in this Prospectus are Indian Standard Times. Applicants are cautioned that in the event a large number of Applications are received on the Issue Closing Date, as is typically experienced in public offerings, some Applications may not get uploaded due to lack of sufficient time. Such Applications that cannot be uploaded will not be considered for allocation under the Issue. Applications will be accepted only on Business Days. Neither our Company nor the Lead Manager is liable for any failure in uploading the Applications due to faults in any software/hardware system or otherwise.

Non Retail Applicants shall not be allowed to either withdraw or lower the size of their Application at any stage. Non Retail Applicants may revise their Applications upwards (in terms of quantity of Equity Shares) during the Offer Period. Such upward revision must be made using the Revision Form.

Underwriting

This Issue is 100% Underwritten. The Underwriting agreement is dated February 13, 2015. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters are several and are subject to certain conditions specified therein. The Underwriters have indicated their intention to underwrite the following number of specified securities being offered through this Issue:

Details of the Underwriter	No. of Shares Underwritten	Amount Underwritten (₹ in lacs)	% of the Total Issue Size Underwritten
Aryaman Financial Services Ltd. 60, Khatau Building, Gr. Floor, Alkesh Dinesh Modi Marg, Opp. P.J. Tower (BSE Bldg.), Fort, Mumbai – 400 001 Tel. No.: +91 – 22 – 2261 8264 Fax No.: +91 – 22 – 2263 0434 Email: ipo@afsl.co.in	40,00,000	600.00	94.70%

MSB E-Trade Securities Limited C-619, Ground Floor, Saraswati Vihar, Pitampura, New Delhi-110034 Tel. No.: +91-11- 47107777 Fax No.: +91-11- 47107731 Website: www.msbetrade.com Email: msbetrade@rediffmail.com	2,24,000	33.60	5.30%
Total	42,24,000	633.60	100.00%

As per Regulation 106 P (2) of SEBI (ICDR) Regulations, 2009, the LM has agreed to underwrite to a minimum extent of 15% of the Issue out of its own account.

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

Details of the Market Making Arrangement for this Issue

Our Company and the Lead Manager, Aryaman Financial Services Limited have entered into an agreement dated February 13, 2015 with MSB E-Trade Securities Limited, a Market Maker registered with the SME Platform of BSE in order to fulfill the obligations of Market Making.

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

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

1. The Market Maker shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the Stock Exchange. Further, the Market Maker shall inform the exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker.
2. The minimum depth of the quote shall be ₹ 1,00,000. However, the investors with holdings of value less than ₹ 1,00,000 shall be allowed to offer their holding to the Market Maker in that scrip provided that he sells his entire holding in that scrip in one lot along with a declaration to the effect to the selling broker.
3. The Inventory Management and Buying/Selling Quotations and its mechanism shall be as per the relevant circulars issued by SEBI and BSE SME Platform from time to time.
4. Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker, for the quotes given by him.
5. There would not be more than five Market Makers for a scrip at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors.
6. The shares of the Company will be traded in a continuous trading session from the time and day the company gets listed on the SME platform of BSE and Market Maker will remain present as per the guidelines mentioned under BSE & SEBI circulars.
7. 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.

8. 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.

9. **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.

10. **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.

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

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

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

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

12. **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		
	1,60,00,000 Equity Shares of face value of ₹ 10 each	1600.00	
B	Issued, Subscribed and Paid-up Share Capital before the Issue		
	1,15,58,400 Equity Shares of face value of ₹ 10 each	1155.84	
C	Present Issue in terms of this Prospectus*		
	Issue of 42,24,000 Equity Shares of ₹ 10 each at a price of ₹ 15 per Equity Share	422.40	633.60
	<i>Which comprises:</i>		
	2,24,000 Equity Shares of ₹ 10 each at a price of ₹ 15 per Equity Share reserved as Market Maker Portion	22.40	33.60
	Net Issue to Public of 40,00,000 Equity Shares of ₹ 10 each at a price of ₹ 15 per Equity Share to the Public	400.00	600.00
	<i>Of which:</i>		
	20,00,000 Equity Shares of ₹ 10 each at a price of ₹ 15 per Equity Share will be available for allocation for Investors of up to ₹ 2.00 lacs	200.00	300.00
	20,00,000 Equity Shares of ₹ 10 each at a price of ₹ 15 per Equity Share will be available for allocation for Investors of above ₹ 2.00 lacs	200.00	300.00
D	Equity Share Capital after the Issue		
	1,57,82,400 Equity Shares of ₹ 10 each	1578.24	
E	Securities Premium Account		
	Before the Issue	1768.20	
	After the Issue	1979.40	

**The Present Issue of Equity Shares has been authorized by the Board of Directors of our Company at their meeting held on December 15, 2014 and on February 01, 2016, and the same was approved by the Shareholders of the Company by passing a Special Resolution at the Extra-Ordinary General Meeting held on January 10, 2015 and February 26, 2016 in accordance with the provisions of Section 62 (1)(c) of the Companies Act, 2013.*

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

Classes of Shares

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

Changes in Authorized Share Capital

Date of Change/Meeting	Existing Capital		Additional Capital		Total Capital		Remarks	Authorized Share Capital (₹)
	No. of Shares	₹ / Share	No. of Shares	₹ / Share	No. of Shares	₹ / Share		
On Incorporation	-	-	10,000	100	10,000	100	Incorporation	10,00,000
December 18, 1999	10,000	100	15,000	100	25,000	100	Increase	2,500,000
March 30, 2011	25,000	100	45,000	100	70,000	100	Increase	7,000,000
March 31, 2011	70,000	100	2,250	100	72,250	100	Increase	7,225,000
January 10, 2015	Sub Division of the Face Value of the Equity Shares from ₹ 100 to ₹ 10 each				7,22,500	10	Sub- Division	7,225,000
January 10, 2015	7,22,500	10	1,52,77,500	10	1,60,00,000	10	Increase	16,00,00,000

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 (₹)	
March 16, 1992	40	100	100	Subscription to MoA	Cash	40	4,000	Nil	
April 07, 1992	5,000	100	100	Further Allotment	Cash	5,040	504,000	Nil	
July 15, 1992	2,035	100	100	Further Allotment	Cash	7,075	707,500	Nil	
December 10, 1992	20	100	100	Further Allotment	Cash	7,095	709,500	Nil	
October 13, 1993	100	100	100	Further Allotment	Cash	7,195	719,500	Nil	
March 31, 1996	160	100	100	Further Allotment	Cash	7,355	735,500	Nil	
March 25, 1997	10	100	100	Further Allotment	Cash	7,365	736,500	Nil	
January 01, 1998	25	100	100	Further Allotment	Cash	7,390	739,000	Nil	
January 05, 2000	11,000	100	100	Further Allotment	Cash	18,390	1,839,000	Nil	
August 14, 2002	(4350)	100	130	Buy-Back*	Cash	14,040	1,404,000	Nil	
March 31, 2010	6,550	100	5,000	Further Allotment	Cash	20,590	2,059,000	32,095,000	
March 31, 2011	51,650	100	5,000	Further Allotment	Cash	72,240	7,224,000	285,180,000	
January	Sub Division of the Face Value of the Equity Shares						722,400	7,224,000	285,180,000

10, 2015	from ₹ 100 to ₹ 10 each							
January 12, 2015	1,08,36,000	10	-	Bonus Allotment #	Non-Cash	1,15,58,400	11,55,84,000	176,820,000

* Premium paid in case of a Buy-Back of shares of ₹130,500 is deducted from Free Reserve of the Company.

Pursuant to the approval in EGM held on January 10, 2015 our Company has issued 1,08,36,000 Bonus Shares in the ratio of 15:1 i.e. 15 equity shares for every 1 equity share held to the shareholders, by way of capitalization of Securities Premium.

b) Shares allotted for consideration other than cash.

Date of Allotment	No. of Equity Shares	Face Value (₹)	Nature of Allotment	Allotted Person	Benefits Accrued to the Company
January 12, 2015	1,08,36,000	10	Bonus Issue in the ratio 15:1	Shareholders of the Company as on date	Nil

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) Our Company has not allotted Equity Shares during preceding one year from the date of this Prospectus which may be lower than the Issue price.

f) Shareholding of our Promoters

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

Date of Allotment / Transfer	Nature of Transaction	Consideration	No. of Equity 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
Confident Financial Advisory Pvt. Ltd.*									
October 04, 2013	Transfer*	Cash	26,110	100	4050	26,110	N.A.	N.A.	Owned Funds and Loan Funds
January 10, 2015	Sub Division of the Face Value of the Equity Shares from ₹ 100 to ₹ 10 each					2,61,100	2.26%	1.65%	NA
January 12, 2015	Allotment of Bonus	Non-Cash	39,16,500	10	-	41,77,600	36.14%	26.47%	NA
Pawan Dalmia									
October 04, 2013	Transfer**	Cash	500	100	4050	500	N.A.	N.A.	Owned Funds
January 10, 2015	Sub Division of the Face Value of the Equity Shares from ₹ 100 to ₹ 10 each					5,000	0.04%	0.03%	NA
January 12, 2015	Allotment of Bonus	Non-Cash	75,000	10	-	80,000	0.69%	0.51%	NA

* CFAPL has acquired via transfer 4920 shares from Sungold Merchandise Pvt. Ltd., 4000 shares from Subhlabh Investment Consultants Pvt. Ltd., 2120 shares from Neptune Financial Advisory Pvt. Ltd., 2930 shares from Novelty Dealer Pvt. Ltd. And 12140 shares from Excellent Financial Management Pvt. Ltd.

** Pawan Dalmia has acquired via transfer 500 shares from Dhurmala Agarwala.

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 allotment of the equity shares issued through this Prospectus for periods as per applicable Regulations of the SEBI (ICDR) Regulations. For details please see Note no. 2 of "Capital Structure" beginning on page 44 of this Prospectus.

g) Except for Mr. Pawan Dalmia who holds 80,000 shares, none of the Directors of our promoter hold any Equity Shares of our Company.

h) There are no transactions in our Equity Shares during the past six months, which have been purchased/(sold) by our Promoters, their relatives and associates, persons in Promoter Group (as defined under sub-clause (ii) of (zb) sub regulation (1) Regulation 2 of the SEBI (ICDR) Regulations, 2009) or the Directors of the Company.

i) None of the members of the Promoter Group, Directors and their immediate relatives have financed the purchase of Equity shares of our Company, by any other person during 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 and procedure and details of the same shall also be provided to the Stock Exchange before listing of the Equity Shares.

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
Confident Financial Advisory Pvt. Ltd.	31,72,300	20.10%
Total	31,72,300	20.10%

* 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 44 of this Prospectus.

The shares allotted as bonus shares are issued out of Securities Premium and are eligible for minimum promoter contribution as required under Regulation 33 (1) (a) of SEBI (ICDR) Regulations, 2009.

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.
- The Equity Shares held by the Promoters and offered for minimum 20% Promoters' Contribution are not subject to any pledge.
- Equity Shares for which specific written consent has not been obtained from the shareholders for inclusion of their subscription in the minimum Promoters' Contribution subject to lock-in.
- Equity shares issued to our Promoters on conversion of Partnership Firms into Limited Companies.

The minimum Promoters' Contribution has been brought to the extent of not less than the specified minimum lot and from the persons defined as Promoters under the SEBI (ICDR) Regulations, 2009. The Promoters'

Contribution constituting 20% of the post-Issue capital shall be locked-in for a period of three years from the date of Allotment of the Equity Shares in the Issue.

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

- a) Have not been subject to pledge or any other form of encumbrance; or
- b) Have not been acquired, during preceding three years, for consideration other than cash and revaluation of assets or capitalization of intangible assets is not involved in such transaction;
- c) Is not resulting from a bonus issue by utilization of revaluation reserves or unrealized profits of the issuer or from bonus issue against equity shares which are ineligible for minimum promoters contribution;
- d) Have not been acquired by the promoters during the period of one year immediately preceding the date of filing of this prospectus at a price lower than the issue price.

The 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 Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011, as applicable.

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

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

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

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

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

Sr. No.	Name of Shareholder	Pre-Issue		Post-Issue	
		No. of Equity Shares	As a % of Pre-Issued Equity	No. of Equity Shares	As a % of Issued Equity
A	Promoters				
1	Confident Financial Advisory Pvt. Ltd.	41,77,600	36.14	41,77,600	26.47
2	Pawan Dalmia	80,000	0.69	80,000	0.51
	Total (A)	42,57,600	36.83	42,57,600	26.98
B	Promoter Group & Relatives				
	Total (B)	-	-	-	-
	Grand Total (A+B)	42,57,600	36.83	42,57,600	26.98

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.	Confident Financial Advisory Pvt. Ltd.	41,77,600	36.14
2.	Vistaar Infra Property Pvt. Ltd.	22,57,450	19.53
3.	Kaksh Impex Pvt.Ltd.	22,31,500	19.30
4.	Surakshit Merchants Pvt. Ltd.	21,66,400	18.74
5.	Indivar Realtors Pvt. Ltd.	2,28,750	2.00
6.	Shivmangal Stock Management Pvt. Ltd.	2,17,800	1.90
7.	Dhansakti Suppliers Pvt. Ltd.	1,78,100	1.50
8.	Pawan Dalmia	80,000	0.69
9.	Myra Apparels Pvt. Ltd.	16,000	0.14
10.	Century Buildpro Pvt. Ltd.	4,800	0.04
	Total	1,15,58,400	100.00

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.	Confident Financial Advisory Pvt. Ltd.	41,77,600	36.14
2.	Vistaar Infra Property Pvt. Ltd.	22,57,450	19.53
3.	Kaksh Impex Pvt.Ltd.	22,31,500	19.30
4.	Surakshit Merchants Pvt. Ltd.	21,66,400	18.74
5.	Indivar Realtors Pvt. Ltd.	2,28,750	2.00
6.	Shivmangal Stock Management Pvt. Ltd.	2,17,800	1.90
7.	Dhansakti Suppliers Pvt. Ltd.	1,78,100	1.50
8.	Pawan Dalmia	80,000	0.69
9.	Myra Apparels Pvt. Ltd.	16,000	0.14
10.	Century Buildpro Pvt. Ltd.	4,800	0.04
	Total	1,15,58,400	100.00

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.	Confident Financial Advisory Pvt. Ltd.	26,110	36.14
2.	Vistaar Infra Property Pvt. Ltd.	16,900	23.39
3.	Kaksh Impex Pvt.Ltd.	15,060	20.85
4.	Surakshit Merchants Pvt. Ltd.	13,540	18.75
5.	Pawan Dalmia	500	0.69
6.	Myra Apparels Pvt. Ltd.	100	0.14
7.	Century Buildpro Pvt. Ltd.	30	0.04
8.	-	-	-
9.	-	-	-
10.	-	-	-
Total		72,240	100.00

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 93 of this Prospectus.
7. 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 173 of this Prospectus.
8. 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.
9. 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
10. 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
11. 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.
12. As on date 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.
13. On the date of this 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.
14. 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.
15. Since the entire application money is being called on application, all successful applications, shall be issued fully paid up shares only. Also, as on the date of this Prospectus the entire pre-issue share capital of the Company has been made fully paid up.

-
- 16.** Except as disclosed in this 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.
- 17.** 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.
- 18.** As on date of 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.
- 19.** 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.
- 20.** The Lead Manager and its associates do not directly or indirectly hold any shares of the Company.
- 21.** Our Company has ten (10) shareholders, as on the date of this Prospectus.
- 22.** Our Company has not revalued its assets since incorporation.
- 23.** Our Company has not made any public issue or rights issue since its incorporation.

24. Shareholding Pattern of the Company

The following is the shareholding pattern of the Company:

Category (I)	Category of Share- holder (II)	No. of Share-holder (III)	No. of fully paid-up equity shares held (IV)	No. of Partly paid-up equity shares held (V)	No. of shares Underlying Depository Receipts (VI)	Total Nos. Shares held (VII) = (IV) + (V) + (VI)	Share holding as a % of total No. of Shares (calculated As per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each Class of securities (IX)			No of Underlying Outstanding Convertible securities (incl. Warrants) (X)	Share Holding as a % assuming Full convertible securities (as a % of Diluted Share Capital) (XI)=(VII)+(X) As a % of (A+B+C2)	Number of Locked In shares (XII)		No. of shares Pledged Or Otherwise encumbered (XIII)		No. of Equity shares held In De-mat form (XIV)
								Class- Equity	Class	Total			Total As a % of (A+B+C)	No (a)	As a % of total shares held (b)	No (a)	
(A)	Promoter & Promoter Group	2	42,57,600	-	-	42,57,600	36.80%	42,57,600	-	36.80%	-	-	-	-	-	42,57,600	
(B)	Public Non Promoter Non Public	8	73,00,800	-	-	73,00,800	63.20%	73,00,800	-	63.20%	-	-	-	-	-	72,96,000	
(C)	Shares Underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(C1)	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(C2)	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Total	10	1,15,58,400	-	-	1,15,58,400	100.00%	1,15,58,400	-	100.00%	-	-	-	-	-	1,15,53,600	

SECTION IV- PARTICULARS OF THE ISSUE

OBJECTS OF THE ISSUE

The Object of the Issue is to raise funds for:

- To augment our capital base and provide for our fund requirements for increasing our operational scale with respect to our NBFC activities and
- To meet Issue related Expenses.

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

Issue Proceeds & Net Proceeds

The details of the proceeds of the Issue are set forth in the table below:

Particulars	Amount (₹in Lacs)
Gross Proceeds from the Issue	633.60
Issue related Expenses	45.00
Net Proceeds from the Issue	588.60

Fund Requirements

The net proceeds of the issue are to be utilized as shown below:

Sr. No.	Particulars	Amount (₹in Lacs)
1	To augment our capital base and provide for our fund requirements for increasing our operational scale with respect to our NBFC activities	588.60
TOTAL		588.60

Means of Finance

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

The fund requirement and deployment is based on internal management estimates and have not been appraised by any bank or financial institution. Our management, in response to the competitive and dynamic nature of the industry, will have the discretion to revise its business plan from time to time and consequently our funding requirement and deployment of funds may also change. This may, subject to compliance with applicable laws and regulations, also include rescheduling the proposed utilization of Issue Proceeds and increasing or decreasing expenditure for a particular object *vis-à-vis* the utilization of Issue Proceeds.

In case of any increase in the actual utilization of funds earmarked for the Objects, such additional funds for a particular activity will be met by way of means available to our Company, including from internal accruals. If the actual utilization towards any of the Objects is lower than the proposed deployment such balance will be used for future growth opportunities including funding existing objects, if required and general corporate purposes.

In case of delays in raising funds from the Issue, our company may deploy certain amounts towards any of the above mentioned Objects through a combination of Internal Accruals or Unsecured Loans (Bridge Financing) and in such

case the Funds raised shall be utilized towards repayment of Unsecured Loans or recouping of Internal Accruals. However, we confirm that no bridge financing has been availed as on date, which is subject to being repaid from the Issue Proceeds.

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

DETAILS OF THE FUND REQUIREMENTS

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

We are a RBI Registered NBFC involved in the business of equity and debt investments, trading in securities and providing unsecured financing to individuals and small businesses. As on September 30, 2015 and March 31, 2015, our outstanding loan book stood at ₹ 2,555.32 lacs and ₹ 2,222.43 lacs respectively. We propose to augment our capital base by ₹ 588.60 lacs through this Issue and utilize the funds raised from the same to further increase our operational scale of our NBFC activities and assets.

Following activities are proposed to be carried out from the increased fund infusion:

(₹ in Lacs)		
Sr. No.	Particulars	Amount
a.	Granting of loans included in our Product Portfolio. (For details regarding the type of loans we would be giving, please see the chapter titled “Business Overview” beginning on page 70 of this Prospectus)	588.60
	Total	588.60

Issue related Expenses

The total estimated Issue Expenses are ₹ 45.00 lacs, which is 7.10% of the Issue Size. The details of the Issue Expenses are tabulated below:

Sr. No.	Particulars	Amount (₹ in lacs)	As a % of total estimated Issue expenses	As a % of the Issue Size
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.	25.00	55.56%	3.95%
2	Printing & Stationery, Distribution, Postage, etc.	5.00	11.11%	0.79%
3	Advertisement and Marketing Expenses	5.00	11.11%	0.79%
4	Regulatory and other Expenses	10.00	22.22%	1.57%
	Total	45.00	100%	7.10%

Notes:

- 1) The SCSBs would be entitled to processing fees of ₹25/- per Application Form, for processing the Application Forms procured by the Registered Brokers and submitted to the SCSBs.
- 2) The SCSBs, the Registered Brokers, the RTAs and the CDPs will be entitled to a commission of ₹50/- per every valid Application Form submitted to them and uploaded on the electronic system of the Stock Exchange.
- 3) The payment towards commission and processing fees will be completed within 60 days from the date of listing of our Equity Shares on the Stock Exchange

Year wise Deployment of Funds / Schedule of Implementation

The entire Issue Proceeds are to be deployed in the FY 2016-17.

Appraisal

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

Monitoring of Utilization of Funds

There is no requirement for a monitoring agency as the Issue size is less than ₹ 50,000 lacs. Our audit committee shall monitor the utilization of the proceeds of the Issue. We will disclose the utilization of the Net Proceeds, including interim use, under a separate head specifying the purpose for which such proceeds have been utilized along with details, if any in relation to all such proceeds of the Issue that have not been utilised thereby also indicating investments, if any, of such unutilized proceeds of the Issue in our balance sheet for the relevant financial years commencing from Fiscal 2016.

The management of our Company will monitor the utilization of funds raised through this public issue. Pursuant to Regulation 32 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, our Company shall prepare statement indicating deviations, if any, in the use of proceeds from the objects as stated in this prospectus on half-yearly basis and disclose the same to the Stock Exchange, after being reviewed by the Audit Committee. We shall furnish an explanation for the variation, if any, in the Directors' Report in the Annual Report. On an annual basis, our Company shall prepare a statement of funds utilized for purposes other than stated in this prospectus and place it before the Audit Committee. Such disclosures shall be made only until such time that all the proceeds of the Issue have been utilized in full. The statement will be certified by the Statutory Auditors of our Company.

Interim Use of Funds

Pending utilization of the Net Proceeds for the purposes described above, our Company will deposit the Net Proceeds with scheduled commercial banks included in schedule II of the RBI Act. Our Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in shares of any listed company or for any investment in the equity markets. No part of the Issue proceeds will be paid to our Promoters, Directors, and Key Managerial Personnel.

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:

Our Board of Directors have vide resolution dated December 15, 2014 and on February 01, 2016 authorized the Issue, subject to the approval by the shareholders of our Company under Section 62 (1) (c) of the Companies Act, 2013.

The shareholders have authorized the Issue, by passing a Special Resolution at the Extra-Ordinary General Meeting held on January 10, 2015 and on February 26, 2016 in accordance with the provisions of Section 62 (1) (c) of the Companies Act, 2013.

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 ₹ 15 each.
Market Lot and Trading Lot	The Market lot and Trading lot for the Equity Share is 8,000 (Eight Thousand) and in multiples of 8,000 thereafter; subject to a minimum allotment of 8,000 Equity Shares to the successful applicants.
Terms of Payment	Applications should be for a minimum of 8,000 equity shares and 8,000 equity shares thereafter. The entire price of the equity shares of ₹ 15 per share (₹ 10 face value + ₹ 5 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 ₹ 15 per Equity Shares and is 1.5 times of the face value. Investors should read the following basis with the sections titled “Risk Factors” and “Financial Information” and the chapter titled “Business Overview” beginning on pages 11, 117 and 70 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

We believe that the following strengths help differentiate us from our competitors and enable us to compete successfully in our industry:

- Well Qualified and Experienced Promoters
- Internal Control and Risk Management
- Long Standing Track – Record and Established relationships.

For further details regarding some of the qualitative factors, which form the basis for computing the Issue Price, please see “Business Overview – Our Strengths” on page 70 of this Prospectus.

Quantitative Factors

Information presented in this chapter is derived from our unconsolidated and consolidated restated financial statements prepared in accordance with Indian GAAP.

1) Earnings per Share (EPS)

Year ended	Basic EPS (in ₹)	Diluted EPS (in ₹)	Weight
March 31, 2015	0.30	0.30	3
March 31, 2014 ⁽¹⁾	0.09	0.09	2
March 31, 2013 ⁽¹⁾	0.06	0.06	1
Weighted Average	0.19	0.19	
Period ended September 30, 2015	0.28 ⁽²⁾	0.28 ⁽²⁾	

⁽¹⁾The Face Value of the Equity Shares for the year March 31, 2014 and 2013 was ₹ 100/-. However, for comparison purposes, the same has been considered as face value of ₹ 10/- per Equity Share and No. of Shares accordingly adjusted.

⁽²⁾Not annualised

Notes:

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

2) Price Earnings Ratio (P/E) in relation to the Issue price of ₹ 15 per share of ₹ 10 each

Particulars	P/E Ratios
P/E ratio based on basic and diluted EPS for Fiscal 2015 at the Issue Price	50.00
P/E ratio based on Weighted Average EPS at the Issue Price	78.95
Industry P/E*	
Highest – Bajaj Finserv	212.4
Lowest – IDFC	3.4
Industry P/E	18.7

*Source: Capital Market, Vol. – Jan 04 – 17, 2016; Segment – Finance & Investments.

3) Return on Networth (RoNW)

Year ended March 31	RoNW (%)	Weight
2015	1.18%	3
2014	0.36%	2
2013	0.23%	1
Weighted Average	0.75%	
Period ended September 30, 2015	1.07% ⁽¹⁾	

⁽¹⁾ Not Annualised

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

4) Minimum Return on Net Worth after Issue needed to maintain the Pre-Issue Basic and Diluted EPS for the year ended March 31, 2015 (based on Restated Financials) at the Issue Price of ₹ 15 is 1.32%.

5) Net Asset Value (NAV)

Particulars	NAV (in ₹)
NAV as at March 31, 2015	25.66
NAV as at September 30, 2015	25.94
Issue Price	15.00
NAV after the Issue	22.81

Note: Net Asset Value has been calculated as per the following formula: Net worth excluding preference share capital and revaluation reserve / number of Equity shares outstanding during the year/ period.

6) Comparison with Industry peers

Particulars	F.Y. 2014-2015					Source
	Face Value (₹)	Basic EPS (₹)	P/E Ratio	RON W (%)	NAV (₹)	
BCB Finance Ltd.	10	0.39	65.27 ⁽¹⁾	2.13%	18.20	Respective Company's Annual Reports
Satkar Finlease Ltd	10	0.08	625.00 ⁽¹⁾	0.42%	19.70	
Nalwa Sons Investments Ltd.	10	11.86	55.22 ⁽¹⁾	1.74%	680.40	
Edelweiss Financial Services Ltd.	1	1.41	45.28 ⁽¹⁾	7.58%	18.57	
Franklin Leasing and Finance Limited	10	0.30	50.00	1.18%	25.66	

⁽¹⁾ Closing price of the Stock as on March 31, 2015 or the preceding day when the Stock was traded has been taken for calculation purpose.



- 7) The Company in consultation with the Lead Manager believes that the issue price of ₹ 15 per share for the Public Issue is justified in view of the above parameters. The investors may also want to peruse the Risk Factors and Financials of the company including important profitability and return ratios, as set out in the 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 1.5 times of the face value i.e. ₹ 15 per share.

STATEMENT OF TAX BENEFITS

To
The Board of Directors
Franklin Leasing and Finance Limited
Unit No.205, Second Floor, Aggarwal City Mall,
Road No.-44, Pitampura , Delhi – 110034.

Dear Sirs,

Sub.: Statement of Possible Special Tax Benefits available to Franklin Leasing and Finance Limited and its shareholders prepared in accordance with the requirements under Schedule VIII – Clause (VII) (L) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended (the ‘Regulations’)

We hereby report that the enclosed annexure prepared by M/s Franklin Leasing and Finance Limited, states the possible special tax benefits available to Franklin Leasing and Finance Limited (‘the Company’) and the shareholders of the Company under the Income Tax Act, 1961 (‘Act’), presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company or its shareholders to derive the special tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the company may or may not choose to fulfil.

The benefits discussed in the enclosed Annexure cover only special tax benefits available to the Company and do not cover any general tax benefits available to the Company Further , the preparation of enclosed statement and the contents stated therein 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 is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the proposed initial public offering of equity shares (“the Issue”) by the Company.

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

- a) The Company or its Equity Shareholders will continue to obtain these benefits in future; or
- b) The conditions prescribed for availing the benefits have been / would be met with.

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

Our views are based on facts and assumptions indicated to us and the existing provisions of tax law and its interpretations, which are subject to change or modification from time to time by subsequent legislative, regulatory, administrative, or judicial decisions. Any such changes, which could also be retrospective, could have an effect on the validity of our views stated herein. We assume no obligation to update this statement on any events subsequent to its issue, which may have a material effect on the discussions herein.

This report including enclosed annexure are intended solely for your information and for the inclusion in the Draft Prospectus/ Prospectus or any other issue related material in connection with the proposed initial public offer of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For **Anil Hariram Gupta & Co.**
Firm Regn. No.327781E
Chartered Accountants

Anil Gupta
Partner
Membership No.066306
Place: New Delhi
Date: March 04, 2016

ANNEXURE TO THE STATEMENT OF TAX BENEFITS

The information provided below sets out the possible special tax benefits available to the Company and the Equity Shareholders under the Income Tax Act 1961 presently in force in India. It is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. Investors are advised to consult their own tax consultant with respect to the tax implications of an investment in the Equity Shares particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail.

YOU SHOULD CONSULT YOUR OWN TAX ADVISORS CONCERNING THE INDIAN TAX IMPLICATIONS AND CONSEQUENCES OF PURCHASING, OWNING AND DISPOSING OF EQUITY SHARES IN YOUR PARTICULAR SITUATION.

A. SPECIAL TAX BENEFITS TO THE COMPANY: NIL

B. SPECIAL TAX BENEFITS TO THE SHAREHOLDER: NIL

Note:

1. All the above benefits are as per the current tax laws and will be available only to the sole / first name holder where the shares are held by joint holders.
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. 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. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this statement.

For Anil Hariram Gupta & Co.
Firm Regn. No.327781E
Chartered Accountants

Anil Gupta
Partner
Membership No.066306
Place: New Delhi
Date: March 04, 2016

SECTION V: ABOUT THE ISSUER COMPANY

INDUSTRY OVERVIEW

The information in this chapter has been extracted from the websites of and publicly available documents from various sources. The data may have been re-classified by us for the purpose of presentation. Neither we nor any other person connected with this Issue has independently verified the information provided in this chapter. Industry sources and publications, referred to in this chapter, generally state that the information contained therein has been obtained from sources generally believed to be reliable but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured, and, accordingly, investment decisions should not be based on such information.

OVERVIEW OF THE GLOBAL AND INDIAN ECONOMY

Global Economy Scenario

World Bank cuts global economic growth outlook for 2016 and the world bank has forecasted 2.9 per cent growth for 2016, revised downward from its June 2015 forecast for 3.3 per cent growth. Global growth for 2015, slowed down to 2.4 per cent, and is expected to recover at a slower pace than previously envisioned. Growth is projected to reach 2.9 per cent in 2016, as a modest recovery in advanced economies continues and activity stabilizes among major commodity exporters.

In the Euro Area, credit growth is picking up and unemployment is declining. The recovery remains fragile in Japan despite substantial policy stimulus. With external demand negatively affected by a slowdown in large emerging market economies, growth forecasts across major high-income economies in 2016 have been shaded down, but growth should still show some improvement from 2015.

Brazil and Russia have been going through severe adjustments in the face of external and domestic challenges. On average, activity in emerging and developing commodity exporters stagnated in 2015, as they continued to be hard hit by declining commodity prices. As a result, the contribution to global growth from these economies has declined substantially. An overview of the Global Economic Prospects is given below.

Overview of the Global Economic Prospects by World Bank: January 2016

(Per cent change from previous year)

Real GDP Growth ¹	2013	2014	2015 ^e	2016 ^f	2017 ^f	2018 ^f
World	2.4	2.6	2.4	2.9	3.1	3.1
High Income Countries	1.2	1.7	1.6	2.1	2.1	2.1
Euro Area	-0.4	0.9	1.5	1.7	1.7	1.6
Japan	1.6	-0.1	0.8	1.3	0.9	1.3
United States	1.5	2.4	2.5	2.7	2.4	2.2
United Kingdom	2.2	2.9	2.4	2.4	2.2	2.1
Russia	1.3	0.6	-3.8	-0.7	1.3	1.5
Developing countries	5.3	4.9	4.3	4.8	5.3	5.3
Brazil	3.0	0.1	-3.7	-2.5	1.4	1.5
India ² (Fiscal Year)	6.9	7.3	7.3	7.8	7.9	7.9
China	7.7	7.3	6.9	6.7	6.5	6.5
South Africa	2.2	1.5	1.3	1.4	1.6	1.6

Notes: PPP- Purchasing Power Parity, e- estimates, f- forecast

1. Aggregate growth rate calculated using constant 2010 dollars GDP weights
2. In keeping with national practice, date for India is reported on a fiscal year basis. Aggregates that depend on these countries are calculated using data compiled on a calendar year basis. Real GDP at factor cost is consistent with reporting practice in India

(Source: SEBI BULLETIN – January 2016 - Vol. 14)

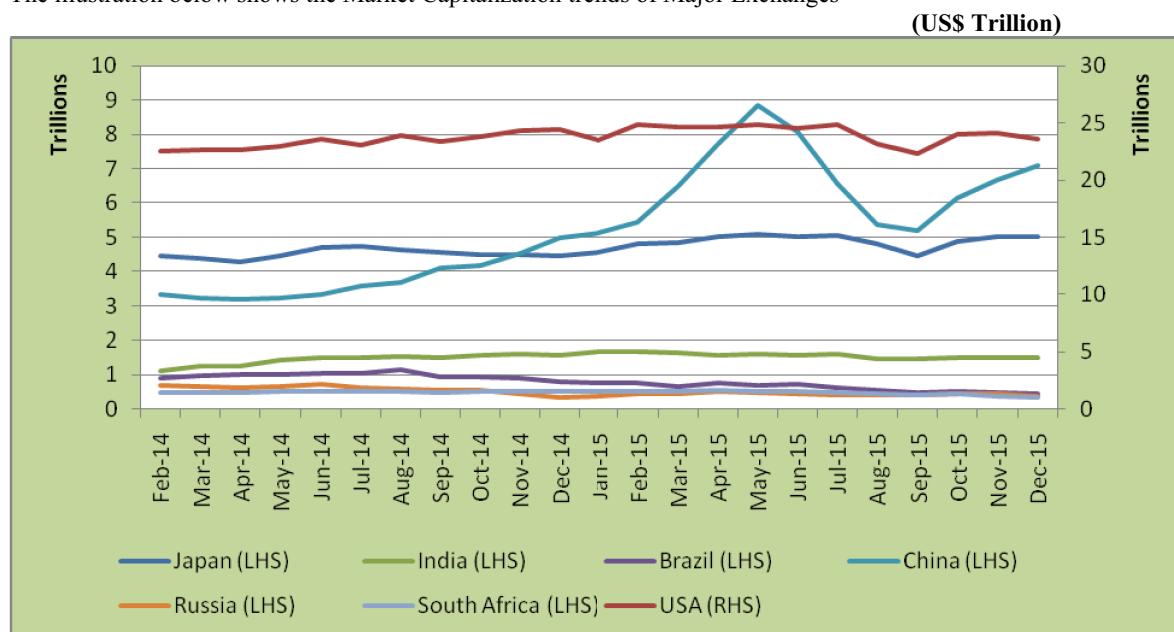
Market Capitalization

There was a mix trend in market capitalisation of the developed and developing markets during December 2015. Market capitalisation of USA, UK, France, Germany, Brazil, Russia and south Africa declined whereas that of China, India and Australia rose.

Among major developed markets, the market capitalisation of Australia rose highest by 2.6 per cent, followed by Hong Kong (1.3 per cent) during December 2015. On the contrary, the market capitalisation of UK, USA, France and Germany declined by 3.3 per cent, 2.2 per cent, 2.6 per cent and 0.5 per cent respectively. NYSE Euronext (US) and London Stock Exchange (UK) market cap stood at USD 23.5 Trillion & USD 3.4 Trillion respectively at the end of December 2015.

As regards the major emerging markets, market capitalisation of China rose highest by 6.5 per cent followed by Egypt (4 per cent), Indonesia (3.2 per cent) and Hungary (2.1 per cent) respectively while that of Argentina, Russia, South Africa and Brazil declined by 29.8 per cent, 14.8 per cent, 9.6 per cent and 8.2 per cent respectively. India remained the positive with 1.7 per cent gain in market capitalisation. Market Capitalisation of China's Shanghai Stock Exchange increased by 6.5 per cent to USD 7.1 Trillion, while that of India's NSE rose by 1.7 per cent to USD 1.52 Trillion, at the end of December 2015.

The illustration below shows the Market Capitalization trends of Major Exchanges -



(Source: SEBI BULLETIN – January 2016- Vol. 14)

Indian Economy Scenario:

The Indian economy continued to exhibit resilience and the strength of its domestic absorption to register a growth of 7.2 per cent during the first half (H1) of 2015-16. Economic growth, measured in terms of growth in GDP at constant market prices (real GDP), improved from 7.0 per cent in the first quarter (Q1) of 2015-16 to 7.4 per cent in Q2 2015-16. In addition to robust growth, the year thus far has witnessed macro-economic stability aided by favourable factors such as comforting inflation indicators, benign fiscal situation and improving external current account balance.

With the reforms process gathering momentum, along with low inflation which should help in keeping a benign interest rate regime, one can expect the full year growth of real GDP to be in the range of 7 and 7.5 per cent. IMF, in its World Economic Outlook released in January 2016, has estimated India's GDP growth to be 7.3 per cent, 7.5 per cent and 7.5 per cent in the years 2015, 2016 and 2017 respectively

India's fiscal deficit during April-November 2015 reached ₹ 4.83 lakh crore or 87 per cent of the full-year budget target. The deficit was 98.9 per cent of the full-year target during the same period a year ago. In the Union Budget 2014-15, the government kept a fiscal deficit target of 4.1 per cent of GDP. The Union budget 2015-16 has set India's fiscal deficit target for the 2015-16 at 3.9 percent of GDP (₹ 5,55,649 lakh crore) which would gradually come down to 3 percent by 2017-18, one year later than previously expected.

(Source: Ministry of finance – Mid-Year Economic Analysis – 2015-2016 dated December 18, 2015)

The illustration below shows the (Y-o-Y) Quarterly GDP growth in India

Items	2013-14	2014-15	2014-15				2015-16	
	(NS)	(PE)	Q1	Q2	Q3	Q4	Q1	Q2
1. Agriculture & allied activities	3.7	0.2	2.6	2.1	-1.1	-1.4	1.9	2.2
2. Industry								
Mining & Quarrying	5.4	2.4	4.3	1.4	1.5	2.3	4.0	3.2
Manufacturing	5.3	7.1	8.4	7.9	3.6	8.4	7.2	9.3
Electricity, Gas, Water Supply & Other Utility Services	4.8	7.9	10.1	8.7	8.7	4.2	3.2	6.7
3. Services								
Construction	2.5	4.8	6.5	8.7	3.1	1.4	6.9	2.6
Trade, Hotel, Transport, Communication and services related to broadcasting	11.1	10.7	12.1	8.9	7.4	14.1	12.8	10.6
Financial, Real Estate & Professional Services	7.9	11.5	9.3	13.5	13.3	10.2	8.9	9.7
Public Administration, Defence and Other services	7.9	7.2	2.8	7.1	19.7	0.1	2.7	4.7
Gross Value Added at Basic Price	6.6	7.2	7.4	8.4	6.8	6.1	7.1	7.4
GDP	6.9	7.3	6.7	8.4	6.6	7.5	7.0	7.4

(Source: SEBI BULLETIN – January 2016- Vol. 14)

Foreign Exchange Reserves:

	(USD billion)									
	Jan 1, 2016	Nov 27, 2015	Oct 30, 2015	Oct 2, 2015	Aug 28, 2015	July 31, 2015	June 26, 2015	May 29, 2015	May 1, 2015	April 3, 2015
Total Reserves	350.4	351.6	353.6	350.8	351.9	353.5	355.2	352.4	351.9	343.1
Foreign Currency Assets	327.8	327.7	330.1	327.3	328.3	329.8	330.5	327.8	327.2	318.6
Gold	17.2	18.7	18.2	18.2	18.3	18.3	19.3	19.3	19.3	19.0
SDRs	4.0	3.9	4.0	4.0	4.1	4.0	4.1	4.0	4.1	4.0
Reserve Position in the IMF	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3

(Source: SEBI BULLETIN – January 2016- Vol. 14)

SIGNIFICANCE OF NBFCs IN INDIA

As of September 30, 2015, there were 11,781 non-banking financial companies (NBFCs) registered with the Reserve Bank, of which 212 deposit accepting (NBFCs-D) and 11,569 were non-deposit accepting (NBFCs-ND). There were 210 Systemically Important Non-Deposit accepting NBFCs (NBFCs-ND-SI).

Performance:

The aggregated balance sheet of the NBFC sector expanded by 14.2 per cent on y-o-y basis in September 2015 as compared to 16.8 in March. Loans and advances increased by 14.2 per cent, while, total borrowings increased by 14.5 per cent.

Consolidated Balance Sheet of the NBFC Sector: y-o-y growth

	(per cent)	
Item	Mar-15	Sep- 15
1. Share Capital	7.5	6.7
2. Reserves and Surplus	15.1	12.8
3. Total Borrowings	18.7	14.5
4. Current Liabilities and Provisions	6.8	19.7
Total Liabilities / Assets	16.8	14.2
1. Loans & Advances	16.3	14.2
2. Hire Purchase and Lease Assets	9.7	5.3
3. Investments	23.5	18.0
4. Other Assets	16.2	9.7
Income/Expenditure		
1. Total Income	15.7	12.7
2. Total Expenditure	14.9	19.7
3. Net Profit	19.0	-11.5

Source: RBI supervisory returns.

(Source: Financial Stability Report: December 2015)

The financial performance of the NBFC sector deteriorated during the quarter ended September 2015 as compared to March 2015. The net profit as a percentage to total income declined from 18.8 per cent to 15.0 per cent between March and September 2015. RoA declined sharply from 2.2 per cent to 1.0 per cent.

Financial performance of the NBFC Sector

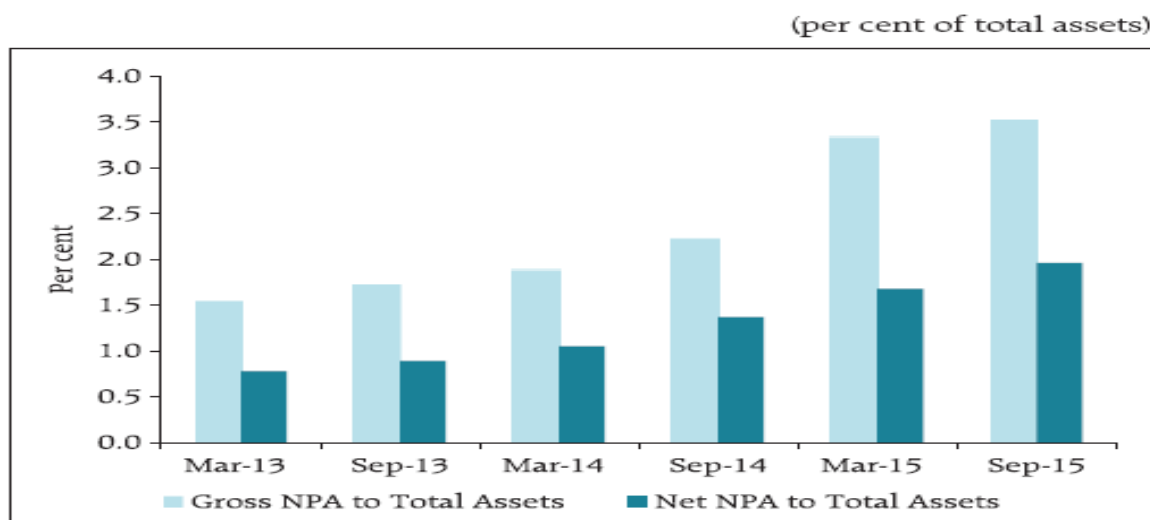
Item	(per cent)	
	Mar-15	Sep-15
1. Capital market exposure(CME) to Total Assets	6.7	6.6
2. Leverage Ratio	3.5	3.7
3. Net Profit to Total Income	18.8	15.0
4. RoA (annualised)	2.2	1.0

Source: RBI supervisory returns.

(Source: Financial Stability Report: December 2015)

Asset quality of NBFC sector

The GNPA of the NBFC sector as a percentage of total assets increased to 3.5 per cent in September 2015 from 3.4 per cent in March. The NNPA as percentage of total assets also increased to 2.0 per cent from 1.8 per cent during the same period.



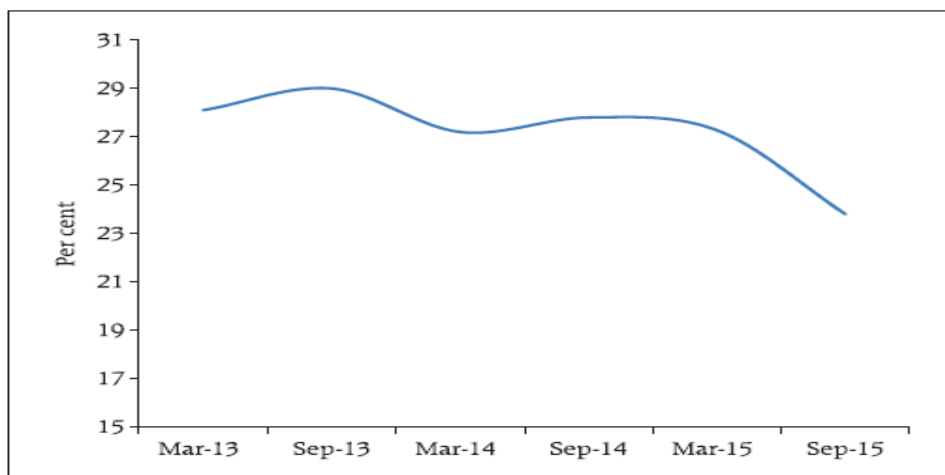
Source: RBI supervisory returns.

(Source: Financial Stability Report: December 2015)

Capital Adequacy:

As per the extant guidelines, NBFCs are required to maintain a minimum capital consisting of Tier-I and Tier-II capital, of not less than 15 per cent of their aggregate risk-weighted assets. The CRAR of NBFCs declined to 23.8 per cent as of September 2015 from 27.3 per cent as of March 2015. At the disaggregated level, eight NBFCs were unable to meet the regulatory required minimum CRAR of 15 per cent as of September 2015.

CRAR of the NBFC Sector:



Source: RBI supervisory returns.

As per the extant guidelines, NBFCs are required to maintain a minimum capital consisting of Tier-I and Tier-II capital, of not less than 15 per cent of their aggregate risk-weighted assets. The CRAR of NBFCs declined to 23.8 per cent as of September 2015 from 27.3 per cent as of March 2015, though this is well above the regulatory minimum requirement, the decline signifies that due to the stress in their loan portfolio, NBFCs are facing the risk on the capital front as well and may not have sufficient funds available with them in case of any exigency if the NPA levels are not brought under control. Thus RBI has stressed the importance of monitoring the balance sheets of the corporate and identifying the stress signals much in advance in order to avoid the contagion effect.

Another interesting aspect observed in the financial stability report is the interconnectedness in the financial system where NBFCs have emerged as net receivers. As of September 2015, the banking sector had an outstanding exposure close to 2 trillion to NBFCs. Further, the exposure of AMC-MFs and insurance companies to NBFCs displayed an increasing trend between March 2012 and September 2015 from ₹425 billion to Rs 1376 billion in case of AMC-MFs and ₹780 billion to ₹1064 billion respectively. It shows that NBFCs are moving from traditional sources of borrowing i.e banks to AMC-MFs and Insurance companies who subscribe to the commercial paper etc. issued by the NBFCs, which provides AMC-MFs and Insurance companies with high rate of returns and in turn also reduces the cost of funds for the NBFCs.

RBI has been looking at the entire financial system including NBFCs and is slowly trying to align the regulatory requirements between a bank and the NBFC to eliminate instances of regulatory arbitrage that exist right now. In the coming months we expect RBI to come up with guidelines for NBFCs which may align the NBFC regulations with that for banks. This is visible from RBI's effort to include the NBFCs in the joint lending forums and also the rationalizing the type of returns files by the NBFCs.

Future Prospects of the NBFC Sector

Going forward, high historical growth rates observed in the past may not be feasible since NBFCs would need to take up further capital raising exercise to be able to lend significant amounts. Hence, for the purpose of estimation the growth rate for FY11-17 is assumed at ~20 percent per annum which is at the same levels as commercial banks. The future projections of yearly growth in NBFCs Sector are furnished below –

NBFCs- Projections (INR billion)								
	FY11	FY12	FY13	FY14	FY15	FY16	FY17	
Credit (Infrastructure) –total outstanding	2,176	2,608	3,126	3,747	4,492	5,384	6,453	
Credit (Infrastructure) – yearly growth			518	620	744	892	1,069	3,844

Most Indian banks offer homogeneous services, which result in high competition in the industry on finer points, such as loan rates and interest rates. Many new entrants, especially non banking financial corporation's (NBFC), are expected to enter the industry in the coming years due to the new Banking License Guidelines of the RBI. High competition will benefit the industry in the long run by driving all banks (especially public sector banks) to improve their performance.

Recently, take-out financing arrangement has been permitted through ECB, under the approval route, for refinancing of Rupee loans availed from domestic banks by eligible borrowers in the port, airport, roads including bridges and power sectors for development of new projects. The impact of Suggested measures on availability of non- budgetary funds (INR billion) are furnished below -

Particulars	Funds Estimated	Additional Funds	Funds estimated (revised)
Commercial Banks	7,435	1,450	8,885
NBFCs	3,844	533	4,377
Insurance	1,507	4,522	6,030
ECBs	549	-	549
Total	13,337	6,505	19,843

(Source: www.deloitte.com)

To conclude, concrete policy and regulatory measures need to be undertaken. Some of the most important include measures taken to increase the breadth and the depth of the corporate bond markets in India.

BUSINESS OVERVIEW

This chapter should be read in conjunction with, and is qualified in its entirety by, the more detailed information about our Company and its financial statements, including the notes thereto, in the sections titled 'Risk Factors' and 'Financial Information' and chapter titled 'Management's Discussion and Analysis of Financial Condition and Results of Operations' beginning on pages 11, 117 and 136 respectively, of this Prospectus.

Unless stated otherwise, the financial data in this chapter is as per our financial statements prepared in accordance with Indian GAAP set forth elsewhere in this Prospectus. In this section only, any reference to "we", "us" or "our" refers to Franklin Leasing and Finance Limited.

OVERVIEW

Our Company was incorporated as Franklin Leasing and Finance Private Limited on March 16, 1992 under the Companies Act, 1956, bearing Registration No. 048028 having its Registered Office in Delhi. Subsequently, the Company became a Public Limited Company pursuant to a special resolution passed by the members of our Company at the EGM held on September 10, 2013 and the name of our Company was changed to Franklin Leasing and Finance Limited. A fresh Certificate of Incorporation consequent to conversion to a public limited company was issued on February 13, 2014 by the Registrar of Companies, Delhi.

Our Company is a NBFC registered with RBI to carry on NBFC Activities under Section 45-IA of the Reserve Bank of India Act, 1934 bearing Registration no. B-14.02383 dated May 22, 2001.

Our existing promoter i.e. Mr. Pawan Dalmia, and M/s. Confident Financial Advisory Pvt. Ltd. are not the original promoters of the company and have acquired controlling interest in the company in 2013. *For details regarding the share capital build-up of our company please see note 1(f) of the chapter titled "Capital Structure" beginning on page 44 of this Prospectus.*

We are a Non Deposit taking Non-systemically Important Non Banking Finance Company (NBFC-ND-NSI) engaged primarily in the business of advancing loans and investing/trading in securities. We have been running on a modest operating scale till the mid of FY 2013-14, however, post the induction of Mr. Pawan Dalmia who is a company secretary by qualification, we have commenced a process of improving our internal systems including but not limited to allocation Strategies, Financial Discipline and better utilization of our fund based portfolio, through which we have posted a Net Profit before tax of ₹46.51 lacs for the 6 months period ended September 30, 2015, ₹ 50.56 lacs for the year ended March 31, 2015 and ₹ 15.31 lacs for the year ended March 31, 2014. Our loan portfolio stood at ₹ 2555.32 lacs, ₹ 2222.43 lacs and ₹ 1912.52 lacs respectively in the above mentioned periods.

Our revenue from operations has decline from ₹104.39 lacs in F. Y. 2012-2013 to ₹102.82 lacs in F. Y. 2013-14. However, our revenues witnessed an increase of 79.67% to ₹184.74 lacs in F. Y. 2014-2015. For the 6 months period ended September 30, 2015, our Revenues were ₹ 103.81 lacs.

Our Profit before tax has increased from ₹ 9.68 lacs in FY 2012-13 to ₹ 15.31 lacs in FY 2013-14 and then further increased to ₹ 50.56 lacs in FY 2014-15. Our Profit before tax for 6 months period ended September 30, 2015 was ₹ 46.51 lacs. Our Total Loans have increased from a modest ₹ 154.45 lacs in 2011-12 to ₹ 2222.43 lacs as on March 31, 2015 and ₹ 2555.32 as on September 30, 2015. We propose to increase our operating efficiencies and scale and plan to become a notable player in the Finance and Investment Field in Northern India.

Business Strength:

- **Well Qualified and Experienced Promoter**

Our company is backed by a well qualified and experienced promoter. We believe that the past experience and industry networks of our senior management will help us in achieving our key business strategies. For further details

regarding the experience and qualifications of our management and promoter please see the chapter titled “*Our Management*” and “*Our Promoters and Promoter Group*” beginning on pages 93 and 105 of this Prospectus respectively.

- ***Long Standing Track-record and Established relationships***

Our company received its NBFC Registration in the year 2001. Hence, this company has been in the business of providing short term as well as longer duration loans and advances in the North Indian region for around a decade. Our newly inducted Promoter / Director – Mr. Pawan Dalmia along with our other directors proposes to utilise the readily available database of clients as well as long standing relationships with Capital Market Players to ensure effective utilisation of our assets and improve the overall operational and financial efficiencies of the company.

- ***Well Capitalised Balance Sheet***

As on March 31, 2015, our total net owned funds stood at ₹ 2,965.75 lacs where as our total outstanding liabilities (including provisions) stood at ₹ 34.79 lacs. We believe that, this is a good balance sheet situation and makes our long term sustainability more strong. Further, this issue will help us improve this capitalisation situation further. We believe that having a low debt high capital balance sheet helps us with the prospect of raising debt in the future, when we wish to expand our business opportunities and also acts a long term stability factor for our shareholders.

Business Strategy:

- ***Improve the investment process***

Our company has in the past made losses while investing and trading in securities. However, in an endeavour to generate higher risk adjusted returns, and because we believe that since we do not have a heavily leveraged balance sheet, and can afford to increase our exposure to risk assets, the Company will continue to trade and invest in Securities Markets and other avenues; however, we intend to improve our internal systems and processes in order to maximize the risk adjusted returns of the available assets. Further, we intend to assess better market opportunities for loans and advances and aim at diversifying the customer base in order to reduce per account risks. For details regarding our proposed Processes please see “*Key Business Processes*” and “*Summary of Key Policies*” beginning on pages 72 and 73 of this Prospectus respectively.

- ***Increase our client database***

The Company believes that business is a by-product of relationship. Since, most of our loans are short term as well as unsecured in nature, this business model is heavily reliant on client relationships that are established over period of time. The Company believes that a long term client relationship with large clients fetches better dividends. The Company intends to establish strategic alliances and share risks with companies whose resources, skills and strategies are complementary to the Company’s business and are likely to enhance its opportunities.

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

- ***Focus on other geographical areas and key cities to increase our market share***

Our company intends to extend its financing services in other geographical areas in India and target the cities that are financial centres. Accordingly, we initially intend to expand our reach to Kolkata by opening a full time office there and hence we have recently taken on rent a office space at Kolkata. For further details please refer to

“Properties” on page 70 of this Prospectus. Going forward, we also intend to open offices in other major cities such as Mumbai, Ahmedabad and Jaipur, however, the management has not yet finalised any concrete plans for the same.

DETAILS OF OUR BUSINESS

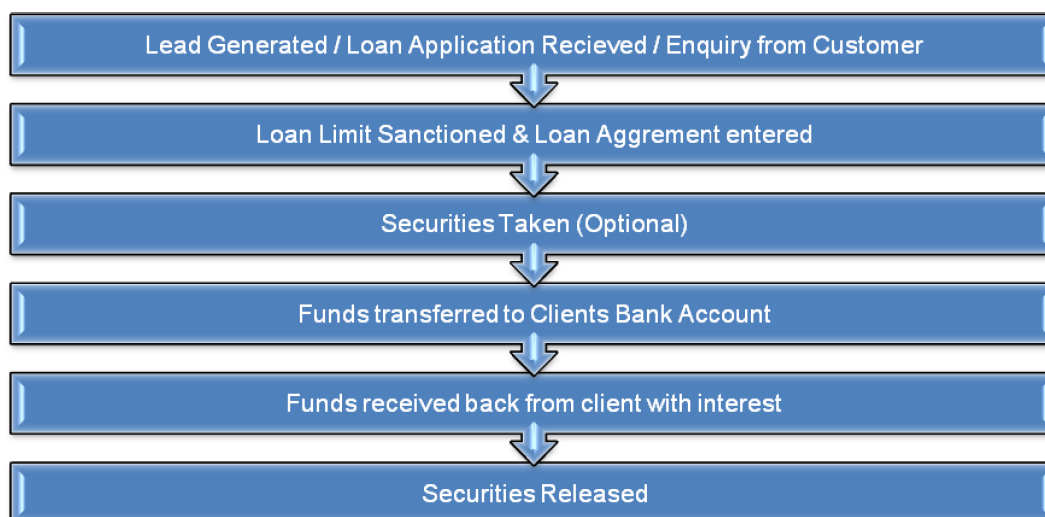
Location

Our Company’s registered office is located at Unit No.205, 2nd Floor, Aggarwal City Mall, Road No. 44, Pitampura, Delhi – 110034. We also operate from an office at Kolkata which is to be situated at 18, Rabindra Sarani Poddar Court, Gate No 4, 4th Floor, Room No. 4, Kolkata- 700001.–

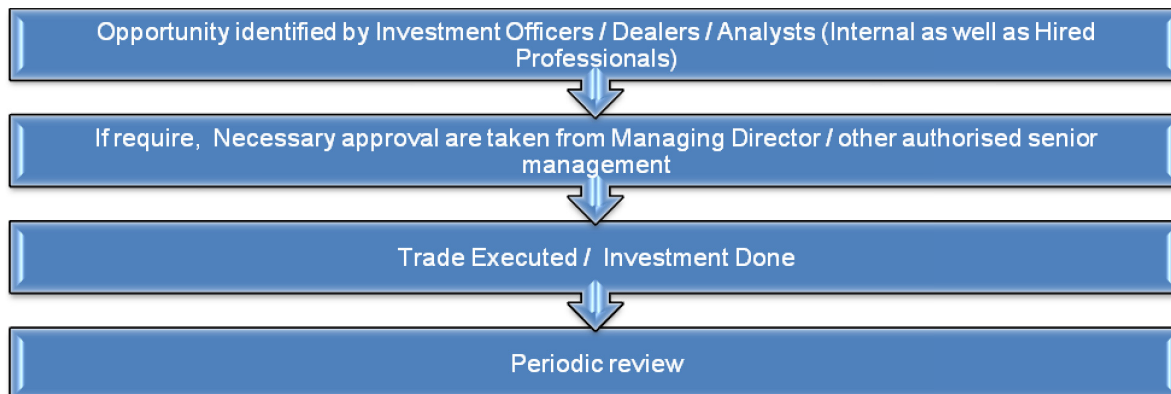
Key Business Processes

We have been running on a modest operating scale till the mid of FY 2013-14, however, post the induction of Mr. Pawan Dalmia who is a company secretary by qualification, we have commenced a process of improving our internal systems including but not limited to Trading Strategies, Financial Discipline and better utilization of our fund based portfolio.

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



FLOW CHART FOR PROPOSED PROCESS OF MAKING INVESTMENTS/TRADING BETS



Summary of our Key Policies

A. KYC Policy

A KYC policy document has been issued pursuant to RBI Notification DNBS (PD). CC 48/10.42/2004-05 dated February 21, 2005. Based on the same, we have internally approved key policy points which will be the form policy to follow certain customer identification procedure for opening of accounts / issue of new loans.

For Depositors

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

For Borrowers

1. No account will be opened in anonymous or fictitious/ benami name(s)
2. KYC forms will be taken from the borrower
3. Necessary checks will be done before opening a new account so as to ensure that the identity of the customer does not match with any person with known criminal background or with banned entities
4. PAN Card as proof of identity will be obtained from all clients
5. One of the proofs of address will be obtained from the clients as under Telephone bill, Bank account statement, Letter from any recognized public authority, Electricity bill and Ration card.
6. In all cases PMLA policy will be complied with.

B. Fair Practice Code

Pursuant to RBI Notification dated September 28, 2006, the Board of Directors of the company has adopted the following Fair Practices Code in its meeting held on October 22, 2013.

i. APPLICATIONS FOR LOANS AND THEIR PROCESSING

- a) The Loan application forms will be in English - for all corporate and business class borrowers and also for individuals. Based on relationships, application for loan may remain oral also.
- b) The Loan application form will be submitted in the vernacular language of the place where the office including branch of the Company is situated if the individual borrower does not understand English.

- c) Application form for loans should include necessary information which affects the Interest of the borrower; all the terms and conditions for loans to be advanced should be detailed in the application form itself.
- d) The loan application form will indicate the documents required to be submitted for processing the application.
- e) The Company will issue acknowledgment for receipt of all loan applications and such acknowledgement will also indicate the date within which the application will be disposed off which in normal case shall not exceed 30 working days from the date of receipt of the completed form. The Company will inform in writing to the borrower by means of a sanction letter the amount of loan sanctioned and all the terms and conditions including annualized rate of interest and method of application thereof. The company will keep the acceptance of these terms and conditions by the borrower on its record. The loan shall be disbursed only on receipt of such acceptance.
- f) Interest may be charged, depending on the collateral security and credit worthiness of the borrower. But this will be at the sole discretion of the lender.

ii. DISBURSEMENT OF LOANS INCLUDING CHANGES IN TERMS AND CONDITIONS

- a) The Company will give notice to the borrower of any change in the terms and conditions including disbursement schedule, interest rates, service charges, prepayment charges etc. Any change in interest rates and charges shall be effective only prospectively. An express condition in this regard will be incorporated in the loan agreement. Any decision to recall/accelerate payment or performance under the agreement / arrangement will be in consonance with the loan agreement / arrangement.
- b) The company will release all securities on repayment of all dues or on realization of the outstanding amount of loan subject to any legitimate right or lien for any other claim; the company may have against borrower. If such right of set off is to be exercised the borrower shall be given notice about the same with full particulars about the remaining claims and the conditions under which the company is entitled to retain the securities till the relevant claim is settled /paid.

iii. GENERAL

- a) The company will not interfere in the affairs of the borrower except for the purposes provided in the terms and conditions of the loan agreement / arrangement (unless new information, not earlier disclosed by the borrower, has come to the notice of the lender).
- b) In case of receipt of request from the borrower for transfer of borrowal account, the consent or otherwise i.e. objection of the Company, if any, should be conveyed within 21 days from the date of receipt of request. Such transfer shall be as per transparent contractual terms in consonance with law.
- c) In the matter of recovery of loans, the company will not resort to undue harassment viz. persistently bothering the borrowers at odd hours, use of muscle power for recovery of loans etc.
- d) The Board of Directors of the company will constitute a grievance redressal committee comprising of one of the directors to resolve disputes arising in this regard. Such a mechanism should ensure that all disputes arising out of the decisions of lending institutions' functionaries are heard and disposed of at least at the next higher level. The Board of Directors should also provide for periodical review of the compliance of the fair practices code and the functioning of the grievances redressal mechanism at various levels of management. A consolidated report of such reviews may be submitted to the Board at regular intervals, as may be prescribed by it.
- e) The Company is not a NBFC-MFI company and therefore the clause is not applicable to the Company.

At present the Company does not give loans against collateral of gold jewellery. However, the Company shall comply with Fair Practice Code in this regard as and when it starts lending against collateral of Gold Jewellery.

f) GRIEVANCE REDRESSAL POLICY

1. All grievance made by the customers will be recorded in the Register maintained by the Company which will be serially numbered and will be available at all times.
2. All grievances even if discharged orally for the time being a written reply will be made duly appreciating their issues and the initiative by the company for addressing their issues.
3. A Grievance Redressal meeting will be held at the end of every six month and all customers will be invited to the said meeting so that their grievances are heard for betterment of services to them.
4. The Grievance Redressal officer will be available to hear the issues of all customers between 4.00 PM and 6.00 PM daily. In the event of him not being available the immediate senior officer in the Company will attend the customer.
5. A Display Board will be kept at the Office of the Company which will show:

SR. NO	PARTICULARS
1.	Grievances at the beginning of the month
2.	Grievances received during the month
3.	Grievances resolved during the month
4.	Grievances at the end of the month

PRODUCTS AND SERVICES

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

Existing Businesses

Business / Personal Loans (Unsecured Loans): Business / Personal Loan is an unsecured loan, mainly offered to Individuals and small businesses including proprietorship firms & MSMEs, which doesn't require any security and can be availed for any purpose like marriage, personal use, business working capital, expansion, etc. The tenure of these loans given to clients is generally up to 1 year and shown as short term loans and advances in the balance sheet.

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

Loan Book Profile and Composition

Our company's loan book has seen fast growth in the last few years. Our loan book has grown from ₹ 154.45 lacs in FY 2012 to ₹ 2222.43 lacs as on March 31, 2015 and ₹ 2555.32 lacs as on September 30, 2015.

The following table explain the same in detail:

(₹ in lacs)					
Sr. No.	Particulars	30-Sep-15	Fiscal 2015	Fiscal 2014	Fiscal 2013
1	Opening Balance of Loan Book	2222.43	1912.52	1164.60	154.45
2	Addition during the period	922.81	1,844.24	1,371.39	1,374.95

Sr. No.	Particulars	30-Sep-15	Fiscal 2015	Fiscal 2014	Fiscal 2013
3	Reduction during the period	589.92	1,534.33	623.47	364.80
4	Closing Balance of Loan Book	2,555.32	2,222.43	1,912.52	1,164.60

Over the last few years, since the induction of Mr. Pawan Dalmia as the Director, our loan portfolio has grown substantially. This is in line with our management's desire to realise non-interest bearing asset and to convert the same into interest bearing and is an on-going process within the Company. However, certain portion of our assets (approximately ₹ 456.30 lacs) is not interest bearing, mainly in form of investments, inventories and related advances. In future, if we are not able to generate adequate returns from the same or realize / convert the same into interest bearing loan portfolio, then this could adversely affect our results from operations.

As on date, all our outstanding loans are on a fixed rate of interest. Due to the variable nature of the tenure of these loans and some of them being repayable on demand / short notice, the range of interest being charged is very wide depending on client to client and on a transaction to transaction basis. Our Company is consciously targeting segments wherein the requirement for short term loans is not being met by the regular banking channels. The key target customers are real estate, construction, infrastructure, logistics and other such working capital hungry businesses. Further, our customers are concentrated in the Delhi Region. We believe that sustained growth in the Indian economy will result in urbanization and significant development in small and medium businesses, resulting in an increase in requirement of finance to fulfil personal needs and expand their business needs. Hence, we plan to in a phase wise manner open operations in other important Indian cities starting with Kolkata.

We believe that even though our business model is unable to secure long duration interest income stability; as compared to the general situation in the finance sector (wherein substantial lenders are facing stress due to recoveries of longer duration loans); our strategy of small duration loans would help us in ensuring our asset strength and provide a competitive advantage.

Proposed Businesses:

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

Retail IPO Funding / Loan against Shares: We propose to provide loans to retail investors who wish to apply / subscribe in an IPO by granting them loan against shares to be allotted to them in the IPO. In case the allotment money is refunded, the application money is refunded and the loan is immediately closed and in case of allotment, loan is repayable within 6 months. Interest shall be payable every quarter.

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

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

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

COMPETITION

In financial services, the Company competes with NBFCs as well as large commercial banks. NBFCs dominated India's retail credit market during the 1990s and early 2000s. However, during the past five years, large commercial banks have invested significant amounts to develop the infrastructure to offer financial services. As a result of these efforts, large commercial banks now dominate this market. Following the entry of commercial banks, there is significant competition in the Indian financial services market.

MARKET TRENDS

Our business is dependent on general economic scenario and favourable financial market conditions and other factors that affect the overall business environment in India. In recent years, the Indian and world markets have fluctuated considerably. The Indian financial markets have been witnessing volatile conditions for some time now. There are many factors outside our control which may offset future increases or result in a decline in business. Our strategy is to de-risk by having multiple growth revenue streams.

GROWTH IN THE INDIAN ECONOMY

The Indian economy continued to exhibit resilience and the strength of its domestic absorption to register a growth of 7.2 per cent during the first half (H1) of 2015-16. Economic growth, measured in terms of growth in GDP at constant market prices (real GDP), improved from 7.0 per cent in the first quarter (Q1) of 2015-16 to 7.4 per cent in Q2 2015-16. In addition to robust growth, the year thus far has witnessed macro-economic stability aided by favourable factors such as comforting inflation indicators, benign fiscal situation and improving external current account balance. With the reforms process gathering momentum, along with low inflation which should help in keeping a benign interest rate regime, one can expect the full year growth of real GDP to be in the range of 7 and 7.5 per cent. IMF, in its World Economic Outlook released in January 2016, has estimated India's GDP growth to be 7.3 per cent, 7.5 per cent and 7.5 per cent in the years 2015, 2016 and 2017 respectively.

REGULATORY DEVELOPMENTS

We are regulated by the Companies Act and some of our activities may be subject to supervision and regulation by statutory and regulatory authorities including the SEBI, RBI and Stock exchanges. For more information, see "Key Industry Regulations and Policies" on page 80 of this Prospectus. We are therefore subject to changes in Indian law, as well as to changes in regulations, government policies and accounting principles.

RECRUITMENT AND RETENTION OF EMPLOYEES

We are dependent on our Directors, Senior Management and other Key Personnel. There is high demand in the Indian financial services industry for senior management and qualified employees and we must reward employees in line with the market to remain competitive and to retain as well as attract well-qualified individuals. In addition, our employee base has to increase as our network grows and as we have entered into new business areas.

OUR CLIENTELE BASE

Our Company provides loans to customers ranging to various industries viz. Pharmaceuticals, Real Estate, Infrastructure, Logistics, I.T etc. The percentage of income derived from top 5 and top 10 customers in the last two financial years and six months period ended September 30, 2015 is given below:

(₹ in lacs)

Sr. No.	Particular	Six months ended September 30, 2015		FY ended March 2015		FY ended March 2014	
		Interest Income	%age	Interest Income	%age	Interest Income	%age
1	Income from Top 5	25,46,440	24.53%	65,34,096	27.91%	49,04,948	52.09%

	Customers (%)						
2	Income from Top 10 Customers (%)	43,66,450	42.06%	10,231,424	43.71%	65,17,431	69.22%

COLLABORATION/JOINT VENTURES

The company has no collaborations/joint venture agreement.

EXISTING CAPACITY & CAPACITY UTILIZATION

Capacity and Capacity Utilization is not applicable to our Company.

HUMAN RESOURCES


As on date of this Prospectus, the Company has 6 employees including directors.

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

INSURANCE

The Company has not taken any insurance cover at present..

INTELLECTUAL PROPERTY RIGHTS

The logo  and the name "Franklin Leasing and Finance Limited" is currently being registered in the name of the Company. We have filed an application dated 13.01.2015 before the Trade Mark Registry for registration of its name and logo under Class 36. The application is pending for registration.

PROPERTIES

Leasehold Properties

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

Location	Type of Property	Name of Lessor / Owner	Rent	Rent Period
Unit No.205, 2nd Floor, Aggarwal City Mall, Road No. 44,Pitampura, Delhi - 110034	Rental	Mr. Vipin Mittal	₹ 21,000 p.m.	11 months beginning from October 01, 2015
18, Rabindra Sarani, Poddar Court, Gate No. 4, 4th Floor, Room No. 4, Kolkatta – 700001	Rental	Ridhi Sidhi Advisory Pvt. Ltd.	₹ 7,000 p.m.	36 months beginning from March 02, 2016

Freehold Property / Land

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

LEGAL PROCEEDINGS

Other than as described in the chapter titled "Outstanding Litigation and Material Developments" beginning on page 147 of this Prospectus, the Company is not currently a party to any proceedings and no proceedings are known by it



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to be contemplated by government authorities or third parties, which, it believes, if adversely determined, would have a material adverse effect on its business, prospects, financial condition or results of operations.

KEY INDUSTRY REGULATIONS AND POLICIES

The following description is a summary of the relevant regulations and policies as prescribed by the Government of India and other regulatory bodies that are applicable to the Company being a part of the non-banking industry/investment industry. The information detailed in this chapter has been obtained from various legislations, including rules and regulations promulgated by the regulatory bodies that are available in the public domain. The regulations and policies set out below may not be exhaustive, and are only intended to provide general information to the investors and are neither designed nor intended to be a substitute for professional advice. 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”.

A. NBFC Regulations

The Reserve Bank of India Act, 1934

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

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

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

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

In terms of Section 45- IA of the RBI Act, no NBFC shall commence or carry on the business of a non-banking financial institution without obtaining a Certificate of Registration (“**CoR**”). The NBFC must have a net owned fund of ₹ 200 lakhs to be considered for the grant of CoR by the RBI. The RBI also has the power to exempt certain NBFCs from the requirement of obtaining the CoR. Further, every NBFC is required to submit to the RBI a certificate, latest by June 30 every year, from its statutory auditor stating that it is engaged in the business of non-banking financial institution requiring it to hold a CoR.

Capital Reserve Fund

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

Maintenance of Liquid Assets

In exercise of powers conferred under Section 45 NC read with Section 45-IB (1) of the RBI Act, the RBI through Notification No. DFC.121/ED(G)-98 dated January 31, 1998, as amended has prescribed that every NBFC shall invest and continue to invest in unencumbered approved securities valued at price not exceeding the current market price of such securities an amount which shall, at the close of business on any day be not less than 10% in approved securities and the remaining in unencumbered term deposits in any scheduled commercial bank; the aggregate of which shall not be less than 15% of the public deposit outstanding at the last working day of the second preceding quarter.

The RBI vide its Circular RBI 2008-09/329 dated December 23, 2008 allowed systematically important NBFCs which are non-deposit-taking (“NBFCs-ND-SI”) to raise short-term foreign currency borrowings, under the approval route, subject to certain conditions. NBFCs-ND-SI with assets size 10,000 Lacs and above were earlier permitted to raise funds by issuing perpetual debt instruments that could be included in their Tier 1 capital by the RBI CIRCULAR RBI /2008-09/253 dated October 29, 2008.

Prudential Norms

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

- Is holding investments in the securities of its group/holding/ subsidiary companies where the book value of such holding is not less than 90% of its total assets and it is not trading in such securities;
- Is not accepting /holding public deposit; and
- Is not a systemically important non-deposit taking NBFC.

In terms of the Prudential Norms Directions, all NBFCs-ND with an asset size of 10,000 Lacs or more as per its last audited balance sheet will be considered as a systematically important NBFC-ND. RBI Circular RBI/2008-09/491 dated June 4, 2009 has clarified that once an NBFC reaches an asset size of 10,000 Lacs or above, it shall come under the regulatory requirements for NBFC-ND-SI as stated above, despite not having such assets as on the date of last balance sheet. Therefore, all non-deposit taking NBFCs may comply with RBI regulations issued to NBFC-ND-SI from time to time, as and when they attain an asset size of ₹ 10,000Lacs, irrespective of the date on which such size is attained.

Asset Classification

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

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

Vide Circular dated November 10, 2014 bearing number RBI/2014-15/299 the RBI has prescribed a revised regulatory framework for NBFCs. In terms of the Circular, it is mandatory for all NBFCs to attain a minimum

net-owned fund of ₹ 200 lakhs by the end of March 2017. Towards this objective, the NBFCs will first be required to achieve a net-owned fund of ₹100 lakh by the end of March 2016 and thereafter ₹200 lakhs by the end of March 2017. NBFCs failing to achieve the prescribed ceiling within the stipulated time period shall not be eligible to hold the CoR as NBFCs. RBI will initiate the process for cancellation of CoR against such NBFCs. The Circular also provides revised threshold for defining systemic significance for NBFCs-ND. Henceforth, those NBFCs-ND which have asset size of ₹ 500 crores and above as per the last audited balance sheet will be considered as NBFCs-ND-Sis. As per the Circular, NBFCs that are a part of the corporate group will not be viewed on a standalone basis. The total assets of NBFCs in a group including deposit taking NBFCs, if any, will be aggregated to determine if such consolidation falls within the asset sizes of the two categories being (i) NBFCs-ND (those with assets of less than ₹ 500 crores) and (ii) NBFCs-ND-SI (those with assets of ₹ 500 crores and above) and will be applicable to each of the NBFC-ND within the group. For this purpose, Statutory Auditors would be required to certify the asset size of all the NBFCs in the Group. However, NBFC-D, within the Group, if any, will be governed under the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Direction 1998 and Non-Banking Financial (Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 and other applicable Directions. The definition of the word “Group” will be the same as per Accounting Standards. “Companies in the Group”, shall mean an arrangement involving two or more entities related to each other through any of the following relationships

- Subsidiary – parent (defined in terms of AS 21),
- Joint venture (defined in terms of AS 27),
- Associate (defined in terms of AS 23),
- Promoter –promotee [as provided in the SEBI (Acquisition of Shares and Takeovers) Regulations, 1997],
- For listed companies, a related party (defined in terms of AS 18), common brand name, and investment in equity shares of 20% and above.

Further, NBFCs-ND with asset size of less than ₹500 crores, are exempted from the requirement of maintaining CRAR and complying with Credit Concentration Norms. NBFCs-ND with asset size of ₹50 crores and above are required to constitute Audit Committee.

Guidelines on Fair Practices Code

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

- Inclusion of necessary information affecting the interest of the borrower in the loan application form.
- Devising a mechanism to acknowledge receipt of loan application and establishing a time frame within which such loan applications shall be disposed.
- Conveying, in writing, to the borrower the loan sanctioned and terms thereof. The acceptance of terms should be kept in its record by the NBFC.
- Giving notice to the borrower of any change in the terms and conditions and ensuring that changes are effected prospectively.
- Refraining from interfering in the affairs of the borrower except for the purpose provided in the terms and conditions of the loan agreement.
- Not resorting to undue harassment in the matter of recovery of loans.

There have been no grievances whatsoever pending for redressal.

Know Your Customer Guidelines

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

Norms for Excessive Interest Rates

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

Opening of Offices or Undertaking Investment Abroad by NBFCs

The RBI has issued the Non-Banking Financial Companies (Opening of Branch/Subsidiary/Joint Venture/Representative Office or Undertaking Investment Abroad by NBFCs) Directions, 2011 making provisions for extending no objection certificate for opening of branch/subsidiary/representative office or undertaking investment abroad by NBFCs. These guidelines amongst others require every NBFC to obtain prior approval of the RBI for opening of subsidiaries/Joint Ventures/representative office abroad or for undertaking investment in foreign entities.

Anti Money Laundering

The RBI has issued a Master Circular dated July 1, 2009 to ensure that a proper policy frame work for the Prevention of Money Laundering Act, 2002 (“PMLA”) is put into place. The PMLA seeks to prevent money laundering and provides for confiscation of property derived from, or involved in money laundering and for other matters connected therewith or incidental thereto. It extends to all banking companies, financial institutions, including NBFCs and intermediaries. Pursuant to the provisions of PMLA and the RBI guidelines, all NBFCs are advised to appoint a principal officer for internal reporting of suspicious transactions and cash transactions and to maintain a system of proper record:

- (i) For all cash transactions of value of more than ₹ 1 million;
- (ii) All series of cash transactions integrally connected to each other which have been valued below ₹ 1 million where such series of transactions have taken place within 1 (one) month and the aggregate value of such transaction exceeds ₹1 million.

Further, all NBFCs are required to take appropriate steps to evolve a system for proper maintenance and preservation of account information in a manner that allows data to be retrieved easily and quickly whenever

required or when requested by the competent authorities. Further, NBFCs are also required to maintain for at least 10 (ten) years from the date of transaction between the NBFCs and the client, all necessary records of transactions, both domestic or international, which will permit reconstruction of individual transactions (including the amounts and types of currency involved if any) so as to provide, if necessary, evidence for prosecution of persons involved in criminal activity.

Additionally, NBFCs should ensure that records pertaining to the identification of their customers and their address are obtained while opening the account and during the course of business relationship, and that the same are properly preserved for at least 10 (ten) years after the business relationship is ended. The identification records and transaction data is to be made available to the competent authorities upon request.

Dealing in Securities

Securities regulation in India takes place under the provisions of the Companies Act, 1956, the Companies Act, 2013, Security Contract (Regulation) Act, 1956, Securities and Exchange Board of India Act, 1992, Depositories Act, 1996 and the Rules & Regulations promulgated there under. All the investments in securities and the advances of loan / money made to the customers by the Company is in accordance with and consistent with the provisions of the above said Laws governing the dealing in securities. The Company is not in violation of any of the provisions while dealing in securities.

Securitization

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

Insider Trading Regulations

SEBI (Prohibition of Insider Trading) Regulations, 2015 (“**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. As per Regulation 3(1) of the Insider Trading Regulations, no insider shall communicate, provide or allow access to any unpublished price sensitive information, relating to a company or securities listed or proposed to be listed, to any person including other insiders except where such communication is in furtherance of legitimate purposes, performance of duties or discharge of legal obligations. As per Regulation 7(2), every promoter, employee and director of every company shall disclose to the company the number of such securities acquired or disposed as specified in the Insider Trading

B. Labour Laws

The Company is required to comply with various labour laws, including the Minimum Wages Act, 1948, the Payment of Wages Act, 1936, Equal Remuneration Act, 1979.

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 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.

Intellectual Property

The Trademarks Act, 1999

Under the Trademarks Act, 1999 (“**Trademarks Act**”), 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 (ten) years, which may be renewed for similar periods on payment of a prescribed renewal fee

C. Tax Related Legislations

Income-tax Act, 1961

The Income-tax Act, 1961 (“**IT Act**”) is applicable to every Company, whether domestic or foreign whose income is taxable under the provisions of the IT Act or Rules made thereunder 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.

D. Other Laws

The Delhi Shops and Establishments Act, 1954 (“DSE Act”)

The Company has its registered office at Unit No.205, Second Floor, Aggarwal City Mall, Road No.44, Pitampura, Delhi, 110034, India and accordingly the provisions of the DSE Act are applicable to the Company.

The DSE Act regulates the conditions of work and employment in shops and commercial establishments and generally prescribes obligations in respect of registration, opening and closing hours, daily and weekly working hours, holidays, leave, health and safety measures and wages for overtime work.

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 coloured 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 (₹ Fifty Thousand only).

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 recognises, 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 recognises 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 (“**the Registration Act**”) was passed to consolidate the enactments relating to the registration of documents. The main purpose for which the Registration Act was designed was to ensure information about all deals concerning land so that correct land records could be maintained. The Registration Act is used for proper recording of transactions relating to other immovable property also. The Registration 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 Indian Stamp Act, 1899 (“**the Stamp Act**”) which is enacted by the Central Government. All others 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 (“**the Specific Relief Act**”) is complimentary to the provisions of the Contract Act and the Transfer of Property Act, 1882, as it applies both to movable property and immovable property. The Specific Relief 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 (“**the 1956 Act**”) deals with laws relating to companies and certain other associations. It was enacted by the parliament in 1956. The 1956 Act primarily regulates the formation, financing, functioning and winding up of companies. The 1956 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 1956 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 notified 98 Sections of the Companies Act, 2013 and the same are applicable from the date of the aforesaid notification. A further 183 Sections have been notified on March 26, 2014 and have become applicable from April 1, 2014. The Ministry of Corporate Affairs, has also issued rules complementary to the Companies Act, 2013 establishing the procedure to be followed by companies in order to comply with the substantive provisions of the Companies Act, 2013.

E. Regulations regarding Foreign Investment

Foreign investment in NBFCs is governed by the provisions of the FEMA read with the applicable regulations. The Department of Industrial Policy and Promotion (“**DIPP**”), Ministry of Commerce and Industry has issued ‘Consolidated FDI Policy Circular of 2015’ (the “**FDI Circular**”) which consolidates the policy framework on Foreign Direct Investment (“**FDI**”), with effect from May 12, 2015. The FDI Circular consolidates and subsumes all the press notes, press releases, and clarifications on FDI issued by DIPP till May 11, 2015. All the press notes, press releases, clarifications on FDI issued by DIPP till May 11, 2015 stand rescinded as on May 12, 2015.

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 May 12, 2015 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 Broking;
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 capitalisation 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) 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.
- c) 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) above and (d) below.
- d) 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.
- e) The aforesaid will subject to compliance of RBI guidelines
- f) Further, it may be noted that leasing and finance covers only financial leases and not operating leases. FDI in operating leases is permitted upto 100% on the automatic route.

RBI has also issued the Master Circular on Foreign Investment in India dated July 01, 2015. 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 incorporated as Franklin Leasing and Finance Private Limited on March 16, 1992 under the Companies Act, 1956, bearing Registration No. 048028 having its Registered Office in Delhi. Subsequently, the Company became a Public Limited Company in pursuance to a special resolution passed by the members of our Company at the EGM held on September 10, 2013 and the name of our Company was changed to Franklin Leasing and Finance Limited. A fresh Certificate of Incorporation consequent to conversion to a public limited company was issued on February 13, 2014 by the Registrar of Companies, Delhi. The Company's Corporate Identity Number is U74899DL1992PLC048028 and its Registered Office is situated at Unit No. 205, 2nd Floor, Aggarwal City Mall, Road No. 44, Pitampura, Delhi - 110034.

Our Company is a NBFC registered with RBI to carry on NBFC Activities under Section 45(IA) of the Reserve Bank of India Act, 1934 bearing Registration no. B-14.02383 dated May 22, 2001.

Our existing promoters i.e. Mr. Pawan Dalmia and M/s. Confident Financial Advisory Private Limited are not the original promoters of the company and have acquired controlling interest in our Company in October 2013. For details regarding the share capital build-up of our company, please see note 1(f) of the chapter titled "Capital Structure" beginning on page 44 of this Prospectus.

We are a Non Deposit taking Non-systemically Important Non Banking Finance Company (NBFC-ND-NSI) engaged primarily in the business of advancing loans and investing/trading in securities. We have been running on a modest operating scale till the mid of FY 2013-14, however, post the induction of Mr. Pawan Dalmia who is a company secretary by qualification, we have commenced a process of improving our internal systems including but not limited to Trading Strategies, Financial Discipline and better utilization of our fund based portfolio, through which we have posted a Net Profit before tax of ₹ 46.51 lacs for six months period ended September 30, 2015, ₹50.56 lacs for the year ended March 31, 2015 and ₹15.30 lacs for the year ended March 31, 2014. Our loan portfolio stood at ₹ 2555.32 lacs, ₹ 2222.43 lacs and ₹ 1912.52 lacs respectively in the above mentioned periods.

For further details regarding our business operations, please see the chapter titled "Business Overview" beginning on page 70 of this Prospectus.

Our Company has 10 shareholders, as on the date of this Prospectus.

Major events in the history of Our Company:

YEAR	MAJOR EVENT
1992	Incorporation of our Company
2001	Received RBI License to carry our NBFC Activities (Non Deposit Taking Non Systemic)
2003	Buy- Back of 4,350 shares by the company
2013	Our current Individual Promoter Mr. Pawan Dalmia was inducted on the Board
2014	Conversion of our Company into a Public Limited Company
2015	Sub Division of the Face Value of the Equity Shares from ₹ 100 to ₹ 10 each
2015	Issue of Bonus Shares

For details on the changes in our Registered Office Address, please see "Changes in Registered Office of Our Company" on page 90 of this Prospectus.

Main Objects

The main object of our Company is as follows:

- ✓ To carry on the business of buying, selling, leasing, renting, letting on hire-purchase or easy payment system, house-hold and office furniture, domestic and business appliances, computers, addressing machines and other

sophisticated office machinery, all kinds of cylinders, motor cars, taxi-cabs, automobiles, tramcars, motor lorries, earthmoving machinery, wagons, cycles, coaches, garages, vehicles, agricultural instruments and machinery tools, plants, implements, utensils, apparatus and accessories, wireless, televisions and telephones, telex, tele-printers, and other apparatus, and carry on leasing of movable properties such as machinery and plant, all kind of furniture, apparatus, materials, goods and articles and to hire out or sell any of the same on hire purchase system or otherwise.

- ✓ To lend and advance money and assets of all kinds or give credit on any terms or mode and with or without security to any individual, firm, body corporate or any other entity (including without prejudice to the generality of the foregoing any holding company, subsidiary or fellow subsidiary of, or any other company whether or not associated in any way with, the company), to enter into guarantees, contracts of indemnity and surety ship of all kinds, to receive money on deposits or loan upon any terms, and to secure or guarantee in any manner and upon any terms the payment of any sum of money or the performance of any obligation by any person, firm or company (including without prejudice to the generality of the foregoing any holding company, subsidiary or fellow subsidiary of, or any other company associated in any way with, the company).
- ✓ To purchase or acquire, hold, trade, deal and further to dispose of any right, stake or controlling interest in the shares, stocks, debentures, debenture stock, bonds, all commodities and commodity derivatives, currency including their derivatives and F & O or securities of companies or partnership firms either singly or jointly with any other person(s), body corporate or partnership firm carrying out or proposing to carry out any activity in India or in any other part of the world.

Changes in Registered Office of our Company

Date of Change of Registered Office	Old Address	New Address
January 27, 2010	C-50, DDA Complex, Opp. Mool Chand Hospital, Defence Colony, New Delhi- 110 024	G-10/66, Ground Floor, Sector-15, Rohini, New Delhi- 110 085
October 20, 2014	G-10/66, Ground Floor, Sector-15, Rohini, New Delhi- 110 085	Unit No.205, 2nd Floor, Aggarwal City Mall, Road No. 44, Pitampura, Delhi - 110034

The changes in our registered office were to ensure greater operational efficiency.

Amendments to the Memorandum of Association

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

DATE	NATURE OF AMMENDMENT
December 18, 1999	The Authorised Share Capital was increased from ₹ 10,00,000 to ₹ 25,00,000
March 30, 2011	The Authorised Share Capital was increased from ₹ 25,00,000 to ₹ 70,00,000
March 31, 2011	The Authorised Share Capital was increased from ₹ 70,00,000 to ₹ 72,25,000
September 09, 2013	Conversion of Private Limited Company into Public Limited Company
January 10, 2015	Sub Division of the Face Value of the Equity Shares from ₹ 100 to ₹ 10 each
January 10, 2015	The Authorised Share Capital was increased from ₹72,25,000 to ₹ 16,00,00,000
February 27, 2015	Addition to the Object Clause Of Memorandum Of Association

Subsidiaries

As on the date of this Prospectus, there are no subsidiaries of our Company.

Holding Company

As on the date of this Prospectus, our Company does not have any holding company within the meaning of Companies Act, 1956.

Joint Ventures

As on the date of this Prospectus, there are no joint ventures of our Company.

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 since incorporation.

Financial Partners

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

Strategic Partners

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

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.

Injunctions or restraining orders

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

OUR MANAGEMENT

Board of Directors:

Our Company has four (4) Directors consisting of one (1) Executive Director and one (1) Non-Executive Director and two (2) Independent Directors. The following table sets forth the details of our Board of Directors as on the date of this Prospectus:

Sr. No.	Name, Current Designation, Address, Occupation, Term and DIN	Nationality	Age	Other Directorships
1	<p>Mr. Pawan Dalmia <i>Chairman & Managing Director</i></p> <p>Address: 206/1B, Bidhan Sarani, Kolkata West Bengal - 700 006</p> <p>Term: 3 years w.e.f. December 15,2014 to December 14,2017</p> <p>Occupation: Business</p> <p>Date of Birth: October 02, 1982</p> <p>DIN: 01541707</p>	Indian	33	<ul style="list-style-type: none"> • Orbit Techservices Pvt. Ltd. • Netbuzz Entertainment Pvt. Ltd. • Confident Financial Advisory Pvt. Ltd.
2	<p>Mr. Ramesh Dalmia <i>Non- Executive Director</i></p> <p>Address: 206/1B, Bidhan Sarani, Shreemani Market Kolkata West Bengal- 700 006</p> <p>Term: Liable to retire by rotation</p> <p>Occupation: Business</p> <p>Date of Birth: November 30, 1959</p> <p>DIN: 03257468</p>	Indian	56	<ul style="list-style-type: none"> • Orbit Techservices Pvt. Ltd. • Confident Financial Advisory Pvt. Ltd.

3	<p>Mrs. Pushaben Kothari <i>Non-Executive Independent Director</i></p> <p>Address: Shram Safalaya CHS LTD B / 14 Gymkhana Borsa Pada Road, Kandivali Mumbai Maharashtra - 400067</p> <p>Term: 3 years w.e.f. December 15,2014 to December 14,2017</p> <p>Occupation: Retired</p> <p>Date of Birth: September 27, 1946</p> <p>DIN: 06556945</p>	Indian	70	NIL
4	<p>Mrs. Shilpi Agarwal <i>Non-Executive Independent Director</i></p> <p>Address: Panchanan Apartment - Flat 402 /B 13, Nagendranath Road, Satgachi, Dumdum Kolkata, West Bengal - 700028</p> <p>Term : 3 years w.e.f. December 15,2014 to December 14,2017</p> <p>Occupation: Services</p> <p>Date of Birth: January 24, 1986</p> <p>DIN: 06933517</p>	Indian	30	NIL

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

Other Notes:

- None of the Directors on our Board are related to each other, except for Mr. Ramesh Dalmia, being the father of Mr. Pawan Dalmia.
- There are no arrangements or understanding with major shareholders, customers, suppliers or others, pursuant to which any of the Directors were selected as a Director.
- There is no service contracts entered into by the Directors with our Company providing for benefits upon termination of employment.
- None of the Directors is or was a director of any listed company during the last five years preceding the date of this Prospectus, whose shares have been or were suspended from being traded on the BSE or the NSE, during the term of their directorship in such company.
- None of the Directors is or was a director of any listed company which has been or was delisted from any recognised stock exchange in India during the term of their directorship in such company.

Brief Biographies of our Directors

Mr. Pawan Dalmia

Mr. Pawan Dalmia, aged 33 years, is the current Promoter of our company and is also our Chairman and Managing Director. He is a B.Com and ACS (Company Secretary) by qualification and has over 10 years of experience in business and secretarial consultancy. His business experience includes promoting companies in Technology and Media sectors. Having acquired control of our company in October 2013, he has been the driving force behind our improved systems and processes and growth in our loan book size in the last few periods. He has been appointed as Chairman and Managing Director on January 10, 2015 and he was on the Board of the Company since 2013.

Mr. Ramesh Dalmia

Mr. Ramesh Dalmia, aged 56 years, is the father of our promoter – Mr. Pawan Dalmia and is a Non-Executive Director in our company. He has completed his B. Com from University of Calcutta. He has over two decades of experience in business having been involved in family business of garments, and tech services. He was originally appointed as a Whole Time Director on December 15, 2014 and has been re-designated as Non – Executive Director on January 27, 2015.

Ms. Pushaben Kothari

Ms. Pushaben Kothari, aged 70 years, is a Non-Executive Independent Director of our company. She has a Bachelor's degree in Arts from University of Bombay has over 2 decades of experience in her family business, wherein her scope of work included Accounts, HR Management as well as Legal Liaisoning. She has also worked as a private tuition teacher for school kids on a free lance basis. She was originally appointed as an director on December 15, 2014.

Ms. Shilpi Agarwal

Ms. Shilpi Agarwal, aged 30 years, is an Non-Executive Independent Director of our company. She holds a Bachelor's degree in Commerce from University of Calcutta and is a certified chartered accountant. She has over 6 years of experience in the field of finance and accounts including 3 years articleship and. Over 3 years with Jiya Exim Pvt. Ltd. as Assistant Manager – (Accounts and Finance). She was originally appointed as an director on December 15, 2014.

Borrowing Powers of our Board of Directors

Our Company at its Extra-Ordinary General Meeting held on January 10, 2015, passed a resolution authorizing Board of Directors pursuant to the provisions of section 180 (1) (c) of the 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 ₹ 50 Crores.

Remuneration of Executive Directors

• Mr. Pawan Dalmia, Chairman and Managing Director

The compensation package payable to him as resolved in the shareholders meeting held on January 10, 2015 is stated hereunder:

Salary, allowances and Perquisites: ₹ 25,000/- per month (inclusive of all benefits)

Bonus: Nil

Commission: Subject to overall limit laid down in Section 197 of the Companies Act, 2013, such percentage of the net profit of the company as may be decided by the Board of Directors for each financial year.

Remuneration paid to Mr. Pawan Dalmia for FY 2014-15 was ₹ 75,000/-.

Compensation of Non-Executive Directors

The Board of Directors of the company have accorded their approval for payment of sitting fee, in their meeting held on January 20, 2015, whereby the Non-Executive / Independent Directors of our Company would be entitled to a sitting fee of ₹ 1,000 for attending every meeting of Board or its committee thereof.

Shareholding of Directors

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

Name of Directors	No. of Equity Shares held	% of Pre-Issue Paid Up Capital
Mr. Pawan Dalmia	80,000	0.69%
Mr. Ramesh Dalmia	Nil	Nil
Mrs. Pushpaben Kothari	Nil	Nil
Mrs. Shilpi Agarwal	Nil	Nil
TOTAL	80,000	0.69%

Interest of the Directors

All of our Directors may be deemed to be interested to the extent of fees payable to them for attending meetings of the Board or a committee thereof as well as to the extent of other remuneration and reimbursement of expenses payable to them under our Articles of Association, and to the extent of remuneration paid to them for services rendered as an officer or employee of our Company.

Our Directors may also be regarded as interested in the Equity Shares, if any, held by them or allotted to the companies in which they are interested as Directors, Members, and Promoters, pursuant to this Issue. All of our Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares.

Except as stated in this chapter titled “*Our Management*” and the chapter titled “*Related Party Transactions*” beginning on pages 93 and 116 of this Prospectus respectively, our Directors do not have any other interest in our business.

Our Directors have no interest in any property acquired by our Company within two years of the date of this Prospectus. Our Company has not taken any property on lease from our Promoter(s) within two years of the date of this Prospectus.

Changes in the Board of Directors in the last 3 years

Following are the changes in our Board of directors in the last three years:

Sr. No.	Name of Director	Date Of Appointment	Date Of Cessation	Reason for change
1	Mr. Pawan Dalmia	December 20, 2013	-	Appointment as Director
2	Mr. Ramesh Dalmia	December 15, 2014*	-	Appointment as Director
3	Mrs. Pushpaben Kothari	December 15, 2014	-	Appointment as Director
4	Mrs. Shilpi Agarwal	December 15, 2014	-	Appointment as Director
5	Mr. Ranjit Shrivastav	-	January 12, 2015	Resignation
6	Mr. Purushotam Agarwal	-	January 12, 2015	Resignation

* Mr. Ramesh Dalmia was originally appointed as a Executive Director on December 15, 2014; however he was re-designated as Non-Executive Director w.e.f January 27, 2015.

Corporate Governance

The provisions of the Companies Act 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with respect to Corporate Governance will be applicable to our Company immediately upon the listing of the Equity Shares of our Company with the Stock Exchanges. Our Company is in compliance with the requirements of the applicable section / regulations in respect of Corporate Governance, as specified, particularly those relating to composition of our Board and constitution of committees such as Audit Committee, the Stakeholder's Relationship Committee and the Nomination and Remuneration Committee.

Our Company undertakes to take all necessary steps to continue to comply with all the requirements of the Companies Act 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. In addition, our Company intends to adopt a code of conduct for prevention of Insider Trading.

Our Company has four (4) Directors consisting of one (1) Executive Director and one (1) Non-Executive Promoter Director and two (2) Non-Executive Independent Directors. The constitution of our Board is in compliance with the requirements of the Companies Act 2013.

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

1. Audit Committee
2. Stakeholder's Relationship Committee
3. Nomination and Remuneration Committee

1. Audit Committee

The Audit Committee of our Board was reconstituted by our Directors by a board resolution dated January 20, 2015 pursuant to section 177 of the Companies Act, 2013. The Audit Committee comprises of:

Name of the Member	Nature of Directorship	Designation in Committee
Shilpi Agarwal	Non-Executive Independent Director	Chairman
Pushpaben Kothari	Non-Executive Independent Director	Member
Ramesh Dalmia	Non-Executive Director	Member

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

- a) 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.
- b) 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.
- c) Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- d) Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
 - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013
 - Changes, if any, in accounting policies and practices and reasons for the same
 - Major accounting entries involving estimates based on the exercise of judgment by management
 - Significant adjustments made in the financial statements arising out of audit findings
 - Compliance with listing and other legal requirements relating to financial statements
 - Disclosure of any related party transactions
 - Qualifications in this Draft audit report.
- e) Reviewing, with the management, the half yearly financial statements before submission to the board for approval
- f) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
- g) Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- h) Approval or any subsequent modification of transactions of the company with related parties;
- i) Scrutiny of inter-corporate loans and investments;
- j) Valuation of undertakings or assets of the company, wherever it is necessary;
- k) Evaluation of internal financial controls and risk management systems;
- l) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
- m) 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.
- n) Discussion with internal auditors any significant findings and follow up there on.
- o) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- p) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.

- q) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- r) To review the functioning of the Whistle Blower mechanism,.
- s) 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.
- t) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Explanation (i): The term "related party transactions" shall have the same meaning as contained in the Accounting Standard 18, Related Party Transactions, issued by The Institute of Chartered Accountants of India.

Explanation (ii): If the Issuer has set up an audit committee pursuant to provision of the Companies Act, the said audit committee shall have such additional functions / features as is contained in this clause.

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
- 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. Stakeholder's Relationship Committee

The Shareholder and Investor Grievance Committee of our Board were reconstituted by our Directors pursuant to section 178 (5) of the Companies Act, 2013 by a board resolution dated January 20, 2015. The Shareholder and Investor Grievance Committee comprises of:

Name of the Member	Nature of Directorship	Designation in Committee
Shilpi Agarwal	Non-Executive Independent Director	Chairman
Pushpaben Kothari	Non-Executive Independent Director	Member
Ramesh Dalmia	Non-Executive Director	Member

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

- a) Allotment and listing of our shares in future
- b) 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;
- c) Monitoring transfers, transmissions, dematerialization, re-materialization, 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;
- d) Reference to statutory and regulatory authorities regarding investor grievances;
- e) To otherwise ensure proper and timely attendance and redressal of investor queries and grievances;
- f) 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.

Quorum and Meetings

The quorum necessary for a meeting of the Stakeholders Relationship Committee shall be two members or one third of the members, whichever is greater.

3. Nomination and Remuneration Committee

The Nomination and Remuneration Committee of our Board was reconstituted by our Directors pursuant to section 178 (1) of the Companies Act, 2013 by a board resolution dated January 20, 2015.

The Nomination and Remuneration Committee currently comprises of:

Name of the Member	Nature of Directorship	Designation in Committee
Shilpi Agarwal	Non-Executive Independent Director	Chairman
Pushpaben Kothari	Non-Executive Independent Director	Member
Ramesh Dalmia	Non-Executive Director	Member

The scope of Nomination and Remuneration Committee shall include but shall not be restricted to the following:

- a) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- b) Formulation of criteria for evaluation of Independent Directors and the Board;
- c) Devising a policy on Board diversity
- d) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. The company shall disclose the remuneration policy and the evaluation criteria in its Annual Report

Quorum and Meetings

The quorum necessary for a meeting of the Nomination and Remuneration Committee shall be two members or one third of the members, whichever is greater. The Committee is required to meet at least once a year.

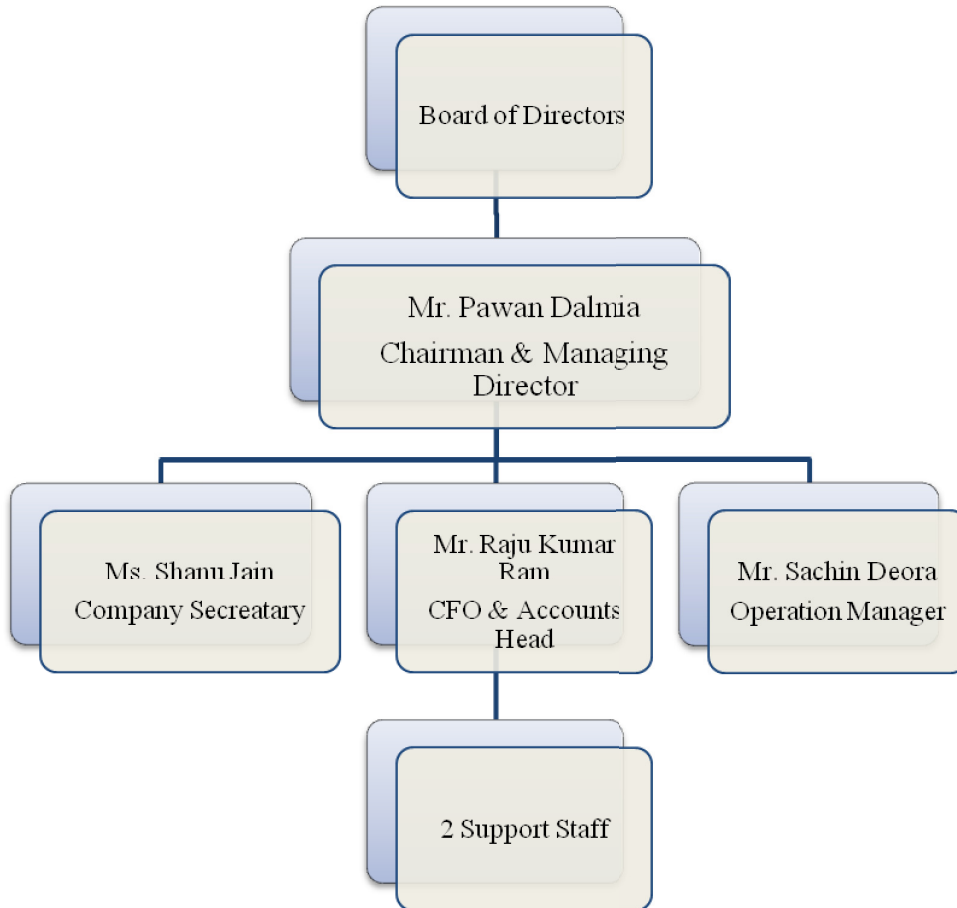
The Company Secretary of our Company acts as the Secretary to the Committee.

Policy on Disclosures & Internal procedure for prevention of Insider Trading

The SEBI (Prohibition of Insider Trading) Regulations, 2015 are applicable to listed companies as well as companies that are proposed to be listed. Since our Company is proposed to be listed, our Board has approved an Insider Trading Policy in the meeting of our Board held on March 16, 2015.

Ms. Shanu Jain, Company Secretary and Compliance Officer, is responsible for setting forth policies, procedures, monitoring and adhering to the rules for the prevention of dissemination of price sensitive information and the implementation of the code of conduct under the overall supervision of our Board.

Management Organisation Structure



Abbreviations:

C.F.O - Chief Financial Officer

Key Managerial Personnel

The details of our key managerial personnel are as below –

Name of the Employee	Designation & Functional Area	Appointment Date	Current C.T.C per month (₹)	Qualification	Name of Previous Employer(s)	Total Years of Experience
Shanu Jain	Company Secretary and Compliance Officer	December 15, 2014	25,000	C.S., B.Com	Sand Dune Construction Pvt. Ltd	9 years
Raju Kumar Ram*	Chief Financial Officer and Accounts Head	January 01, 2012*	20,000	B.Com	Mangalam Viniyog Pvt. Ltd. Burs Micro Finance	7 years
Sachin Deora	Operation Head	April 01, 2014	15,000	B.Com Diploma in NCFM	Dynamic Trading Co. P. Didwania & Co.	6 years

* Mr. Raju Kumar Ram was re-designated as CFO on December 15, 2014.

Other Notes –

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

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

Relationship amongst the Key Managerial Personnel

None of the aforementioned KMP are related to each other.

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

Shareholding of Key Managerial Personnel

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

Interest of Key Managerial Personnel

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

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

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

Loans taken by Key Management Personnel

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

Employee Share Purchase and Employee Stock Option Scheme

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

Payment or Benefit to our Officers

Except for the payment of salaries and yearly bonus, if any, we do not provide any other benefits to our employees.

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

Following are the changes in KMP in the last three years:


Name of the Employee / Designation	Date of Change	Nature of Change
Shanu Jain (Company Secretary and Compliance Officer)	December 15, 2014	Fresh Appointment
Raju Kumar Ram (Chief Financial Officer and Accounts Head)	December 15, 2014	Re-designation as CFO
Sachin Deora (Operation Head)	April 01, 2014	Fresh Appointment
Dilip Prajapati (Operation Head)	March 31, 2014	Resignation

OUR PROMOTERS AND PROMOTER GROUP

The Promoters of our Company are:

- 1) Mr. Pawan Dalmia (Individual Promoter)
- 2) M/s. Confident Financial Advisory Pvt. Ltd. (Corporate Promoter)

Brief profile of our Individual Promoter: Mr. Pawan Dalmia

	Identification	Details
	PAN	AHJPD5970E
	Passport No.	G1612121
	Driving License Number	WB-012007459445
	Voter's ID	HCH1556422
	Bank Account Number	30012109003
	Name of Bank & Branch	State Bank of India, Vivekananda Road Branch (Kolkatta)

For additional details on the age, background, personal address, educational qualifications, experience, positions / posts held in the past, terms of appointment as Directors and other directorships of our Individual Promoter, please see the chapter titled "Our Management" beginning on page 93 of this Prospectus.

For details on the build-up of our Individual Promoter's shareholding in our Company, please see "Capital Structure – Notes to Capital Structure" beginning on page 45 of this Prospectus.

Brief Profile of our Corporate Promoter: M/s. Confident Financial Advisory Pvt. Ltd. ("CFAPL")

Name	M/s. Confident Financial Advisory Pvt. Ltd.
Permanent Account Number	AADCC4022C
Company Registration Number	120413
Address of ROC with which the company was registered	Nizam Palace, 2nd MSO Building, 2nd Floor, 234/4, A.J.C.B. Road, Kolkata - 700020 (West Bengal)
Bank Account Number	02192560022201
Name of the Bank and Branch	HDFC Bank (Burra Bazar, Kolkata)

Corporate Information and Brief History

CFAPL was incorporated on November 19, 2007 as a private limited company under the Companies Act, 1956 as 'Confident Financial Advisory Pvt. Ltd.' and was registered with the Registrar of Companies, Kolkata. The registered office of CFAPL is situated at 14/2 Old China Bazar Street, 1st Floor, Kolkata – 700001, West Bengal. The Corporate Identification Number of the company is U74999WB2007PTC120413

CFAPL was originally incorporated by Mr. Bijay Kumar Agarwal and Mr. Dilip Kumar Yadav in 2007. Our current promoter Mr. Pawan Dalmia acquired substantial control (65.81%) of CFAPL in May 2009. Subsequently, Mr. Dalmia has also been inducted on the board of the company in October 2013.

CFAPL was not the original promoter of our company, however it currently holds 41,77,600 Equity Shares of our Company, which constitutes 36.14% of our Pre-Issue paid-up share capital. The Post –Issue shareholding of CFAPL will be 26.29%. For details of the build-up of CFAPL's shareholding in our Company, please see "Capital Structure – Notes to Capital Structure" on page 45 of this Prospectus. Further, we confirm that compliance with SEBI (SAST)

Regulations and SEBI Listing Regulations was not applicable, since shares of our company were not listed on any Stock Exchange in India at the time of the said acquisitions.

The Main Objects of CFAPL are as follows:

To Carry on business as consultants and /or render services on matters and problem relating to the industries, Administration, Management, Organisation, Accountancy, Taxation, Costing, Financial shares and Secretarial, Marketing, Import, Export, Commercial or economic activities labour statistical & to carry on the business of providing financial services in all its aspects to act as financial consultants and advices, to issue guarantees, to provided financial and Investment assistance to syndicate any financial arrangements whether in domestic markets or international market.

Board of Directors

The Board of Directors of CFAPL as on the date of this Prospectus is as follows:

- Pawan Dalmia
- Ramesh Dalmia

Shareholding Pattern

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

Sr. No.	Name of Shareholder	No. of Equity Shares Held	Shareholding (%)
A	Promoters & Promoter Group		
1	Pawan Dalmia	207300	65.81
	Total (A)	207300	65.81
B	Others (B)	107700	34.19
	GRAND TOTAL (A+B)	315000	100.00

Summary of Financial Information of CFAPL

The audited financial results of CFAPL for fiscals 2015, 2014 and 2013 are set forth below:

(₹ in lacs)

Sr. No.	Particulars	As at March 31		
		2015	2014	2013
1	Equity Capital	31.50	31.50	31.50
2	Reserves (excluding revaluation reserve) and Surplus	580.30	580.22	579.71
3	Income including other income	1.58	2.51	0.78
4	Profit/ (Loss) after tax	0.09	0.51	0.03
5	Earnings per share/ Diluted Earnings Per Share (face value of ₹10 each)	0.03	0.16	0.01
6	Net asset value per share	194.23	194.19	194.04

Other Confirmations

- ✓ The PAN, Bank Account Number and passport number of our Individual Promoter and the PAN, Bank Account Number, Company registration number, and the address of the RoC Office with which the company is registered have been submitted to the Stock Exchange at the time of filing of the Draft Prospectus with the Stock Exchange.

- ✓ Our Promoters, the members of our Group Companies and relatives of our Promoters (as per the Companies Act, 1956) have confirmed that they have not been identified as wilful defaulters by the RBI or any other governmental authority.
- ✓ No violations of securities laws have been committed by our Promoters or members of our Promoter Group or any Group Companies in the past or are currently pending against them. None of (i) our Promoters, members of our Promoter Group or Group Companies or persons in control of or on the boards of bodies corporate forming part of our Group Companies (ii) the Companies with which any of our Promoters are or were associated as a promoter, director or person in control, are debarred or prohibited from accessing the capital markets or restrained from buying, selling, or dealing in securities under any order or directions passed for any reasons by the SEBI or any other authority or refused listing of any of the securities issued by any such entity by any stock exchange in India or abroad.
- ✓ CFAPL is neither a sick company within the meaning of SICA nor has any winding up proceedings been initiated against CFAPL.
- ✓ CFAPL has not made any application to RoC for striking off its name. Additionally, neither CFAPL nor any of our Group Companies have become defunct in the five years preceding the date of this Prospectus.

Outstanding Litigation

There is no outstanding litigation against our Promoters except as disclosed in the section titled “Risk Factors” and chapter titled “Outstanding Litigation and Material Developments” beginning on pages 11 and 147 respectively of this Prospectus.

Loans granted or taken from Our Company

Except as stated in “Annexure XX – Restated Statement of Related Party Transactions” on page 134 of this Prospectus, CFAPL has not granted or taken any unsecured loan to our Company.

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

Except as disclosed below, the Individual Promoter of our company – Mr. Pawan Dalmia, has not disassociated themselves from any of the companies, firms or entities during the last three years preceding the date of this Prospectus:

Name of Company	Date of Sale of Shares / Ownership Stake	Date of Resignation from Directorship	Reason for disassociation
Unno Industries Limited	NA	July 22, 2013	Pre-Occupation
Infrastil Trading Private Limited	NA	November 28, 2013	Pre-Occupation
Livin Dragons Entertainment Private Limited	NA	November 28, 2013	Pre-Occupation
Richway Enterprises Private Limited	NA	November 28, 2013	Pre-Occupation
Line-One Trading Private Limited	NA	November 28, 2013	Pre-Occupation
Saura Healthcare Private Limited	NA	February 01, 2016	Pre-Occupation
Uniglory Developers Limited	NA	February 20, 2016	Pre-Occupation

In addition to the above, Our promoter – Mr. Pawan Dalmia was also a director in Ms/. Corporate Link Up Private Limited, however, the company has been voluntarily stricken-off from Roc and hence, would form part of the list of companies with which Mr. Dalmia has disassociated in the last three years.

The Corporate Promoter of our Company - M/s. Confident Financial Advisory Pvt. Ltd. has not disassociated with any Company during the preceding three years except in the normal course of business as disclosed above.

Experience of our Promoters in the business of Our Company

Mr. Pawan Dalmia has an experience of over 10 years in business as well as a secretarial consultant. Further he now has an experience of over 2 year in NBFC business. Our Individual Promoter is assisted by a team of professionals to manage the day to day operations of our Company.

Interests of Promoters

The Promoters are interested in the Company to the extent that they have promoted the Company and that they along with their relatives and other members of the Promoter Group; hold Equity Shares in the Company. For details on the shareholding of the Promoters and Promoter Group in the Company, please see the chapter titled “*Capital Structure*” beginning on page 44 of this Prospectus.

Our Individual Promoter is also a Director of our Company and hence may be interested to the extent of remuneration and reimbursement payable to him by the Company. For further details please see the chapter titled “*Our Management*” beginning on page 93 of this Prospectus.

Interest of Promoters in the Promotion of our Company

Our Company is currently promoted by Mr. Pawan Dalmia and M/s. Confident Financial Advisory Pvt. Ltd. in order to carry on its present business. Our Promoters are interested in our Company as mentioned above in this chapter and to the extent of their shareholding and directorship in our Company and the dividend declared, if any, by our Company.

Interest of Promoters in the Property of our Company

Our Promoters have confirmed that they do not have any interest in any property acquired by our Company within two years preceding the date of this Prospectus or proposed to be acquired by our Company as on the date of this Prospectus, other than as mentioned in the chapters titled “*Business Overview*” and “*Objects of the Issue*” beginning on pages 70 and 53 respectively of this Prospectus.

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

Interest as Director of our Company

Except as stated in “*Annexure XX - Statement of Related Party Transactions*” beginning on page 134 of this Prospectus, 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 for services rendered to us in accordance with the provisions of the Companies Act and in terms of our AoA.

Payment of benefits to the Promoters

Except as stated in “*Annexure XX - Related Party Transactions*” on page 134 of this Prospectus, there has been no payment of benefits to the Promoters during the two years preceding the date of this Prospectus.

Common Pursuits of Promoters

The Memorandum of articles of our promoter and our group companies allow them to carry out business activities which may be competitive in nature with our business. We have not entered into any contractual arrangements in order to avoid such conflict of interest in the future.

For details on the related party transactions, to the extent of which our Company is involved, please see “*Annexure XX - Related Party Transactions*” on page 134 of this Prospectus.

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

For details, please see “Annexure XX - Related Party Transactions” on page 134 of this Prospectus.

Interest of Promoters in our Company other than as Promoters

Other than as promoters, our Promoters are interested in our Company to the extent of their shareholding and directorship in our Company and the dividend declared, if any, by our Company. For details please see chapters titled “Our Management” and “Capital Structure” beginning on pages 93 and 44 respectively of this Prospectus.

Except as mentioned in this section and the chapters titled “Business Overview”, “Objects of the Issue”, “History and Certain Corporate matters” and “Financial Information-Related Party Transactions” beginning on pages 70, 53, 90 and 134 respectively, our Promoters do not have any interest in our Company other than as promoters.

Further, we confirm that our Company has neither made any payments in cash or otherwise to the Promoters or to firms or companies in which our Promoters are interested as members, directors or promoters nor have our Promoters been offered any inducements to become directors or otherwise to become interested in any firm or company, in connection with the promotion or formation of our Company otherwise than as stated under “Annexure XX - Related Party Transactions” on page 134 of this Prospectus.

OUR PROMOTER GROUP

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

1. Natural Persons who are Part of the Promoter Group

As per Regulation 2(1)(zb) of the SEBI (ICDR) Regulation, 2009, apart from Mr. Pawan Dalmia, the following natural persons (being the immediate relatives of our Promoter), shall form part of our Promoter Group:

Name of the Promoter	Name of the Relative	Relationship with the Promoter
Pawan Dalmia	Ramesh Dalmia	Father
	Sushila Devi Dalmia	Mother
	Manish Dalmia	Brother
	Vedika Dalmia	Daughter
	Deepa Dalmia	Spouse
	Motilal Poddar	Spouse’s Father
	Sunita Poddar	Spouse’s Mother
	Ishu Poddar	Spouse’s Brother

2. Other Relatives/Individuals or PACs and whose shareholding shall be considered as part of the Promoter Group: NIL.

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

As per Regulation 2(1)(zb) of the SEBI (ICDR) Regulations, 2009, other than the Corporate Promoter (i.e. CFAPL) the following entities shall form part of our Promoter Group:

Sr. No.	Relationship with Individual Promoter i.e. Mr. Pawan Dalmia	Name of Promoter Group Entity
(A)	Any Body Corporate in which ten per cent or more of the equity share capital is held by the promoters or an immediate relative of the promoters or a firm or Hindu Undivided Family in which the promoter or any one or more of his immediate relative is a member;	<ul style="list-style-type: none"> Orbit Techservices Pvt. Ltd. Netbuzz Entertainment Pvt. Ltd.

Sr. No.	Relationship with Individual Promoter i.e. Mr. Pawan Dalmia	Name of Promoter Group Entity
(B)	Any Body Corporate in which a body corporate as provided in (A) above holds ten per cent or more, of the equity share capital;	NIL
(C)	Any Hindu Undivided Family or firm in which the aggregate shareholding of the promoter and his immediate relatives is equal to or more than ten per cent of the total;	NIL

Sr. No.	Relationship with Corporate Promoter i.e. M/s. Confident Financial Advisory Pvt. Ltd.	Name of Promoter Group Entity
(A)	A subsidiary or holding company of such body corporate;	NA
(B)	Any Body 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
(C)	Any Body 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

OUR GROUP COMPANIES

In addition to our Promoter Group, as specified under the section “Our Promoters and Promoter Group” on page no. 131 of this Prospectus, the companies that form part of our ‘Group Companies’ are based on the requirements of the Schedule VIII of the SEBI (ICDR) Regulations, 2009, as amended.

Our Group Companies based on the above are:

- 1) Orbit Techservices Pvt. Ltd.
- 2) Netbuzz Entertainment Pvt. Ltd.

FINANCIAL INFORMATION OF GROUP ENTITIES

As per Schedule VIII (IX) (C) (2) of the SEBI (ICDR) Regulations 2009, the financial information of our group companies on the basis of Turnover, are given below:

1) Orbit Techservices Pvt. Ltd

Orbit Techservices Pvt. Ltd. (“OTPL”) was originally incorporated as ‘Nirmala Softex Pvt. Ltd.’ on February 18, 2009 as a private limited company under the Companies Act, 1956 and was registered with the Registrar of Companies, Kolkata. Subsequently the name of the company has been changed to ‘Orbit Techservices Pvt. Ltd.’ vide certificate dated August 02, 2011 issued by RoC, West Bengal. The registered office of OTPL is situated at 206/1B, Vidhan Sarani, Kolkata – 700006, West Bengal. The Corporate Identification Number of our company is U72900WB2009PTC132877

The Main Objects of OTPL are as follows:

To Carry on in India or elsewhere, the business of providing consulting services including implementation of technological solutions for business owners in the field of internet, mobiles and computers and to act as a consultant, advisor, developers, service provider and agent for website development, design and maintenance including blogs, usability improvements, web promotion through search engine, optimization, pay-per click, publicity through online and offline media and websites, web hosting and other website related businesses, development, upgradation and maintenance of software working on computers, internet and mobiles, internet sales and services of self developed and other products like software, e-books, physical books, information reports, displaying of other advertisements on our websites, content development for websites mobiles and related media, analysis and reports on improving results from the websites and softwares.

Board of Directors

The Board of Directors of OTPL as on the date of this Prospectus is as follows:

- Pawan Dalmia
- Ramesh Dalmia

Shareholding Pattern

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

Sr. No.	Name of Shareholder	No. of Equity Shares Held	Shareholding (%)
A	Promoters & Promoter Group		
1	Pawan Dalmia	7,500	23.44
2	Ramesh Dalmia	3,000	9.38
3	Manish Dalmia	3,000	9.38
4	Sushila Dalmia	3,000	9.38

	Total (A)	16,500	51.56
B	Others (B)	15,500	48.44
	GRAND TOTAL (A+B)	32,000	100.00

Summary of Financial Information of OTPL

The audited financial results of OTPL for fiscals 2015, 2014 and 2013 are set forth below:

(₹ in lacs)

Sr. No.	Particulars	As at March 31		
		2015	2014	2013
1	Equity Capital	3.20	3.20	3.20
2	Reserves (excluding revaluation reserve) and Surplus	1.60	1.64	1.20
3	Income including other income	16.82	18.38	20.39
4	Profit/ (Loss) after tax	0.12	0.44	0.52
5	Earnings per share/ Diluted Earnings Per Share (face value of ₹10 each)	0.39	1.38	1.64
6	Net asset value per share	15.02	15.13	13.75

2) Netbuzz Entertainment Pvt. Ltd

Netbuzz Entertainment Pvt. Ltd. (“NEPL”) was incorporated as ‘Netbuzz Entertainment Pvt. Ltd.’ on October 19, 2012 as a private limited company under the Companies Act, 1956 and was registered with the Registrar of Companies, Kolkata. The registered office of NEPL is situated at Room No.415, Marshal House, 33/1, N.S. Road, 4th Floor, Kolkata – 700001, West Bengal. The Corporate Identification Number of our company is U74900WB2012PTC187484

The Main Objects of NEPL are as follows:

To carry on the production of television programme, television serials, television reality shows, films, news based programmes, current affairs programmes in different Indian & other regional languages to broadcast on satellite television, cable, broadband, web, internet, radio and other broadcast medium and to print form of content publication in regional languages and to deal in establishing, maintaining and managing studios, television channels and films production equipment and facilities, producing, buying, selling, import and export of content and information in print, audio, video and any other form and also to carry on business as broadcaster, channel operators, publishers in India and abroad.

Board of Directors

The Board of Directors of NEPL as on the date of this Prospectus is as follows:

- Pawan Dalmia
- Sanjeev Sangneria
- Vishnu Agarwal

Shareholding Pattern

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

Sr. No.	Name of Shareholder	No. of Equity Shares Held	Shareholding (%)
A	Promoters & Promoter Group		
1	Pawan Dalmia	3,000	30.00
	Total (A)	3,000	30.00
B	Others (B)	7,000	70.00
	GRAND TOTAL (A+B)	10,000	100.00

Summary of Financial Information of NEPL

The audited financial results of NEPL for fiscals 2015, 2014 and 2013 are set forth below:

(₹ in lacs)

Sr. No.	Particulars	As at March 31		
		2015	2014	2013
1	Equity Capital	1.00	1.00	1.00
2	Reserves (excluding revaluation reserve) and Surplus	(24.39)	(23.50)	(11.14)
3	Income including other income	0.49	14.02	1.50
4	Profit/ (Loss) after tax	(0.89)	(12.36)	(11.14)
5	Earnings per share/ Diluted Earnings Per Share (face value of ₹10 each)	(8.95)	(123.64)	(111.37)
6	Net asset value per share	(233.95)	(225.00)	(101.40)

Other Confirmations w.r.t our group companies

- ✓ Unless otherwise stated, none of the entities forming part of the Promoter Group / Group Companies had remained defunct during the five years preceding the date of this Prospectus or is a sick company under the meaning of SICA and none of them are under winding up.
- ✓ All the Group Companies are unlisted companies and they have not made any Public Issue of securities (including rights) in the preceding three years.
- ✓ Our Group Companies have confirmed that they have not been identified as wilful defaulters by the RBI or any other governmental authority.
- ✓ No violations of securities laws have been committed by our Group Companies in the past or are currently pending against them. None of Group Companies or persons in control of or on the boards of bodies corporate forming part of our Group Companies are debarred or prohibited from accessing the capital markets or restrained from buying, selling, or dealing in securities under any order or directions passed for any reasons by the SEBI or any other authority or refused listing of any of the securities issued by any such entity by any stock exchange in India or abroad.
- ✓ No winding up proceedings been initiated against our Group Companies.

Nature and Extent of Interest of Group Companies***a) In the promotion of the Company***

None of the Group Companies have any interest in the promotion of the Company, except to the extent of their shareholding in the Company, if any. For details regarding the shareholding of our Group Companies in our company, please see the chapter titled “*Capital Structure*” beginning on page 44 of this Prospectus.

b) In the properties acquired or proposed to be acquired by the Company in the past two years

Our Company has not acquired nor does it propose to acquire any properties from its Group Companies.

c) In transactions for acquisition of land, construction of building and supply of machinery

None of the Group Companies have any interest in any transactions for acquisition of land, construction of building and supply of machinery by our Company.

Related Business Transactions within the Group Companies and Significance on the Financial Performance of the Company

For details, please see the chapter titled “*Annexure XX - Related Party Transactions*” on page 134 of this Prospectus.

Business Interest of Group Companies in the Company

Except as disclosed above, and in the chapters titled “*Business Overview*” and “*Related Party Transactions*” beginning on pages 70 and 116 respectively of this Prospectus, none of the Group Companies have any business interest in our Company.

Sale / Purchase between Group Companies

For details, please see the chapter titled “*Annexure XX - Related Party Transactions*” on page 134 of this Prospectus.

DIVIDEND POLICY

Under the Companies Act, 2013, 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.

RELATED PARTY TRANSACTIONS

For details of the related party transactions, please see “*Annexure XX - Restated Statement of Related Party Transactions*” on page 134 of this Prospectus.

SECTION VI - FINANCIAL INFORMATION

RESTATED FINANCIAL INFORMATION OF FRANKLIN LEASING AND FINANCE LIMITED

To
The Board of Directors
Franklin Leasing and Finance Limited
Unit/ No.205, Second Floor, Aggarwal City Mall,
Road No.-44, Pitampura , Delhi – 110034

Dear Sirs,

1. We have examined the attached **Restated Financial Information of Franklin Leasing And Finance Limited (FLFL)**, as at 30th September, 2015, 31st March 2015, 31st March 2014, 31st March 2013, 31st March 2012 and 31st March 2011 and **Restated Profit & Loss and Cash Flow Statements** for the years ended 30th September, 2015, 31st March 2015, 31st March 2014, 31st March 2013, 31st March 2012 and 31st March 2011 for **Franklin Leasing And Finance Limited** (Collectively the “**Restated Financial Statements**”), as approved by the Board of Directors of **FLFL** prepared in terms of the requirements of Sub-clauses (i) and (iii) of clause (b) of sub-section (1) of section 26 of the Companies Act 2013 (the “**Act**”) read with Rule 4 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 (“**the Rules**”) 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 Officer (IPO) of equity shares at ₹ 10/- each at a premium of ₹ 5/- 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 six month period ending 30th September, 2015, Financial Years ended 31st March 2015, 31st March 2014, 31st March 2013 audited by Anil Hariram Gupta & Co., Chartered Accountant, being the statutory auditors and the same is re-audited by us for the six month period ending 30th September, 2015 and Financial Year 31st March 2015 and for the Financial Year 31st March 2012 and 31st March 2011 audited by M/s. P. K. Singh & Associates, Chartered Accountants, being the Statutory auditors for those years. We did not carry out any validation tests or review procedures of financial statements for aforesaid financial year audited by M/s P. K. Singh & Associates, Chartered Accountants and M/s. Anil Hariram Gupta & Co., Chartered Accountants and upon which we have placed our reliance while reporting.
3. Information of the Company for the Financial Years ended 31st March 2011 and 31st March 2012 are based solely on financial statements audited by M/s. P. K. Singh & Associates, being the Statutory Auditors of the Company for such period and for the six month period ending 30th September, 2015 and Financial Year ended 31st March 2015, 31st March, 2014 and 31st March 2013 are based solely on financial statements audited by Anil Hariram Gupta & Co., Chartered Accountant, being the statutory auditors and the same is re-audited by us for the Financial Year 31st March 2015 and books of account underlying those financial statements and other records of the Company, to the extent considered necessary, for the presentation of the Restated Summary Statements under the requirements of Revised Schedule VI of the Act, in relation to the years ended 31st March 2011.
4. In accordance with the requirements of sub-clauses (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) Rules, 2014, the SEBI Regulations; Revised Guidance Note on Reports in Company Prospectuses (as amended from time to time) issued by the Institute of Chartered Accountants of India (the “**ICAI**”) and the term of our engagement agreed with you, we further report that:
 - i. The Restated Summary Statement of Assets and Liabilities of the Company as at 30th September, 2015, 31st March 2015, 31st March 2014, 31st March 2013, 31st March 2012 and 31st March 2011 as set out in “**Annexure I**” to this report read with the Significant Accounting Policies and related Notes in “**Annexure IV and V**” respectively, 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 Summary of Profit & Loss Statement of the Company for the six month period ending 30th September, 2015 and Financial Year ended 31st March 2015, 31st March 2014, 31st March 2013, 31st March 2012 and 31st March 2011 as set out in “*Annexure II*” to this report read with the significant accounting policies and related Notes in Annexure IV and V respectively, 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 Annexures prepared by the Management and approved by the Board of Directors relating to the Company for the six month period ending 30th September, 2015 and Financial Year ended 31st March 2015, 31st March 2014, 31st March 2013, 31st March 2012 and 31st March 2011.

Annexure III	Restated Statement of Cash Flows
Annexure IV	Significant Accounting Policies
Annexure V	Notes to Accounts
Annexure VI	Restated Statement of Reserves & Surplus
Annexure VII	Restated Statement of Fixed Assets
Annexure VIII	Restated Statement of Other Non-Current Assets
Annexure IX	Restated Statement of Current Investment
Annexure X	Restated Statement of Inventories
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Annexure XII	Restated Statement of Cash and Cash Equivalents
Annexure XIII	Restated Statement of Loans and Advances
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Annexure XVII	Restated Statement of Revenue from Operations
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Annexure XX	Restated Statement of Accounting Ratios
Annexure XXI	Restated Statement of Related Party Transactions

In our opinion and to the best of our information and according to the explanations given to us, the restated financial statements read together with the notes thereon, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, to the extent applicable;

- a. In the case of the Statement of Assets and Liabilities of the company as at 30th September, 2015, 31st March 2015, 31st March 2014, 31st March 2013, 31st March 2012 and 31st March 2011;
- b. In the case of the Statements of Profit & Loss, of the profit of the company for the period / years ended on that date; and
- c. In the case of the Cash Flow Statement, of the cash flows of the company for the period / years ended on that date.

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

For V. N. Purohit & Co.,
Chartered Accountants
(Firm Registration No. 304040E)

O. P. Pareek
Partner
Membership No: 014238

Place: New Delhi
Date: March 4, 2016

ANNEXURE I: RESTATED STATEMENT OF ASSETS AND LIABILITIES

(₹ in lakhs)

Particulars	As on September 30, 2015	As on March 31,				
		2015	2014	2013	2012	2011
EQUITY AND LIABILITIES						
Share Holder's Fund						
Equity Share Capital	1,155.84	1,155.84	72.24	72.24	72.24	72.24
Reserves & Surplus	1,842.05	1,809.91	2,861.26	2,846.58	2,847.82	2,847.45
Non Current Liabilities						
Long Term Provisions	6.55	6.55	3.82	7.91	-	-
Current Liabilities						
Trade Payables	10.04	4.90	614.27	549.26	11.32	0.02
Short Term Provisions	14.75	23.34	7.72	2.99	0.16	0.01
Current Liabilities			-	0.50	-	-
Total	3,029.23	3,000.54	3,559.28	3,479.46	2,931.52	2,919.70
ASSETS						
Non-Current Assets						
Fixed Assets	-	-	0.17	0.20	0.23	0.27
Deferred Tax Asset	0.07	0.07	0.02	0.02	0.02	0.02
Capital & Amortised Expenses W/off	0.16	0.16	0.32	0.49	0.65	-
Current Assets						
Current Investment	-	61.45	-	253.00	2,530.25	2,909.50
Trade Receivables	0.67	0.67	3.50	-	-	0.17
Cash and Cash Equivalents	12.65	15.38	87.69	51.79	4.34	9.76
Short Term Loans and Advances	3,005.50	2,868.19	3,444.54	3,165.95	395.53	-
Other Current Assets	4.06	35.55	16.58	8.04	0.52	-
Inventories	6.12	19.08	6.48	-	-	-
Total	3,029.23	3,000.54	3,559.28	3,479.46	2,931.52	2,919.70

ANNEXURE II: RESTATED STATEMENT OF PROFITS AND LOSSES

(₹ in lakhs)

Particular	For period ending September 30, 2015	For the year ended on March 31,				
		2015	2014	2013	2012	2011
REVENUE						
Revenue from Operations						
Total Income	103.81	184.74	102.82	104.39	5.37	0.18
EXPENSES						
Purchases	-	59.40	87.54	85.72	-	-
Changes in Inventories	12.96	(12.60)	(6.48)	-	-	-
Employee Benefit Expenses	18.05	16.00	3.72	7.14	3.31	-
Financial Cost	-		0.10	0.08	0.02	0.01
Depreciation and Amortization Expenses	-	0.33	0.19	0.19	0.20	0.04
Other Administrative Expenses	26.29	71.06	2.44	1.58	1.31	0.10
Total Expenditure	57.30	134.19	87.51	94.71	4.84	0.15
Net Profit/(Loss) Before Tax	46.51	50.56	15.31	9.68	0.53	0.03
Less: Provision for Taxation						
Current Years Income Tax	14.37	15.62	4.73	2.99	0.16	0.01
Deferred Tax (Asset)\Liability		(0.05)	-	0.01	(0.01)	(0.01)
Prior Period Expenses/(Income)			-	-	-	-
Total	14.37	15.57	4.73	3.00	0.15	0.00
Net Profit After Tax but Before Extraordinary Items	32.14	34.98	10.58	6.68	0.38	0.03
Extraordinary items			-	-	-	0.01
Net Profit After Extraordinary Items Available for Appropriation	32.14	34.98	10.58	6.68	0.38	0.02

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

Particular	As on September 30, 2015	As on March 31,				
		2015	2014	2013	2012	2011
CASH FLOW FROM OPERATING ACTIVITIES						
Net Profit (adjusted) Before Tax and Extra-ordinary Items	46.51	50.56	15.31	9.68	0.53	0.03
Adjustments for						
Depreciation & amortisation exp.	-	0.33	0.19	0.19	0.20	0.04
Interest Expenses	-	-	-	-	-	-
Operating Cash Generated Before Working Capital Changes and Taxes	46.51	50.89	15.50	9.87	0.73	0.07
(Increase)/Decrease in Inventories	12.96	(12.60)	(6.48)	-	-	-
(Increase)/Decrease in Loans & Advances	(105.83)	557.38	(287.14)	(2,777.94)	(396.05)	5.50
(Increase)/Decrease in Receivables	-	2.83	(4.00)	-	0.17	-
(Increase)/Decrease in Other Current Assets	-	-	-	-	-	-
Increase/(Decrease) in Payables	5.14	(609.38)	65.02	537.93	11.31	(0.11)
Increase/(Decrease) in Other Current Liabilities	-	-	-	0.50	-	-
Operating Cash Generated Before Taxes	(41.22)	(10.88)	(217.10)	(2,229.64)	(383.84)	5.46
Less : Income Tax paid (MAT/FBT)	(22.96)	(0.00)	(0.00)	(0.16)	(0.02)	0.01
Net Cash Generated from Operating Activities (A)	(64.18)	(10.88)	(217.10)	(2,229.80)	(383.86)	5.45
CASH FLOW FROM INVESTING ACTIVITIES						
Purchase of Fixed Assets (Net)	-	-	-	-	-	-
Other Investments	61.45	(61.45)	253.00	2277.25	379.25	(2,582.00)
Deferred revenue expenses	-	-	-	-	(0.81)	-
Net Cash Flow from Investing Activities (B)	61.45	(61.45)	253.00	2277.25	378.44	(2,582.00)
CASH FLOW FROM FINANCING ACTIVITIES						
Proceeds from Issue of Share Capital and Application Money	-	-	-	-	-	51.65
Securities Premium on Share Allotment	-	-	-	-	-	2530.85
Proceeds / (Repayment) from/of Long-term Borrowings	-	-	-	-	-	-
Proceeds / (Repayment) from/of short-term Borrowings	-	-	-	-	-	-
Interest Expenses	-	-	-	-	-	-
Net Cash Flow from Financing Activities (C)	-	-	-	-	-	2,582.50
Net Increase/(decrease) in Cash and Cash Equivalents (A+B+C)	(2.73)	(72.33)	35.90	47.45	(5.42)	5.95
Opening Balance of Cash and Cash	15.38	87.69	51.79	4.34	9.76	3.81

Equivalents						
Closing Balance of Cash and Cash Equivalents	12.65	15.38	87.69	51.79	4.34	9.76

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

ANNEXURE IV

SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Preparation of Financial Statements

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

Presentation and disclosure in financial statements

During the year ended March 31, 2012 the revised Schedule VI notified under the companies act 1956, had become applicable to the company, for preparation and presentation of its financial statements. The adoption of revised schedule VI does not impact recognition and measurement principles followed by the company for preparation of financial statements. However, it has significant impact on presentation and disclosure made in financial statements. The company has also reclassified the previous year figures in accordance with the requirement applicable in current year.

B. Use of Estimates

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

C. Own Fixed Assets

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

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

D. Depreciation

Depreciation on Fixed Assets has been provided only on the assets which are put to use by W.D.V. Method of Depreciation at the rates and manner prescribed under Schedule XIV of the Companies Act, 1956 (in current year Schedule II of Companies Act, 2013) as amended. The depreciation has been provided on pro rata basis for the assets purchased during the period.

E. Revenue Recognition

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

F. Inventories

The general practice adopted by the Company for valuation of inventory is at cost or market value, whichever is lower.

G. Foreign Currency Transactions

There are no Foreign Currency Transactions in our Company.

H. Investment

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

I. 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.

J. Employees Benefit:

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

K. 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 NBFC / Investing Activities of the company. All other revenues/incomes are show as Other Income.

L. 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.

M. Taxation:

Provision for current tax is made after taking into consideration benefits admissible under the provisions of The Income-tax Act, 1961.

Deferred tax resulting from "timing difference" between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date.. Deferred Tax assets are recognized only to the extend there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be adjusted.

N. Provisions, Contingent Liabilities and Contingent Assets:

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

O. 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.

ANNEXURE V NOTES TO ACCOUNTS

1. Managerial Remuneration

(₹ in lakhs)

Particulars	For period ending September 30, 2015	For the Year Ended March 31,				
		2015	2014	2013	2012	2011
<i>Whole Time Directors Remuneration</i>						
Salaries and Allowances	-	0.75	-	-	-	-
<i>Non Whole Time Directors Remuneration</i>						
Sitting Fees	-	-	-	-	-	-

2. Deferred Tax

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 and Disallowable Gratuity. Deferred Tax Asset is recognized for business losses as per Income Tax Act and Disallowable Gratuity 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 lakhs)

Particulars	For period ending September 30, 2015	For the Year Ended March 31,				
		2015	2014	2013	2012	2011
Opening Balance of Deferred Tax Assets	0.07	0.02	0.02	0.02	0.02	0.01
Diff. In Depreciation between accounting books and tax return for the year end	-	0.05	0.01	0.01	0.01	0.03
Provision for gratuity disallowable u/s. 43B of the Income Tax Act, 1961	-	-	-	-	-	-
Tax Rate	30.90%	30.90%	30.90%	30.90%	30.90%	30.90%
Closing Bal. of Deferred Tax (Liability) / Asset	0.07	0.07	0.02	0.02	0.02	0.02

3. Remuneration to Statutory Auditors:

(₹ in lakhs)

Particulars	For period ending September 30, 2015	For the year ended March 31,				
		2015	2014	2013	2012	2011
Audit Fees	-	0.15	0.15	0.11	0.08	0.02
Taxation Matters	-	-	-	-	-	-
ROC Matters	-	-	-	-	-	-
Total	-	0.15	0.15	0.11	0.08	0.02

- The balance of sundry debtors, Creditors, Loans & advances are subject to their confirmation and reconciliation if any.
- 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.

7. 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.

8. There no audit qualification in last five years and the stub period.

9. Accounting for taxes on income

Provision for current tax is made based on the tax payable under the current provisions of the tax laws applicable in the jurisdiction where the income is assessable.

10. Contingent Liability

There are no Contingent Liabilities in the Company as on March 31, 2015 and September 30, 2015.

11. Earnings Per share

Basic & Diluted Earnings per Share is calculated on Weighted Average number of Equity shares during the year.

12. Previous year figures have been re-grouped and reclassified wherever necessary to confirm to the current year classification.

13. Information regarding Foreign Exchange earnings and expenditure:

Earning in Foreign Exchange: NIL

Expenditure in Foreign Exchange: NIL

ADJUSTMENTS MADE OF RESTATED FINANCIAL STATEMENTS DUE TO REPRESENTATION UNDER NEW FORMAT OF SCHEDULE VI OF THE COMPANIES ACT, 1956

(₹ in lakhs)

Particulars	For period ending September 30, 2015	For the Year Ended March 31,				
		2015	2014	2013	2012	2011
RECONCILIATION OF CURRENT ASSETS AND LOANS & ADVANCES						
As per Balance Sheet						
Current Assets	-	-	-	-	-	9.93
Loans & Advances	-	-	-	-	-	-
Total						9.93
Restated as follows	N.A	N.A	N. A	N. A	N. A	
Cash and Cash Equivalents	-	-	-	-	-	9.76
Trade Receivables	-	-	-	-	-	0.17
Short Term Loans and Advances	-	-	-	-	-	-
Other Current Assets	-	-	-	-	-	-
Total	-	-	-	-	-	9.93
RECONCILIATION OF CURRENT LIABILITIES & PROVISIONS						
As per Balance Sheet						
Current Liabilities & Provisions	-	-	-	-	-	0.03
Total	-	-	-	-	-	0.03
Restated as follows	N.A	N.A	N. A	N. A	N. A	
Trade Payables	-	-	-	-	-	0.02
Short Term Provisions	-	-	-	-	-	0.01
Total	-	-	-	-	-	0.03
RECONCILIATION OF EXPENSES						

Particulars	For period ending September 30, 2015	For the Year Ended March 31,				
		2015	2014	2013	2012	2011
As per Profit & Loss A/c						
Audit fee	-	-	-	-	-	-
Accounting Charges	-	-	-	-	-	0.02
Office expenses	-	-	-	-	-	-
Legal & Professional Charges	-	-	-	-	-	-
Printing and Stationary	-	-	-	-	-	0.02
Salary Expenses	-	-	-	-	-	0.01
Other Administrative Expenses	-	-	-	-	-	-
Total	-	-	-	-	-	0.06
Restated as follows	N.A	N.A	N. A	N. A	N. A	0.11
Employee Benefit Expenses	-	-	-	-	-	-
Finance Cost	-	-	-	-	-	-
Other Administrative Expenses	-	-	-	-	-	0.01
Total	-	-	-	-	-	0.10
Difference in PAT	-	-	-	-	-	0.11

OTHER ADJUSTMENTS MADE IN RESTATED FINANCIAL STATEMENTS

(₹ in lakhs)

Particulars	For period ending September 30, 2015	For the Year Ended March 31,				
		2015	2014	2013	2012	2011
RECONCILIATION OF CURRENT LIABILITIES & PROVISIONS						
As per Balance Sheet						
Trade Payables	10.04	4.90	614.27	549.26	11.32	-
Short Term Provisions	14.75	23.34	7.72	2.99	0.16	-
Total	24.79	28.24	621.99	552.25	11.48	-
Restated as follows						N. A
Trade Payables	10.04	4.90	614.27	549.26	11.32	-
Short Term Provisions	14.75	23.34	7.72	2.99	0.16	-
Other Current Liabilities				0.50	-	-
Total	24.79	28.24	621.99	552.75	11.48	-
Difference in Current Liabilities & Provision	-	-	-	0.50⁽¹⁾	-	-
RECONCILIATION OF CURRENT ASSETS AND LOANS & ADVANCES						
As per Balance Sheet						
Cash & Bank Balances	12.65	15.38	87.69	51.79	4.34	-
Inventories	6.12	19.08	6.48	-	-	-
Trade Receivables	0.67	0.67	3.50	(0.50)	-	-
Short Term Loans & Advances	3,009.57	2,903.74	3,461.12	3,173.99	396.05	-
Total	3,029.01	2,938.87	3,558.79	3,225.28	400.39	-
Restated as follows						N. A
Cash and Cash Equivalents	12.65	15.38	87.69	51.79	4.34	-
Inventories	6.12	19.08	6.48	-	-	-
Trade Receivables	0.67	0.67	3.50	-	-	-
Short Term Loans and Advances	3,009.57	2,903.74	3,444.54	3,165.95	395.53	-
Other Current Assets	-	-	16.58	8.04	0.52	-
Total	3,029.01	2,938.87	3,558.79	3,225.78	400.39	-

Particulars	For period ending September 30, 2015	For the Year Ended March 31,				
		2015	2014	2013	2012	2011
Difference in Current Assets and Loans & Advances	-	-	-	(0.50) ⁽¹⁾	-	-

The Balance Sheet items are internally regrouped wherever necessary. However, this does not have any impact the Net Profit of the Company.

(₹ in lakhs)

Particulars	For period ending September 30, 2015	For the Year Ended March 31,				
		2015	2014	2013	2012	2011
RECONCILIATION OF INCOME						
As per Profit & Loss A/c						
Sales	-	-	-	-	-	-
Interest Income	-	-	-	-	-	-
Revenue from Operations	103.81	184.74	102.82	104.39	5.37	-
Total	103.81	184.74	102.82	104.39	5.37	-
Restated as follows						
Sales			8.65	14.88	-	-
Interest Income on Loans	103.81	234.08	94.16	89.51	5.37	-
Loss on future transaction of Quoted shares	-	(49.33)	-	-	-	-
Total	103.81	184.74	102.81(2)	104.39	5.37	-
Difference in PAT	-	-	-	-	-	-
RECONCILIATION OF EXPENSES						
As per Profit & Loss A/c						
Employee Benefit Expenses	18.05	16.00	3.72	7.14	3.31	-
Depreciation & Amortization	-	0.33	0.19	0.19	0.20	-
Other Administrative Expenses	26.29	71.06	2.54	1.67	1.33	-
Total	44.34	87.39	6.45	9.00	4.64	-
Restated as follows						
Employee Benefit Expenses	18.05	16.00	3.72	7.14	3.31	-
Finance Cost	-	0.03	0.10	0.08	0.02	-
Depreciation & Amortization	-	0.33	0.19	0.19	0.20	-
Other Administrative Expenses	26.29	71.03	2.44	1.58	1.31	-
Total	44.34	87.39	6.45	9.00	4.64	-
Difference in PAT	-	-	-	-	-	-

Note:

(1) Advances received from customer of ₹ 0.50 lakhs in the FY 2012-13, shown as negative balance under Trade Receivables in the audited financials, now shown as Other Current Liabilities as per the restated financials.

(2) Income from I. T. Refund of ₹ 0.01 lakhs shown as Revenue from Operations in the audited financials for FY 2013-14, rectified and correctly shown as Other Income in the restated financials

ANNEXURE VI RESTATED STATEMENT OF RESERVES AND SURPLUS

(₹ in lakhs)

Particular	As on September 30, 2015	As on March 31,				
		2015	2013	2012	2011	2010
Share Premium Account	1,768.20	1,768.20	2,851.80	2,851.80	2,851.80	2,851.80
Profit & Loss Account	52.55	26.84	1.58	(10.98)	(8.41)	(8.70)

Particular	As on September 30, 2015	As on March 31,				
		2015	2013	2012	2011	2010
Special Reserves u/s 45-IC of the RBI Act, 1934	21.30	14.87	7.87	5.76	4.43	4.35
Total	1,842.05	1,809.91	2,861.26	2,846.58	2,847.82	2,847.45

**ANNEXURE VII
RESTATED STATEMENT OF FIXED ASSETS**

(₹ in lakhs)

Particular	As on September 30, 2015	As on March 31,				
		2015	2014	2013	2012	2011
Electrical Instruments	-	1.56	1.56	1.56	1.56	1.56
Add: Additions during the year	-	-	-	-	-	-
Less: Deductions during the year	-	-	-	-	-	-
Less: Accumulated Depreciation	-	1.56	1.39	1.37	1.33	1.30
Net Block	-	0.00	0.17	0.19	0.23	0.26
Furniture & Fixtures	-	0.12	0.12	0.12	0.12	0.12
Add: Additions during the year	-	-	-	-	-	-
Less: Deductions during the year	-	-	-	-	-	-
Less: Accumulated Depreciation	-	0.12	0.12	0.12	0.12	0.11
Net Block	-	0.00	0.00	0.00	0.00	0.01
Total	-	0.00	0.17	0.19	0.23	0.27

**ANNEXURE VIII
RESTATED STATEMENT OF OTHER NON-CURRENT ASSETS**

(₹ in lakhs)

Particular	As on September 30, 2015	As on March 31,				
		2015	2014	2013	2012	2011
Deferred Tax Assets	0.07	0.07	0.02	0.02	0.02	0.02
Deferred Revenue Expenses	0.16	0.16	0.32	0.49	0.65	-
Total	0.21	0.21	0.34	0.51	0.67	0.02

**ANNEXURE IX
RESTATED STATEMENT OF CURRENT INVESTMENT**

(₹ in lakhs)

Particular	As on September 30, 2015	As on March 31,				
		2015	2014	2013	2012	2011
Quoted Investment	-	-	-	-	-	-
Un-quoted Investment	-	61.45	-	253.00	2,530.25	2,909.50
Total	-	61.45	-	253.00	2,530.25	2,909.50

**ANNEXURE X
RESTATED STATEMENT OF INVENTORIES**

(₹ in lakhs)

Particular	As on September 30, 2015	As on March 31,				
		2015	2014	2013	2012	2011
Quoted Equity Shares	6.12	19.08	6.48	-	-	-
Bonds	-	-	-	-	-	-

Particular	As on September 30, 2015	As on March 31,				
		2015	2014	2013	2012	2011
Total	6.12	19.08	6.48	-	-	-

ANNEXURE XI
RESTATED STATEMENT OF TRADE RECEIVABLES
(₹ in lakhs)

Particulars	As on September 30, 2015	As on March 31,				
		2015	2014	2013	2012	2011
Debt outstanding exceeding six months:	-	-	-	-	-	-
Considered Good	-	-	-	-	-	-
Receivable from Promoter / Promoter Group Co.	-	-	-	-	-	-
Others	-	-	-	-	-	-
Sub - Total (A)	-	-	-	-	-	-
Debt outstanding not exceeding six months:	-	-	-	-	-	-
Considered Good	-	-	-	-	-	-
Receivable from Promoter / Promoter Group Co.	-	-	-	-	-	-
Others	0.67	0.67	3.50	(0.50)	-	0.17
Sub - Total (B)	0.67	0.67	3.50	(0.50)	-	0.17
Total (A+B)	0.67	0.67	3.50	(0.50)	-	0.17

ANNEXURE XII
RESTATED STATEMENT OF CASH AND CASH EQUIVALENTS
(₹ in lakhs)

Particular	As on September 30, 2015	As on March 31,				
		2015	2014	2013	2012	2011
Cash in hand	7.57	11.77	52.42	35.06	2.92	9.56
Bank Balances	5.08	3.60	35.27	16.73	1.42	0.20
Total	12.65	15.38	87.69	51.79	4.34	9.76

ANNEXURE XIII
RESTATED STATEMENT OF LOANS AND ADVANCES
(₹ in lakhs)

Particular	As on September 30, 2015	As on March 31,				
		2015	2014	2013	2012	2011
Short Term Loans and Advances						
Loans	2,555.32	2222.43	1912.52	1164.60	154.45	-
Other Advances	450.18	645.76	1532.02	2001.35	241.08	-
Total	3005.50	2,868.19	3,444.54	3,165.95	395.53	-

ANNEXURE XIV
RESTATED STATEMENT OF OTHER CURRENT ASSETS
(₹ in lakhs)

Particular	As on September 30, 2015	As on March 31,				
		2015	2014	2013	2012	2011
OTHER CURRENT ASSETS						
Tax Deducted at Source	4.06	35.55	16.58	8.04	0.52	-
Total	4.06	35.55	16.58	8.04	0.52	-

ANNEXURE XV
RESTATED STATEMENT OF LONG TERM PROVISIONS
(₹ in lakhs)

Particular	As on September 30, 2015	As on March 31,				
		2015	2014	2013	2012	2011
LONG TERM PROVISIONS						
Opening Provision for standard assets	6.55	3.82	7.91	-	-	-
Add: Addition(W/off) during the year	-	2.73	(4.09)	7.91	-	-
Total	6.55	6.55	3.82	7.91	-	-

ANNEXURE XVI
RESTATED STATEMENT OF CURRENT LIABILITIES & PROVISIONS
(₹ in lakhs)

Particular	As on September 30, 2015	As on March 31,				
		2015	2014	2013	2012	2011
Current Liabilities						
Trade Payables	10.04	4.90	614.27	549.26	11.32	0.02
Total (A)	10.04	4.90	614.27	549.26	11.32	0.02
Short Term Provisions						
Provision for income tax	14.75	23.34	7.72	2.99	0.16	0.01
Total (B)	24.79	28.24	7.72	2.99	0.16	0.01

ANNEXURE XVII
RESTATED STATEMENT OF REVENUE FROM OPERATIONS
(₹ in lakhs)

Particular	For the period ended on September 30, 2015	For the year ended on March 31,				
		2015	2014	2013	2012	2011
Sales	-	-	8.65	14.88	-	-
Interest Income	103.81	234.08	94.16	89.51	5.37	0.18
Other Income	-	-	0.01	-	-	-
Loss on trading in securities	-	(49.33)				
Total	103.81	184.75	102.82	104.39	5.37	0.18

ANNEXURE XVIII
RESTATED STATEMENT OF CAPITALIZATION
(₹ in lakhs)

Particular	Pre Issue as at 30th September 2015	Post Issue
Debt		
Long Term Debt	-	-
Short Term Debt	-	-
Total Debts (A)	-	-
Equity (Shareholder's funds)		
Equity share capital	1,155.84	1,578.24
Reserve and Surplus	1,842.05	2,053.25
Total Equity(B)	2,997.89	3,631.49
Long Term Debt / Equity Shareholder's funds	0.00 : 1	0.00 : 1
Total Debts / Equity Shareholder's funds	0.00 : 1	0.00 : 1

Notes:

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

ANNEXURE XIX
RESTATED STATEMENT OF TAX SHELTER
(₹ in lakhs)

Particular	For the period ended on September 30, 2015	For the year ended on March 31,				
		2015	2014	2013	2012	2011
Normal Corporate tax rates (%)	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%
Minimum alternative tax rates	18.50%	18.50%	18.50%	18.50%	18.50%	18.00%
Profit before tax as per Restated P/L	46.51	50.56	15.31	9.68	0.53	0.03
Applicable Corporate tax Rate	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%
Notional tax as per tax rate on profits (A)	13.95	15.17	4.59	2.90	0.16	0.01
Tax Adjustment						
Permanent Difference						
Donation & Other Expenses	-	-	-	-	-	-
Cash expenses disallowable u/s 40A(3)	-	-	-	-	-	-
Total Permanent Difference (B)	-	-	-	-	-	-
Timing Difference						
Depreciation - including unabsorbed depn.	-	0.05	0.03	0.03	0.04	0.04
Deferred revenue expenses w/off	-	0.16	0.16	0.16	0.16	-
Total Timing Difference (C)	-	0.21	0.19	0.19	0.20	0.04
Business Losses not set off in past years (D)		-	-	-	-	-
Total Adjustment (E) = (B+C+D)	-	0.21	0.19	0.19	0.20	0.04
Tax Expenses / (Saving) thereon (F) = (E)* Tax rate	-	0.06	0.06	0.06	0.06	0.01
Tax payable as per normal provisions (other than 115JB) of the Act (G)	13.95	15.17	4.59	2.90	0.16	0.01
MAT tax rate (H)	18.50%	18.50%	18.50%	18.50%	18.50%	18.00%
Tax under MAT (I)	8.60	9.35	2.83	1.79	0.10	0.00
Tax payable for the year maximum of (G) or (I)	13.95	15.17	4.59	2.90	0.16	0.01
Interest under section 234B & 234C (As per income tax return)	-	-	-	-	-	-
Total Tax Payable⁽¹⁾	13.95	15.17	4.59	2.90	0.16	0.01

⁽¹⁾ The above tax payable does not include Surcharge, Education Cess and Higher Education Cess, if any

Notes:

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

ANNEXURE XX
RESTATED STATEMENT OF ACCOUNTING RATIOS
(₹ in lakhs)

Particulars	As on September 30, 2015	As on 31st March				
		2015	2014	2013	2012	2011
Restated PAT as per P & L Account	32.14	34.98	10.58	6.68	0.38	0.02
No. of Equity shares outstanding during the year	1,15,58,400	1,15,58,400	7,22,400	7,22,400	7,22,400	7,22,400
Weighted average No. of Equity shares outstanding during the year (Including Bonus / Split effect)	1,15,58,400	11,558,400	11,558,400	11,558,400	11,558,400	10,734,264
Net Worth [#]	2997.89	2,965.75	2,933.18	2,918.33	2,919.41	2,919.69
Earnings Per Share:						
Basic & Diluted [@]	0.28	0.30	0.09	0.06	0.00	0.00
Return on Net worth (%)	1.07%	1.18%	0.36%	0.23%	0.01%	0.00%
Net Asset Value per Equity Shares (₹)*	25.94	25.66	406.03	403.98	404.13	404.17

* The Face Value of the Equity Shares for the year March 31, 2014, 2013, 2012 and 2011 was ₹ 100/-. However, for comparison purposes, the same has been considered as face value of ₹ 10/- per Equity Share and No. of Shares accordingly adjusted.

There is no revaluation reserve in last five years of the Company. Net Worth is Equity Share Capital + Reserves and Surplus – Preliminary expenses not written off.

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

Notes to Accounting Ratios:

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

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

ANNEXURE XXI
RESTATED STATEMENT OF RELATED PARTY TRANSACTIONS

As per Accounting Standard 18 on related party disclosure issue by the Institute of Chartered Accountants of India, the Company's related parties are disclosed below:

i. Key Management Personnel

(₹ in lakhs)

Particulars	For the period ended on September 30, 2015	For the year ended March 31,				
		2015	2014	2013	2012	2011
1) Remuneration Paid Directors:	-	0.75	-	-	-	-
Total	-	0.75	-	-	-	-

ii. Relatives of KMP

Nil

iii. Associate Companies

Nil

CHANGES IN ACCOUNTING POLICIES IN THE LAST THREE YEARS

There has been no change in the Accounting Policies in the last three (3) years.

CHANGE IN ACCOUNTING PERIOD

There has been no change in the accounting period of the Company.

SALE OR PURCHASE BETWEEN OUR COMPANY AND GROUP COMPANIES

There are no Sales or Purchases between our Company and our Group Companies

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

You should read the following discussion and analysis of financial condition and results of operations together with our financial statements included in this Prospectus. The following discussion relates to our Company and is based on our restated financial statements. Our financial statements have been prepared in accordance with Indian GAAP, the accounting standards and other applicable provisions of the Companies Act.

Note: Statement in the Management Discussion and Analysis Report describing our objectives, outlook, estimates, expectations or prediction may be "Forward looking statement" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to our operations include, among others, economic conditions affecting demand/supply and price conditions in domestic and overseas market in which we operate, changes in Government Regulations, Tax Laws and other Statutes and incidental factors.

Business Overview

Our Company was incorporated as Franklin Leasing and Finance Private Limited on March 16, 1992 under the Companies Act, 1956, bearing Registration No. 048028 having its Registered Office in Delhi. Subsequently, the Company became a Public Limited Company pursuant to a special resolution passed by the members of our Company at the EGM held on September 10, 2013 and the name of our Company was changed to Franklin Leasing and Finance Limited. A fresh Certificate of Incorporation consequent to conversion to a public limited company was issued on February 13, 2014 by the Registrar of Companies, Delhi.

Our Company is a NBFC registered with RBI to carry on NBFC Activities under Section 45-IA of the Reserve Bank of India Act, 1934 bearing Registration no. B-14.02383 dated May 22, 2001.

Our existing promoter i.e. Mr. Pawan Dalmia, and M/s. Confident Financial Advisory Pvt. Ltd. are not the original promoters of the company and have acquired controlling interest in the company in 2013. For details regarding the share capital build-up of our company please see note 1(f) of the chapter titled "Capital Structure" beginning on page 44 of this Prospectus.

We are a Non Deposit taking Non-systemically Important Non Banking Finance Company (NBFC-ND-NSI) engaged primarily in the business of advancing loans and investing/trading in securities. We have been running on a modest operating scale till the mid of FY 2013-14, however, post the induction of Mr. Pawan Dalmia who is a company secretary by qualification, we have commenced a process of improving our internal systems including but not limited to Trading Strategies, Financial Discipline and better utilization of our fund based portfolio, through which we have posted a Net Profit before tax of ₹ 46.51 lacs for the 6 months period ended on September 30, 2015, ₹50.56 lacs for the year ended March 31, 2015 and ₹15.31 lacs for the year ended March 31, 2014. Our loan portfolio stood at ₹ 2,555.32, ₹2,222.43 lacs and ₹1,912.52 lacs respectively in the above mentioned periods.

Significant Developments after September 30, 2015 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 this 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 Result of Operation

Our result of operations depend on various factors, including the following

- Revenue Generation
- Increasing competition in the industry
- General Economic and business condition
- Our Financial Expenses

For further details please see Section titled “*Risk Factors*” and Chapter titled “*Industry Overview*” on page 11 and 63 respectively.

SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Preparation of Financial Statements

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

Presentation and disclosure in financial statements

During the year ended March 31, 2012 the revised Schedule VI notified under the companies act 1956, had become applicable to the company, for preparation and presentation of its financial statements. The adoption of revised schedule VI does not impact recognition and measurement principles followed by the company for preparation of financial statements. However, it has significant impact on presentation and disclosure made in financial statements. The company has also reclassified the previous year figures in accordance with the requirement applicable in current year.

B. Use of Estimates

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

C. Own Fixed Assets

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

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

D. Depreciation

Depreciation on Fixed Assets has been provided only on the assets which are put to use by W.D.V. Method of Depreciation at the rates and manner prescribed under Schedule XIV of the Companies Act, 1956 1956 (in current year Schedule II of Companies Act, 2013) as amended. The depreciation has been provided on pro rata basis for the assets purchased during the period.

E. Revenue Recognition

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

F. Inventories

The general practice adopted by the Company for valuation of inventory is at cost or market value, whichever is lower.

G. Foreign Currency Transactions

There are no Foreign Currency Transactions in our Company.

H. Investment

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

I. 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.

J. Employees Benefit:

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

K. 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 NBFC / Investing Activities of the company. All other revenues/incomes are show as Other Income.

L. 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.

M. 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.

N. Provisions, Contingent Liabilities and Contingent Assets:

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

O. 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.

Results of our Operations

(₹ in Lakhs)

Particular	For 6 months ended September 30, 2015	For the year ended on March 31,								
		2015	%	2014	%	2013	%	2012	%	
REVENUE										
Revenue from Operations										
Total Income	103.81	184.74	100.00%	102.8	100.00%	104.39	100.00%	5.37	100.00%	100.00%
EXPENSES										
Purchases	-	59.4	32.15%	87.54	85.14%	85.72	82.12%	-	-	-
Changes in Inventories	12.96	-12.6	-6.82%	-6.48	-6.30%	-	-	-	-	-
Employee Benefit Expenses	18.05	16	8.66%	3.72	3.62%	7.14	6.84%	3.31	6.14%	61.64%
Financial Cost	-	-	-	0.1	0.10%	0.08	0.08%	0.02	0.37%	0.37%
Depreciation and Amortization Expenses	-	0.33	0.18%	0.19	0.18%	0.19	0.18%	0.2	3.72%	3.72%
Other Administrative Expenses	26.29	71.06	25.33%	2.44	2.37%	1.58	1.51%	1.31	24.39%	24.39%
Total Expenditure	57.3	134.19	55.20%	87.51	85.11%	94.71	90.73%	4.84	90.13%	90.13%
Net Profit/(Loss) Before Tax	46.51	50.56	44.80%	15.31	14.89%	9.68	9.27%	0.53	9.87%	9.87%
Less: Provision for Taxation										
Current Years Income Tax	14.37	15.62	13.84%	4.73	4.60%	2.99	2.86%	0.16	2.98%	2.98%
Deferred Tax (Asset)\Liability	-	-0.05	-0.03%	-	-	0.01	0.01%	-0.01	-0.19%	-0.19%
Total	14.37	15.57	13.84%	4.73	4.60%	3	2.87%	0.15	2.79%	2.79%
Net Profit After Tax but Before Extraordinary Items	32.14	34.98	30.96%	10.58	10.29%	6.68	6.40%	0.38	7.08%	7.08%
Extraordinary items	-	-	-	-	-	-	-	-	-	-
Net Profit After Extraordinary Items Available for Appropriation	32.14	34.98	30.96%	10.58	10.29%	6.68	6.40%	0.38	7.08%	7.08%

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 comprises of fund based activity revenues, namely interest income from loans advanced by us and profit / losses from investment and trading in securities and other avenues. Our revenue from operations as a percentage of total income for the six months period ended September 30, 2015 was 100% and for the fiscal years ended 2015, 2014 and 2013, it was 100%, 99.99% and 100.00% respectively.

Other Income

Our other income includes interest on I.T. refund. Other income, as a percentage of total income for the six months period ended September 30, 2015 was Nil and for the fiscal years ended 2015, 2014 and 2013 was Nil, 0.01% and Nil respectively.

Expenditure

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

Purchases

Costs of purchases are primarily in relation to purchases of securities such as bonds and equity shares in listed and / or unlisted companies. Purchases as a % of total income for the six months period ended September 30, 2015 was Nil and for the fiscal years ended 2015, 2014 and 2013 are 32.15%, 85.14% and 82.12% respectively.

Changes in inventories

Changes in inventories are the changes in value of closing stock during the financial year and provide notional losses made if any on inventory being held. Changes in inventory as a % of total income for the six months period ended September 30, 2015 was 12.48% and for the fiscal years ended 2015, 2014 and 2013 are (6.82)%, (6.30)% and Nil respectively

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. Employee benefit expenses as a % of total income for the six months period ended September 30, 2015 was 17.39% and for the fiscal years ended 2015, 2014 and 2013 are 8.66%, 3.62% and 6.84 % respectively.

Other Expenses

Other expenses primarily include Rent, Advertisement expenses, Legal & Professional fees, Business Promotion expenses, Travelling expenses, Office expenses, etc. Other expenses as a % of total income for the six months period ended September 30, 2015 was 26.29% and for the fiscal years ended 2015, 2014 and 2013 are 38.46%, 2.37% and 1.51% respectively.

Financial Cost

Financial cost consists of bank charges. Financial costs as a % of total income for the six months period ended September 30, 2015 was Nil and for the fiscal years ended 2015, 2014 and 2013 are Nil, 0.10% and 0.08% respectively.

Depreciation and Amortization Expenses

Depreciation and Amortization Expenses primarily consist of depreciation/amortization on the fixed assets and Intangible Assets of our Company which primarily includes Vehicles, Furniture and fixtures, Computers and Office Equipments. Depreciation as a % of total income for the six months period ended September 30, 2015 was Nil and for the fiscal years ended 2015, 2014 and 2013 are 0.18%, 0.18% and 0.18% respectively.

Provision for Tax

Income taxes are accounted for in accordance with Accounting Standard – 22 on “Accounting for Taxes on Income” (“AS-22”), prescribed under the Companies (Accounting Standards) Rules, 2006. Our Company provides for current tax as well as deferred tax, as applicable. Provision of tax as a % of total income for the six months period ended September 30, 2015 was 13.84% and for fiscal years ended 2015, 2014 and 2013 are 8.46%, 4.60% and 2.86% respectively.

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

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

Review of six months period ended September 30, 2015

Income

Our total income for the six months period ended September 30, 2015 was ₹ 103.81 lacs. It includes interest income from loans.

Employee Benefit Expenses

Our employee benefit expenses for the six months period ended September 30, 2015 was ₹ 18.05 lacs. As a proportion of total income, it was 12.48%.

Other Expenses

Other Expenses for the six months period ended September 30, 2015 was ₹ 26.29 lacs. As a proportion of total income, it was 25.33%.

Profit before Tax

Our Profit before tax for the six months period ended September 30, 2015 was ₹ 46.51 lacs.

Profit after Tax

Our Profit after tax for the six months period ended September 30, 2015 was ₹ 32.14 lacs.

Fiscal 2015 compared with fiscal 2014

Income

In fiscal 2015, our total income increase by ₹81.92 lacs or positive 79.67%, from ₹ 102.5 lacs in fiscal 2014 to ₹184.74 lacs in fiscal 2015. The major factor for such increase was a more than two fold increase in interest income, whereas the same was reduced by losses made from trading in securities and lower sale of shares compared to previous year.

Purchases

The purchases in fiscal 2015 were ₹59.4 lacs, an decrease of -32.15% as compared to the previous year purchases of ₹87.54 Lacs in fiscal 2014. The above decrease was mainly due to higher utilisation of funds in the advancing loans business and also reduced inventory trading activity as compared to last year.

Employee Benefit Expenses

Our staff cost increase by ₹12.28 Lacs or negative 330.11%, from ₹3.72 lacs in fiscal 2014 to ₹16 lacs in fiscal 2015. This increase was due to increase in salaries of staff and also due to larger employee rotation during the year.

Other Expenses

Other expenses increased by ₹ 68.62 Lacs from ₹ 2.44 Lacs in fiscal 2014 to ₹71.06 Lacs in fiscal 2015. The major factor for such increase in expenses was due to business promotion expenses, increase in travelling, filing fees due to (increase in authorised capital and IPO related other professional charges etc.

Depreciation and Amortization Expenses

Depreciation expenses as decreased by 73.68% from ₹0.33 lacs in fiscal 2015 to ₹0.19 lacs in fiscal 2014. This is as per WDV method of depreciation.

Profit before Tax

Due to improved operational efficiency our PBT increased by ₹35.25 Lacs from ₹15.31 lacs in fiscal 2014 to ₹50.56 Lacs in fiscal 2015.

Profit after Tax

Our profit after tax has increased by ₹24.4 Lacs from ₹10.58 lacs in fiscal 2014 to ₹34.98 Lacs in fiscal 2015.

Fiscal 2014 compared with fiscal 2013

Income

In fiscal 2014, our total income decreased by ₹1.57 Lacs or negative 1.50%, from ₹ 104.39 Lacs in fiscal 2013 to ₹102.82 Lacs in fiscal 2014. The major factor for such decrease was due to decrease in sales.

Purchases

The purchases in fiscal 2014 were ₹87.54 lacs, an increase of 23.04% as compared to the previous year purchases of ₹85.72 Lacs in fiscal 2013. The above increase was mainly due to increase in investments.

Employee Benefit Expenses

Our staff cost decreased by ₹3.42 Lacs or positive 47.90%, from ₹7.14 lacs in fiscal 2013 to ₹3.72 lacs in fiscal 2014. This decrease was mainly rotation in staff.

Other Expenses

Other expenses increased by ₹ 0.86 Lacs from ₹ 1.58 Lacs in fiscal 2013 to ₹ 2.44 Lacs in fiscal 2014. The major factor for such increase in expenses was due to business promotion expenses.

Depreciation and Amortization Expenses

Depreciation expenses are negligible for the fiscal year 2014 and 2013 at 0.19 lacs. This is as per WDV method of depreciation.

Profit before Tax

Due to better profit margin and operational efficiency our PBT increased by ₹5.64 Lacs from ₹9.67 Lacs in fiscal 2013 to ₹15.31 Lacs in fiscal 2014.

Profit after Tax

Our profit after tax has increased by ₹3.90 Lacs from ₹6.68 Lacs in fiscal 2013 to ₹10.58 Lacs in fiscal 2014.

Fiscal 2013 compared with fiscal 2012

Income

Our total income increased by ₹99.02 Lacs or 1843.95% from ₹5.37 Lacs in fiscal 2012 to ₹104.39 Lacs in fiscal 2013. The major factor for such increase was due to increase in operations and higher operational efficiency. Other income increased was nil for both the fiscal years.

Purchases

Purchases in fiscal 2013 were ₹85.72 Lacs. This was mainly due to fresh investment made in the fiscal year 2013.

Employee Benefit Expenses

Our staff costs increased by ₹3.83 Lacs or 115.71%, from ₹ 3.31 Lacs in fiscal 2012 to ₹7.14 Lacs in fiscal 2013. This increase in our staff cost were driven by addition in staff.

Other Expenses

Other Expenses increased by ₹0.27 Lacs from 1.31 Lacs in fiscal 2012 to 1.58 lacs in fiscal 2013. The cause of increase in these expenses was due to increase in business promotion expenses and higher operational scale in the year 2013.

Financial Cost

Financial cost increased by 300% from ₹0.02 Lacs in fiscal 2012 to ₹0.08 Lacs in fiscal 2013. The cause of increase in these financial costs was majorly due to bank charges.

Depreciation Expenses

Depreciation expenses decreased by 5%, from ₹ 0.20 Lacs in fiscal 2012 to ₹ 0.19 Lacs in fiscal 2013 as there is negligible difference as per WDV method of depreciation

Profit before Tax

Due to better profit margin and operational efficiency our PBT increased to ₹9.15 Lacs as compared from ₹0.53 Lacs in fiscal 2012 to ₹9.68 Lacs in fiscal 2013.

Profit after Tax

PAT increased to ₹6.30 Lacs as compared from ₹0.38 Lacs in fiscal 2012 to ₹6.68 Lacs in fiscal 2013.

Cash Flows

(₹ in Lakhs)

Particulars	For six months period ended September 30, 2015	For the year ended March 31,			
		2015	2014	2013	2012
Net Cash from/used in Operating Activities	(64.18)	(10.88)	(217.10)	(2,229.80)	(383.86)
Net Cash from/used in Investing Activities	61.45	(61.45)	253.00	2,277.25	378.44
Net Cash from/used in Financing Activities	-	0.00	0.00	0.00	0.00
Net Increase / (Decrease) in Cash and Cash equivalents	(2.73)	(72.33)	35.90	47.45	(5.42)

Cash Flows from Operating Activities

Net cash from operating activities for the six months period ended was negative ₹64.18 lacs.

Net cash from operating activities in fiscal 2015 was negative 10.88 lacs as compared to the PBT of ₹ 50.56 lacs for the same period. This difference is primarily on account of increase in loans and advances and increase in receivables.

Net cash from operating activities in fiscal 2014 was negative 217.10 lacs as compared to the PBT of ₹ 15.31 lacs for the same period. This difference is primarily on account of increase in loans and advances and increase in receivables.

Net cash from operating activities in fiscal 2013 was negative ₹ 2,229.80 lacs as compared to the PBT of ₹ 9.68 lacs for the same period. This difference is primarily on account of increase in loans and advances.

Net cash from operating activities in fiscal 2012 was negative ₹383.84 lacs as compared to the PBT of ₹ 0.53 lacs for the same period. This difference is primarily on account of increase in loans and advances.

Cash Flows from Investment Activities

Net cash from investment activities for the six months period ended was ₹61.45 lacs.

In fiscal 2015, the net cash invested in Investing Activities was negative ₹ 61.45 lacs. This expenditure was on account of other investments.

In fiscal 2014, the net cash invested in Investing Activities was ₹ 253.00 lacs. This was on account of liquidation of existing investments in unquoted shares..

In fiscal 2013, the net cash invested in Investing Activities was ₹ 2,277.25 lacs. This was on account of liquidation of existing investments in unquoted shares.

In fiscal 2012, the net cash invested in Investing Activities was ₹ 378.44 lacs. This was majorly on account of liquidation of existing investments in unquoted shares.

Cash Flows from Financing Activities

Net cash from financing activities for the six months period ended September 30, 2015 was nil.

Net cash from financing activities in fiscal 2015 was nil.

Net cash from financing activities in fiscal 2014 was nil.

Net cash from financing activities in fiscal 2013 was nil.

Net cash from financing activities in fiscal 2012 was nil.

.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 Section titled “*Financial Information*” and chapter titled “*Management’s Discussion and Analysis of Financial Conditions and Results of Operations*”, beginning on pages 117 and 136 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 chapter titled “*Risk Factors*” and “*Management’s Discussion and Analysis of Financial Conditions and Result of Operations*”, beginning on pages 11 and 136 respectively of this Prospectus respectively to our knowledge there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenues or income of our company from continuing operations.

4. Future relationship between Costs and Income

Other than as described in the chapter titled “*Risk Factors*” beginning on page 11 of this Prospectus, to our knowledge there are no factors, which will affect the future relationship between costs and income or which are expected to have a material adverse impact on our operations and finances.

5. The extent to which material increases in revenue or income from operations are due to increased volume, introduction of new products or services or increased prices

Increases in revenues are by and large linked to increases in volume of business activity carried out by the Company.

6. Total turnover of each major industry segment in which the issuer company operates.

The Company is a NBFC and is in the business of providing loans to small & medium enterprises and businesses.. Relevant industry data, as available, has been included in the chapter titled “*Industry Overview*” beginning on page 63 of this Prospectus.

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

Please refer to the chapter titled “*Business Overview*” beginning on page 70 of this Prospectus.

8. The extent to which the business is seasonal.

Our business is not seasonal in nature.

9. Any significant dependence on a single or few suppliers or customers

The revenues from our top 10 customers constituted approximately 43.71% for FY 2015.

10. Competitive Conditions

Despite the fact that we are not affected by competition in the short-term, our results of operations could be affected by competition in the financial industry in India and in abroad in the future. We expect competition to intensify due to possible changes in government policy, existing competitors further expanding their operations and our entry into new markets where we may compete with well-established NBFC companies. This we believe may impact our financial condition and operations.

SECTION VII – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

There are no outstanding litigations, suits, civil or criminal prosecutions, proceedings before any judicial, quasi-judicial, arbitral or administrative tribunals, including pending proceedings for violation of statutory regulations or, alleging criminal or economic offences or tax liabilities or any other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (i) of Part 1 of Schedule XIII of the Companies Act, 1956 or Schedule V of the Companies Act, 2013) against the Company, our Directors and our Promoter that would have a material adverse effect on our business. There are no defaults, non-payments or overdue of statutory dues, institutional/bank dues and dues payable to holders of debentures or fixed deposits and arrears of cumulative preference shares that would have a material adverse effect on our business.

PART 1: LITIGATION RELATING TO OUR COMPANY

A. LITIGATIONS FILED AGAINST OUR COMPANY

1. Litigation Involving Civil Laws:

NIL

2. Litigation Involving Criminal Laws.

NIL

3. Litigation involving Securities and Economic Laws

NIL

4. Litigation involving Statutory Laws

NIL

5. Litigation involving Labour Laws

NIL

B. LITIGATIONS FILED BY OUR COMPANY

1. Litigation involving Civil Laws:

NIL

2. Litigation Involving Criminal Laws:

NIL

3. Litigation Involving Securities and Economic Laws:

NIL

4. Litigation Involving Statutory Laws:

NIL

5. Litigation Involving Labour Laws:

NIL

C. PAST PENALTIES

NIL

PART 2: LITIGATION RELATING TO OUR DIRECTORS

A. LITIGATIONS FILED AGAINST OUR DIRECTORS

1. Litigation involving Civil/Statutory Laws

NIL

2. Litigation involving Criminal Laws.

NIL

3. Litigation Involving Economic Offences.

NIL

4. Litigation involving Tax Liabilities.

NIL

B. LITIGATIONS FILED BY OUR DIRECTORS

1. Litigation involving Civil/Statutory Laws

NIL

2. Litigation involving Criminal Laws.

NIL

3. Litigation Involving Economic Offences.

NIL

4. Litigation involving Tax Liabilities.

NIL

PAST PENALTIES

NIL

PART 3: LITIGATION RELATING TO OUR PROMOTERS

A. LITIGATION FILED AGAINST OUR PROMOTERS

1. Litigation involving Civil/Statutory Laws.

NIL

2. Litigation involving Criminal Laws.

NIL

3. Litigation Involving Securities and Economic Laws.

NIL

B. LITIGATION FILED BY OUR PROMOTERS

1. Litigation Involving Civil/Statutory Laws.

NIL

2. Litigation Involving Criminal Laws.

NIL

3. Litigation Involving Securities and Economic Laws.

NIL

C. PAST PENALTIES

NIL

PART 4: LITIGATION RELATING TO OUR GROUP COMPANIES

A. LITIGATION FILED AGAINST OUR GROUP COMPANIES

1. Litigation involving Civil/Statutory Laws.

NIL

2. Litigation involving Criminal Laws.

NIL

3. Litigation Involving Securities and Economic Laws.

NIL

B. LITIGATION FILED BY OUR GROUP COMPANIES

1. Litigation Involving Civil/Statutory Laws.

NIL

2. Litigation Involving Criminal Laws.

NIL

3. Litigation Involving Securities and Economic Laws.

NIL

C. PAST PENALTIES

NIL

PART 5: LEGAL NOTICES

1. **Legal notices issued to our Company**
NIL
2. **Legal Notices issued by our Company**
NIL
3. **Legal notices issued to our Directors**
NIL
4. **Legal Notices issued by our Directors**
NIL
5. **Legal notices issued to our Promoters**
NIL
6. **Legal Notices issued by our Promoters**
NIL
7. **Legal notices issued to our Group Companies**
NIL
8. **Legal Notices issued by our Group Companies**
NIL

PART 6: AMOUNTS OWED TO SMALL SCALE UNDERTAKINGS AND OTHER CREDITORS

As on September 30 , 2015 our company does not owe a sum exceeding to ₹.10,00,000 to any small scale undertaking or creditor.

PART 7: MATERIAL DEVELOPMENTS OCCURING AFTER LAST BALANCE SHEET DATE, i.e. MARCH 31, 2015

In the opinion of the Board of Directors of the 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

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

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

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

I. Approvals Pertaining to this Issue

This Issue of Equity Shares has been authorized by the Board of Directors of the Company at their meeting held on December 15, 2014 and on February 01, 2016 and the same was approved by the Shareholders of the Company by passing a Special Resolution at the Extra-Ordinary General Meeting held on January 10, 2015 and on February 26, 2016 in accordance with the provisions of Section 62 (1)(c) of the Companies Act, 2013.

II. Corporate related approvals

1. Certificate of Incorporation dated March 16, 1992 issued by the Registrar of Companies, Delhi (“RoC”) in the name of “Franklin Leasing and Finance Private Limited”.
2. Certificate of change of name of the Company from “Franklin Leasing and Finance Private Limited” to “Franklin Leasing and Finance Limited” dated February 13, 2014 issued by the RoC upon the conversion of the Company into a Public Limited Company.
3. The Corporate Identity Number (CIN) of the Company is U74899DL1992PLC048028.

III. Business Approvals


Sr. No.	Particulars	Granting Authorities	Registration/ Approval / Code No. / Artistic Work No.	Date of Issue	Period of Validity if specified
1.	Certificate from RBI to carry on business as a NBFC, under Section 451A of the RBI Act, 1934	RBI	B -14.02383	May 22, 2001	Valid until cancelled
2.	Registration Certificate of Establishment	Department of Labour Government of National Capital Territory of Delhi	2015000583	January 5, 2015	Valid until cancelled

IV. Tax Approvals

Sr. No.	Particulars	Granting Authorities	Registration/ Approval / Code No. / Artistic Work No.	Period of Validity if specified
1.	Permanent Account No. (PAN)	Income Tax Department, Government of India	AAACF0784B	Valid until cancelled
2.	Tax Deduction Account No. (TAN)	Income Tax Department (Government of India)	DELF05547D	Valid until cancelled

V. Pending Approvals :

1. Relating to Intellectual Property

Sr. No.	Nature of License/Approvals	Applicant	Application No.	Date of Filing	Class
(a)	 Finance Limited	Franklin Leasing and Finance Limited	2882897	January 13, 2015	36

2. The Company has obtained a Certificate of Registration dated May 22, 2001 from the RBI bearing No.B – 14 .02383 to carry on business as NBFC, under Section 45-IA of the Reserve Bank of India Act, 1934. Pursuant to the change of name of the Company from “Franklin Leasing and Finance Private Limited” to “Franklin Leasing and Finance Limited” the Company has made an application to the RBI for recording the change of name in its records and for issue of a fresh Certificate of Registration thereafter.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

Our Board of Directors have vide resolution dated December 15, 2014 and on February 01, 2016 authorized the Issue, subject to the approval by the shareholders of our Company under Section 62 (1) (c) of the Companies Act, 2013.

The shareholders have authorized the Issue, by passing a Special Resolution at the Extra-Ordinary General Meeting held on January 10, 2015 and on February 26, 2016 in accordance with the provisions of Section 62 (1) (c) of the Companies Act, 2013.

The Company has obtained approval from BSE vide letter dated June 12, 2015 to use the name of BSE in this Prospectus 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 Promoters, its Group Companies or the relatives of our Promoters and Group Companies was ever identified as wilful defaulters by RBI or other authorities.

Association with Securities Market

We confirm that none of our Directors are associated with the Securities Market in any manner and no action has been initiated against these entities by SEBI at any time except as stated under the chapters titled “*Risk Factors*”, “*Our Promoter and Promoter Group*” and “*Outstanding Litigations and Material Developments*” beginning on pages 11, 105 and 147 respectively, of this Prospectus.

Eligibility for the Issue

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

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

We confirm that:

- a) In accordance with Regulation 106 (P) of the SEBI (ICDR) Regulations, this issue has been hundred percent underwritten and that the Lead Manager to the Issue has underwritten more than 15% of the total Issue Size. For further details pertaining to the said underwriting please see the chapter titled “*General Information*” on page 37 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 this 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 Prospectus with SEBI nor has SEBI issued any observations on our Prospectus. Also, we shall ensure that our Lead Manager

submits the copy of this Prospectus along with a Due Diligence Certificate including additional confirmations as required to SEBI at the time of filing this Prospectus with Stock Exchange and the Registrar of Companies.

d) In accordance with Regulation 106(V) of the SEBI (ICDR) Regulations, we have entered into an agreement with the Lead Manager and Market Maker to ensure compulsory Market Making for a minimum period of three years from the date of listing of equity shares offered in this issue. For further details of the arrangement of Market Making, please see the chapter titled “General Information” on page 37 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 year ended as at March 31, 2015, 2014 and 2013 is as set forth below:

(₹ in lacs)

Particulars	Fiscal 2015	Fiscal 2014	Fiscal 2013
Distributable Profit ⁽¹⁾	34.98	10.58	6.68
Net tangible Assets ⁽²⁾	2965.75	2993.47	2918.81
Net Worth ⁽³⁾	2965.75	2933.50	2918.82

⁽¹⁾ Distributable profits have been computed in terms Section 123 of the Companies Act, 2013.

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

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

- i) As on the date of this Prospectus, our Company has a paid up capital of ₹ 1155.84 lacs (₹11.56 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 the 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.franklinleasing.in

Disclosure

The Issuer, our Promoters, Promoter Group and the members of our Group Companies have confirmed that they have not been identified as wilful defaulters by the RBI or any other Governmental Authority.

Disclaimer Clause of SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF OFFER DOCUMENT TO SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE LEAD MERCHANT BANKER, ARYAMAN FINANCIAL SERVICES LIMITED, HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE OFFER DOCUMENT, THE LEAD MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MERCHANT BANKER, ARYAMAN FINANCIAL SERVICES LIMITED HAS FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED MARCH 17, 2016 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 THIS 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. THIS 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 THIS 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 THIS 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 THIS PROSPECTUS WITH THE BOARD TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THIS 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 THIS 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 SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THIS 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 THIS 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 THIS 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 THIS PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.

16. WE ENCLOSE STATEMENT ON PRICE INFORMATION OF PAST ISSUES HANDLED BY MERCHANT BANKER AS PER FORMAT SPECIFIED BY SEBI THROUGH CIRCULAR (PLEASE SEE "ANNEXURE A" FOR FURTHER DETAILS).

17. WE CERTIFY THAT PROFITS FROM RELATED PARTY TRANSACTIONS HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS.

***Section 29 of the Companies Act, 2013 provides inter alia that every company making public offers shall issue securities only in dematerialized form by complying with the provisions of the Depositories Act, 1996 and the regulations made there under.*

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 THIS 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 THIS 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 June 12, 2015, 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 permission to this Company. BSE does not in any manner:

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

and it should not for any reason be deemed or construed that this offer document has been cleared or approved by BSE. Every person who desires to apply for or otherwise acquires any securities 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.

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

CAUTION

The Lead Manager accept no responsibility, save to the limited extent as provided in the MoU for Issue Management entered into among the Lead Manager and our Company dated February 09, 2015 the Underwriting Agreement dated February 13, 2015 entered into among the Underwriters and our Company and

the Market Making Agreement dated February 13, 2015, 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 authorised under their constitution to hold and invest in shares, permitted insurance companies and pension funds and to non-residents including NRIs and FIIs. This 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 this 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 of Reserve Bank of India

RBI HAS ISSUED CERTIFICATE OF REGISTRATION DATED MAY 22, 2001 CLASSIFYING THE COMPANY AS A "NON DEPOSIT TAKING" NBFC. IT MUST BE DISTINCTLY UNDERSTOOD THAT THE ISSUING OF THIS CERTIFICATE AND GRANTING A LICENSE AND APPROVAL BY RBI IN ANY OTHER MATTER SHOULD NOT IN ANY WAY, BE DEEMED OR CONSTRUED TO BE AN APPROVAL BY RBI TO THIS PROSPECTUS NOR SHOULD IT BE DEEMED THAT RBI HAS APPROVED IT AND THE RBI DOES NOT TAKE ANY RESPONSIBILITY OR GUARANTEE THE FINANCIAL SOUNDNESS OF THE COMPANY OR FOR THE CORRECTNESS OF ANY OF THE STATEMENTS MADE OR OPINIONS EXPRESSED BY THE COMPANY IN THIS CONNECTION AND FOR REPAYMENT OF DEPOSITS / DISCHARGE OF LIABILITIES BY THE COMPANY.

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

This 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 the Corporation Finance Department , 5th Floor, Bank of Baroda Building, 16, Sansad Marg, New Delhi- 110 001.

A copy of the Prospectus, along with the documents required to be filed under Section 26 of the Companies Act, 2013 will be delivered to the RoC situated at 4th Floor, IFCI Tower, 61, Nehru Place, New Delhi- 110 019.

Listing

In terms of Chapter XB of the SEBI (ICDR) Regulations, 2009, there is no requirement of obtaining In-Principle approval of the SME Platform of BSE. However, application shall 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 this 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 June 12, 2015 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

Aryaman Financial Services Limited

S. No	Issue Name	Issue size (₹ Cr.)	Issue Price (₹)	Listing date	Opening price on listing date	+/- % change in Price on closing price, [+/- % change in closing benchmark]- 30 th calendar days from listing		+/- % change in Price on closing price, [+/- % change in closing benchmark]- 90 th calendar days from listing		+/- % change in Price on closing price, [+/- % change in closing benchmark]- 180 th calendar days from listing	
1	K.P. Energy Ltd.	6.44	70	25/02/2016	72.00	-	-	-	-	-	-
2	Vaksons Automobiles Ltd.	6.24	26	16/10/2015	26.25	4.23%	-5.89%	3.85%	-8.97%	N. A.	N. A.
3	AGI Infra Ltd.	14.99	54	27/03/2015	54.4	4.17%	-0.08%	50.00%	1.59%	115.74 %	-5.96%
4.	Vishal Fabrics Ltd.	15.63	45	20/08/2014	45.2	12.22%	2.95%	15.56%	7.03%	34.33%	10.72 %
5	Dhanuka Commercial Ltd.	4.44	10	11/06/2014	9.75	-12.50%	-1.76%	-29.00%	7.03%	-9.50%	10.39 %
6	Kamimata Cold Storage Ltd.	3.04	20	18/03/2014	29.05	10.75%	3.65%	10.75%	15.38%	10.00%	23.95 %
7	Suyog Telematics Ltd.	4.53	25	22/01/2014	25.2	2.00%	-2.98%	1.60%	6.66%	4.00%	20.52 %
8	Stellar Capital Services Ltd.	9	20	01/11/2013	20.1	-27.25%	-1.91%	-45.25%	-3.30%	-63.65%	5.76%
9	S R G Securities Finance Ltd.	5.02	20	29/10/2013	23.9	0.00%	-1.88%	4.75%	-1.06%	0.00%	8.40%
10	Kushal Tradelink Ltd.	27.75	35	04/09/2013	35	22.14%	7.26%	-2.14%	12.32%	-0.71%	12.81 %

Summary Statement of Disclosure

Financial Year	Total no. of IPOs	Total Funds Raised (₹ in lakhs)	Nos. of IPOs trading at discount on listing date			Nos. of IPOs trading at premium on listing date			Nos. of IPOs trading at discount as on 30 th calendar day from listing day			Nos. of IPOs trading at premium as on 30 th calendar day from listing day		
			Over 50%	Bet ween 25-50%	Less than 25%	Over 50%	Bet ween 25-50%	Less than 25%	Over 50%	Bet ween 25-50%	Less than 25%	Over 50%	Bet ween 25-50%	Less than 25%
2015-16	2	1268.00	-	-	-	-	-	1	-	-	-	-	-	-
2014-15	3	3506.34	-	-	1	-	-	2	-	-	1	-	-	2
2013-14	6 ⁽¹⁾	5,533.00	-	-	1	-	1	4	-	1	-	-	-	3

[#]As on the 30th Calendar day from the listing day, the price of India Finsec Limited and S R G Securities Finance Ltd. is exactly equal to its Issue Price and hence it is neither trading at Premium or Discount.

Note:

- Since the listing date of K.P. Energy Limited was February 25, 2016, information related to closing prices and benchmark index as on 30th, 90th and 180th day from the listing date is not available.
- Since the listing date of Vaksons Automobiles Limited was October 16, 2015, information related to closing prices and benchmark index as on 180th calendar day from the listing date is not available.
- The respective Designated Stock Exchanges for each Issues have been considered as the Benchmark indexes for each of the above Issues
- In the event any day falls on a holiday, the price/index of the immediate preceding working day has been considered. If the stock was not traded on the said calendar days from the date of listing, the share price is taken of the immediately preceding trading day.

Source: www.bseindia.com and BSE Sensex as the Benchmark Index

Track record of past issues handled by the Lead Manager

For details regarding the track record of the Lead Manager to the Issue as specified in Circular reference CIR/MIRSD/1/ 2012 dated January 10, 2012 issued by the SEBI, please see the website of the Lead Manager – www.afsl.co.in.

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 26 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. V. N. Purohit & Co. Chartered Accountants, Peer Review Auditors, have provided their written consent to the inclusion of their reports dated March 4, 2016 on Restated Financial Statements and Statement of Tax Benefits dated March 4, 2016 by Anil Hariram Gupta & Co., 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 consents 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 this Prospectus, our Company has not obtained any expert opinions:

- Statutory Auditor – Statement of Tax Benefits
- Peer Review 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

Sr. No.	Particulars	Amount (₹ in lacs)	As a % of total estimated Issue expenses	As a % of the Issue Size
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.	25.00	55.56%	3.95%
2	Printing & Stationery, Distribution, Postage,	5.00	11.11%	0.79%

Sr. No.	Particulars	Amount (₹ in lacs)	As a % of total estimated Issue expenses	As a % of the Issue Size
	etc.			
3	Advertisement and Marketing Expenses	5.00	11.11%	0.79%
4	Regulatory and other Expenses	10.00	22.22%	1.57%
Total		45.00	100.00%	7.10%

Notes:

- 1) The SCSBs would be entitled to processing fees of ₹25/- per Application Form, for processing the Application Forms procured by the Registered Brokers and submitted to the SCSBs.
- 2) The SCSBs, the Registered Brokers, the RTAs and the CDPs will be entitled to a commission of ₹50/- per every valid Application Form submitted to them and uploaded on the electronic system of the Stock Exchange.
- 3) The payment towards commission and processing fees will be completed within 60 days from the date of listing of our Equity Shares on the Stock Exchange

Fees, Brokerage and Selling Commission Payable to the Lead Manager

The total fees payable to the Lead Manager (including underwriting commission and selling commission) is as stated in the MOU dated February 09, 2015, the Underwriting Agreement dated February 13, 2015 and the Market Making Agreement dated February 13, 2015 among the Company and the Lead Manager and other parties, a copy of which will be made available for inspection at our Registered Office.

Fees Payable to the Registrar to the Issue

The fees payable to the Registrar to the Issue, for processing of application, data entry, printing of refund order, preparation of refund data on magnetic tape, printing of bulk mailing register will be as per the MoU between the Company and the Registrar to the Issue dated February 04, 2015.

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.

Capital Issue during the last three years

Neither our Company nor any of our Group Companies/subsidiaries/Associates companies has made any capital issue viz. initial public offering, rights issue or composite issue since their incorporation.

Previous Public and Rights Issues

Neither our Company nor any of our Group Companies/subsidiaries/Associates companies has made any previous rights and public issues.

Previous Issues of Equity Shares otherwise than for Cash

Except as stated in the chapter titled “*Capital Structure*” beginning on page 44 of this Prospectus, we have not issued any Equity Shares for consideration other than for cash.

Commission and Brokerage Paid on Previous Issues of our Equity Shares

Since this is an 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.

Companies under the same Management

There are no companies under the same management within the meaning of section 370 (1B) of the Companies Act, 1956, that has made any public issue (including any rights issues or composite issues to the public) during the last three years.

Promise v. Performance – Associates

Our Company and its Promoter Group have not made any previous rights and public issues.

Outstanding Debentures, Bonds, Redeemable Preference Shares and Other Instruments issued by the Company

The Company has no outstanding debentures or bonds. The Company has not issued any redeemable preference shares or other instruments in the past.

Stock Market Data for our Equity Shares

This being an initial public issue of the Company, the Equity Shares of the Company are not listed on any stock exchange.

Mechanism for Redressal of Investor Grievances

The Company has appointed M/s Skyline Financial Services Private Limited as the Registrar to the Issue, to handle the investor grievances in co-ordination with the Compliance Officer of the Company. All grievances relating to the present Issue may be addressed to the Registrar with a copy to the Compliance Officer, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and name of bank and branch. The Company would monitor the work of the Registrar to ensure that the investor grievances are settled expeditiously and satisfactorily.

The Registrar to the Issue 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 January 20, 2015 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
Shilpi Agarwal	Non Executive Independent Director	Chairman
Pushpaben Kothari	Non Executive Independent Director	Member
Ramesh Kumar Dalmia	Non Executive Director	Member

For further details, please see the chapter titled “Our Management” beginning on page 93 of this Prospectus.

The Company has also appointed Miss Shanu Jain 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: Ms. Shanu Jain
Address: Unit No.205, 2nd Floor, Aggarwal City Mall,
 Road No. 44, Pitampura, Delhi - 110034
Tele Fax No.: +91-11-42351486
Email: info.franklinleasing@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 as the Company

No company under the same management as the Company within the meaning of Section 370(1B) of the Companies Act, 1956 has made any public issue (including any rights issues to the public) during the last three years and hence there are no pending investor grievances.

Change in Auditors

Except as mentioned below, there have not been any other changes in our auditors in the last three years:

Financial year	Statutory Auditor
2013	Anil Hariram Gupta & Co., Chartered Accountants

Further, for the purpose of the Restated Financial Statements to be disclosed in the Public Issue Offer Documents, we have appointed M/s. V. N. Purohit & Co. as Independent Auditors (having valid peer review certificate) for certifying and complying with the necessary financial reporting requirements of SEBI (ICDR) Regulations, 2009.

Capitalisation of Reserves or Profits

Except as stated in the chapter titled "*Capital Structure*" beginning on page 44 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 VIII – ISSUE RELATED INFORMATION

TERMS OF THE ISSUE

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

Authority for the Issue

This Issue of Equity Shares has been authorized by the Board of Directors of our Company at their meeting held on December 15, 2014 and February 01, 2016 and the same was approved by the Shareholders of the Company by passing a Special Resolution at the Extra-Ordinary General Meeting held on January 10, 2015 and February 26, 2016 in accordance with the provisions of Section 62 (1)(c) 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 section titled "*Main Provisions of the Articles of Association of our Company*" beginning on page 227 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, 2013. For further details, please see the chapter titled "*Dividend Policy*" beginning on page 115 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 ₹ 15 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 57 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, Listing Regulations 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 227 of this Prospectus.

Minimum Application Value; Market Lot and Trading Lot

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

As per SEBI's circular RMB (compendium) series circular no. 2 (1999-2000) dated February 16, 2000, it has been decided by the SEBI that trading in securities of companies making an initial public offer shall be in Dematerialized form only.

Trading of the Equity Shares will happen in the minimum contract size of 8,000 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 8,000 Equity Share subject to a minimum allotment of 8,000 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 6 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 72 (1) & 72 (2) of the Companies Act, 2013, the sole or first applicant, along with other joint applicant, may nominate any one person in whom, in the event of the death of sole applicant or in case of joint applicant, death of all the applicants, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 72 (3) of the Companies Act, 2013, 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 accordance to Section 72 (4) of the Companies Act, 2013, 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 Articles of Association of the Company, any Person who becomes a nominee by virtue of Section 72 of the Companies Act, 2013, 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.

Withdrawal of the Issue

Our Company, in consultation with the Lead Manager, reserves the right not to proceed with the Issue at any time after the Issue Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-issue advertisements were published, within two days of the Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue. The Lead Manager, through the Registrar to the Issue, shall notify the SCSBs to unblock the bank accounts of the ASBA Applicants within one day of receipt of such notification. Our Company shall also promptly inform the Stock Exchange on which the Equity Shares were proposed to be listed.

If our Company withdraws the Issue after the Issue Closing Date and thereafter determines that it will proceed with an issue of the Equity Shares, our Company shall file a fresh Draft Offer Document. Notwithstanding the foregoing, the Issue is also subject to obtaining the final listing and trading approvals of the Stock Exchange, which our Company shall apply for after Allotment.

ISSUE PROGRAMME

An indicative timetable in respect of the Issue is set out below:

Event	Indicative Date
Issue Opening Date	March 30, 2016
Issue Closing Date	April 05, 2016
Finalisation of Basis of Allotment with the Designated Stock Exchange	On or about April 11, 2016
Initiation of Refunds / Unblocking of Funds	On or about April 12, 2016
Credit of Equity Shares to demat accounts of Allottees	On or about April 13, 2016
Commencement of trading of the Equity Shares on the Stock Exchange	On or about April 18, 2016

The above timetable is indicative and does not constitute any obligation on our Company or the Lead Manager. Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchange are taken within 6 Working Days of the Issue Closing Date, the timetable may change due to various factors, such as extension of the Issue Period by our Company or any delays in receiving the final listing and trading approval from the Stock Exchange. The Commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchange and in accordance with the applicable laws.

Applications shall be accepted **only between 10.00 a.m. and 5.00 p.m.** (IST) during the Issue Period as mentioned above with the Brokers, CDPs, Designated RTAs and designated branches of SCSBs as mentioned in the Application Form. On the Issue Closing Date, the Applications shall be accepted only between **10.00 a.m. and 5.00 p.m.** (IST) or such extended time as permitted by the Stock Exchanges, in case of Applications by Retail Individual Applicants after taking into account the total number of applications received up to the closure of timings and reported by the Lead Manager to the Stock Exchanges. It is clarified that Applications not uploaded on the electronic bidding system would be rejected. Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday).

Due to limitation of time available for uploading the Applications on the Issue Closing Date, the Applicants are advised to submit their Applications one day prior to the Issue Closing Date and, in any case, no later than 5.00

p.m. (IST) on the Issue Closing Date. All times mentioned in this Prospectus are Indian Standard Times. Applicants are cautioned that in the event a large number of Applications are received on the Issue Closing Date, as is typically experienced in public offerings, some Applications may not get uploaded due to lack of sufficient time. Such Applications that cannot be uploaded will not be considered for allocation under the Issue. Applications will be accepted only on Business Days. Neither our Company nor the Lead Manager is liable for any failure in uploading the Applications due to faults in any software/hardware system or otherwise.

In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or electronic Application Form, for a particular Applicant, the Registrar to the Issue shall ask the relevant SCSBs / RTAs / DPs / Stock Brokers, as the case may be, for rectified data.

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 8,000 shares. However, the Market Maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the SME platform of BSE.

Restrictions, if any, on transfer and transmission of shares or debentures and on their consolidation or splitting

For a detailed description in respect of restrictions, if any, on transfer and transmission of shares and on their consolidation / splitting, please see the section titled “*Main Provisions of the Articles of Association of our Company*” beginning on page 227 of this Prospectus.

New Financial Instruments

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

Option to receive Equity Shares in Dematerialized Form

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 the Issue shall ensure compulsory Market Making through the registered Market Maker of the SME Exchange for a minimum period of three years from the date of listing on the SME Platform of BSE.

For further details of the agreement entered into between our Company, the Lead Manager and the Market Maker, please see the chapter titled "*General Information - Details of the Market Making Arrangement for this Issue*" beginning on page no 39 of this Prospectus.

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 the SEBI (ICDR) Regulations, 2009, as amended from time to time, whereby, an issuer whose post issue face value capital is more than ten crore rupees and upto twenty five crore rupees, shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange ("SME Exchange", in this case being the SME Platform of BSE). For further details regarding the salient features and terms of such this Issue, please see the chapters titled "Terms of the Issue" and "Issue Procedure" beginning on pages 166 and 173 respectively, of this Prospectus.

Following is the issue structure:

Public issue of 42,24,000 Equity Shares of ₹ 10 each (the "Equity Shares") for cash at a price of ₹ 15 per Equity Share aggregating to ₹ 633.60 lacs ("the Issue") by Franklin Leasing and Finance Limited ("FLFL" or the "Company" or the "Issuer").

The issue comprises a Net Issue to Public of 40,00,000 Equity Shares of ₹ 10 each ("the Net issue"), and a reservation of 2,24,000 Equity Shares of ₹ 10 each for subscription by the designated Market Maker ("the Market Maker Reservation Portion").

Particulars of the Issue	Net Issue to Public ⁽¹⁾	Market Maker Reservation Portion
Number of Equity Shares available for allocation	40,00,000 Equity Shares	2,24,000 Equity Shares
Percentage of Issue Size available for allocation	94.70% of the Issue Size	5.30% of the Issue Size
Basis of Allotment	Proportionate subject to minimum allotment of 8,000 Equity Shares and further allotment in multiples of 8,000 Equity Shares each. For further details please refer to the "Basis of Allotment" on page no 214 of this Prospectus	Firm Allotment
Minimum Application Size	For QIB and NII: Such number of Equity Shares in multiples of 8,000 Equity Shares such that the Application Value exceeds ₹ 2.00 Lakhs. For Retail Individuals: 8,000 Equity Shares	2,24,000 Equity Shares
Maximum Application Size	For QIB and NII: Such number of Equity Shares in multiples of 8,000 Equity Shares such that the Application Size does not exceeds 40,00,000 Equity Shares. For Retail Individuals: 8,000 Equity Shares	2,24,000 Equity Shares
Application Lot Size	8,000 Equity Shares and in multiples of 8,000 Equity Shares thereafter	
Terms of Payment	Full Application Amount shall be blocked by the SCSBs in the bank account of the ASBA Applicant that is specified in the Application Form at the time of submission of the Application Form.	

Particulars of the Issue	Net Issue to Public ⁽¹⁾	Market Maker Reservation Portion
Mode of Allotment	Dematerialized Form	
Trading Lot	8,000 Equity Shares	8,000 Equity Shares. However the Market Maker may buy odd lots if any in the market as required under the SEBI (ICDR) Regulations, 2009.

- 1) 50 % of the Equity Share offered are reserved for allocation to Applicants below or equal to ₹ 2.00lakhs and the balance for higher amount Applications.
- 2) 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.
- 3) Applicants will be required to confirm and will be deemed to have represented to our Company, the Lead Manager, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares in this Issue.
- 4) SCSBs applying in the Issue must apply through an ASBA Account maintained with any other SCSB

Lot Size

SEBI vide circular CIR/MRD/DSA/06/2012 dated February 21, 2012 (the “Circular”) standardized the lot size for Initial Public Offer proposing to list on SME exchange/platform and for the secondary market trading on such exchange/platform, as under:

Issue Price(in Rs)	Lot Size(No of shares)
Upto14	10000
More than 14 upto18	8000
More than 18 upto 25	6000
More than 25 upto 35	4000
More than 35 upto 50	3000
More than 50 upto 70	2000
More than 70 upto 90	1600
More than 90 upto 120	1200
More than 120 upto 150	1000
More than 150 upto 180	800
More than 180 upto 250	600
More than 250 upto 350	400
More than 350 upto 500	300
More than 500 upto 600	240
More than 600 upto 750	200
More than 750 upto 1000	160
Above 1000	100

Further to the Circular, at the Initial Public Offer stage the Registrar to Issue in consultation with Lead Manager, our Company and BSE shall ensure to finalize the basis of allotment in minimum lots and in multiples of minimum lot size, as per the above given table. The secondary market trading lot size shall be the same, as shall be the IPO Lot Size at the application/allotment stage, facilitating secondary market trading

ISSUE PROCEDURE

All Applicants should review the General Information Document for Investing in public issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by SEBI (“General Information Document”), included below under “Part B – General Information Document”, which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the SEBI ICDR Regulations. The General Information Document has been updated to include reference to the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014 and certain notified provisions of the Companies Act 2013, to the extent applicable to a public issue. The General Information Document would be made available with the Lead Manager and would also be made available on the websites of the Stock Exchanges and the Lead Manager before opening of Issue. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue.

Our Company and the Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated in this section and shall not be liable for any amendment, modification or change in the applicable law which may occur after the date of this Prospectus. Applicants are advised to make their independent investigations and ensure that their Applications are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in this Prospectus.

Please note that all the Applicants can participate in the Issue only through the ASBA process. All Applicants shall ensure that the ASBA Account has sufficient credit balance such that the full Application Amount can be blocked by the SCSB at the time of submitting the Application. Applicants applying through the ASBA process should carefully read the provisions applicable to such applications before making their application through the ASBA process. Please note that all Applicants are required to make payment of the full Application Amount along with the Application Form. In case of ASBA Applicants, an amount equivalent to the full Application Amount will be blocked by the SCSBs.

ASBA Applicants are required to submit ASBA Applications to the Selected Branches / Offices of the RTAs, DPs, Designated Bank Branches of SCSBs. 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. The list of Stock Brokers, Depository Participants (“DP”), Registrar to an Issue and Share Transfer Agent (“RTA”) that have been notified by BSE Ltd to act as intermediaries for submitting Application Forms are provided on <http://www.bseindia.com>. For details on their designated branches for submitting Application Forms, please see the above mentioned BSE website.

Pursuant to the SEBI (Issue of Capital and Disclosure Requirements) (Fifth Amendment) Regulations, 2015, the ASBA process become mandatory for all investors w.e.f. January 1, 2016 and it allows the registrar, share transfer agents, depository participants and stock brokers to accept application forms.

PART A

FIXED PRICE ISSUE PROCEDURE

The Issue is being made in compliance with the provisions of Reg. 106(M)(2) of Chapter XB of the SEBI (ICDR) Regulations, 2009 and through the Fixed Price Process wherein 50% of the Net Issue to Public is being offered to the Retail Individual Applicants and the balance shall be offered to Non Retail Category i.e QIBs and Non-Institutional Applicants. However, if the aggregate demand from the Retail Individual Applicants is less than 50%, then the balance Equity Shares in that portion will be added to the non retail portion offered to the

remaining investors including QIBs and NIIs and vice-versa subject to valid Applications being received from them at or above the Issue Price.

Subject to the valid Applications being received at or above the Issue Price, allocation to all categories in the Net Issue, shall be made on a proportionate basis, except for the Retail Portion where Allotment to each Retail Individual Applicants shall not be less than the minimum lot, subject to availability of Equity Shares in Retail Portion, and the remaining available Equity Shares, if any, shall be allotted on a proportionate basis. Under subscription, if any, in any category, would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company in consultation with the Lead Manager and the Stock Exchange.

Investors should note that according to section 29(1) of the Companies Act, 2013, 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 system of the stock exchanges, 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.

APPLICATION FORM

Copies of the Application Form and the abridged prospectus will be available at the offices of the Lead Manager, the Designated Intermediaries, and Registered Office of our Company. An electronic copy of the Application Form will also be available for download on the websites of the BSE (www.bseindia.com), the SCSBs, the Registered Brokers, the RTAs and the CDPs at least one day prior to the Issue Opening Date.

All Applicants shall mandatorily participate in the Issue only through the ASBA process. ASBA Applicants must provide bank account details and authorisation to block funds in the relevant space provided in the Application Form and the Application Forms that do not contain such details are liable to be rejected.

ASBA Applicants shall ensure that the Applications are made on Application Forms bearing the stamp of the Designated Intermediary, submitted at the Collection Centres only (except in case of electronic Application Forms) and the Application Forms not bearing such specified stamp are liable to be rejected.

The prescribed colour of the Application Form for various categories is as follows:

Category	Colour
Resident Indians and Eligible NRIs applying on a non-repatriation basis	White
Non-Residents and Eligible NRIs, FIIs, FVCIs, etc. applying on a repatriation basis	Blue

Designated Intermediaries shall submit Application Forms to SCSBs and shall not submit it to any non-SCSB bank or any Escrow Bank.

Who Can Apply?

1. Indian nationals resident in India, who are not minors (except through their Legal Guardians), in single or joint names (not more than three);

2. 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;
3. Companies, Corporate Bodies and Societies registered under the applicable laws in India and authorised to invest in equity shares;
4. Mutual Funds registered with SEBI;
5. 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;
6. 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);
7. FIIs and sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual under the QIB portion;
8. Sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals only under the Non-Institutional Applications portion;
9. VCFs registered with SEBI;
10. FVCIs registered with SEBI;
11. Eligible QFIs;
12. Foreign Nationals and other non-residents (subject to eligibility norms specified in SEBI FPI Regulations, 2014 and other applicable provisions)
13. Multilateral and bilateral development financial institutions;
14. State Industrial Development Corporations;
15. 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;
16. Scientific and/or industrial research organizations authorized in India to invest in equity shares;
17. Insurance companies registered with Insurance Regulatory and Development Authority;
18. Provident Funds with a minimum corpus of ₹250 million and who are authorised under their constitution to hold and invest in equity shares;
19. Pension Funds with a minimum corpus of ₹250 million and who are authorised under their constitution to hold and invest in equity shares;
20. Limited liability partnerships;
21. 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;
22. Nominated Investor and Market Maker
23. Insurance funds set up and managed by the army, navy or air force of the Union of India and by the Department of Posts, India

24. 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 the existing policy of the Government of India, OCBs cannot participate in this Issue. 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.

Applications not to be made by

1. Minors (except through their Guardians)
2. Partnership firms or their nominations
3. Overseas Corporate Bodies

Maximum and Minimum Application Size

a) For Retail Individual Applicants:

The Application must be for a minimum of 8,000 Equity Shares and in multiples of 8,000 Equity Shares thereafter, so as to ensure that the Application Amount payable by the Applicant does not exceed ₹ 2,00,000. In case of revision of the Application, the Retail Individual Applicants have to ensure that the Application Amount 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 8,000 Equity Shares thereafter. Application cannot be submitted for more than the Issue Size. However, the maximum application size 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 Application 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 shall not be made public during the Issue Period. In case of revision in Application, 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.

Information for the Applicants

- a) Our Company shall file the Prospectus with the RoC at least three working days before the Issue Opening Date.
- b) Our Company shall, after registering the Prospectus with the RoC, make a pre-Issue advertisement, in the form prescribed under the ICDR Regulations, in English and Hindi national newspapers with wide circulation. In the pre-Issue advertisement, our Company and the Lead Manager shall advertise the Issue Opening Date, the Issue Closing Date. This advertisement, subject to the provisions of the Companies Act, shall be in the format prescribed in Part A of Schedule XIII of the ICDR Regulations.
- c) Copies of the Application Form and the abridged prospectus will be available at the offices of the Lead Manager, the Designated Intermediaries, and Registered Office of our Company. An electronic copy of the Application Form will also be available for download on the websites of the BSE (www.bseindia.com), the SCSBs, the Registered Brokers, the RTAs and the CDPs at least one day prior to the Issue Opening Date.

- d) Applicants who are interested in subscribing to the Equity Shares should approach any of the Application Collecting Intermediaries or their authorized agent(s).
- e) Application should be submitted in the prescribed Application Form only. Application Forms submitted to the SCSBs should bear the stamp of the respective intermediary to whom the application form is submitted. Application Forms submitted directly to the SCSBs should bear the stamp of the SCSBs and / or the Designated Branch.
- f) The Application Form can be submitted either in physical or electronic mode, to the Application Collecting Intermediaries. Further Application Collecting Intermediary may provide the electronic mode of collecting either through an internet enabled collecting and banking facility or such other secured, electronically enabled mechanism for applying and blocking funds in the ASBA Account.

The Applicants should note that in case the PAN, the DP ID and Client ID mentioned in the Application Form and entered into the electronic system of the Stock Exchanges does not match with the PAN, DP ID and Client ID available in the database of Depositories, the Application Form is liable to be rejected.

Availability of the Prospectus and the Application Forms:

Copies of the Application Form and the abridged prospectus will be available at the offices of the Lead Manager, the Designated Intermediaries, and Registered Office of our Company. An electronic copy of the Application Form will also be available for download on the websites of the BSE (www.bseindia.com), the SCSBs, the Registered Brokers, the RTAs and the CDPs at least one day prior to the Issue Opening Date.

Participation by associates and affiliates of the Lead Manager

The Lead Manager shall not be allowed to subscribe to this Issue in any manner except towards fulfilling their underwriting obligations. However, the associates and affiliates of the Lead Manager may subscribe to Equity Shares in the Issue in non Retail Portion, where the allocation is on a proportionate basis.

Applications by Mutual Funds

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 reject the Application without assigning any reason thereof.

Applications made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Applications are made.

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.

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Applications by Eligible NRIs

NRIs may obtain copies of Application Form from the offices of the Lead Manager and the Designated Intermediaries. Eligible NRI Applicants applying on a repatriation basis by using the Non-Resident Forms should authorize their SCSB to block their Non-Resident External (“NRE”) accounts, or Foreign Currency Non-Resident (“FCNR”) ASBA Accounts, and eligible NRI Applicants applying on a non-repatriation basis by using Resident Forms should authorize their SCSB to block their Non-Resident Ordinary (“NRO”) accounts for the full Application Amount, at the time of the submission of the Application Form.

Eligible NRIs applying on non-repatriation basis are advised to use the Application Form for residents (white in colour).

Eligible NRIs applying on a repatriation basis are advised to use the Application Form meant for Non-Residents (blue in colour).

Applications by FPI and FIIs

On January 7, 2014, SEBI notified the SEBI FPI Regulations pursuant to which the existing classes of portfolio investors namely “foreign institutional investors” and “qualified foreign investors” will be subsumed under a new category namely “foreign portfolio investors” or “FPIs”. RBI on March 13, 2014 amended the FEMA Regulations and laid down conditions and requirements with respect to investment by FPIs in Indian companies.

In terms of the SEBI FPI Regulations, any qualified foreign investor or FII who holds a valid certificate of registration from SEBI shall be deemed to be an FPI until the expiry of the block of three years for which fees have been paid as per the SEBI FII Regulations. An FII or a sub-account may participate in this Issue, in accordance with Schedule 2 of the FEMA Regulations, until the expiry of its registration with SEBI as an FII or a sub-account. An FII shall not be eligible to invest as an FII after registering as an FPI under the SEBI FPI Regulations. Further, a qualified foreign investor who had not obtained a certificate of registration as an FPI could only continue to buy, sell or otherwise deal in securities until January 6, 2015. Hence, such qualified foreign investors who have not registered as FPIs under the SEBI FPI Regulations shall not be eligible to participate in this Issue.

In case of Applications made by FPIs, a certified copy of the certificate of registration issued by the designated depository participant under the FPI Regulations is required to be attached to the Application Form, failing which our Company reserves the right to reject any application without assigning any reason. An FII or subaccount may, subject to payment of conversion fees under the SEBI FPI Regulations, participate in the Issue, until the expiry of its registration as a FII or sub-account, or until it obtains a certificate of registration as FPI, whichever is earlier. Further, in case of Applications made by SEBI-registered FIIs or sub-accounts, which are not registered as FPIs, a certified copy of the certificate of registration as an FII issued by SEBI is required to be attached to the Application Form, failing which our Company reserves the right to reject any Application without assigning any reason.

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) must be below 10.00% of our post-Issue Equity Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10.00% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together shall not exceed 24.00% of the paid-up Equity Share capital of our Company. The aggregate limit of 24.00% may be increased up to the sectorial cap by way of a resolution passed by the Board of Directors followed by a special resolution passed by the Shareholders of our Company and subject to prior intimation to RBI. In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of

all registered FPIs as well as holding of FIIs (being deemed FPIs) shall be included. The existing individual and aggregate investment limits an FII or sub account in our Company is 10.00% and 24.00% of the total paid-up Equity Share capital of our Company, respectively.

As per the circular issued by SEBI on November 24, 2014, these investment restrictions shall also apply to subscribers of offshore derivative instruments (“ODIs”). Two or more subscribers of ODIs having a common beneficial owner shall be considered together as a single subscriber of the ODI. In the event an investor has investments as a FPI and as a subscriber of ODIs, these investment restrictions shall apply on the aggregate of the FPI and ODI investments held in the underlying company. FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the SEBI FPI Regulations, an FPI, other than Category III foreign portfolio and unregulated broad based funds, which are classified as Category II foreign portfolio investor by virtue of their investment manager being appropriately regulated, may issue or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognized stock exchange in India, 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 regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with know your client’ norms. An FPI is also required to ensure that no further issue or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority. FPIs who wish to participate in the Issue are advised to use the Application Form for Non-Residents (blue in color). FPIs are required to apply through the ASBA process to participate in the Issue.

Applications by SEBI registered VCFs, AIFs and FVCIs

The SEBI FVCI Regulations and the SEBI AIF Regulations inter-alia prescribe the investment restrictions on the VCFs, FVCIs and AIFs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among others, the investment restrictions on AIFs.

The holding by any individual VCF registered with SEBI in one venture capital undertaking should not exceed 25% of the corpus of the VCF. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering.

The category I and II AIFs cannot invest more than 25% of the corpus in one Investee Company. A category III AIF cannot invest more than 10% of the corpus in one Investee Company. A venture capital fund registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than 1/3rd of its corpus by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the VCF Regulation until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of the SEBI AIF Regulations.

All FIIs and FVCIs should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of Bank charges and commission.

Our Company or the Lead Manager will not be responsible for loss, if any, incurred by the Applicant on account of conversion of foreign currency.

There is no reservation for Eligible NRIs, FPIs and FVCIs and all Applicants will be treated on the same basis with other categories for the purpose of allocation.

Applications by Limited Liability Partnerships

In case of Applications made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Application Form. Failing this, our Company reserves the right to reject any Application without assigning any reason thereof.

Applications by Insurance Companies

In case of Applications made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Application Form. Failing this, our Company reserves the right to reject any Application without assigning any reason thereof. The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000, as amended, are broadly set forth below:

- 1) Equity shares of a company: the least of 10.00% of the investee company's subscribed capital (face value) or 10.00% of the respective fund in case of life insurer or 10.00% of investment assets in case of general insurer or reinsurer;
- 2) The entire group of the investee company: the least of 10.00% of the respective fund in case of a life insurer or 10.00% of investment assets in case of a general insurer or reinsurer (25.00% in case of ulips); and
- 3) The industry sector in which the investee company operates: 10.00% of the insurer's total investment exposure to the industry sector (25.00% in case of ulips).

Applications by Provident Funds / Pension Funds

In case of Applications made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹ 250.00 million, 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.

Applications by Banking Companies

In case of Applications made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Application Form, failing which our Company reserve the right to reject any Application without assigning any reason.

The investment limit for banking companies as per the Banking Regulation Act, 1949, as amended, is 30.00% of the paid up share capital of the investee company or 30.00% of the banks' own paid up share capital and reserves, whichever is less (except in certain specified exceptions, such as setting up or investing in a subsidiary, which requires RBI approval). Further, the RBI Master Circular of July 1, 2015 sets forth prudential norms required to be followed for classification, valuation and operation of investment portfolio of banking companies.

Applications by SCSBs

SCSBs participating in the Issue are required to comply with the terms of the SEBI circulars dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such applications.

Applications under Power of Attorney

In case of Applications made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, FIIs, Mutual Funds, insurance companies and provident funds with a minimum corpus of ₹ 250 million (subject to applicable law) and pension funds with a minimum corpus of ₹ 250 million, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the 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. In addition to the above, certain additional documents are required to be submitted by the following entities:

- a) With respect to Applications by FIIs and Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Application Form.
- 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 along with the Application Form.
- c) With respect to Applications made by provident funds with a minimum corpus of ₹ 250 million (subject to applicable law) and pension funds with a minimum corpus of ₹ 250 million, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Application Form.
- d) With respect to Applications made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Application Form.
- e) 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 and the Lead Manager may deem fit.

The above information is given for the benefit of the Applicants. Our Company and the Lead Manager 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 Applicants are advised to ensure that any single Application from them does not exceed the applicable 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.

General Instructions

Do's:

- 1) Check if you are eligible to apply as per the terms of this Prospectus and under applicable law, rules, regulations, guidelines and approvals;
- 2) Read all the instructions carefully and complete the Application Form in the prescribed form;

- 3) Ensure that the details about the PAN, DP ID and Client ID are correct and the Applicants depository account is active, as Allotment of the Equity Shares will be in the dematerialised form only;
- 4) Ensure that your Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary;
- 5) If the first applicant is not the account holder, ensure that the Application Form is signed by the account holder. Ensure that you have mentioned the correct bank account number in the Application Form;
- 6) Ensure that the signature of the First Applicant in case of joint Applications, is included in the Application Forms;
- 7) Ensure that the name(s) given in the Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint 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;
- 8) Ensure that you request for and receive a stamped acknowledgement of your Application;
- 9) Ensure that you have funds equal to the Application Amount in the ASBA Account maintained with the SCSB before submitting the Application Form under the ASBA process to the respective member of the SCSBs, the Registered Broker (at the Broker Centres), the RTA (at the Designated RTA Locations) or CDP (at the Designated CDP Locations);
- 10) Submit revised Applications to the same Designated Intermediary, through whom the original Application was placed and obtain a revised acknowledgment;
- 11) Except for Applications (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, and (ii) Applications by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Applicants should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in “active status”; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;
- 12) Ensure that the Demographic Details are updated, true and correct in all respects;
- 13) Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;
- 14) Ensure that the category and the investor status is indicated;
- 15) Ensure that in case of Applications under power of attorney or by limited companies, corporates, trust etc., relevant documents are submitted;
- 16) Ensure that Applications submitted by any person outside India should be in compliance with applicable foreign and Indian laws;
- 17) Applicants should note that in case the DP ID, Client ID and the PAN mentioned in their Application Form and entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as the case may be, do not match with the DP ID, Client ID and PAN available in the Depository database,

then such Applications are liable to be rejected. Where the Application Form is submitted in joint names, ensure that the beneficiary account is also held in the same joint names and such names are in the same sequence in which they appear in the Application Form;

- 18) Ensure that the Application Forms are delivered by the Applicants within the time prescribed as per the Application Form and the Prospectus;
- 19) Ensure that you have mentioned the correct ASBA Account number in the Application Form;
- 20) Ensure that you have correctly signed the authorisation/undertaking box in the Application Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Amount mentioned in the Application Form at the time of submission of the Application;
- 21) Ensure that you receive an acknowledgement from the concerned Designated Intermediary, for the submission of your Application Form; and
- 22) The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Don'ts:

- 1) Do not apply for lower than the minimum Application size;
- 2) Do not apply at a Price different from the Price mentioned herein or in the Application Form;
- 3) Do not pay the Application Amount in cash, by money order, cheques or demand drafts or by postal order or by stock invest;
- 4) Do not send Application Forms by post; instead submit the same to the Designated Intermediary only;
- 5) Do not submit the Application Forms to any non-SCSB bank or our Company;
- 6) Do not apply on a Application Form that does not have the stamp of the relevant Designated Intermediary;
- 7) Do not instruct your respective Banks to release the funds blocked in the ASBA Account under the ASBA process;
- 8) Do not apply for a Application Amount exceeding ₹ 200,000 (for Applications by Retail Individual Applicants);
- 9) 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 the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of the Prospectus;
- 10) Do not submit the General Index Register number instead of the PAN;
- 11) Do not submit the Application without ensuring that funds equivalent to the entire Application Amount are blocked in the relevant ASBA Account;
- 12) Do not submit Applications on plain paper or on incomplete or illegible Application Forms or on Application Forms in a colour prescribed for another category of Applicant;
- 13) Do not submit a Application in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;

- 14) Do not apply if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);
- 15) Do not submit more than five Application Forms per ASBA Account;

The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Issuance of a Confirmation of Allocation Note (“CAN”) and Allotment in the Issue

1. Upon approval of the basis of allotment by the Designated Stock Exchange, the Lead Managers or Registrar to the Issue shall send to the SCSBs a list of their 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.

Payment instructions

The entire Issue price of ₹15/- per Equity Share is payable on Application. In case of allotment of lesser number of Equity Shares than the number applied, then the Registrar shall instruct the SCSBs to unblock the excess amount paid on Application to the Applicants.

SCSBs will transfer the amount as per the instruction received by the Registrar to the Public Issue Bank Account. The balance amount after transfer to the Public Issue Account shall be unblocked by the SCSBs.

The Applicants shall specify the bank account details in the Application Form and the SCSBs shall block an amount equivalent to the Application Amount in the bank account specified in the Application Form. The SCSB shall keep the Application Amount in the relevant bank account blocked until withdrawal / rejection of the application or receipt of instructions from the Registrar to unblock the Application Amount. However, Not Retail Applicants shall neither withdraw nor lower the size of their applications at any stage. In the event of withdrawal or rejection of the Application Form or for unsuccessful Application Forms, the Registrar to the Issue shall give instruction to the SCSBs to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Application Amount shall remain blocked in the ASBA Account until finalisation of the Basis of Allotment in the Issue and consequent transfer of the Application Amount to the Public Issue Account, or until withdrawal / failure of the Issue or until rejection of the application, as the case may be.

Pursuant to the SEBI (Issue of Capital and Disclosure Requirements) (Fifth Amendment) Regulations, 2015, the ASBA process become mandatory for all investors w.e.f. January 1, 2016 and it allows the registrar, share transfer agents, depository participants and stock brokers to accept application forms.

Electronic Registration of Applications

- 1) The Application Collecting Intermediary will register the applications using the on-line facilities of the Stock Exchange.
- 2) The Application Collecting Intermediary will undertake modification of selected fields in the application details already uploaded before 1.00 p.m of the next Working day from the Issue Closing Date.
- 3) The Application Collecting Intermediary shall be responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the applications accepted by them, (ii) the applications uploaded by them, (iii) the applications accepted but not uploaded by them or (iv) In case the applications accepted and uploaded by any Application Collecting Intermediary other than SCSBs, the Application Form along with relevant schedules shall be sent to the SCSBs or the Designated Branch of the relevant SCSBs for blocking

of funds and they will be responsible for blocking the necessary amounts in the ASBA Accounts. In case of Application accepted and uploaded by SCSBs, the SCSBs or the Designated Branch of the relevant SCSBs will be responsible for blocking the necessary amounts in the ASBA Accounts.

- 4) Neither the Lead Manager nor the Company, shall be responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the applications accepted by any Application Collecting Intermediaries, (ii) the applications uploaded by any Application Collecting Intermediaries or (iii) the applications accepted but not uploaded by the Application Collecting Intermediaries.
- 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 Application Collecting Intermediaries and their authorised agents during the Issue Period. On the Issue Closing Date, the Application Collecting Intermediaries shall upload the applications till such time as may be permitted by the Stock Exchange.
- 6) With respect to applications by Applicants, at the time of registering such applications, the Application Collecting Intermediaries shall enter the following information pertaining to the Applicants into the on-line system:
 - Name of the Applicant;
 - IPO Name;
 - Application Form Number;
 - Investor Category;
 - PAN Number
 - DP ID & Client ID
 - Numbers of Equity Shares Applied for;
 - Amount;
 - Location of the Banker to the Issue or Designated Branch, as applicable;
 - Bank Account Number and
 - Such other information as may be required.
- 7) In case of submission of the Application by an Applicant through the Electronic Mode, the Applicant shall complete the above mentioned details and mentioned the bank account number, except the Electronic Application Form number which shall be system generated.
- 8) The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof or having accepted the application form, in physical or electronic mode, respectively. The registration of the Application by the Application Collecting Intermediaries does not guarantee that the Equity Shares shall be allocated / allotted either by our Company.
- 9) Such acknowledgment will be non-negotiable and by itself will not create any obligation of any kind.
- 10) The Application Collecting Intermediaries shall have no right to reject the applications, except on technical grounds.
- 11) The permission given by the Stock Exchanges to use their network and software of the Online IPO system should not in any way deemed or construed to mean the compliance with various statutory and other requirements by our Company and / or the Lead Manager are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness or 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, our Promoter, our 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; not does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchange.

- 12) The Application Collecting Intermediaries will be given time till 1.00 p.m on the next working day after the Issue Closing Date to verify the PAN No., 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 the 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.
- 13) The details uploaded in the online IPO system shall be considered as final and Allotment will be based on such details for ASBA Applicants.

Equity Shares in Dematerialised Form with NSDL or CDSL

As per the provisions of Section 29 (1) of the Companies Act, 2013, the allotment of Equity Shares in this Issue shall be only in 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, the Company is in the process of signing two agreements with the respective Depositories and the Registrar to the Issue:

1. Agreement dated March 19, 2015 with NSDL, the Company and the Registrar to the Issue;
2. Agreement dated March 15, 2015 with CDSL, the Company and the Registrar to the Issue.

Allocation of Equity Shares

- 1) The Issue is being made through the Fixed Price Process wherein 2,24,000 Equity Shares shall be reserved for the Market Maker. 40,00,000 Equity Shares will be allocated on a proportionate basis to Retail Individual Applicants, subject to valid applications being received from the Retail Individual Applicants at the Issue Price. The balance of the Net Issue will be available for allocation on a proportionate basis to Non Retail Applicants.
- 2) Under-subscription, if any, in any category, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company in consultation with the Lead Manager and the Stock Exchange.
- 3) Allocation to Non-Residents, including Eligible NRIs, FIIs and FVCIs registered with SEBI, applying on repatriation basis will be subject to applicable law, rules, regulations, guidelines and approvals.
- 4) In terms of SEBI Regulations, Non Retail Applicants shall not be allowed to either withdraw or lower the size of their application at any stage.
- 5) Allotment status details shall be available on the website of the Registrar to the Issue.

Pre-Issue Advertisement

Subject to Section 30 of the Companies Act, our Company shall, after registering the Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in one English language national daily newspaper, one Hindi language national daily newspaper, each with wide circulation. In the pre-Issue advertisement, we shall state the Issue Opening Date and the Issue Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule XIII of the SEBI Regulations.

Signing of the Underwriting Agreement and the RoC Filing

- a) Our Company, the Lead Manager and the Market Maker have entered into an Underwriting Agreement on February 13, 2015.
- b) For terms of the Underwriting Agreement please see chapter titled “General Information” beginning on page no 37 of this Prospectus.
- c) We will file a copy of the Prospectus with the RoC in terms of Section 26 of the Companies Act.

Communications

All future communications in connection with Applications made in this Issue should be addressed to the Registrar 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 SCSB / Designated Intermediary, where the Application was submitted and bank account number in which the amount equivalent to the Application Amount was blocked.

Applicants can contact the Compliance Officer or the Registrar 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. In case of ASBA Applications submitted to the Designated Branches of the SCSBs, the Applicants can contact the Designated Branches of the SCSBs.

Impersonation

Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, which is reproduced below:

“Any person who:

- a) Makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or**
- b) Makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or**
- c) Otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447”**

The liability prescribed under Section 447 of the Companies Act, 2013 includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

Undertaking by our Company

We undertake the following:

- 1) If our Company does not proceed with the Issue after the Issue Opening Date but before allotment, then the reason thereof shall be given as a public notice to be issued by our Company 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 exchanges on which the Equity Shares are proposed to be listed shall also be informed promptly;

- 2) If our Company withdraw the Issue after the Issue Closing Date, our Company shall be required to file a fresh offer document with the RoC/SEBI, in the event our Company subsequently decides to proceed with the Issue;
- 3) The complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily;
- 4) All steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed are taken within six Working Days of the Issue Closing Date;
- 5) The funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar and Share Transfer Agent to the Issue by our Company;
- 6) Allotment will be made or the application money will be refunded within six Working Days from the Issue Closing Date or such lesser time as specified by SEBI;
- 7) Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within six Working Days from the Issue Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- 8) The certificates of the securities/refund orders to Eligible NRIs shall be dispatched within specified time;
- 9) No further Issue of Equity Shares shall be made till the Equity Shares issued through this Offer Document are listed or until the Application monies are refunded on account of non-listing, under-subscription etc;
- 10) Adequate arrangements shall be made to collect all Application Forms and
- 11) 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

The Board of Directors of our Company 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 under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised;
- 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 the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 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.

PART B

General Information Document for Investing in Public Issues

This General Information Document highlights the key rules, processes and procedures applicable to public issues in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations. Bidders/Applicants should not construe the contents of this General Information Document as legal advice and should consult their own legal counsel and other advisors in relation to the legal matters concerning the Issue. For taking an investment decision, the Bidders/Applicants should rely on their own examination of the Issuer and the Issue, and should carefully read the Prospectus before investing in the Issue.

SECTION 1: PURPOSE OF THE GENERAL INFORMATION DOCUMENT (GID)

This document is applicable to the public issues undertaken through the Fixed Price Issue Process as well as to the Fixed Price Offers. The purpose of the “General Information Document for Investing in Public Issues” is to provide general guidance to potential Bidders/Applicants in IPOs and FPOs, and on the processes and procedures governing IPOs and FPOs, undertaken in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (“**SEBI ICDR Regulations, 2009**”).

Bidders/Applicants should note that investment in equity and equity related securities involves risk and Bidder/Applicant should not invest any funds in the Offer unless they can afford to take the risk of losing their investment. The specific terms relating to securities and/or for subscribing to securities in an Issue and the relevant information about the Issuer undertaking the Issue are set out in the Red Herring Prospectus (“RHP”) / Prospectus filed by the Issuer with the Registrar of Companies (“RoC”). Bidders/Applicants should carefully read the entire RHP / Prospectus and the Bid cum Application Form/Application Form and the Abridged Prospectus of the Issuer in which they are proposing to invest through the Issue. In case of any difference in interpretation or conflict and/or overlap between the disclosure included in this document and the RHP/Prospectus, the disclosures in the RHP/Prospectus shall prevail. The RHP/Prospectus of the Issuer is available on the websites of stock exchanges, on the website(s) of the BRLM(s) to the Issue and on the website of Securities and Exchange Board of India (“SEBI”) at www.sebi.gov.in.

For the definitions of capitalized terms and abbreviations used herein Bidders/Applicants may see “*Glossary and Abbreviations*”.

SECTION 2: BRIEF INTRODUCTION TO IPOs/FPOs

2.1 Initial public offer (IPO)

An IPO means an offer of specified securities by an unlisted Issuer to the public for subscription and may include an Offer for Sale of specified securities to the public by any existing holder of such securities in an unlisted Issuer.

For undertaking an IPO, an Issuer is *inter-alia* required to comply with the eligibility requirements of in terms of either Regulation 26(1) or Regulation 26(2) of the SEBI ICDR Regulations, 2009. For details of compliance with the eligibility requirements by the Issuer, Bidders/Applicants may refer to the RHP/Prospectus.

2.2 Further public offer (FPO)

An FPO means an offer of specified securities by a listed Issuer to the public for subscription and may include Offer for Sale of specified securities to the public by any existing holder of such securities in a listed Issuer.

For undertaking an FPO, the Issuer is inter-alia required to comply with the eligibility requirements in terms of Regulation 26/ Regulation 27 of the SEBI ICDR Regulations, 2009. For details of compliance with the eligibility requirements by the Issuer, Bidders/Applicants may refer to the RHP/Prospectus.

2.3 Other Eligibility Requirements:

In addition to the eligibility requirements specified in paragraphs 2.1 and 2.2, an Issuer proposing to undertake an IPO or an FPO is required to comply with various other requirements as specified in the SEBI ICDR Regulations, 2009, the Companies Act, 2013, the Companies Act, 1956 (to the extent applicable), the Securities Contracts (Regulation) Rules, 1957 (the “SCRR”), industry-specific regulations, if any, and other applicable laws for the time being in force.

For details in relation to the above Bidders/Applicants may refer to the RHP/Prospectus.

2.4 Types of Public Issues – Fixed Price Issues and Book Built Issues

In accordance with the provisions of the SEBI ICDR Regulations, 2009, an Issuer can either determine the Offer Price through the Book Building Process (“Book Built Issue”) or undertake a Fixed Price Offer (“Fixed Price Issue”). An Issuer may mention Floor Price or Price Band in the RHP (in case of a Book Built Issue) and a Price or Price Band in the Prospectus (in case of a fixed price Issue) and determine the price at a later date before registering the Prospectus with the Registrar of Companies.

The cap on the Price Band should be less than or equal to 120% of the Floor Price. The Issuer shall announce the Price or the Floor Price or the Price Band through advertisement in all newspapers in which the pre-issue advertisement was given at least five Working Days before the Bid/Offer Opening Date, in case of an IPO and at least one Working Day before the Bid/Issue Opening Date, in case of an FPO.

The Floor Price or the Offer price cannot be lesser than the face value of the securities. Bidders/Applicants should refer to the RHP/Prospectus or Offer advertisements to check whether the Offer is a Book Built Issue or a Fixed Price Issue.

2.5 ISSUE PERIOD

The Offer may be kept open for a minimum of three Working Days (for all category of Bidders/Applicants) and not more than ten Working Days. Bidders/Applicants are advised to refer to the Bid cum Application Form and Abridged Prospectus or RHP/Prospectus for details of the Bid/Offer Period. Details of Bid/Offer Period are also available on the website of the Stock Exchange(s).

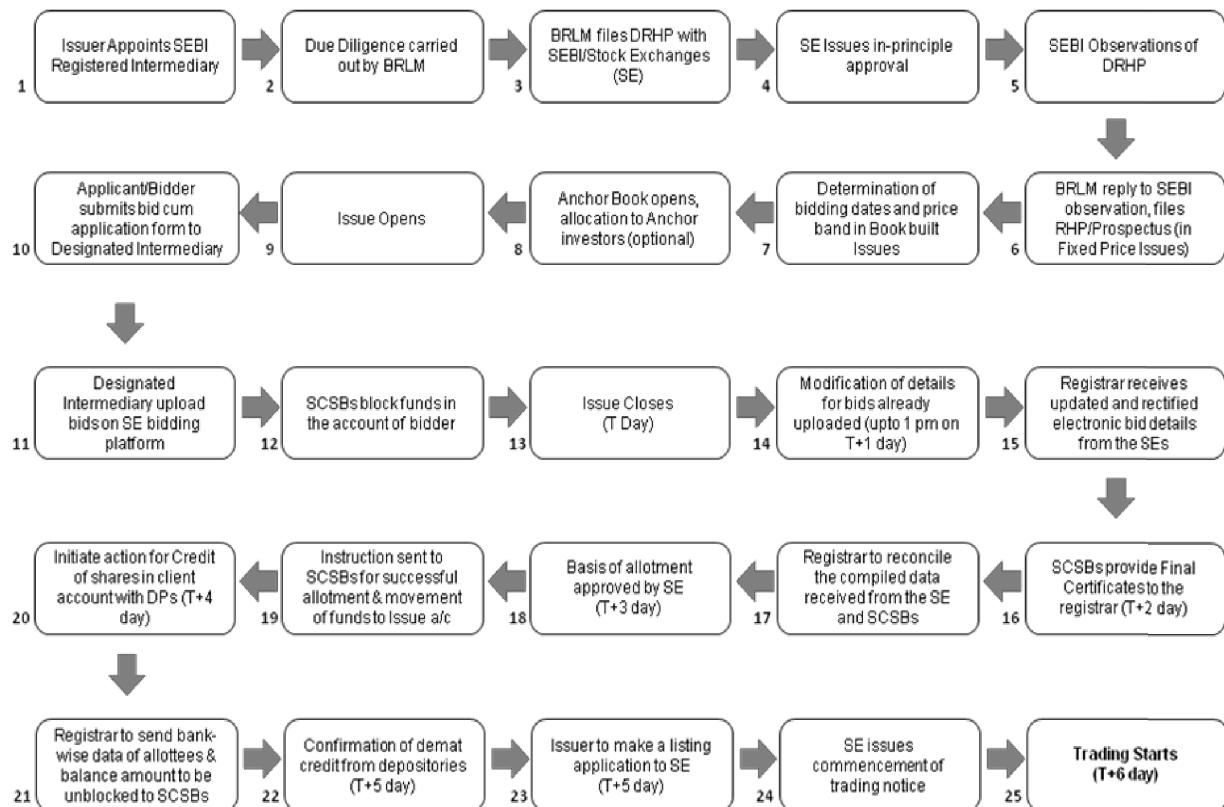
In case of a Book Built Issue, the Issuer may close the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date if disclosures to that effect are made in the RHP. In case of revision of the Floor Price or Price Band in Book Built Issues the Bid/Issue Period may be extended by at least three Working Days, subject to the total Bid/Offer Period not exceeding 10 Working Days. For details of any revision of the Floor Price or Price Band, Bidders/Applicants may check the announcements made by the Issuer on the websites of the Stock Exchanges and the BRLM(s), and the advertisement in the newspaper(s) issued in this regard.

2.6 FLOWCHART OF TIMELINES

A flow chart of process flow in Fixed Price and Book Built Issues is as follows. Bidders/Applicants may note that this is not applicable for Fast Track FPOs:

In case of Offer other than Book Built Issue (Fixed Price Issue) the process at the following of the below mentioned steps shall be read as:

- i. Step 7 : Determination of Offer Date and Price
- ii. Step 10: Applicant submits Bid cum Application Form with Designated Branch of SCSB.



SECTION 3: CATEGORY OF INVESTORS ELIGIBLE TO PARTICIPATE IN AN ISSUE

Each Bidder/Applicant should check whether it is eligible to apply under applicable law. Furthermore, certain categories of Bidders/Applicants, such as NRIs, FIIs, FPIs and FVCIs may not be allowed to Bid/Apply in the Offer or to hold Equity Shares, in excess of certain limits specified under applicable law. Bidders/Applicants are requested to refer to the RHP/Prospectus for more details.

Subject to the above, an illustrative list of Bidders/Applicants is as follows:

- Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, in single or joint names (not more than three);
- Bids/Applications belonging to an account for the benefit of a minor (under guardianship);
- Hindu Undivided Families or HUFs, in the individual name of the *Karta*. The Bidder/Applicant should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/Application Form as follows: “Name of sole or first Bidder/Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta*”. Bids/Applications by HUFs may be considered at par with Bids/Applications from individuals;

- Companies, corporate bodies and societies registered under applicable law in India and authorised to invest in equity shares;
- QIBs;
- NRIs on a repatriation basis or on a non-repatriation basis, subject to applicable law;
- Indian Financial Institutions, regional rural banks, co-operative banks (subject to RBI regulations and the SEBI ICDR Regulations, 2009 and other laws, as applicable);
- FIIs and sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual, bidding under the QIBs category;
- Sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals Bidding only under the Non Institutional Investors (“NIIs”) category;
- FPIs other than Category III foreign portfolio investors, Bidding under the QIBs category;
- FPIs which are Category III foreign portfolio investors, Bidding under the NIIs category;
- Trusts/societies registered under the Societies Registration Act, 1860, or under any other law relating to trusts/societies and who are authorised under their respective constitutions to hold and invest in equity shares;
- Limited liability partnerships registered under the Limited Liability Partnership Act, 2008; and
- Any other person eligible to Bid/Apply in the Offer, under the laws, rules, regulations, guidelines and policies applicable to them and under Indian laws.
- As per the existing regulations, OCBs are not allowed to participate in an Offer.

SECTION 4: APPLYING IN THE ISSUE

Book Built Issue: Bidders should only use the specified ASBA Form (or in case of Anchor Investors, the Anchor Investor Application Form) either bearing the stamp of a member of the Syndicate or any other Designated Intermediary, as available or downloaded from the websites of the Stock Exchanges. Bid cum Application Forms are available with the Book Running Lead Managers, the Designated Intermediaries at the Bidding Centres and at the registered office of the Issuer. Electronic Bid cum Application Forms will be available on the websites of the Stock Exchanges at least one day prior to the Bid/Offer Opening Date. For further details, regarding availability of Bid cum Application Forms, Bidders may refer to the RHP/Prospectus.

Fixed Price Issue: Applicants should only use the specified cum Application Form bearing the stamp of an SCSB as available or downloaded from the websites of the Stock Exchanges. Application Forms are available with the Designated Branches of the SCSBs and at the Registered and Corporate Office of the Issuer. For further details, regarding availability of Application Forms, Applicants may refer to the Prospectus.

Bidders/Applicants should ensure that they apply in the appropriate category. The prescribed colour of the Bid cum Application Form for various categories of Bidders/Applicants is as follows:

Category	Colour
Resident Indians and Eligible NRIs applying on a non-repatriation basis	White
Non-Residents and Eligible NRIs, FIIs, FVCIs, etc. applying on a repatriation basis	Blue

Securities issued in an IPO can only be in dematerialized form in accordance with Section 29 of the Companies Act, 2013. Bidders/Applicants will not have the option of getting the Allotment of specified securities in physical form. However, they may get the specified securities rematerialised subsequent to Allotment.

4.1 INSTRUCTIONS FOR FILING THE BID CUM APPLICATION FORM/APPLICATION FORM

Bidders/Applicants may note that forms not filled completely or correctly as per instructions provided in this GID, the RHP and the Bid cum Application Form/Application Form are liable to be rejected.

Instructions to fill each field of the Bid cum Application Form can be found on the reverse side of the Bid cum Application Form. Specific instructions for filling various fields of the Bid cum Application Form and sample are provided below.

A sample Bid cum Application Form is reproduced below:

TEAR HERE

COMMON BID CUM APPLICATION FORM	XYZ LIMITED - INITIAL PUBLIC ISSUE - R Address : Contact Details: CIN No	FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS
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LOGO TO, THE BOARD OF DIRECTORS XYZ LIMITED	<table border="1" style="margin: auto;"> <tr><td>BOOK BUILT ISSUE</td></tr> <tr><td>ISIN :</td></tr> </table>	BOOK BUILT ISSUE	ISIN :	Bid cum Application Form No.
BOOK BUILT ISSUE				
ISIN :				

SYNDICATE MEMBER'S STAMP & CODE	BROKER/SCSB/DP/RTA STAMP & CODE	1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER
		Mr. / Ms. _____
		Address _____
		_____ Email _____
		Tel. No (with STD code) / Mobile _____
BANK BRANCH SERIAL NO.	SCSB SERIAL NO.	2. PAN OF SOLE / FIRST BIDDER

3. BIDDER'S DEPOSITORY ACCOUNT DETAILS <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL	6. INVESTOR STATUS																																	
For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID	<input type="checkbox"/> Individual(s) - IND <input type="checkbox"/> Hinds Undivided Family* - HUF <input type="checkbox"/> Bodies Corporate - CO <input type="checkbox"/> Banks & Financial Institutions - FI <input type="checkbox"/> Mutual Funds - MF <input type="checkbox"/> Non-Resident Indians - NRI (Non-Repatriation basis) <input type="checkbox"/> National Investment Fund - NIF <input type="checkbox"/> Insurance Funds - IF <input type="checkbox"/> Insurance Companies - IC <input type="checkbox"/> Venture Capital Funds - VCF <input type="checkbox"/> Alternative Investment Funds - AIF <input type="checkbox"/> Others (Please specify) - OIH																																	
4. BID OPTIONS (ONLY RETAIL INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF")	5. CATEGORY																																	
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="2">Bid Options</th> <th rowspan="2">No. of Equity Shares Bid (In Figures) (Bids must be in multiples of Bid Lot as advertised)</th> <th colspan="3">Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)</th> <th rowspan="2">"Cut-off" (Please tick)</th> </tr> <tr> <th>Bid Price</th> <th>Retail Discount</th> <th>Net Price</th> </tr> <tr> <td></td> <td>8 7 6 5 4 3 2 1</td> <td>3 2 1</td> <td>3 2 1</td> <td>3 2 1</td> <td></td> </tr> </thead> <tbody> <tr> <td>Option 1</td> <td></td> <td></td> <td></td> <td></td> <td><input type="checkbox"/></td> </tr> <tr> <td>(OR) Option 2</td> <td></td> <td></td> <td></td> <td></td> <td><input type="checkbox"/></td> </tr> <tr> <td>(OR) Option 3</td> <td></td> <td></td> <td></td> <td></td> <td><input type="checkbox"/></td> </tr> </tbody> </table>	Bid Options	No. of Equity Shares Bid (In Figures) (Bids must be in multiples of Bid Lot as advertised)	Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)			"Cut-off" (Please tick)	Bid Price	Retail Discount	Net Price		8 7 6 5 4 3 2 1	3 2 1	3 2 1	3 2 1		Option 1					<input type="checkbox"/>	(OR) Option 2					<input type="checkbox"/>	(OR) Option 3					<input type="checkbox"/>	<input type="checkbox"/> Retail Individual Bidder <input type="checkbox"/> Non-Institutional Bidder <input type="checkbox"/> QIB
Bid Options			No. of Equity Shares Bid (In Figures) (Bids must be in multiples of Bid Lot as advertised)	Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)			"Cut-off" (Please tick)																											
	Bid Price	Retail Discount		Net Price																														
	8 7 6 5 4 3 2 1	3 2 1	3 2 1	3 2 1																														
Option 1					<input type="checkbox"/>																													
(OR) Option 2					<input type="checkbox"/>																													
(OR) Option 3					<input type="checkbox"/>																													

7. PAYMENT DETAILS	PAYMENT OPTION : FULL PAYMENT <input type="checkbox"/> PART PAYMENT <input type="checkbox"/>
Amount paid (₹ in figures) _____ (₹ in words) _____	
ASBA Bank A/c No. _____	
Bank Name & Branch _____	

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES ("GID") AND HEREBY AGREE AND CONFIRM THE "BIDDERS UNDERTAKING" AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID CUM APPLICATION FORM GIVEN OVERLEAF.

8A. SIGNATURE OF SOLE/ FIRST BIDDER	8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)	BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)
Date : _____	I/We authorize the SCSB to do all acts as are necessary to make the Application in the case	
	1) _____	
	2) _____	
	3) _____	

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LOGO XYZ LIMITED INITIAL PUBLIC ISSUE - R	Acknowledgement Slip for Broker/SCSB/DP/RTA	Bid cum Application Form No.
---	---	--

DPID / CLID _____	PAN of Sole / First Bidder _____
-------------------	----------------------------------

Amount paid (₹ in figures) _____	Bank & Branch _____	Stamp & Signature of SCSB Branch
ASBA Bank A/c No. _____		
Received from Mr./Ms. _____		
Telephone / Mobile _____	Email _____	

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XYZ LIMITED - INITIAL PUBLIC ISSUE - R	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th></th> <th>Option 1</th> <th>Option 2</th> <th>Option 3</th> </tr> <tr> <td>No. of Equity Shares</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Bid Price</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Amount Paid (₹)</td> <td></td> <td></td> <td></td> </tr> </table>		Option 1	Option 2	Option 3	No. of Equity Shares				Bid Price				Amount Paid (₹)				Stamp & Signature of Broker / SCSB / DP / RTA	Name of Sole / First Bidder _____ _____ _____
	Option 1	Option 2	Option 3																
No. of Equity Shares																			
Bid Price																			
Amount Paid (₹)																			
ASBA Bank A/c No. _____		Acknowledgement Slip for Bidder																	
Bank & Branch _____		Bid cum Application Form No. 																	

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4.1.1 FIELD NUMBER 1: NAME AND CONTACT DETAILS OF THE SOLE / FIRST BIDDER / APPLICANT

- a) Bidders/Applicants should ensure that the name provided in this field is exactly the same as the name in which the Depository Account is held.
- b) **Mandatory Fields:** Bidders/Applicants should note that the name and address fields are compulsory and e-mail and/or telephone number/mobile number fields are optional. Bidders/Applicants should note that the contact details mentioned in the Bid cum Application Form/Application Form may be used to dispatch communications (including letters notifying the unblocking of the bank accounts of Bidders/Applicants) in case the communication sent to the address available with the Depositories are returned undelivered or are not available. The contact details provided in the Bid cum Application Form may be used by the Issuer, the Designated Intermediaries and the Registrar to the Offer only for correspondence(s) related to an Offer and for no other purposes.
- c) **Joint Bids/Applications:** In the case of Joint Bids/Applications, the Bids/Applications should be made in the name of the Bidder/Applicant whose name appears first in the Depository account. The name so entered should be the same as it appears in the Depository records. The signature of only such first Bidder/Applicant would be required in the Bid cum Application Form/Application Form and such first Bidder/Applicant would be deemed to have signed on behalf of the joint holders. All communications may be addressed to such Bidder/Applicant and may be dispatched to his or her address as per the Demographic Details received from the Depositories.
- d) **Impersonation:** Attention of the Bidders/Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

“Any person who:

- *Makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- *Makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- *Otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under section 447.”*

The liability prescribed under Section 447 of the Companies Act, 2013 includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

- e) **Nomination Facility to Bidder/Applicant:** Nomination facility is available in accordance with the provisions of Section 72 of the Companies Act, 2013. In case of Allotment of the Equity Shares in dematerialized form, there is no need to make a separate nomination as the nomination registered with the Depository may prevail. For changing nominations, the Bidders/Applicants should inform their respective DP.

4.1.2 FIELD NUMBER 2: PAN NUMBER OF SOLE/FIRST BIDDER/APPLICANT

- a) PAN (of the sole/first Bidder/Applicant) provided in the Bid cum Application Form/Application Form should be exactly the same as the PAN of the person(s) in whose name the relevant beneficiary account is held as per the Depositories' records.

- b) PAN is the sole identification number for participants transacting in the securities market irrespective of the amount of transaction except for Bids/Applications on behalf of the Central or State Government, Bids/Applications by officials appointed by the courts and Bids/Applications by Bidders/Applicants residing in Sikkim (“PAN Exempted Bidders/Applicants”). Consequently, all Bidders/Applicants, other than the PAN Exempted Bidders/Applicants, are required to disclose their PAN in the Bid cum Application Form/Application Form, irrespective of the Bid/Application Amount. Bids/Applications by the Bidders/Applicants whose PAN is not available as per the Demographic Details available in their Depository records, are liable to be rejected.
- c) The exemption for the PAN Exempted Bidders/Applicants is subject to (a) the Demographic Details received from the respective Depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in “active status”; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same.
- d) Bid cum Application Forms which provide the General Index Register Number instead of PAN may be rejected.
- e) Bids/Applications by Bidders whose demat accounts have been ‘suspended for credit’ are liable to be rejected pursuant to the circular issued by SEBI on July 29, 2010, bearing number CIR/MRD/DP/22/2010. Such accounts are classified as “Inactive demat accounts” and Demographic Details are not provided by depositories.

4.1.3 FIELD NUMBER 3: BIDDERS/APPLICANTS DEPOSITORY ACCOUNT DETAILS

- a) Bidders/Applicants should ensure that DP ID and the Client ID are correctly filled in the Bid cum Application Form/Application Form. The DP ID and Client ID provided in the Bid cum Application Form/Application Form should match with the DP ID and Client ID available in the Depository database, **otherwise, the Bid cum Application Form/Application Form is liable to be rejected.**
- b) Bidders/Applicants should ensure that the beneficiary account provided in the Bid cum Application Form/Application Form is active.
- c) Bidders/Applicants should note that on the basis of the DP ID and Client ID as provided in the Bid cum Application Form/Application Form, the Bidder/Applicant may be deemed to have authorized the Depositories to provide to the Registrar to the Offer, any requested Demographic Details of the Bidder/Applicant as available on the records of the depositories. These Demographic Details may be used, among other things, for unblocking of ASBA Account or for other correspondence(s) related to an Offer.
- d) Bidders/Applicants are, advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the Bidders/Applicants’ sole risk.

4.1.4 FIELD NUMBER 4: BID OPTIONS

- a) Price or Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) may be disclosed in the Prospectus/RHP by the Issuer. The Issuer is required to announce the Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) by way of an advertisement in at least one English, one Hindi and one regional newspaper, with wide circulation, at least five Working Days before Bid/Offer Opening Date in case of an IPO, and at least one Working Day before Bid/Offer Opening Date in case of an FPO.
- b) The Bidders may Bid at or above Floor Price or within the Price Band for IPOs/FPOs undertaken through the Book Building Process. In the case of Alternate Book Building Process for an FPO, the Bidders may Bid at Floor Price or any price above the Floor Price (For further details Bidders may refer to (Section 5.6 (e))

- c) **Cut-Off Price:** Retail Individual Investors or Employees or Retail Individual Shareholders can Bid at the Cut-off Price indicating their agreement to Bid for and purchase the Equity Shares at the Offer Price as determined at the end of the Book Building Process. Bidding at the Cut-off Price is prohibited for QIBs and NIIs and such Bids from QIBs and NIIs may be rejected.
- d) **Minimum Application Value and Bid Lot:** The Issuer in consultation with the BRLMs may decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of ₹ 10,000 to ₹ 15,000. The minimum Bid Lot is accordingly determined by an Issuer on basis of such minimum application value.
- e) **Allotment:** The Allotment of specified securities to each RII shall not be less than the minimum Bid Lot, subject to availability of shares in the RII category, and the remaining available shares, if any, shall be Allotted on a proportionate basis. For details of the Bid Lot, Bidders may refer to the RHP/Prospectus or the advertisement regarding the Price Band published by the Issuer.

4.1.4.1 MAXIMUM AND MINIMUM BID SIZE

- a) The Bidder may Bid for the desired number of Equity Shares at a specific price. Bids by Retail Individual Investors, Employees and Retail Individual Shareholders must be for such number of shares so as to ensure that the Bid Amount less Discount (as applicable), payable by the Bidder does not exceed ₹ 200,000.
- b) In case the Bid Amount exceeds ₹ 200,000 due to revision of the Bid or any other reason, the Bid may be considered for allocation under the Non-Institutional Category (with it not being eligible for Discount), then such Bid may be rejected if it is at the Cut-off Price.
- c) For NRIs, a Bid Amount of up to ₹ 200,000 may be considered under the Retail Category for the purposes of allocation and a Bid Amount exceeding ₹ 200,000 may be considered under the Non-Institutional Category for the purposes of allocation.
- d) Bids by QIBs and NIIs must be for such minimum number of shares such that the Bid Amount exceeds ₹ 200,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the Bid cum Application Form and the RHP/Prospectus, or as advertised by the Issuer, as the case may be. Non-Institutional Investors and QIBs are not allowed to Bid at Cut off Price.
- e) RII may revise or withdraw their bids until Bid/Offer Closing Date. QIBs and NII's cannot withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after Bidding and are required to pay the Bid Amount upon submission of the Bid.
- f) In case the Bid Amount reduces to ₹ 200,000 or less due to a revision of the Price Band, Bids by the Non-Institutional Investors who are eligible for allocation in the Retail Category would be considered for allocation under the Retail Category.
- g) For Anchor Investors, if applicable, the Bid Amount shall be least ₹ 10 crores. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors. Bids by various schemes of a Mutual Fund shall be aggregated to determine the Bid Amount. A Bid cannot be submitted for more than 60% of the QIB Category under the Anchor Investor Portion. Anchor Investors cannot withdraw their Bids or lower the size of their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after the Anchor Investor Bid/Offer Period and are required to pay the Bid Amount at the time of submission of the Bid. In case the Anchor Investor Offer Price is lower than the Offer Price, the balance amount shall be payable as per the pay-in-date mentioned in the revised CAN. In case the Offer Price is lower than the Anchor Investor Offer Price, the amount in excess of the Offer Price paid by the Anchor Investors shall not be refunded to them.
- h) A Bid cannot be submitted for more than the Offer size.

- i) The maximum Bid by any Bidder including QIB Bidder should not exceed the investment limits prescribed for them under the applicable laws.
- j) The price and quantity options submitted by the Bidder in the Bid cum Application Form may be treated as optional bids from the Bidder and may not be cumulated. After determination of the Offer Price, the number of Equity Shares Bid for by a Bidder at or above the Offer Price may be considered for Allotment and the rest of the Bid(s), irrespective of the Bid Amount may automatically become invalid. This is not applicable in case of FPOs undertaken through Alternate Book Building Process (For details of Bidders may refer to (Section 5.6 (e))

4.1.4.2 MULTIPLE BIDS

- a) Bidder should submit only one Bid cum Application Form. Bidder shall have the option to make a maximum of three Bids at different price levels in the Bid cum Application Form and such options are not considered as multiple Bids.
Submission of a second Bid cum Application Form to either the same or to another Designated Intermediary and duplicate copies of Bid cum Application Forms bearing the same application number shall be treated as multiple Bids and are liable to be rejected.
- b) Bidders are requested to note the following procedures may be followed by the Registrar to the Offer to detect multiple Bids:
 - 1) All Bids may be checked for common PAN as per the records of the Depository. For Bidders other than Mutual Funds and FII sub-accounts, Bids bearing the same PAN may be treated as multiple Bids by a Bidder and may be rejected.
 - 2) For Bids from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Bids on behalf of the PAN Exempted Bidders, the Bid cum Application Forms may be checked for common DP ID and Client ID. Such Bids which have the same DP ID and Client ID may be treated as multiple Bids and are liable to be rejected.
- c) The following Bids may not be treated as multiple Bids:
 - 1) Bids by Reserved Categories Bidding in their respective Reservation Portion as well as bids made by them in the Offer portion in public category.
 - 2) Separate Bids by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Bids clearly indicate the scheme for which the Bid has been made.
 - 3) Bids by Mutual Funds, and sub-accounts of FIIs (or FIIs and its sub-accounts) submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.
 - 4) Bids by Anchor Investors under the Anchor Investor Portion and the QIB Category.

4.1.5 FIELD NUMBER 5: CATEGORY OF BIDDERS

- a) The categories of Bidders identified as per the SEBI ICDR Regulations, 2009 for the purpose of Bidding, allocation and Allotment in the Offer are RIIs, NIIs and QIBs.
- b) Up to 60% of the QIB Category can be allocated by the Issuer, on a discretionary basis subject to the criteria of minimum and maximum number of Anchor Investors based on allocation size, to the Anchor Investors, in accordance with SEBI ICDR Regulations, 2009, with one third of the Anchor Investor Portion reserved for domestic Mutual Funds subject to valid Bids being received at or above the Offer Price. For details regarding allocation to Anchor Investors, Bidders may refer to the RHP/Prospectus.

- c) An Issuer can make reservation for certain categories of Bidders/Applicants as permitted under the SEBI ICDR Regulations, 2009. For details of any reservations made in the Offer, Bidders/Applicants may refer to the RHP/Prospectus.
- d) The SEBI ICDR Regulations, 2009, specify the allocation or Allotment that may be made to various categories of Bidders in an Offer depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Offer specific details in relation to allocation Bidder/Applicant may refer to the RHP/Prospectus.

4.1.6 FIELD NUMBER 6: INVESTOR STATUS

- a) Each Bidder/Applicant should check whether it is eligible to apply under applicable law and ensure that any prospective Allotment to it in the Offer is in compliance with the investment restrictions under applicable law.
- b) Certain categories of Bidders/Applicants, such as NRIs, FPIs and FVCIs may not be allowed to Bid/Apply in the Offer or hold Equity Shares exceeding certain limits specified under applicable law. Bidders/Applicants are requested to refer to the RHP/Prospectus for more details.
- c) Bidders/Applicants should check whether they are eligible to apply on non -repatriation basis or repatriation basis and should accordingly provide the investor status. Details regarding investor status are different in the Resident Bid cum Application Form and Non-Resident Bid cum Application Form.
- d) Bidders/Applicants should ensure that their investor status is updated in the Depository records.

4.1.7 FIELD NUMBER 7: PAYMENT DETAILS

- a) The full Bid Amount (net of any Discount, as applicable) shall be blocked based on the authorisation provided in the Bid cum Application Form. If the Discount is applicable in the Offer, the RIIs should indicate the full Bid Amount in the Bid cum Application Form and the funds shall be blocked for Bid Amount net of Discount. Only in cases where the RHP/Prospectus indicates that part payment may be made, such an option can be exercised by the Bidder. In case of Bidders specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less Discount offered, if any.
- b) Bidders who Bid at Cut-off Price shall deposit the Bid Amount based on the Cap Price.
- c) All Bidders (except Anchor Investors) can participate in the Offer only through the ASBA mechanism.
- d) Bid Amount cannot be paid in cash, through money order or through postal order.

4.1.7.1 Instructions for Anchor Investors:

- a) Anchor Investors may submit their Bids with a Book Running Lead Manager.
- b) Payments should be made either by RTGS, NEFT or cheque/ 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 Anchor Investor Application Form is submitted. Cheques/bank drafts drawn on banks not participating in the clearing process may not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected.
- c) If the cheque or demand draft accompanying the Bid cum Application Form is not made favoring the Escrow Account, the Bid is liable to be rejected.

- d) The Escrow Collection Banks shall maintain the monies in the Escrow Account for and on behalf of the Anchor Investors until the Designated Date.
- e) Anchor Investors are advised to provide the number of the Anchor Investor Application Form and PAN on the reverse of the cheque or bank draft to avoid any possible misuse of instruments submitted.

4.1.7.2 Payment instructions for Bidders (other than Anchor Investors)

- a) Bidders may submit the Bid cum Application Form either
 - 1) In physical mode to the Designated Branch of an SCSB where the Bidders/Applicants have ASBA Account, or
 - 2) In electronic mode through the internet banking facility offered by an SCSB authorizing blocking of funds that are available in the ASBA account specified in the Bid cum Application Form, or
 - 3) In physical mode to any Designated Intermediary.
- b) Bidders must specify the Bank Account number in the Bid cum Application Form. The Bid cum Application Form submitted by Bidder and which is accompanied by cash, demand draft, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account maintained with an SCSB, may not be accepted.
- c) Bidders should ensure that the Bid cum Application Form is also signed by the ASBA Account holder(s) if the Bidder is not the ASBA Account holder;
- d) Bidders shall note that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account.
- e) From one ASBA Account, a maximum of five Bids cum Application Forms can be submitted.
- f) Bidders bidding through a member of the Syndicate should ensure that the Bid cum Application Form is submitted to a member of the Syndicate only at the Specified Locations. Bidders should also note that Bid cum Application Forms submitted to the Syndicate at the Specified Locations may not be accepted by the member of the Syndicate if the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has not named at least one branch at that location for the members of the Syndicate to deposit Bid cum Application Forms (a list of such branches is available on the website of SEBI at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>).
- g) Bidders bidding through a Registered Broker, RTA or CDP should note that Bid cum Application Forms submitted to them may not be accepted, if the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has not named at least one branch at that location for the Registered Brokers, RTA or CDP, as the case may be, to deposit Bid cum Application Forms.
- h) Bidders bidding directly through the SCSBs should ensure that the Bid cum Application Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.
- i) Upon receipt of the Bid cum Application Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the Bid cum Application Form.
- j) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Bid Amount mentioned in the Bid cum Application Form and for application directly submitted to SCSB by investor, may enter each Bid option into the electronic bidding system as a separate Bid.
- k) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not upload such Bids on the Stock Exchange platform and such bids are liable to be rejected.

- l) Upon submission of a completed Bid cum Application Form each Bidder may be deemed to have agreed to block the entire Bid Amount and authorized the Designated Branch of the SCSB to block the Bid Amount specified in the Bid cum Application Form in the ASBA Account maintained with the SCSBs.
- m) The Bid Amount may remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal or failure of the Offer, or until withdrawal or rejection of the Bid, as the case may be.
- n) SCSBs bidding in the Offer must apply through an Account maintained with any other SCSB; else their Bids are liable to be rejected.

4.1.7.2.1 Unblocking of ASBA Account

- a) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Offer may provide the following details to the controlling branches of each SCSB, along with instructions to unblock the relevant bank accounts and for successful applications transfer the requisite money to the Public Issue Account designated for this purpose, within the specified timelines: (i) the number of Equity Shares to be Allotted against each Bid, (ii) the amount to be transferred from the relevant bank account to the Public Issue Account, for each Bid, (iii) the date by which funds referred to in (ii) above may be transferred to the Public Issue Account, and (iv) details of rejected Bids, if any, along with reasons for rejection and details of withdrawn or unsuccessful Bids, if any, to enable the SCSBs to unblock the respective bank accounts.
- b) On the basis of instructions from the Registrar to the Offer, the SCSBs may transfer the requisite amount against each successful Bidder to the Public Issue Account and may unblock the excess amount, if any, in the ASBA Account.
- c) In the event of withdrawal or rejection of the Bid cum Application Form and for unsuccessful Bids, the Registrar to the Offer may give instructions to the SCSB to unblock the Bid Amount in the relevant ASBA Account within six Working Days of the Bid/Offer Closing Date.

4.1.7.3 Discount (if applicable)

- a) The Discount is stated in absolute rupee terms.
- b) Bidders applying under RII category, Retail Individual Shareholder and employees are only eligible for discount. For Discounts offered in the Offer, Bidders may refer to the RHP/Prospectus.
- c) The Bidders entitled to the applicable Discount in the Offer may block an amount i.e. the Bid Amount less Discount (if applicable).

Bidder may note that in case the net amount blocked (post Discount) is more than two lakh Rupees, the Bidding system automatically considers such applications for allocation under Non-Institutional Category. These applications are neither eligible for Discount nor fall under RII category.

4.1.8 FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS

- a) Only the First Bidder/ Applicant is required to sign the Bid cum Application Form/Application Form. Bidders/ Applicants should ensure that signatures are in one of the languages specified in the Eighth Schedule to the Constitution of India.
- b) If the ASBA Account is held by a person or persons other than the Bidder/Applicant., then the Signature of the ASBA Account holder(s) is also required.
- c) The signature has to be correctly affixed in the authorisation/undertaking box in the Bid cum Application Form/Application Form, or an authorisation has to be provided to the SCSB via the electronic mode, for

blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form/Application Form.

- d) Bidders/Applicants must note that Bid cum Application Form/Application Form without signature of Bidder/Applicant and/or ASBA Account holder is liable to be rejected.

4.1.9 ACKNOWLEDGEMENT AND FUTURE COMMUNICATION

- a) Bidders should ensure that they receive the Acknowledgement Slip duly signed and stamped by the Designated Intermediary, as applicable, for submission of the Bid cum Application Form.
- b) All communications in connection with Bids/Applications made in the Offer should be addressed as under:
- 1) In case of queries related to Allotment, non-receipt of Allotment Advice, credit of Allotted Equity shares, refund orders, the Bidders/Applicants should contact the Registrar to the Offer.
 - 2) In case of Bids submitted to the Designated Branches of the SCSBs, the Bidders/Applicants should contact the relevant Designated Branch of the SCSB.
 - 3) In case of queries relating to uploading of Bids by a Syndicate Member, the Bidders/Applicants should contact the relevant Syndicate Member.
 - 4) In case of queries relating to uploading of Bids by a Registered Broker, the Bidders/Applicants should contact the relevant Registered Broker
 - 5) In case of Bids submitted to the RTA, the Bidders/Applicants should contact the relevant RTA.
 - 6) In case of Bids submitted to the DP, the Bidders/Applicants should contact the relevant DP.
 - 7) Bidder/Applicant may contact our Company Secretary and Compliance Officer or BRLM(s) in case of any other complaints in relation to the Offer.
- c) The following details (as applicable) should be quoted while making any queries –
- 1) full name of the sole or First Bidder/Applicant, Bid cum Application Form number, Applicants'/Bidders' DP ID, Client ID, PAN, number of Equity Shares applied for, amount paid on application;
 - 2) name and address of the Designated Intermediary, where the Bid was submitted; or
 - 3) In case of Bids other than from Anchor Investors, ASBA Account number in which the amount equivalent to the Bid Amount was blocked.
- d) In case of Anchor Investor bids cheque or draft number and the name of the issuing bank thereof.

For further details, Bidder/Applicant may refer to the RHP/Prospectus and the Bid cum Application Form.

4.2 INSTRUCTIONS FOR FILING THE REVISION FORM

- a) During the Bid/Offer Period, any Bidder/Applicant (other than QIBs and NIIs, who can only revise their bid upwards) who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the Price Band using the Revision Form, which is a part of the Bid cum Application Form.
- b) RII may revise their bids or withdraw their Bids till the Bid/Offer Close Date.

- c) Revisions can be made in both the desired number of Equity Shares and the Bid Amount by using the Revision Form.
- d) The Bidder/Applicant can make this revision any number of times during the Bid/Offer Period. However, for any revision(s) in the Bid, the Bidders/Applicants will have to use the services of the same Designated Intermediary through which such Bidder/Applicant had placed the original Bid. Bidders/Applicants are advised to retain copies of the blank Revision Form and the Bid(s) must be made only in such Revision Form or copies thereof.

A sample revision form is reproduced below:



Finance Limited

COMMON BID REVISION FORM	XYZ LIMITED - INITIAL PUBLIC ISSUE - R	FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs, AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS
	Address : Contact Details: CIN No	

LOGO	TO, THE BOARD OF DIRECTORS XYZ LIMITED	<table border="1" style="margin: auto;"> <tr><td style="text-align: center;">BOOK BUILT ISSUE</td></tr> <tr><td style="text-align: center;">ISIN :</td></tr> </table>	BOOK BUILT ISSUE	ISIN :	Bid cum Application Form No.
BOOK BUILT ISSUE					
ISIN :					

SYNDICATE MEMBER'S STAMP & CODE	BROKER/SCSB/DP/RTA STAMP & CODE	1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER
		Mr. / Ms. _____ Address _____ Email _____ Tel. No (with STD code) / Mobile _____
SUB-BROKER'S / SUB-AGENT'S STAMP & CODE	ESCROW BANK/SCSB BRANCH STAMP & CODE	2. PAN OF SOLE / FIRST BIDDER

BANK BRANCH SERIAL NO.	SCSB SERIAL NO.	3. BIDDER'S DEPOSITORY ACCOUNT DETAILS
		NSDL <input type="checkbox"/> CDSL <input type="checkbox"/> For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID

PLEASE CHANGE MY BID												
Bid Options	No. of Equity Shares Bid (Bids must be in multiples of Bid Lot as advertised)								Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only)			
	(In Figures)								(In Figures)			
	8	7	6	5	4	3	2	1	Bid Price	Retail Discount	Net Price	"Cut-off" (Please tick)
Option 1											<input type="checkbox"/>	
(OR) Option 2											<input type="checkbox"/>	
(OR) Option 3											<input type="checkbox"/>	

5. TO (Revised Bid) (Only Retail Individual Bidders can Bid at "Cut-off")												
Bid Options	No. of Equity Shares Bid (Bids must be in multiples of Bid Lot as advertised)								Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only)			
	(In Figures)								(In Figures)			
	8	7	6	5	4	3	2	1	Bid Price	Retail Discount	Net Price	"Cut-off" (Please tick)
Option 1											<input type="checkbox"/>	
(OR) Option 2											<input type="checkbox"/>	
(OR) Option 3											<input type="checkbox"/>	

6. PAYMENT DETAILS												PAYMENT OPTION : FULL PAYMENT <input type="checkbox"/> PART PAYMENT <input type="checkbox"/>	
Additional Amount Paid (₹ in figures)												₹ in words	
ASBA Bank A/c No. _____													
Bank Name & Branch _____													

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID REVISION FORM AND THE ATTACHED ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES ("GID") AND HEREBY AGREE AND CONFIRM THE 'BIDDERS UNDERTAKING' AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID REVISION FORM GIVEN OVERLEAF.

7A. SIGNATURE OF SOLE / FIRST BIDDER	7B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(s) (AS PER BANK RECORDS)	BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)
	I/We authorize the SCSB to do all acts as are necessary to make the Application in the issue	
	1) _____ 2) _____ 3) _____	
Date : _____		

LOGO	XYZ LIMITED	Acknowledgement Slip for Broker/SCSB/DP/RTA	Bid cum Application Form No.
	BID REVISION FORM - INITIAL PUBLIC ISSUE - R		

DPID / CLID		PAN of Sole / First Bidder
Additional Amount Paid (₹)		Stamp & Signature of SCSB Branch
ASBA Bank A/c No. _____		<div style="border: 1px solid black; width: 100%; height: 100%;"></div>
Received from Mr./Ms. _____		
Telephone / Mobile _____	Email _____	

XYZ LIMITED - BID REVISION FORM - INITIAL PUBLIC ISSUE - R	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <th></th> <th>Option 1</th> <th>Option 2</th> <th>Option 3</th> </tr> <tr> <td>No. of Equity Shares</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Bid Price</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Additional Amount Paid (₹)</td> <td></td> <td></td> <td></td> </tr> </table>		Option 1	Option 2	Option 3	No. of Equity Shares				Bid Price				Additional Amount Paid (₹)				Stamp & Signature of Broker / SCSB / DP / RTA	Name of Sole / First Bidder
	Option 1	Option 2	Option 3																
No. of Equity Shares																			
Bid Price																			
Additional Amount Paid (₹)																			
	ASBA Bank A/c No. _____																		
	Bank & Branch _____																		
		Acknowledgement Slip for Bidder																	
			Bid cum Application Form No. 																

Instructions to fill each field of the Revision Form can be found on the reverse side of the Revision Form. Other than instructions already highlighted at paragraph 4.1 above, point wise instructions regarding filling up various fields of the Revision Form are provided below:

4.2.1 FIELDS 1, 2 AND 3: NAME AND CONTACT DETAILS OF SOLE/FIRST BIDDER/APPLICANT, PAN OF SOLE/FIRST BIDDER/APPLICANT & DEPOSITORY ACCOUNT DETAILS OF THE BIDDER/APPLICANT

Bidders/Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3. 4.2.2

FIELD 4 & 5: BID OPTIONS REVISION 'FROM' AND 'TO'

- a) Apart from mentioning the revised options in the Revision Form, the Bidder/Applicant must also mention the details of all the bid options given in his or her Bid cum Application Form or earlier Revision Form. For example, if a Bidder/Applicant has Bid for three options in the Bid cum Application Form and such Bidder/Applicant is changing only one of the options in the Revision Form, the Bidder/Applicant must still fill the details of the other two options that are not being revised, in the Revision Form. The members of the Syndicate, the Registered Brokers and the Designated Branches of the SCSBs may not accept incomplete or inaccurate Revision Forms.
- b) In case of revision, Bid options should be provided by Bidders/Applicants in the same order as provided in the Bid cum Application Form.
- c) In case of revision of Bids by RIIs, Employees and Retail Individual Shareholders, such Bidders/Applicants should ensure that the Bid Amount, subsequent to revision, does not exceed ₹ 200,000. In case the Bid Amount exceeds ₹ 200,000 due to revision of the Bid or for any other reason, the Bid may be considered, subject to eligibility, for allocation under the Non-Institutional Category, not being eligible for Discount (if applicable) and such Bid may be rejected if it is at the Cut-off Price. The Cut-off Price option is given only to the RIIs, Employees and Retail Individual Shareholders indicating their agreement to Bid for and purchase the Equity Shares at the Offer Price as determined at the end of the Book Building Process.
- d) In case the total amount (i.e., original Bid Amount plus additional payment) exceeds ₹ 200,000, the Bid will be considered for allocation under the Non-Institutional Category in terms of the RHP/Prospectus. If, however, the RII does not either revise the Bid or make additional payment and the Offer Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the RII and the RII is deemed to have approved such revised Bid at Cut-off Price.
- e) In case of a downward revision in the Price Band, RIIs and Bids by Employees under the Reservation Portion, who have bid at the Cut-off Price could either revise their Bid or the excess amount paid at the time of Bidding may be unblocked in case of Bidders.

4.2.3 FIELD 6: PAYMENT DETAILS

- a) All Bidders/Applicants are required to make payment of the full Bid Amount (less Discount, if applicable) along with the Bid Revision Form. In case of Bidders/Applicants specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less discount offered, if any.
- b) Bidder/Applicant may Offer instructions to block the revised amount based on cap of the revised Price Band (adjusted for the Discount (if applicable) in the ASBA Account, to the same Designated Intermediary through whom such Bidder/Applicant had placed the original Bid to enable the relevant SCSB to block the additional Bid Amount, if any.
- c) In case the total amount (i.e., original Bid Amount less discount (if applicable) plus additional payment) exceeds ₹ 200,000, the Bid may be considered for allocation under the Non-Institutional Category in terms of the RHP/Prospectus. If, however, the Bidder/Applicant does not either revise the Bid or make additional payment and the Offer Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for may be adjusted downwards for the purpose of Allotment, such that additional amount is

required blocked and the Bidder/Applicant is deemed to have approved such revised Bid at the Cut-off Price.

- d) In case of a downward revision in the Price Band, RIIs, Employees and Retail Individual Shareholders, who have bid at the Cut-off Price, could either revise their Bid or the excess amount paid at the time of Bidding may be unblocked.

4.2.4 FIELDS 7: SIGNATURES AND ACKNOWLEDGEMENTS

Bidders/Applicants may refer to instructions contained at paragraphs 4.1.8 and 4.1.9 for this purpose.

4.3 INSTRUCTIONS FOR FILING APPLICATION FORM IN ISSUES MADE OTHER THAN THROUGH THE BOOK BUILDING PROCESS (FIXED PRICE ISSUE)

4.3.1 FIELDS 1, 2, 3 NAME AND CONTACT DETAILS OF SOLE/FIRST BIDDER/APPLICANT, PAN OF SOLE/FIRST BIDDER/APPLICANT & DEPOSITORY ACCOUNT DETAILS OF THE BIDDER/APPLICANT

Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

4.3.2 FIELD 4: PRICE, APPLICATION QUANTITY & AMOUNT

- a) The Issuer may mention Price or Price Band in the Prospectus. However a prospectus registered with RoC contains one price or coupon rate (as applicable).
- b) **Minimum Application Value and Bid Lot:** The Issuer in consultation with the Lead Manager to the Offer (LM) may decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of ₹ 10,000 to ₹ 15,000. The minimum Lot size is accordingly determined by an Issuer on basis of such minimum application value.
- c) Applications by RIIs, Employees and Retail Individual Shareholders, must be for such number of shares so as to ensure that the application amount payable does not exceed ₹ 200,000.
- d) Applications by other investors must be for such minimum number of shares such that the application amount exceeds ₹ 200,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the application form and the Prospectus, or as advertised by the Issuer, as the case may be.
- e) An application cannot be submitted for more than the Offer size.
- f) The maximum application by any Applicant should not exceed the investment limits prescribed for them under the applicable laws.
- g) **Multiple Applications:** An Applicant should submit only one Application Form. Submission of a second Application Form to either the same or other SCSB and duplicate copies of Application Forms bearing the same application number shall be treated as multiple applications and are liable to be rejected.
- h) Applicants are requested to note the following procedures may be followed by the Registrar to the Offer to detect multiple applications:
- 1) All applications may be checked for common PAN as per the records of the Depository. For Applicants other than Mutual Funds and FII sub-accounts, Bids bearing the same PAN may be treated as multiple applications by a Bidder/Applicant and may be rejected.

- 2) For applications from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Bids on behalf of the PAN Exempted Applicants, the Application Forms may be checked for common DP ID and Client ID. In any such applications which have the same DP ID and Client ID, these may be treated as multiple applications and may be rejected.
- i) The following applications may not be treated as multiple Bids:
 - 1) Applications by Reserved Categories in their respective reservation portion as well as that made by them in the Offer portion in public category.
 - 2) Separate applications by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Applications clearly indicate the scheme for which the Bid has been made.
 - 3) Applications by Mutual Funds, and sub-accounts of FIIs (or FIIs and its subaccounts) submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.

4.3.3 FIELD NUMBER 5 : CATEGORY OF APPLICANTS

- a) The categories of applicants identified as per the SEBI ICDR Regulations, 2009 for the purpose of Bidding, allocation and Allotment in the Offer are RIIs, individual applicants other than RII's and other investors (including corporate bodies or institutions, irrespective of the number of specified securities applied for).
- b) An Issuer can make reservation for certain categories of Applicants permitted under the SEBI ICDR Regulations, 2009. For details of any reservations made in the Offer, applicants may refer to the Prospectus.
- c) The SEBI ICDR Regulations, 2009 specify the allocation or Allotment that may be made to various categories of applicants in an Offer depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Offer specific details in relation to allocation applicant may refer to the Prospectus.

4.3.4 FIELD NUMBER 6: INVESTOR STATUS

Applicants should refer to instructions contained in paragraphs 4.1.6.

4.3.5 FIELD 7: PAYMENT DETAILS

- a) All Applicants (other than Anchor Investors) are required to make use ASBA for applying in the Issue
- b) Application Amount cannot be paid in cash, through money order, cheque or through postal order or through stock invest.

4.3.5.1 Payment instructions for Applicants

- a) Applicants may submit the Application Form in physical mode to the Designated Intermediaries.
- b) Applicants must specify the Bank Account number in the Application Form. The Application Form submitted by an Applicant and which is accompanied by cash, demand draft, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account maintained with an SCSB, will not be accepted.
- c) Applicants should ensure that the Application Form is also signed by the ASBA Account holder(s) if the Applicant is not the ASBA Account holder;
- d) Applicants shall note that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account.

- e) From one ASBA Account, a maximum of five Bids cum Application Forms can be submitted.
- f) Applicants bidding directly through the SCSBs should ensure that the Application Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.
- g) Upon receipt of the Application Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the Application Form.
- h) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Application Amount mentioned in the Application Form and may upload the details on the Stock Exchange Platform.
- i) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not upload such Applications on the Stock Exchange platform and such Applications are liable to be rejected.
- j) Upon submission of a completed Application Form each Applicant may be deemed to have agreed to block the entire Application Amount and authorized the Designated Branch of the SCSB to block the Application Amount specified in the Application Form in the ASBA Account maintained with the SCSBs.
- k) The Application Amount may remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment and consequent transfer of the Application Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal or failure of the Offer, or until withdrawal or rejection of the Application, as the case may be.
- l) SCSBs applying in the Offer must apply through an ASBA Account maintained with any other SCSB; else their Applications are liable to be rejected.

4.3.5.2 Unblocking of ASBA Account

- a) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Offer may provide the following details to the controlling branches of each SCSB, along with instructions to unblock the relevant bank accounts and for successful applications transfer the requisite money to the Public Issue Account designated for this purpose, within the specified timelines: (i) the number of Equity Shares to be Allotted against each Application, (ii) the amount to be transferred from the relevant bank account to the Public Issue Account, for each Application, (iii) the date by which funds referred to in (ii) above may be transferred to the Public Issue Account, and (iv) details of rejected Applications, if any, along with reasons for rejection and details of withdrawn or unsuccessful Applications, if any, to enable the SCSBs to unblock the respective bank accounts.
- b) On the basis of instructions from the Registrar to the Offer, the SCSBs may transfer the requisite amount against each successful Application to the Public Issue Account and may unblock the excess amount, if any, in the ASBA Account.
- c) In the event of withdrawal or rejection of the Application Form and for unsuccessful Applications, the Registrar to the Offer may give instructions to the SCSB to unblock the Application Amount in the relevant ASBA Account within six Working Days of the Offer Closing Date.

4.3.5.3 Discount (if applicable)

- a) The Discount is stated in absolute rupee terms.
- b) RIIs, Employees and Retail Individual Shareholders are only eligible for discount. For Discounts offered in the Offer, applicants may refer to the Prospectus.

- c) The Applicants entitled to the applicable Discount in the Offer may make payment for an amount i.e. the Application Amount less Discount (if applicable).

4.3.6 FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS & ACKNOWLEDGEMENT AND FUTURE COMMUNICATION

Applicants should refer to instructions contained in paragraphs 4.1.8 & 4.1.9.

4.4 SUBMISSION OF BID CUM APPLICATION FORM/REVISION FORM/APPLICATION FORM

4.4.1 Bidders/Applicants may submit completed Bid cum application form/Revision Form in the following manner:-

Mode of Application	Submission of Bid cum Application Form
Anchor Investors Application Form	<ul style="list-style-type: none"> To the Book Running Lead Managers at the Specified Locations mentioned in the Bid cum Application Form
All Applications (other than Anchor Investors)	<ul style="list-style-type: none"> To members of the Syndicate in the Specified Locations or Registered Brokers at the Broker Centres or the RTA at the Designated RTA Location or the DP at the Designated DP Location To the Designated Branches of the SCSBs where the ASBA Account is maintained

- a) Bidders/Applicants should submit the Revision Form to the same Designated Intermediary through which such Bidder/Applicant had placed the original Bid.
- b) Upon submission of the Bid cum Application Form, the Bidder/Applicant will be deemed to have authorized the Issuer to make the necessary changes in the RHP and the Bid cum Application Form as would be required for filing Prospectus with the RoC and as would be required by the RoC after such filing, without prior or subsequent notice of such changes to the relevant Bidder/Applicant.
- c) Upon determination of the Offer Price and filing of the Prospectus with the RoC, the Bid cum Application Form will be considered as the application form.

SECTION 5: ISSUE PROCEDURE IN BOOK BUILT ISSUE

Book Building, in the context of the Offer, refers to the process of collection of Bids within the Price Band or above the Floor Price and determining the Offer Price based on the Bids received as detailed in Schedule XI of SEBI ICDR Regulations, 2009. The Offer Price is finalised after the Bid/Offer Closing Date. Valid Bids received at or above the Offer Price are considered for allocation in the Offer, subject to applicable regulations and other terms and conditions.

5.1 SUBMISSION OF BIDS

- a) During the Bid/Offer Period, Bidders/Applicants may approach any of the Designated Intermediaries to register their Bids. Anchor Investors who are interested in subscribing for the Equity Shares should approach the Book Running Lead Manager, to register their Bid.
- b) In case of Bidders/Applicants (excluding NIIs and QIBs) Bidding at Cut-off Price, the Bidders/Applicants may instruct the SCSBs to block Bid Amount based on the Cap Price less Discount (if applicable).
- c) For Details of the timing on acceptance and upload of Bids in the Stock Exchanges Platform Bidders/Applicants are requested to refer to the RHP.

5.2 ELECTRONIC REGISTRATION OF BIDS

- a) The Designated Intermediary may register the Bids using the on-line facilities of the Stock Exchanges. The Designated Intermediaries can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis before the closure of the issue.
- b) On the Bid/Offer Closing Date, the Designated Intermediaries may upload the Bids till such time as may be permitted by the Stock Exchanges.
- c) Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/Allotment. The Designated Intermediaries are given till 1:00 pm on the day following the Bid/Offer Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid/Offer Period after which the Stock Exchange(s) send the bid information to the Registrar to the Issue for further processing.

5.3 BUILD UP OF THE BOOK

- a) Bids received from various Bidders/Applicants through the Designated Intermediaries may be electronically uploaded on the Bidding Platform of the Stock Exchanges' on a regular basis. The book gets built up at various price levels. This information may be available with the BRLMs at the end of the Bid/Offer Period.
- b) Based on the aggregate demand and price for Bids registered on the Stock Exchanges Platform, a graphical representation of consolidated demand and price as available on the websites of the Stock Exchanges may be made available at the Bidding centres during the Bid/Offer Period.

5.4 WITHDRAWAL OF BIDS

- a) RIIs can withdraw their Bids until Bid/Offer Closing Date. In case a RII wishes to withdraw the Bid during the Bid/Offer Period, the same can be done by submitting a request for the same to the concerned Designated Intermediary who shall do the requisite, including unblocking of the funds by the SCSB in the ASBA Account.
- b) The Registrar to the Offer shall give instruction to the SCSB for unblocking the ASBA Account on the Designated Date. QIBs and NIIs can neither withdraw nor lower the size of their Bids at any stage.

5.5 REJECTION & RESPONSIBILITY FOR UPLOAD OF BIDS

- a) The Designated Intermediaries are individually responsible for the acts, mistakes or errors or omission in relation to:
 - 1) The Bids accepted by the Designated Intermediaries,
 - 2) The Bids uploaded by the Designated Intermediaries, and
 - 3) The Bid cum application forms accepted but not uploaded by the Designated Intermediaries.
- b) The BRLMs and their affiliate Syndicate Members, as the case may be, may reject Bids if all the information required is not provided and the Bid cum Application Form is incomplete in any respect.
- c) The SCSBs shall have no right to reject Bids, except in case of unavailability of adequate funds in the ASBA account or on technical grounds.
- d) In case of QIB Bidders, only the (i) SCSBs (for Bids other than the Bids by Anchor Investors); and (ii) BRLMs and their affiliate Syndicate Members (only in the Specified Locations) have the right to reject

bids. However, such rejection shall be made at the time of receiving the Bid and only after assigning a reason for such rejection in writing.

- e) All bids by QIBs, NIIs & RIIs Bids can be rejected on technical grounds listed herein.

5.5.1 GROUNDS FOR TECHNICAL REJECTIONS

Bid cum Application Forms/Application Form can be rejected on the below mentioned technical grounds either at the time of their submission to any of the Designated Intermediaries, or at the time of finalisation of the Basis of Allotment. Bidders/Applicants are advised to note that the Bids/Applications are liable to be rejected, inter-alia, on the following grounds, which have been detailed at various places in this GID:-

- a) Bid/Application by persons not competent to contract under the Indian Contract Act, 1872, as amended, (other than minors having valid Depository Account as per Demographic Details provided by Depositories);
- b) Bids/Applications by OCBs; and
- c) In case of partnership firms, Bid/Application for Equity Shares made in the name of the firm. However, a limited liability partnership can apply in its own name;
- d) In case of Bids/Applications under power of attorney or by limited companies, corporate, trust etc., relevant documents not being submitted along with the Bid cum application form/Application Form;
- e) Bids/Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- f) Bids/Applications by persons in the United States excluding persons who are a U.S. QIB (as defined in this Prospectus);
- g) Bids/Applications by any person outside India if not in compliance with applicable foreign and Indian laws;
- h) PAN not mentioned in the Bid cum Application Form/Application Form, except for Bids/Applications by or on behalf of the Central or State Government and officials appointed by the court and by the investors residing in the State of Sikkim, provided such claims have been verified by the Depository Participant;
- i) In case no corresponding record is available with the Depositories that matches the DP ID, the Client ID and the PAN;
- j) Bids/Applications for lower number of Equity Shares than the minimum specified for that category of investors;
- k) Bids/Applications at a price less than the Floor Price and Bids/Applications at a price more than the Cap Price;
- l) Bids/Applications at Cut-off Price by NIIs and QIBs;
- m) The amounts mentioned in the Bid cum Application Form/Application Form does not tally with the amount payable for the value of the Equity Shares Bid/Applied for;
- n) Bids/Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;
- o) Submission of more than five Bid cum Application Forms/Application Form as through a single ASBA Account;

- p) Bids/Applications for number of Equity Shares which are not in multiples Equity Shares which are not in multiples as specified in the RHP;
- q) Multiple Bids/Applications as defined in this GID and the RHP/Prospectus;
- r) Bid cum Application Forms/Application Forms are not delivered by the Bidders/Applicants within the time prescribed as per the Bid cum Application Forms/Application Form, Bid/Offer Opening Date advertisement and as per the instructions in the RHP and the Bid cum Application Forms;
- s) Inadequate funds in the bank account to block the Bid/Application Amount specified in the Bid cum Application Form/Application Form at the time of blocking such Bid/Application Amount in the bank account;
- t) In case of Anchor Investors, Bids/Applications where sufficient funds are not available in Escrow Accounts as per final certificate from the Escrow Collection Banks;
- u) Where no confirmation is received from SCSB for blocking of funds;
- v) Bids/Applications by Bidders (other than Anchor Investors) not submitted through ASBA process;
- w) Bids/Applications submitted to a BRLM at locations other than the Specified Cities and Bid cum Application Forms/Application Forms, under the ASBA process, submitted to the Escrow Collecting Banks (assuming that such bank is not a SCSB where the ASBA Account is maintained), to the issuer or the Registrar to the Offer;
- x) Bids/Applications not uploaded on the terminals of the Stock Exchanges; and
- y) Bids/Applications by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the Bid cum Application Form/Application Form.

5.6 BASIS OF ALLOCATION

- a) The SEBI ICDR Regulations, 2009 specify the allocation or Allotment that may be made to various categories of Bidders/Applicants in an Offer depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Offer size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the RHP/Prospectus. For details in relation to allocation, the Bidder/Applicant may refer to the RHP/Prospectus.
- b) Under-subscription in any category (except QIB Category) is allowed to be met with spillover from any other category or combination of categories at the discretion of the Issuer and in consultation with the BRLMs and the Designated Stock Exchange and in accordance with the SEBI ICDR Regulations, 2009. Unsubscribed portion in QIB Category is not available for subscription to other categories.
- c) In case of under subscription in the Offer, spill-over to the extent of such under-subscription may be permitted from the Reserved Portion to the Offer. For allocation in the event of an under-subscription applicable to the Issuer, Bidders/Applicants may refer to the RHP.
- d) Illustration of the Book Building and Price Discovery Process Bidders should note that this example is solely for illustrative purposes and is not specific to the Offer; it also excludes Bidding by Anchor Investors.

Bidders can bid at any price within the Price Band. For instance, assume a Price Band of ₹ 20 to ₹ 24 per share, Offer size of 3,000 Equity Shares and receipt of five Bids from Bidders, details of which are shown in the table below. The illustrative book given below shows the demand for the Equity Shares of the Issuer at various prices and is collated from Bids received from various investors.

Bid Quantity	Bid Amount(₹)	Cumulative Quantity	Subscription
500	24	500	16.67%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.67%
2,500	20	7,500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the Issuer is able to Offer the desired number of Equity Shares is the price at which the book cuts off, i.e., ₹ 22.00 in the above example. The Issuer, in consultation with the BRLMs, may finalise the Offer Price at or below such Cut-Off Price, i.e., at or below ₹ 22.00. All Bids at or above this Offer Price and cut-off Bids are valid Bids and are considered for allocation in the respective categories.

e) **Alternate Method of Book Building**

In case of FPOs, Issuers may opt for an alternate method of Book Building in which only the Floor Price is specified for the purposes of Bidding (“**Alternate Book Building Process**”).

The Issuer may specify the Floor Price in the RHP or advertise the Floor Price at least one Working Day prior to the Bid/Offer Opening Date. QIBs may Bid at a price higher than the Floor Price and the Allotment to the QIBs is made on a price priority basis. The Bidder with the highest Bid Amount is allotted the number of Equity Shares Bid for and then the second highest Bidder is Allotted Equity Shares and this process continues until all the Equity Shares have been allotted. RIIs, NIIs and Employees are Allotted Equity Shares at the Floor Price and Allotment to these categories of Bidders is made proportionately. If the number of Equity Shares Bid for at a price is more than available quantity then the Allotment may be done on a proportionate basis. Further, the Issuer may place a cap either in terms of number of specified securities or percentage of issued capital of the Issuer that may be Allotted to a single Bidder, decide whether a Bidder be allowed to revise the bid upwards or downwards in terms of price and/or quantity and also decide whether a Bidder be allowed single or multiple bids.

SECTION 6: ISSUE PROCEDURE IN FIXED PRICE ISSUE

Applicants may note that there is no Bid cum Application Form in a Fixed Price Offer. As the Offer Price is mentioned in the Fixed Price Offer therefore on filing of the Prospectus with the RoC, the Application so submitted is considered as the Application Form.

Applicants may only use the specified Application Form for the purpose of making an Application in terms of the Prospectus which may be submitted through the Designated Intermediary.

Applicants may submit an Application Form either in physical form to the any of the Designated Intermediaries or in the electronic form to the SCSB or the Designated Branches of the SCSBs authorising blocking of funds that are available in the bank account specified in the Application Form only (“ASBA Account”). The Application Form is also made available on the websites of the Stock Exchanges at least one day prior to the Bid/Offer Opening Date.

In a fixed price Offer, allocation in the net offer to the public category is made as follows: minimum fifty per cent to Retail Individual Investors; and remaining to (i) individual investors other than Retail Individual Investors; and (ii) other Applicants including corporate bodies or institutions, irrespective of the number of specified securities applied for. The unsubscribed portion in either of the categories specified above may be allocated to the Applicants in the other category.

For details of instructions in relation to the Application Form, Bidders/Applicants may refer to the relevant section of the GID.

SECTION 7: ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT

The Allotment of Equity Shares to Bidders/Applicants other than Retail Individual Investors and Anchor Investors may be on proportionate basis. For Basis of Allotment to Anchor Investors, Bidders/Applicants may refer to RHP/Prospectus. No Retail Individual Investor will be Allotted less than the minimum Bid Lot subject to availability of shares in Retail Individual Investor Category and the remaining available shares, if any will be Allotted on a proportionate basis. The Issuer is required to receive a minimum subscription of 90% of the Offer (excluding any Offer for Sale of specified securities). However, in case the Offer is in the nature of Offer for Sale only, then minimum subscription may not be applicable.

7.1 ALLOTMENT TO RIIs

Bids received from the RIIs at or above the Offer Price may be grouped together to determine the total demand under this category. If the aggregate demand in this category is less than or equal to the Retail Category at or above the Offer Price, full Allotment may be made to the RIIs to the extent of the valid Bids. If the aggregate demand in this category is greater than the allocation to in the Retail Category at or above the Offer Price, then the maximum number of RIIs who can be Allotted the minimum Bid Lot will be computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Bid Lot (“**Maximum RII Allotees**”). The Allotment to the RIIs will then be made in the following manner:

- a) In the event the number of RIIs who have submitted valid Bids in the Offer is equal to or less than Maximum RII Allotees, (i) all such RIIs shall be Allotted the minimum Bid Lot; and (ii) the balance available Equity Shares, if any, remaining in the Retail Category shall be Allotted on a proportionate basis to the RIIs who have received Allotment as per (i) above for the balance demand of the Equity Shares Bid by them (i.e. who have Bid for more than the minimum Bid Lot).
- b) In the event the number of RIIs who have submitted valid Bids in the Offer is more than Maximum RII Allotees, the RIIs (in that category) who will then be Allotted minimum Bid Lot shall be determined on the basis of draw of lots.

7.2 ALLOTMENT TO NIIs

Bids received from NIIs at or above the Offer Price may be grouped together to determine the total demand under this category. The Allotment to all successful NIIs may be made at or above the Offer Price. If the aggregate demand in this category is less than or equal to the Non-Institutional Category at or above the Offer Price, full Allotment may be made to NIIs to the extent of their demand. In case the aggregate demand in this category is greater than the Non-Institutional Category at or above the Offer Price, Allotment may be made on a proportionate basis up to a minimum of the Non-Institutional Category.

7.3 ALLOTMENT TO QIBs

For the Basis of Allotment to Anchor Investors, Bidders/Applicants may refer to the SEBI ICDR Regulations, 2009 or RHP/Prospectus. Bids received from QIBs Bidding in the QIB Category (net of Anchor Portion) at or above the Offer Price may be grouped together to determine the total demand under this category. The QIB Category may be available for Allotment to QIBs who have Bid at a price that is equal to or greater than the Offer Price. Allotment may be undertaken in the following manner:

- a) In the first instance allocation to Mutual Funds for up to 5% of the QIB Category may be determined as follows: (i) In the event that Bids by Mutual Fund exceeds 5% of the QIB Category, allocation to Mutual

Funds may be done on a proportionate basis for up to 5% of the QIB Category; (ii) In the event that the aggregate demand from Mutual Funds is less than 5% of the QIB Category then all Mutual Funds may get full Allotment to the extent of valid Bids received above the Offer Price; and (iii) Equity Shares remaining unsubscribed, if any and not allocated to Mutual Funds may be available for Allotment to all QIBs as set out at paragraph 7.4(b) below;

- b) In the second instance, Allotment to all QIBs may be determined as follows: (i) In the event of oversubscription in the QIB Category, all QIBs who have submitted Bids above the Offer Price may be Allotted Equity Shares on a proportionate basis for up to 95% of the QIB Category; (ii) Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis along with other QIBs; and (iii) Under-subscription below 5% of the QIB Category, if any, from Mutual Funds, may be included for allocation to the remaining QIBs on a proportionate basis.

7.4 ALLOTMENT TO ANCHOR INVESTOR (IF APPLICABLE)

- a) Allocation of Equity Shares to Anchor Investors at the Anchor Investor Offer Price will be at the discretion of the issuer in consultation with the Investor Selling Shareholder and the BRLMs, subject to compliance with the following requirements:
- 1) Not more than 60% of the QIB Category will be allocated to Anchor Investors;
 - 2) One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors; and
 - 3) allocation to Anchor Investors shall be on a discretionary basis and subject to:
 - A maximum number of two Anchor Investors for allocation up to ₹ 10 crores;
 - A minimum number of two Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than ₹ 10 crores and up to ₹ 250 crores subject to minimum Allotment of ₹ 5 crores per such Anchor Investor; and
 - A minimum number of five Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than ₹ 250 crores, and an additional 10 Anchor Investors for every additional ₹ 250 crores or part thereof, subject to minimum Allotment of ₹ 5 crores per such Anchor Investor.
- b) A physical book is prepared by the Registrar on the basis of the Anchor Investor Application Forms received from Anchor Investors. Based on the physical book and at the discretion of the issuer in consultation with the BRLMs, selected Anchor Investors will be sent a CAN and if required, a revised CAN.
- c) **In the event that the Offer Price is higher than the Anchor Investor Offer Price:** Anchor Investors will be sent a revised CAN within one day of the Pricing Date indicating the number of Equity Shares allocated to such Anchor Investor and the pay-in date for payment of the balance amount. Anchor Investors are then required to pay any additional amounts, being the difference between the Offer Price and the Anchor Investor Offer Price, as indicated in the revised CAN within the pay-in date referred to in the revised CAN. Thereafter, the Allotment Advice will be issued to such Anchor Investors.
- d) **In the event the Offer Price is lower than the Anchor Investor Offer Price:** Anchor Investors who have been Allotted Equity Shares will directly receive Allotment Advice.

7.5 BASIS OF ALLOTMENT FOR QIBs (OTHER THAN ANCHOR INVESTORS), NIIs AND RESERVED CATEGORY IN CASE OF OVER-SUBSCRIBED ISSUE

In the event of the Offer being over-subscribed, the Issuer may finalise the Basis of Allotment in consultation with the Designated Stock Exchange in accordance with the SEBI ICDR Regulations, 2009.

The allocation may be made in marketable lots, on a proportionate basis as explained below:

- a) Bidders may be categorized according to the number of Equity Shares applied for;
- b) The total number of Equity Shares to be Allotted to each category as a whole may be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio;
- c) The number of Equity Shares to be Allotted to the successful Bidders may be arrived at on a proportionate basis, which is total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio;
- d) In all Bids where the proportionate Allotment is less than the minimum Bid Lot decided per Bidder, the Allotment may be made as follows: the successful Bidders out of the total Bidders for a category may be determined by a draw of lots in a manner such that the total number of Equity Shares Allotted in that category is equal to the number of Equity Shares calculated in accordance with (b) above; and each successful Bidder may be Allotted a minimum of such Equity Shares equal to the minimum Bid Lot finalised by the Issuer;
- e) If the proportionate Allotment to a Bidder is a number that is more than the minimum Bid lot but is not a multiple of one (which is the marketable lot), the decimal may be rounded off to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5 it may be rounded off to the lower whole number. Allotment to all Bidders in such categories may be arrived at after such rounding off; and
- f) If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares Allotted to the Bidders in that category, the remaining Equity Shares available for Allotment may be first adjusted against any other category, where the Allotted Equity Shares are not sufficient for proportionate Allotment to the successful Bidders in that category. The balance Equity Shares, if any, remaining after such adjustment may be added to the category comprising Bidders applying for minimum number of Equity Shares.

7.6 DESIGNATED DATE AND ALLOTMENT OF EQUITY SHARES

- a) Designated Date: On the Designated Date, the Escrow Collection Banks shall transfer the funds represented by allocation of Equity Shares to Anchor Investors from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account with the Bankers to the Offer. The balance amount after transfer to the Public Issue Account shall be transferred to the Refund Account. Payments of refund to the Bidders applying in the Anchor Investor Portion shall be made from the Refund Account as per the terms of the Escrow Agreement and the RHP. On the Designated Date, the Registrar to the Issue shall instruct the SCSBs to transfer funds represented by allocation of Equity Shares from ASBA Accounts into the Public Issue Account.
- b) Issuance of Allotment Advice: Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall upload the same on its website. On the basis of the approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the Allotment and credit of Equity Shares. Bidders/Applicants are advised to instruct their Depository Participant to accept the Equity Shares that may be allotted to them pursuant to the Offer.

Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Bidders/Applicants who have been Allotted Equity Shares in the Offer.

- c) The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract.
- d) Issuer will ensure that: (i) the Allotment of Equity Shares; and (ii) credit of shares to the successful Bidders/Applicants Depository Account will be completed within six Working Days of the Bid/Offer Closing Date. The Issuer also ensures the credit of shares to the successful Applicant's depository account is completed within two Working Days from the date of Allotment.

SECTION 8: INTEREST AND REFUNDS

8.1 COMPLETION OF FORMALITIES FOR LISTING & COMMENCEMENT OF TRADING

The Issuer may ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges are taken within six Working Days of the Bid/Offer Closing Date. The Registrar to the Offer may give instructions for credit to Equity Shares the beneficiary account with CDPs, and dispatch the Allotment Advice within six Working Days of the Bid/Offer Closing Date.

8.2 GROUNDS FOR REFUND

8.2.1 NON RECEIPT OF LISTING PERMISSION

An Issuer makes an application to the Stock Exchange(s) for permission to deal in/list and for an official quotation of the Equity Shares. All the Stock Exchanges from where such permission is sought are disclosed in RHP/Prospectus. The Designated Stock Exchange may be as disclosed in the RHP/Prospectus with which the Basis of Allotment may be finalised.

If the Issuer fails to make application to the Stock Exchange(s) or obtain permission for listing of the Equity Shares, in accordance with the provisions of Section 40 of the Companies Act, 2013, the Issuer shall be punishable with a fine which shall not be less than ₹ 5 lakhs but which may extend to ₹ 50 lakhs and every officer of the Issuer who is in default shall be punishable with imprisonment for a term which may extend to one year or with fine which shall not be less than ₹ 50,000 but which may extend to ₹ 3 lakhs, or with both.

If the permissions to deal in and for an official quotation of the Equity Shares are not granted by any of the Stock Exchange(s), the Issuer may forthwith take steps to refund, without interest, all moneys received from Bidders/Applicants.

If such money is not refunded to the Bidders within the prescribed time after the Issuer becomes liable to repay it, then the Issuer and every director of the Issuer who is an officer in default may, on and from such expiry of such period, be liable to repay the money, with interest at such rate, as disclosed in the RHP/Prospectus.

8.2.2 NON RECEIPT OF MINIMUM SUBSCRIPTION

If the Issuer does not receive a minimum subscription of 90% of the Net Offer (excluding any offer for sale of specified securities), including devolvement to the Underwriters, the Issuer may forthwith, take steps to unblock the entire subscription amount received within six Working Days of the Bid/Offer Closing Date and repay, without interest, all moneys received from Anchor Investors. In case the Offer is in the nature of Offer for Sale only, then minimum subscription may not be applicable. In case of under-subscription in the Offer, the Equity Shares in the Fresh Issue will be issued prior to the sale of Equity Shares in the Offer for Sale.

If there is a delay beyond the prescribed time after the Issuer becomes liable to pay or unblock the amount received from Bidders, then the Issuer and every director of the Issuer who is an officer in default may on and from expiry of 15 Days, be jointly and severally liable to repay the money, with interest at the rate of 15% per annum in accordance with the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended.

8.2.3 MINIMUM NUMBER OF ALLOTTEES

The Issuer may ensure that the number of prospective Allottees to whom Equity Shares may be Allotted may not be less than 1,000 failing which the entire application monies may be refunded forthwith.

8.2.4 IN CASE OF ISSUES MADE UNDER COMPULSORY BOOK BUILDING

In case an Issuer not eligible under Regulation 26(1) of the SEBI ICDR Regulations, 2009 comes for an Offer under Regulation 26(2) of SEBI (ICDR) Regulations, 2009 but fails to Allot at least 75% of the Net Offer to QIBs, in such case full subscription money is to be refunded.

8.3 MODE OF REFUND

- a) **In case of Bids/Applications (other than Anchor Investors):** Within six Working Days of the Bid/Offer Closing Date, the Registrar to the Offer may give instructions to SCSBs for unblocking the amount in ASBA Account on unsuccessful Bid/Application and also for any excess amount blocked on Bidding/Application.
- b) **In case of Anchor Investors:** Within six Working Days of the Bid/Offer Closing Date, the Registrar to the Offer may dispatch the refund orders for all amounts payable to unsuccessful Anchor Investors.
- c) In case of Anchor Investors, the Registrar to the Offer may obtain from the depositories, the Bidders/Applicants' bank account details, including the MICR code, on the basis of the DP ID, Client ID and PAN provided by the Anchor Investors in their Anchor Investor Application Forms for refunds. Accordingly, Anchor Investors are advised to immediately update their details as appearing on the records of their depositories. Failure to do so may result in delays in dispatch of refund orders or refunds through electronic transfer of funds, as applicable, and any such delay may be at the Anchor Investors' sole risk and neither the Issuer, the Registrar to the Offer, the Escrow Collection Banks, or the Syndicate, may be liable to compensate the Anchor Investors for any losses caused to them due to any such delay, or liable to pay any interest for such delay. Please note that refunds shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Bank.

8.3.1 Electronic mode of making refunds for Anchor Investors

The payment of refund, if any, may be done through various electronic modes as mentioned below:

- a) **NEFT** - Payment of refund may be undertaken through NEFT wherever the branch of the Anchor Investors' bank is NEFT enabled and has been assigned the Indian Financial System Code ("IFSC"), which can be linked to the MICR of that particular branch. The IFSC Code may be obtained from the website of RBI as at a date prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Anchor Investors have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same may be duly mapped with the IFSC Code of that particular bank branch and the payment of refund may be made to the Anchor Investors through this method. In the event NEFT is not operationally feasible, the payment of refunds may be made through any one of the other modes as discussed in this section;
- b) **Direct Credit** - Anchor Investors having their bank account with the Refund Banker may be eligible to receive refunds, if any, through direct credit to such bank account;

- c) **RTGS** - Anchor Investors having a bank account at any of the centers notified by SEBI where clearing houses are managed by the RBI, may have the option to receive refunds, if any, through RTGS; and

Please note that refunds through the abovementioned modes shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Bank.

For details of levy of charges, if any, for any of the above methods, Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centers, etc. Anchor Investors may refer to RHP/Prospectus.

8.4 INTEREST IN CASE OF DELAY IN ALLOTMENT OR REFUND

The Issuer may pay interest at the rate of 15% per annum 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 Bidders/Applicants or instructions for unblocking of funds in the ASBA Account are not dispatched within the 6 working days of the Bid/Offer Closing Date.

The Issuer may pay interest at 15% per annum for any delay beyond 15 days from the Bid/Offer Closing Date, if Allotment is not made.

SECTION 9: GLOSSARY AND ABBREVIATIONS

Unless the context otherwise indicates or implies, certain definitions and abbreviations used in this document may have the meaning as provided below. References to any legislation, act or regulation may be to such legislation, act or regulation as amended from time to time.

Term	Description
Allotment/Allot/Allotted	The allotment of Equity Shares pursuant to the Offer to successful Bidders/Applicants
Allotment Advice	Note or advice or intimation of Allotment sent to the Bidders/Applicants who have been Allotted Equity Shares after the Basis of Allotment has been approved by the designated Stock Exchanges
Allottee	An Bidder/Applicant to whom the Equity Shares are Allotted
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in SEBI ICDR Regulations, 2009 and the Red Herring Prospectus.
Anchor Investor Application Form	The form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and Prospectus
Anchor Investor Portion	Upto 60% of the QIB Category which may be allocated by the Issuer in consultation with the BRLMs, to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion is reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Fund sator above the price at which allocation is being done to Anchor Investors
Application Form	The form in terms of which the Applicant should make an application for Allotment in case of issues other than Book Built Issues includes Fixed Price Issue
Application Supported by Blocked Amount/ASBA	An application, whether physical or electronic, used by Bidders/Applicants, other than Anchor Investors, to make a Bid and authorising an SCSB to block the Bid Amount in the specified bank account maintained with such SCSB
ASBA Account	Account maintained with an SCSB which may be blocked by such SCSB to the extent of the Bid Amount of the Bidder/Applicant

Banker(s) to the Offer / Escrow Collection Bank(s) / Collecting Banker	The banks which are clearing members and registered with SEBI as Banker to the Offer with whom the Escrow Account(s) for Anchor Investors may be opened, and as disclosed in the RHP/Prospectus and Bid cum Application Form of the Issuer
Basis of Allotment	The basis on which the Equity Shares may be Allotted to successful Bidders/Applicants under the Offer
Bid	An indication to make an offer during the Bid/Offer Period by a prospective Bidder pursuant to submission of Bid cum Application Form or during the Anchor Investor Bid/Offer Period by the Anchor Investors, to subscribe for or purchase the Equity Shares of the Issuer at a price within the Price Band, including all revisions and modifications thereto. In case of issues undertaken through the fixed price process, all references to a Bid should be construed to mean an Application
Bid Amount	The highest value of the optional Bids indicated in the Bid cum Application Form and payable by the Bidder/Applicant upon submission of the Bid (except for Anchor Investors), less discounts (if applicable). In case of issues undertaken through the fixed price process, all references to the Bid Amount should be construed to mean the Application Amount
Bid/Offer Closing Date	Except in the case of Anchor Investors (if applicable), the date after which the Designated Intermediaries may not accept any Bids for the Offer, which may be notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Applicants/Bidders may refer to the RHP/Prospectus for the Bid/Offer Closing Date
Bid / Offer Opening Date	The date on which the Designated Intermediaries may start accepting Bids for the Offer, which may be the date notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Applicants / Bidders may refer to the RHP / Prospectus for the Bid/Offer Opening Date
Bid/Offer Period	Except in the case of Anchor Investors (if applicable), the period between the Bid/Offer Opening Date and the Bid/Offer Closing Date inclusive of both days and during which prospective Bidders/Applicants (other than Anchor Investors) can submit their Bids, inclusive of any revisions thereof. The Issuer may consider closing the Bid/Offer Period for QIBs one working day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations, 2009. Applicants / Bidders may refer to the RHP / Prospectus for the Bid/Offer Period
Bid cum Application Form	An application form, whether physical or electronic, used by Bidders, other than Anchor Investors, to make a Bid and which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus
Bidder/Applicant	Any prospective investor who makes a Bid pursuant to the terms of the RHP / Prospectus and the Bid cum Application Form. In case of issues undertaken through the fixed price process, all references to a Bidder / Applicant should be construed to mean an Bidder/Applicant
Book Built Process / Book Building Process / Book Building Method	The book building process as provided under SEBI ICDR Regulations, 2009, in terms of which the Offer is being made
Broker Centres	Broker centres notified by the Stock Exchanges, where Bidders / Applicants can submit the Bid cum Application Forms to a Registered Broker. The details of such broker centres, along with the names and contact details of the Registered Brokers are available on the websites of the Stock Exchanges.

BRLM(s) / Book Running Lead Manager(s) / Lead Manager / LM	The Book Running Lead Manager to the Offer as disclosed in the RHP / Prospectus and the Bid cum Application Form of the Issuer. In case of issues undertaken through the fixed price process, all references to the Book Running Lead Manager should be construed to mean the Lead Manager or LM
Business Day	Monday to Saturday (except 2nd & 4th Saturday of a month and public holidays)
CAN / Confirmation of Allotment Note	The note or advice or intimation sent to each successful Bidder / Applicant indicating the Equity Shares which may be Allotted, after approval of Basis of Allotment by the Designated Stock Exchange.
Cap Price	The higher end of the Price Band, above which the Offer Price and the Anchor Investor Offer Price may not be finalised and above which no Bids may be accepted
Client ID	Client Identification Number maintained with one of the Depositories in relation to demat account
Collecting Depository Participant or CDPs	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Cut-off Price	Offer Price, finalised by the Issuer in consultation with the Book Running Lead Manager(s), which can be any price within the Price Band. Only RIIs, Retail Individual Shareholders and employees are entitled to Bid at the Cut-off Price. No other category of Bidders/Applicants are entitled to Bid at the Cut-off Price
DP	Depository Participant
DP ID	Depository Participant's Identification Number
Depositories	National Securities Depository Limited and Central Depository Services (India) Limited
Demographic Details	Details of the Bidders/Applicants including the Bidder/Applicant's address, name of the Applicant's father/husband, investor status, occupation and bank account details
Designated Branches	Such branches of the SCSBs which may collect the Bid cum Application Forms used by Bidders/Applicants (exc Anchor Investor) and a list of which is available on http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html
Designated CDP Locations	Such locations of the CDPs where Bidders can submit the Bid cum Application Forms to Collecting Depository Participants.
Designated Date	The date on which funds are transferred by the Escrow Collection Bank(s) from the Escrow Account and the amounts blocked by the SCSBs are transferred from the ASBA Accounts, as the case may be, to the Public Issue Account or the Refund Account, as appropriate, after the Prospectus is filed with the RoC, following which the board of directors may Allot Equity Shares to successful Bidders/Applicants in the Fresh Issue may give delivery instructions for the transfer of the Equity Shares constituting the Offer for Sale
Designated Intermediaries / Collecting Agent	Syndicate Members, Sub-Syndicate/Agents, SCSBs, Registered Brokers, Brokers, the CDPs and RTAs, who are authorized to collect Bid cum Application Forms from the Bidders, in relation to the Offer
Designated RTA Locations	Such locations of the RTAs where Bidders can submit the Bid cum Application Forms to RTAs.

Designated Stock Exchange	The designated stock exchange as disclosed in the RHP/Prospectus of the Issuer
Discount	Discount to the Offer Price that may be provided to Bidders/Applicants in accordance with the SEBI ICDR Regulations, 2009.
Employees	Employees of an Issuer as defined under SEBI ICDR Regulations, 2009 and including, in case of a new company, persons in the permanent and full time employment of the promoting companies excluding the promoters and immediate relatives of the promoters. For further details, Bidder/Applicant may refer to the RHP/Prospectus
Equity Shares	Equity Shares of the Issuer
Escrow Account	Account opened with the Escrow Collection Bank(s) and in whose favour the Anchor Investors may issue cheques or demand drafts or transfer money through NEFT or RTGS in respect of the Bid Amount when submitting a Bid
Escrow Agreement	Agreement to be entered into among the Issuer, the Registrar to the Offer, the Book Running Lead Manager(s), the Syndicate Member(s), the Escrow Collection Bank(s) and the Refund Bank(s) for collection of the Bid Amounts from Anchor Investors and where applicable, remitting refunds of the amounts collected to the Anchor Investors on the terms and conditions thereof
Escrow Collection Bank(s)	Refer to definition of Banker(s) to the Offer
FCNR Account	Foreign Currency Non-Resident Account
First Bidder/Applicant	The Bidder/Applicant whose name appears first in the Bid cum Application Form or Revision Form
FII(s)	Foreign Institutional Investors as defined under the SEBI (Foreign Institutional Investors) Regulations, 1995 and registered with SEBI under applicable laws in India
Fixed Price Issue / Fixed Price Process / Fixed Price Method	The Fixed Price process as provided under SEBI ICDR Regulations, 2009, in terms of which the Offer is being made
Floor Price	The lower end of the Price Band, at or above which the Offer Price and the Anchor Investor Offer Price may be finalised and below which no Bids may be accepted, subject to any revision thereto
FPIs	Foreign Portfolio Investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
FPO	Further public offering
Foreign Venture Capital Investors or FVCIs	Foreign Venture Capital Investors as defined and registered with SEBI under the SEBI (Foreign Venture Capital Investors) Regulations, 2000
IPO	Initial public offering
Issuer/Company	The Issuer proposing the initial public offering/further public offering as applicable
Maximum RII Allottees	The maximum number of RIIs who can be Allotted the minimum Bid Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Bid Lot.
MICR	Magnetic Ink Character Recognition - nine-digit code as appearing on a cheque leaf

Mutual Fund	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996
Mutual Funds Portion	5% of the QIB Category (excluding the Anchor Investor Portion) available for allocation to Mutual Funds only, being such number of equity shares as disclosed in the RHP/Prospectus and Bid cum Application Form
NEFT	National Electronic Fund Transfer
NRE Account	Non-Resident External Account
NRI	NRIs from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the RHP/Prospectus constitutes an invitation to subscribe to or purchase the Equity Shares
NRO Account	Non-Resident Ordinary Account
Net Offer	The Offer less reservation portion
Non-Institutional Investors or NIIs	All Bidders/Applicants, including sub accounts of FIIs registered with SEBI which are foreign corporates or foreign individuals and FPIs which are Category III foreign portfolio investors, that are not QIBs or RIBs and who have Bid for Equity Shares for an amount of more than ₹ 200,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Category	The portion of the Offer being such number of Equity Shares available for allocation to NIIs on a proportionate basis and as disclosed in the RHP/Prospectus and the Bid cum Application Form
Non-Resident	A person resident outside India, as defined under FEMA and includes Eligible NRIs, FPIs and FVCIs registered with SEBI
OCB/Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA
Offer	Public issue of Equity Shares of the Issuer including the Offer for Sale if applicable
Offer for Sale	Public offer of such number of Equity Shares as disclosed in the RHP/Prospectus through an offer for sale by the Selling Shareholder
Other Investors	Investors other than Retail Individual Investors in a Fixed Price Issue. These include individual applicants other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for
Offer Price	The final price, less discount (if applicable) at which the Equity Shares may be Allotted to Bidders other than Anchor Investors, in terms of the Prospectus. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Offer Price The Offer Price may be decided by the Issuer in consultation with the Book Running Lead Manager(s)
PAN	Permanent Account Number allotted under the Income Tax Act, 1961

Price Band	Price Band with a minimum price, being the Floor Price and the maximum price, being the Cap Price and includes revisions thereof. The Price Band and the minimum Bid lot size for the Offer may be decided by the Issuer in consultation with the Book Running Lead Manager(s) and advertised, at least five working days in case of an IPO and one working day in case of FPO, prior to the Bid/Offer Opening Date, in English national daily, Hindi national daily and regional language at the place where the registered office of the Issuer is situated, newspaper each with wide circulation
Pricing Date	The date on which the Issuer in consultation with the Book Running Lead Manager(s), finalise the Offer Price
Prospectus	The prospectus to be filed with the RoC in accordance with Section 26 of the Companies Act, 2013 after the Pricing Date, containing the Offer Price, the size of the Offer and certain other information
Public Issue Account	An account opened with the Banker to the Offer to receive monies from the Escrow Account and from the ASBA Accounts on the Designated Date
QIB Category	The portion of the Offer being such number of Equity Shares to be Allotted to QIBs on a proportionate basis
Qualified Institutional Buyers or QIBs	As defined under SEBI ICDR Regulations, 2009
RTGS	Real Time Gross Settlement
Red Herring Prospectus / RHP	The red herring prospectus issued in accordance with Section 32 of the Companies Act, 2013, which does not have complete particulars of the price at which the Equity Shares are offered and the size of the Offer. The RHP may be filed with the RoC at least three working days before the Bid/Offer Opening Date and may become a Prospectus upon filing with the RoC after the Pricing Date. In case of issues undertaken through the fixed price process, all references to the RHP should be construed to mean the Prospectus
Refund Account(s)	The account opened with Refund Bank(s), from which refunds to Anchor Investors, if any, of the whole or part of the Bid Amount may be made
Refund Bank(s)	Refund bank(s) as disclosed in the RHP/Prospectus and Bid cum Application Form of the Issuer
Refunds through electronic transfer of funds	Refunds through Direct Credit, NEFT, RTGS or ASBA, as applicable
Registrar and Share Transfer Agents or RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Registered Broker	Stock Brokers registered with the Stock Exchanges having nationwide terminals, other than the members of the Syndicate
Registrar to the Offer/RTO	The Registrar to the Offer as disclosed in the RHP/Prospectus and Bid cum Application Form
Reserved Category / Categories	Categories of persons eligible for making application/Bidding under reservation portion
Reservation Portion	The portion of the Offer reserved for such category of eligible Bidders/Applicants as provided under the SEBI ICDR Regulations, 2009
Retail Individual Investors/RIIs	Investors who applies or bids for a value of not more than ₹ 200,000 (including HUFs applying through their karta and eligible NRIs and does not include NRIs other than Eligible NRIs.

Retail Individual Shareholders	Shareholders of a listed Issuer who applies or bids for a value of not more than ₹ 200,000.
Retail Category	The portion of the Offer being such number of Equity Shares available for allocation to RIIs which shall not be less than the minimum Bid Lot, subject to availability in RII category and the remaining shares to be Allotted on proportionate basis.
Revision Form	The form used by the Bidders, including ASBA Bidders, in an issue through Book Building Process to modify the quantity of Equity Shares and/or bid price indicated therein in any of their Bid cum Application Forms or any previous Revision Form(s)
RoC	The Registrar of Companies
SEBI	The Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992
SEBI ICDR Regulations, 2009	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
Self Certified Syndicate Bank(s) or SCSB(s)	A bank registered with SEBI, which offers the facility of ASBA and a list of which is available on http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html
Specified Locations	Bidding centres where the Syndicate shall accept Application Forms, a list of which is available on the website of SEBI at www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries and updated from time to time
Stock Exchanges / SE	The stock exchanges as disclosed in the RHP/Prospectus of the Issuer where the Equity Shares Allotted pursuant to the Offer are proposed to be listed
Syndicate	The Book Running Lead Manager(s) and the Syndicate Member
Syndicate Agreement	The agreement to be entered into among the Issuer, and the Syndicate in relation to collection of Bid cum Application Forms by Syndicate Members
Syndicate Member(s) / SM	The Syndicate Member(s) as disclosed in the RHP/Prospectus
Underwriters	The Book Running Lead Manager(s) and the Syndicate Member(s)
Underwriting Agreement	The agreement amongst the Issuer, and the Underwriters to be entered into on or after the Pricing Date
Working Day	Any day, other than 2 nd and 4 th Saturday of the month, Sundays or public holidays, on which commercial banks in Mumbai are open for business, provided however, with reference to (a) announcement of Price Band; and (b) Bid/Offer Period, “Working Days” shall mean all days, excluding Saturdays, Sundays and public holidays, which are working days for commercial banks in India.

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 2013, with effect from April 05, 2013 ("Circular 1 of 2013"), 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 2013 will be valid until the DIPP issues an updated circular.

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 IX – MAIN PROVISIONS OF ARTICLES OF ASSOCIATION

Capitalised terms used in this section have the meaning that has been given to such terms in the Articles of Association of our Company. Pursuant to Table F in Schedule I of the Companies Act, 2013, the main provisions of the Articles of Association of our Company are detailed below:

III. SHARE CAPITAL, VARIATION OF RIGHTS & BUY BACK

- 4 The Authorised Share Capital of the Company shall be such amount and be divided into such shares as may from time to time, be provided in clause V of Memorandum of Association. with power to Board of Directors to reclassify, subdivide, consolidate and increase and with power from time to time, to issue any shares of the original capital or any new capital with and subject to any preferential, qualified or special rights, privileges, or conditions may be, thought fit and upon the sub-division of shares to apportion the right to participate in profits, in any manner as between the shares resulting from sub-division. The Authorised Share Capital of the Company shall be such amount and be divided into such shares as may from time to time, be provided in clause V of Memorandum of Association. with power to Board of Directors to reclassify, subdivide, consolidate and increase and with power from time to time, to issue any shares of the original capital or any new capital with and subject to any preferential, qualified or special rights, privileges, or conditions may be, thought fit and upon the sub-division of shares to apportion the right to participate in profits, in any manner as between the shares resulting from sub-division. If and whenever the capital of the Company is divided into shares of different classes, the tights of any such class may be varied, modified, affected, extended, abrogated or surrendered as provided by the said Act or by Articles of Association or by the terms of issue, but not further or otherwise. Provisions of Section 43, 47 of the Act to apply
- 5 The provisions of Section 43, 47 of the Act in so far as the same may be applicable to issue of share capital shall be observed by the Company.
- 6 The Directors shall have regard to the restrictions on the allotment of shares imposed by Section 39 and 40 of the said Act so far as those restrictions are binding on the Company.
- 7 (1) (i) The Company may at any time pay a commission to any person in consideration of his subscribing, or agreeing to subscribe (whether absolutely or conditionally) for any shares in or debentures of the Company or procuring or agreeing to procure subscription (whether absolute or conditional) for any shares in or debentures of the Company and the provisions of Section 40 of the said Act shall be observed and complied with. Such commission shall not exceed the maximum permissible rate as prescribed in the Rules. Such commission may be paid in cash or by the allotment of Securities.
 - (ii) Company shall not pay any commission to any underwriter on securities which are not offered to public for subscription.
 - (iii) The number of shares or debentures which persons have agreed to for commission to subscribe absolutely or conditionally is disclosed in the manner aforesaid.(2) Nothing in this clause shall affect the power of the Company to pay such brokerage as it may consider reasonable.
 - (3) A Vendor to, promoter of, other person who receives payment in shares, debentures or money from the Company shall have and shall be deemed always to have had power to apply any part of the shares, debentures or money so received in payment of any commission the payment of which, if made directly by the Company, would have been legal under this Articles.
 - (4) The commission may be paid or satisfied (subject to the provisions of the Act and these Articles) in cash or in share, debentures or debenture stock of the Company, (whether fully paid or otherwise) or in any combination thereof.
- 8 Except as provided by the Act, the Company shall not, except by reduction of capital under the provision of Sections 66 or Section 242 of the said Act, buy its own shares nor give, whether directly or indirectly, and whether by means of a loan, guarantee, provision of security or otherwise any financial assistance for the

purpose of or in connection with a purchase or subscription made or to be made by any person of or for any shares in the Company or in its holding company.

Provided that nothing in this Article shall be taken to prohibit :

8.1 (i) the provision of money in accordance with any scheme approved by the Company through Special Resolution and in accordance with the requirements specified in the relevant Rules, for the purchase of, or subscription for, fully paid up Shares in the Company, if the purchase of, or the subscription for the Shares held by trustees for the benefit of the employees or such Shares held by the employee of the Company;

(ii) the giving of loans by the Company to persons in the employment of the Company other than its Directors or Key Managerial Personnel, for an amount not exceeding their salary or wages for a period of six months with a view to enabling them to purchase or subscribe for fully paid up Shares in the Company to be held by them by way of beneficial ownership. Nothing in this clause shall affect the right of the Company to redeem any shares issued under Section 55.

8.2 Notwithstanding what is stated in Articles 8.1 above, in the event it is permitted by the Law and subject to such conditions, approvals or consents as may be laid down for the purpose, the Company shall have the power to buy-back its own shares, whether or not there is any consequent reduction of Capital. If and to the extent permitted by Law, the Company shall also have the power to re-issue the shares so bought back.

- 9 The Company shall have power to issue Securities at a premium and shall duly comply with the provision of Sections 52 of the said Act.
- 10 The Company may, subject to the provisions of Section 55 of the said Act, issue preference shares which are liable to be redeemed and may redeem such shares in any manner provided in the said section and may issue shares up to the nominal amount of the shares redeemed or to be redeemed. Where the Company has issued redeemable preference shares the provisions of the said section shall be complied with. The manner in which such shares shall be redeemed, shall be as provided by Article 80 unless the terms of issue otherwise provide.

IV. SHARES AND SHAREHOLDERS

- 11 (1) The Company shall cause to be kept and maintained the following registers namely:
 - (a) Register of members indicating separately for each class of equity and preference shares held by each member residing in India or outside India;
 - (b) Register of debenture-holders; and
 - (c) Register of any other security holders;
 - (d) including an index in respect of each of the registers to be maintained in accordance with Section 88 of the Act.
 - (2) The Company shall also comply with the provisions of Sections 92 of the Act as to filing Annual Returns.
 - (3) The Company shall duly comply with the provisions of Section 94 of the Act in regard to keeping of the Registers, Indexes, copies of Annual Returns and giving inspection thereof and furnishing copies thereof.
- 12 The shares in the capital shall be numbered progressively according to their several classes. Shares at the disposal of the Directors
 - 13 Subject to the provisions of the said Act and these Articles, the shares in the capital of the Company for the time being (including any shares forming part of any increased capital of the Company) shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any one of them to such persons on such proportion and on such terms and conditions and either at a premium or at par or (subject to compliance with the provisions of Section 54 of the Act) at a discount and at such times as they may from time to time think fit and proper and with the sanction of the Company in General Meeting to give to any person the option to call for or be allotted shares of any class of the Company either at par or at premium or subject aforesaid at a discount during such time and for such consideration and such option being

exercisable at such times as the Directors think fit and may allot and issue shares in the capital of the Company in lieu of services rendered to the Company or in the conduct of its business; and any shares which may be so allotted may be issued as fully paid up shares and if so issued shall be deemed to be fully paid up shares.

- (1) The shares or other interest of any member in the Company shall be movable property transferable in the manner provided by the Articles of the Company.
 - (2) Each share in the Company having a share capital shall be distinguished by its appropriate number.
 - (3) A certificate under the Seal of the Company specifying any shares held by any Member shall be prima facie evidence of the title of the Member to such shares.
 - (1) Where the Company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount of the value of the premiums on those Shares shall be transferred to an amount to be called "the securities premium account", and the provisions of the Act relating to the reduction of the Share Capital of a company shall except as provided in this clause, apply as if the securities premium account were paid-up share capital of the Company.
 - (2) The securities premium account may be applied by the Company for the purposes permissible pursuant to the Act.
- 14 The Company shall comply with the provisions of Section 62 of the Act with regard to increasing the subscribed capital of the Company.
- 15 If and whenever as the result of issue of new shares or any consolidation or subdivision of shares, any shares become held by members in fractions the Directors shall subject to the provisions of the Act and the Articles and to the directions of the Company in general meeting, if any, sell those shares which members hold in fractions for the best price reasonably obtainable and shall pay and distribute to and amongst the members entitled to such shares in due proportion, the net proceeds of the sale thereof. For the purpose of giving effect to any such sale the Directors may authorise any person to transfer the shares sold to the purchaser thereof comprised in any such transfer and he shall not be bound to see to the application of the purchase money nor shall his title to the shares be effected by any irregularity or invalidity in the proceedings in reference to the sale.
- 16 An application signed by or on behalf of an applicant for shares in the Company followed by an allotment of shares therein, shall be an acceptance of shares within the meaning of these Articles;. The Directors shall comply with the provisions of Sections 39 and 40 of the Act so far as applicable.
- 17 The money (if any) which the Directors shall, on the allotment of any shares being made by them, require or direct to be paid by way of deposits, calls or otherwise in respect of any shares allotted by them, shall, immediately on the inscription of the name in the Register of Members as the holder of such shares, become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.
- 18 Where any calls for further share capital are made on shares, such calls shall be made on a uniform basis on all shares, falling under the same class.
- Explanation: - For the purpose of this provision shares of the same nominal value on which different amounts have been paid up shall not be deemed to fall under the same class.
- 19 The Directors shall cause to be made the returns as to all allotments from time to time made in accordance with the provisions of Section 39 of the said Act.
- 20 If, by the conditions of allotment of any shares the whole or part of the amount or issue price thereof shall be payable by installments, every such installment shall, when, due, be paid to the Company by the person who for the time being and from time to time shall be of the shares or his legal representative.
- 21 Every member, or his executors or administrators or other representative, shall pay to the Company the portion of the capital represented by his share or shares, which may, for the time being, remain unpaid thereon, in such amounts, at such time or times, and in such manner, as the Directors shall, from time to time, in accordance with the Company's regulations, require or fix for the payment thereof.

- 22 If any share stands in the names of two or more persons all the joint-holders of the share shall be severally as well as jointly liable for the payment of all deposits, installments, and calls due in respect of such shares, and for all incidents thereof according to the Company's regulations; but the persons first named in the Register shall, as regards service of notice, and all other matters connected with the Company, except the transfer of the share and any other matter by the said Act or herein otherwise provided, be deemed the sole holder thereof.
- 23 Save as herein or by laws otherwise expressly provided, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof, and accordingly shall not, except as ordered by a Court of competent jurisdiction, or as by statute required, be bound to recognize any benami trusts whatsoever or equitable, contingent, future, partial or other claim to or interest in such share on the part of any other person whether or not it shall have express or implied notice thereof; the Directors shall, however be at liberty, at their sole discretion, to register any share in the joint names of any two or more persons, and the survivor or survivors of them.

V. CERTIFICATES

- 24 Subject to any statutory or other requirement having the force of law governing the issue and signatures to and sealing of certificate to shares and applicable to this Company for the time being in force the certificate of title to shares and the duplicate thereof when necessary shall be issued under the seal of the Company which shall be affixed in the presence of and signed by (1) two Directors or persons acting on behalf of the Directors under a duly registered power of attorney and (2) the Secretary or some other person appointed by the Board for the purpose; a Director may sign a share certificate by affixing signature thereon by means of any machine, equipment or other mechanical means such as engraving in metal or lithography but not by means of a rubber stamp, provided that the Director shall be responsible for the safe custody of such machine, equipment or other materials used for the purpose.
- (1) (i) Every member shall be entitled without payment to the certificate for all the Shares of each class or denomination registered in his name, or if the Board, so approve (upon paying such fees as the Board may from time to time determine) to several certificates, each for one or of such Shares and the Company shall complete such certificate within two months after the allotment or such period as may be determined at the time of the issue of such capital whichever is longer or within one month after registration of the transfer thereof as provided by Section 56 of the Act. Every certificate of shares shall have its distinctive number and be issued under the Seal of the Company and shall specify the number and denoting number of the shares in respect of which it is issued and the amount paid thereon and shall be in such form as the Board shall prescribe or approve provided that in respect of share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate and the delivery of a certificate for a share or shares to one of several joint-holders shall be deemed to be sufficient delivery to all.
- (ii) A certificate of shares registered in the names of two or more persons, unless otherwise directed by them in writing, may be delivered to any one of them on behalf of them all.
- (2) (i) Notwithstanding anything contained herein, the Company shall be entitled to dematerialise its shares, debentures and other securities pursuant to the Depositories Act, 1996 and to offer its shares, debentures and other securities for subscription in a dematerialised form.
- (ii) Notwithstanding anything contained herein, the Company shall be entitled to treat the person whose names appear in the register of members as a holder of any share or whose names appear as beneficial owners of shares in the records of the Depository, as the absolute owner thereof and accordingly shall not (except as ordered by a Court of competent jurisdiction or as required by law) be bound to recognise any benami trust or equity or equitable contingent or other claim to or interest in such share on the part of any other person whether or not it shall have express or implied notice thereof.
- (iii) Notwithstanding anything contained herein, in the case of transfer of shares or other marketable securities where the Company has not issued any Certificates and where such shares or other marketable securities are being held in an electronic and fungible form, the provisions of the Depositories Act, 1996 shall apply. Further, the provisions relating to progressive numbering shall not apply to the shares of the Company which have been dematerialised.

- 25 If any certificate be worn out, defaced, destroyed or lost or if there be no further space on the back thereof for endorsement of transfer, then upon production thereof to the Board, they, may order the same to be cancelled, and may issue a new certificate in lieu thereof and if any certificate be lost or destroyed then upon proof thereof to the satisfaction of the Board and on such indemnity as the Board deem adequate being given, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate. A sum not exceeding ₹50/- shall be paid to the Company for every certificate issued under this clause, as the Board may fix from time to time, provided that no fee shall be charged for issue of new certificate in replacement of those which are old, worn, decrepit out or where the cages on the reverse for recording transfers have been fully utilised.
- 26 The Board may waive payment of any fee generally or in any particular case.
- 27 Every endorsement upon the certificate of any share in favour of any transferee thereof shall be signed by such person for the time being authorised by the Board in that behalf.
- 28 The Board shall comply with requirements prescribed by any Rules made pursuant to the said Act; relating to the issue and execution of share certificates.

VI. CALLS ON SHARES

- 29 Subject to the provisions of Section 49 of the said Act, the Board may, from time to time, by means of resolution passed at its meetings make such calls as they may think fit upon the members in respect of moneys unpaid on the share held by them respectively and not by the conditions of allotment thereof made payable at fixed times, and each member shall pay the amount of every call so made on him to the persons and at the times and place appointed by the Board. A call may be made payable by installments.
- 30 A call shall be deemed to have been made at the time when the resolution of the Board authorising such call was passed and may be made payable by members on a subsequent date to be specified by Directors.
- 31 Fourteen day's notice at least of every call made payable otherwise than on allotment shall be given by the Company in the manner hereinafter provided for the giving of notices specifying the time and place of payment, and the person to whom such call shall be paid. Provided that before the time for payment of such call the Board may by notice given in the manner hereinafter provided revoke the same. The Board may, from time to time at their discretion, extend the time fixed for the payment of any call, and may extend such time as to all or any of the members who, the Board may deem fairly entitled to such extension; but no member shall be entitled to any such extension, except as a matter of grace and favour.
- 32 If by the terms of issue of any share or otherwise any amount is payable at any fixed time or by installments at fixed times, whether on account of the share or by way of premium, every such amount or installments shall be payable as if it were a call duly made by the Board and of which due notice had been given, and all the provisions herein contained in respect of calls shall relate to such amount or installments accordingly.
- 33 If the sum payable in respect of any call or such other amount or installments be not paid on or before the day appointed for payment thereof or any extension thereof as aforesaid, the holder for the time being of the share, in respect of which the call shall have been made, or such amount or installment shall be due, shall pay interest for the same, from the day appointed for the payment thereof to the time of actual payment at such rate not exceeding ten per cent per annum, as shall from time to time be fixed by the Board. Nothing in this Article shall however, be deemed to make it compulsory on the Board to demand or recover any such interest, and the payment of such interest, wholly or in part, may be waived by the Board if they think fit so to do.
- 34 Any money due from the Company to a member may, without the consent and notwithstanding the objection of such member, be applied by the Company in or towards the payment of any money due from him to the Company for calls or otherwise.
- 35 Neither a judgement nor a decree in favour of the Company for calls of other moneys due in respect of any shares nor any part-payment or satisfaction thereunder nor the receipt by the Company of a portion of any money which shall from time to time be due from any member to the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of payment of any such money, shall preclude the forfeiture of such shares as hereinafter provided.

- 36 On the trial or hearing of any action or suit brought by the Company against any member or his legal representatives to recover any moneys claimed to be due to the Company for any call or other sum in respect of his shares, it shall be sufficient to prove that the name of the member in respect of whose shares the money is sought to be recovered, appears entered on the Register of Members as the holder, or one of the holders, at or subsequent to the date at which the money sought to be recovered is alleged to have become due, on the shares in respect of which such money is sought to be recovered, and that the amount claimed is not entered as paid in the books of the Company or the Register of Members and that the resolution making the call is duly recorded in the minute book, and that notice of such call was duly given to the member or his legal representatives sued in pursuance of these presents; and it shall not be necessary to prove the appointment of the Directors who made such call, not that a quorum of Directors was present at the meeting of the Board at which such call was made, nor that the meeting at which such call was made duly convened or constituted, nor any other matter whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debts, and the same shall be recovered by the Company against the member or his representatives from whom the same is sought to be recovered unless it shall be proved, on behalf of such member or his representatives against the Company that the name of such member was improperly inserted in the register, or that the money sought to be recovered has actually been paid.
- 37 (1) The Board may, if they think fit, subject to the provisions of Section 50 of the Act receive from any member willing to advance the same, either in money or money's worth the whole or any part of the amount remaining unpaid on the shares held by him beyond the sum actually called up and upon the moneys so paid or satisfied in advance, or so much thereof, as from time to time and at any time thereafter exceeds the amount of the calls then made upon and due respect of the shares on account of which such advances have been made, the Company may pay or allow interest at such rate as the member paying such advance and the Board agree upon; provided always that if at any time after the payment of any such money the rate of interest so agreed to be paid to any such member appears to the Board to be excessive, it shall be lawful for the Board from time to time to repay to such member so much of money as shall then exceed the amount of the calls made upon such shares, unless there be an express agreement to the contrary; and after such repayment such member shall be liable to pay, and such advance had been made, provided also that if at any time after the payment of any money so paid in advance, the Company shall go into liquidation, either voluntary or otherwise, before the full amount of the money so advanced shall have become due by the member to the Company for installments or calls, or any other manner, the member making such advance shall be entitled (as between himself and the other members) to receive back from the Company the full balance of such moneys rightly due to him by the Company in priority to any payment to members on account of capital.
- (2) The member making such advance shall not, however, be entitled to any voting rights in respect of the moneys so advanced by him until the same would, but for such payment, become presently payable.

VII. FORFEITURE OF AND LIEN ON SHARES

- 38 If any member fails to pay any money due from him in respect of any call made or amount or installment as provided in Article 35 on or before the day appointed for payment of the same, or any such extension thereof as aforesaid or any interest due on such call or amount or installment or any expenses that may have been incurred thereon, the Directors or any person authorised by them for the purpose may, at any time thereafter, during such time as such money remains unpaid, or a judgement or a decree in respect thereof remains unsatisfied in whole or in part, serve a notice in the manner hereinafter provided for the serving of notices on such member or any of his legal representatives or any of the persons entitled to the share by transmission, requiring payment of the money payable in respect of such share, together with such interest and all expenses (legal or otherwise) incurred by the Company by reason of such non-payment.
- 39 The notice shall name a day (not earlier than the expiration of fourteen days from the date of the notice) and a place or places on or before and at which the money due as aforesaid is to be paid. The notice may also state that in the event of the non-payment of such money at or before the time and the place appointed, the shares in respect of which the same owed will be liable to be forfeited.
- 40 If the requirements of any such notice as aforesaid are not complied with, every or any share in respect of which the notice is given may, at any time thereafter before payment of all calls or amounts or installments, interest and expenses due in respect thereof, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends and bonuses declared in respect of the forfeited shares and not actually paid before the forfeiture.

- 41 When any share shall have been so forfeited, notice of the forfeiture shall be given to the member in whose name it stood immediately prior to the forfeiture or to any of his legal representatives, or to any of the persons entitled to the share by transmission and an entry of the forfeiture, with the date thereof, shall forthwith be made in the Register of Members. The provisions of this Article are, however, directory only and no forfeiture shall in any manner be invalidated by any omission or neglect to give such notice or to make such entry as aforesaid.
- 42 Any share so forfeited shall be deemed to be the property of the Company and the Board may sell, re-allot or otherwise dispose of the same, either to the original holder thereof or to any other persons, and either by public auction or by private sale and upon such terms and in such manner as the Directors shall think fit.
- 43 In the meantime, and until any share so forfeited shall be sold, re-allotted or otherwise dealt with as aforesaid, the forfeiture thereof may at the discretion and by a resolution of the Board, be remitted or annulled as a matter of grace and favour but not as of right, upon such terms and conditions as they think fit.
- 44 Any member whose shares have been forfeited shall, notwithstanding the forfeiture, remain liable to pay and shall forthwith pay to the Company all calls, amounts, installments, interest expenses owing upon or in respect of such shares at the time of the forfeiture, together with interest thereon, from the time of the forfeiture until payment, at the rates, not exceeding ten percent per annum as the Board may determine, in the same manner in all respects as if the shares had not been forfeited, without any deduction or allowance for the value of the shares at the time to the forfeiture and the Board may enforce the payment thereof if they think fit (but without being under any obligation so to do) without entitling such member or his representative to any remission of such forfeiture or to any compensation for the same, unless the Directors shall think fit to make such compensation, which they shall have full power to do, in such manner and on such terms on behalf of the Company as they shall think fit.
- 45 The forfeiture of a share shall involve the extinction of all interest in and of all claims and demands against the Company of the member in respect of the share and all other right of the member incident to the share except only such of those rights as by these Article are expressly saved.
- 46 The Directors may, subject to the provision of the Act, accept a surrender of any share from or by any member desirous of surrendering those on such terms as they think fit.
- 47 A certificate in writing, under signature of one Director and countersigned by any other person who may be authorised for the purpose by the Board, that the call, amount or installment in respect of a share was made or was due or the interest in respect of a call, amount or installment was or the expenses were payable, as the case may be, the notice thereof as aforesaid was given and default in payment was made and that the forfeiture of the share was made by a resolution of the Board to the effect, shall be conclusive evidence of the facts stated therein as against all persons entitled to or interested in such share.
- 48 The Company may receive the consideration, if any, given for the share on any sale, re-allotment or other disposition thereof and the person to whom such share is sold, re-allotted or disposed of may be registered as the holder of the share and shall not be bound to see to the application of the consideration, 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, re-allotment or other disposal of the share.
- 49 The Company shall have a first and paramount lien upon all the shares not being fully paid-up shares, registered in the name of each member (whether solely or jointly with another or others) and upon the proceeds of sale thereof, for all moneys from time to time due or payable by him to the Company for calls made and all amounts or installments as provided by Article 35 payable in respect of such shares and no equitable interest in any shares shall be created except upon the footing and condition that Article 25 hereof is to have full effect. Any such lien shall extend to all dividends from time to time declared in respect of such shares. Unless otherwise agreed, the registration of a transfer of shares shall operate as a waiver of the Company's lien, if any, on such shares. The Board may at any time declare any shares to be exempt, wholly or partially from the provisions of this Article.
- 50 For the purpose of enforcing such lien, the Directors may sell, the shares subject thereto in such manner as they think fit and transfer the same to the name of the purchaser, without any consent and notwithstanding any opposition on the part of the indebted member or any other person or persons interested therein and a complete title to the shares which shall be sold and transferred shall be acquired by the purchaser, by virtue

of such sale and transfer, against such indebted member and all persons claiming with or under him whether he may be indebted to the Company in point of fact or not. But no such sale shall be made until notice in writing stating the amount due or specifying the liability of engagement and demanding payment or fulfillment or discharge thereof and of the intention to sell in default shall have been served upon such member or his heirs, executors, administrators, representatives or persons and default shall have been made by him or them in payment, fulfillment or discharge of such debts, liabilities or engagements for seven days after such notice.

- 51 The net proceeds of any such sale after payment of the costs of such sale, shall be applied in or towards the satisfaction of such debts liabilities or engagements and the residue (if any) paid to such or any of his executors, administrators, representatives or assigns or any of the persons (if any) entitled by transmission to the shares sold.
- 52 Upon any sale after forfeiture or upon any sale for enforcing a lien, in purported exercise of the powers hereinbefore given, the Directors may appoint some person or persons to execute an instrument of transfer of the shares sold.
- 53 Upon any such sale after forfeiture or for enforcing a lien in purported exercise of powers the Board shall cause the purchaser's name to be entered in the Register in respect of the shares sold and shall issue to the purchaser a certificate such as is specified in Article 50 hereof in respect of the shares sold and the purchaser shall not be bound to see to the regularity of the proceedings or to the application of the purchase money and after his name has been entered in the Register in respect of such shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.

VIII. TRANSFER AND TRANSMISSION OF SHARES

- 54 The Company shall keep a book called the 'Register of Transfers' and therein shall be fairly and distinctly entered the particulars of every transfer or transmission of any share in the Company.
- 55 No transfer shall be registered unless a proper instrument of transfer has been delivered to the Company. Every instrument of transfer (which shall be in the form specified in the Rules) shall be duly stamped, dated and shall be executed by or on behalf of the transferor and the transferee and in the case of a share held by two or more holders or to be transferred to the joint names of two or more transferees by all such joint-holders or by all such joint transferees, as the case may be, several executors or administrators of a deceased member proposing to transfer the shares registered in the name of such deceased member shall all sign the instrument of transfer in respect of the share as if they were the joint-holders of the share. The instrument of transfer shall specify the name, address and occupation, if any, of the transferee.
- 56 In the case of the death of any one or more of the persons named in the Register as the joint-holders of any share, the survivor or survivors shall be the only persons recognised by the Company as having any title to or interest in such share, but nothing herein contained shall be taken to release the estate of the deceased joint-holder from any liability on the shares held by him jointly with any other person.
- 57 (1) 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.

(2) Where there is no, nominee, the executors or administrators of a deceased member not being one of several joint-holders shall be the only persons recognised by the Company as having any title to the shares registered in the name of such deceased member, and the Company shall not be bound to recognise such executors or administrators, unless they shall have first obtained probate or letters of administration or other legal representation, as the case may be, provided nevertheless, the Directors, in any case where they in their absolute discretion think fit, may dispense with the production of Probate or Letters of Administration or such other legal representation, upon such terms as to indemnity or otherwise as they may deem fit and under the next Article, register the name of any person who claims to be absolutely entitled to the shares standing in the name of the deceased member as a member in respect of such shares.
- 58 Subject to the provisions of the last preceding Article, any person to whom the right to any share has been transmitted in consequence of the death or insolvency of any member or otherwise by operation of law may,

with the consent of the Board (which they shall not be under any obligation to give) and upon his producing such evidence that he sustains the character in respect of which he proposes to act under the Article and of his title as the Directors think sufficient be registered as a member in respect of such shares. This clause is hereinafter referred to as the "transmission clause". A transfer of the share or other interest in the Company of a deceased member thereof made by his legal representative shall, although the legal representative is not himself a member be as valid as if he had been a member at the time of effecting the transmission.

- 59 Every transmission of a share shall be verified in such a manner as the Directors may require and the Company may refuse to register any such transmission until the same be so verified or unless an indemnity be given to the Company with regard to such registration which the Directors at their discretion shall consider sufficient; provided nevertheless, that there shall not be any obligation on the Company or the Directors to accept any indemnity, the Directors shall have the same right to refuse to register a person entitled by transmission to any shares or his nominee as if he were the transferee named in an ordinary transfer presented for registration.
- 60 A person entitled to share by transmission may, until the Directors otherwise determine as provided in Article 129, receive and give discharge for any dividends, bonuses or other moneys payable in respect of the share, but he shall not be entitled to vote at any meetings of the Company and to any of the rights and privileges of a member, unless and until he shall have become a member in respect of the shares.
- 61 An application for the registration of a transfer of shares or other interest of a member in the Company may be made either by the transferor or the transferee. Where such application is made by the transferor and relates to partly paid shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee and the transferee makes no objection to the transfer within two weeks from the delivery of the notice.
- 62 (1) It shall not be lawful for the Company to register a transfer of any shares unless the proper instrument of transfer duly stamped, dated and executed by or on behalf of the Transferor and by or on behalf of the Transferee and specifying the name and address and occupation of the Transferee has been delivered to the Company along with the scrip and if no such scrip is in existence, along with the letter of allotment of the shares. Where the proper instrument of transfer is not received by the Company within a period of two months from the date on which the instrument is dated, the Directors may at their sole discretion be entitled to seek such documentation including indemnities as it may deem fit, from both the transferor and transferee, or from the person who has lodged the same for transfer, and the Board may at its sole discretion be entitled to give effect to the transfer on receipt of such documentation and indemnities (save where an order of a competent court is produced, the Board shall then give effect to the transfer).
- (2) If the Company refuses to register the transfer of any shares, the Company shall within one month from the date on which the instrument of transfer is lodged with the Company send to the Transferee and the Transferor notice of the refusal as provided in Article 66.
- (3) Nothing in clause (1) shall prejudice any power of the Company to register as shareholder any person to whom the right to any share has been transmitted by operation of law.
- (4) Nothing in this Article shall prejudice any power of the Company to refuse to register the transfer of any share.
- 63 The Board may, at its absolute and uncontrolled discretion and without assigning or being under any obligation to give any reason, decline to register or acknowledge any transfer or transmission of shares and in particular, may so decline in any case in which the Company has a lien upon the shares or any of them or in the case of shares not fully paid-up whilst any moneys called or payable at a fixed time in respect of the shares desired to be transferred or any of them remain unpaid or unless the transferee is approved by the Board. Nothing in Section 56 of the Act shall prejudice this power to refuse to register the transfer of or the transmission by operation of law of the right to, any shares or interest of a member in or debentures of the Company. The registration of a transfer shall be conclusive evidence of the approval by the Board of the transferee, but so far only as regards the share or shares in respect of which the transfer is so registered and not further or otherwise and not so as to debar the Board to refuse registration of any further shares applied for. If the Board refuses to register the transfer or transmission of any shares notice of the refusal shall within two months from the date on which the instrument of transfer on intimation of transmission was

delivered to the Company be sent to the Transferee and the Transferor or to the person giving intimation of the transmission, as the case may be.

- 64 The Transferor shall be deemed to remain the holder of the shares until the name of the transferee shall be entered in the Register of Members.
- 65 Every instrument of transfer which shall be registered shall remain in the custody of the Company. If the transfer relates to the only share or all the shares comprised in the certificate, such certificate or a new certificate in lieu thereof shall, after the registration of the transfer, be delivered to the transferee and if the transfer relates only to a part of the shares comprised in the certificate, the same shall, on registration of the transfer be retained by the Directors and cancelled and new certificates will be issued to the transferor and the transferee in respect of the shares respectively, held by them.
- 66 The Directors shall have power on giving seven days' notice by advertisement as required by Section 91 of the Act to close the Transfer Book and Register of Members of such period or periods of time in every year as to them may seem expedient, but not exceeding 45 days in any year and not exceeding 30 days at any one time.
- 67 The Company shall incur no liability or responsibility whatever in consequence of its registering or giving effect to any transfer of shares made or purporting to be made, by an apparent legal owner thereof (as shown or appearing in the Register of Members), to the prejudice of any person or persons having or claiming any equitable right, title or interest to or in the same shares, notwithstanding that the Company may have had notice of such equitable right title or interest or prohibiting registration of such transfer and may have entered such notice or referred thereto in any book of the Company; and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or interest or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in some books of the Company; but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto, if the Directors shall so think fit.
- 68 The provision of these Articles shall mutatis mutandis apply to the transfer or transmission by operation of law of debentures of the Company.

IX. ALTERATION OF SHARE CAPITAL

- 69 The Company may by Ordinary Resolution so alter the conditions of its Memorandum of Association as :-
- (1) to increase its share capital by such amount as it thinks expedient by issuing new shares;
 - (2) to consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
 - (3) to convert all or any of its fully paid-up shares into stock and reconvert that stock into fully paid-up shares of any denominations;
 - (4) to sub-divide its shares or any of them into shares of smaller amount than is fixed by its Memorandum of Association, so however that in the sub-division the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived.
 - (5) to cancel any shares which, at the date of the passing of the resolution in that behalf, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.
- 70 The Directors may from time to time without any sanction of the Company, whenever all the shares in the issued capital shall not have been subscribed and whether all the shares for the time being subscribed shall have been fully called up or not, issue further shares of such value as they may think fit out of the unsubscribed balance of the issued capital. Such further shares shall be issued upon such terms and conditions (and if preference shares upon such conditions as to redemption) and with such rights and privileges annexed thereto as the Board shall direct and in particular, such shares may be issued with a preferential or qualified right to dividend and in the distribution of assets of the Company and subject to the provisions of Section 47 of the said Act with a special or without any right of voting and the Board may

dispose of such shares or any of them either at par or at a premium, to any members or any class thereof or in such other manner as the Board may think most beneficial to the Company.

- 71 (1) Where it is proposed to increase the subscribed capital of the Company by the issue of new shares:
- (i) such new shares shall be offered to the persons who, at the date of the offer are holders of the equity shares of the Company, in proportion, as nearly as circumstances admit to the capital paid-up on these shares at that date;
 - (ii) the offer aforesaid shall be made by notice specifying the number of shares offered and limiting a time not being less than fifteen days and not exceeding thirty days from the date of the offer within which the offer, if not accepted, will be deemed to have been declined;
 - (iii) The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person; and the notice shall contain a statement of this right;
 - (iv) after the expiry of the time specified in the notice aforesaid or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board of Directors may dispose of them in such manner as they think most beneficial to the Company.
 - (v) To employees under a scheme of employees' stock option, subject to Special Resolution passed by the company and subject to such conditions as may be specified in the relevant Rules.
 - (vi) To any persons, by way of passing a Special Resolution to that effect, whether or not those persons include the persons referred to in clause (a) or clause (b), either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to such conditions as may be specified in the relevant Rules
- (2) Whenever any shares are to be offered to the members the Directors may dispose of any such shares which, by reason of the proportion borne by them to the number of persons entitled to such offer or by reason of any other difficulty in apportioning the same cannot in the opinion of the Directors be conveniently offered to the members.
- (3) The right to issue further shares provided in this clause, shall include a right to the Company, to issue any instrument, including Global Depositary Receipt.
- 72 Except so far as otherwise provided by the conditions of issue or by these presents, any capital raised by creation of new shares shall be considered as part of the capital and shall be subject to the provisions herein contained with reference to the payment of calls and installments, transfer, transmission, forfeiture, lien, surrender; voting and otherwise in all respects as if it had been the original capital.
- 73 The Directors shall, whenever there is a change in the share capital, file with the Registrar of Companies notice of the increase of the capital as provided by Section 64 of the said Act within thirty days after the passing of the resolution authorising the increase.
- 74 (1) When any shares shall have been converted into stock, the several holders of such stock may thenceforth transfer their respective interests therein or any part of such interest, in the same manner and subject to the same regulations as and subject to which shares in the Company's capital may be transferred or as near thereto as circumstances will admit. But the Board may from time to time, if they think fit, fix the minimum amount of stock transferable and restrict or forbid the transfer of fractions of that minimum, but with full power, nevertheless, at the discretion to waive such rules in any particular case.
- (2) Notice of such conversion of shares into stock or reconversion of stock into shares shall be filed with the Registrar of Companies as provided in the said Act.
- 75 The stock shall confer on the holders thereof respectively the same privileges and advantages, as regards participation in profits and voting at meetings of the Company and for other purposes, as would have been conferred by shares of equal amount in the capital of the Company of the same class as the shares from which such stock was converted but no such privileges or advantages, except the participation in profits of the Company or in the assets of the Company on a winding up, shall be conferred by any such aliquot part of, consolidated stock as would not, if existing in shares, have conferred such privileges or advantages. No such conversion shall affect or prejudice any preference or other special holders of the share and authenticated by such evidence (if any) as the provisions herein contained shall, so far as circumstances will

admit, apply to stock as well as to shares and the words “share” and “shareholder” in these presents shall include “stock” and “stock-holder”.

X. REDUCTION OF CAPITAL

- 76 The Company may from time to time by Special Resolution, in such manner specified in the Act and subject to such consents as may be required under any other law for the time being in force, reduce in any manner:
- (1) its share capital
 - (2) any capital redemption reserve account; or
 - (3) any securities premium account.
- 77 (1) Subject to the provisions of Section 55 of the said Act, whenever any preference shares are issued which are or at the option of the Company are to be liable to be redeemed, the following provisions shall take effect :
- (i) No such shares shall be redeemed except out of the profits of the Company which would otherwise be available for dividend or out of the proceeds of a fresh issue of shares made for the purposes of the redemption.
 - (ii) No such shares shall be redeemed unless are fully paid.
 - (iii) The premium, if any payable on redemption must be provided for out of the profits of the Company or out of the Company’s Securities Premium Account before the shares are redeemed.
 - (iv) Where any such shares are redeemed otherwise than out of the proceeds of a fresh issue there shall, out of profits which would otherwise have been available for dividend be transferred to the Capital Redemption Reserve Account, a sum equal to the nominal amount of the share redeemed.
- (2) Subject to the provisions of Section 55 of the Act and these Articles the redemption of preference shares hereunder may be effected in accordance with the terms and conditions of their issue and in the absence of any such terms and conditions in such manner as the Directors may think fit.
- (3) The redemption of preference shares under this provision by the Company shall not be taken as reducing the amount of its authorised share capital.
- (4) Where the Company has redeemed or is about to redeem any preference shares, it shall never have power to issue shares up to the nominal amount of the shares redeemed or to be redeemed as if those shares had never been issued; and accordingly the share capital of the Company shall not, for the purpose of calculating the fees payable under Section 385 of the said Act, be deemed to be increased by the issue of shares in pursuance of this Article. Provided that, where new shares are issued before the redemption of the old shares, the new shares shall not so far as related to stamp duty, be deemed to have been issued in pursuance of this Article unless the old shares are redeemed within one month after the issue of the new shares.
- (5) The Capital Redemption Reserve Account may, notwithstanding anything in this Article, be applied by the Company, in paying up unissued shares of the Company to be issued to members of the Company as fully paid bonus shares.

XI. MODIFICATION OF RIGHTS

- 78 (1) Whenever the share capital by reason of issue of Preference Shares or otherwise is divided into different classes of shares, all or any of the rights and privileges attached to each class may, subject to the provisions of Section 48 of the Act, be varied, commuted, affected, abrogated or dealt with by agreement between the Company and any person purporting to contract on behalf of that class provided such agreement is ratified in writing by holders of at least three-fourths of nominal value of the issued shares of the class or is sanctioned by Special Resolution passed at a separate meeting of the holders of the shares of that class and supported by the votes of the holders of not less than three-fourths of the shares of that class.

(2) This Article is not to derogate from any power the Company would have if this Article were omitted and in particular the powers under Chapter XV of the said Act or Chapter V of the Companies Act, 1956, whichever is in force for the time being.

The dissentient members shall have the right to apply to Tribunal in accordance with the provisions of Section 48 of the Act.

XII. JOINT HOLDERS

79 (1) Where two or more persons are registered as the holders of any Securities they shall be deemed (so far as the Company is concerned) to hold the same as joint tenants with benefits of survivorship subject to the following and other provisions contained in these Articles.

(2) The Company shall be entitled to decline to register more than three persons as the joint holders of any Securities.

(3) The joint holders of any Security shall be liable severally as well as jointly for and in respect of all calls or installments and other payments which ought to be made in respect of such Securities.

(4) On the death of any one or more of such joint holders the survivor or survivors shall be the only person or persons recognised by the Company as having any title to the share but the Board may require such evidence of death as they may deem fit and nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on shares held by him jointly with any other person.

(5) Any one of such joint holders may give effectual receipts for any dividends or other moneys payable in respect of such Security.

(6) Only the person whose name stands first in the Register of Members (or the relevant register maintained for that Security) as one of the joint holders of any shares shall be entitled to delivery of the certificate relating to such or to receive notices (which expression shall be deemed to include all Documents) from the Company and any notice given to such person shall be deemed notice to all the joint holders.

(7) Any one of two or more joint holders may vote at any meeting (including voting by postal ballot and by electronic voting) either personally or by an agent duly authorised under a power of attorney or by proxy in respect of such shares as if he were solely entitled thereto and if more than one of such joint holders be present at any meeting personally or by proxy or by attorney that one of such persons so present whose name stands first or higher (as the case may be) on the Register in respect of such Security shall alone be entitled to vote in respect thereof. Provided always that a person present at any meeting personally shall be entitled to vote in preference to a person, present by an agent, duly authorised under a power of attorney or by proxy although the name of such persons present by an agent or proxy stands first in the Register in respect of such shares. Several executors of a deceased member in whose (deceased member's) sole name any Security stands shall for the purpose of this sub-clause be deemed joint holders.

XIII. GENERAL MEETING

80 The Company shall, in addition to any other meetings which are hereinafter referred to as "Extraordinary General Meeting", hold a General Meeting which shall be styled its Annual General Meeting at the intervals and in accordance with the provisions of the Act.

81 The Directors may call Extraordinary General Meetings of the Company whenever they think fit and such meetings shall be held at such place and time as the Directors think fit.

82 (1) If the default is made in holding an Annual General Meeting in accordance with Section 96 of the Act, the Tribunal may, notwithstanding anything in the Act, (or in the Articles of the Company) on the application of any member of the Company, call or direct the calling of a General Meeting of the Company, and give such ancillary or consequential directions as the Central Government thinks expedient in relation to the calling, holding and conducting of the meeting.

Explanation: - The directions that may be given, may include a direction that one member of the Company so present in person or by proxy shall be deemed to constitute a meeting.

(2) A General Meeting held in pursuance of sub-clause (i) shall subject to any directions of the Tribunal be deemed to be an Annual General Meeting of the Company.

83 (1) The Board of Directors of the Company shall on the requisition of such number of members of the Company as is specified in sub-clause (4) forthwith proceed duly to call an Extraordinary General Meeting of the Company.

(2) The requisition shall set-out the matters for the consideration of which the meeting is to be called shall be signed by the requisitionists and shall be sent to the Registered Office of the Company.

(3) The requisition may consist of several documents in like form each signed by one or more requisitionists.

(4) The number of members entitled to requisition a meeting in regard to any matter shall be such number of them as hold both on the date of such requisition and on the date of receipt of the requisition not less than one-tenth of such of the paid-up capital of the Company as at that date carries the right of voting in regard to that matter.

(5) Where two or more distinct matters are specified in the requisition, the provisions of sub-clause (4) shall apply separately in regard to each such matters and the requisition shall accordingly be valid only in respect of these matters in respect to which the conditions specified in that sub-clause is fulfilled.

(6) If the Board does not, within twenty one days from the date of the receipt of a valid requisition in regard to any matters, proceed duly to call a meeting for the consideration of those matters on a day not later than forty five days from the date of receipt of the requisition, the meeting may be called and held by the requisitionists themselves within a period of three months from the date of the requisition.

Explanation:- For the purposes of this sub-clause, the Board shall in the case of a meeting at which a resolution is to be proposed as a Special Resolution, be deemed not to have duly convened the meeting if they do not give such notice thereof as is required by sub-section (2) of Section 114.

(7) A meeting called under sub-clause (6) by the requisitionists or any of them -

(a) Shall be called in the same manner as nearly as possible as that in which meetings are to be called by the Board; but

(b) Shall not be held after the expiration of three months from the date of the deposit of the requisition.

(c) Shall convene meeting at Registered office or in the same city or town where Registered office is situated and such meeting should be convened on working day.

(8) Where two or more persons hold any shares or interest in a Company jointly, a requisition or a notice calling a meeting signed by one or only some of them shall for the purposes of this Section have the same force and effect as if it has been signed by all of them.

(9) Any reasonable expenses incurred by the requisitionists by reasons of the failure of the Board duly to call a meeting shall be repaid to the requisitionists by the Company; and any sum so repaid shall be retained by the Company out of any sums due or to become due from the Company by way of fees or other remuneration for their services to such of the Directors as were in default.

84 (1) A General Meeting of the Company may be called by giving at least clear twenty one day's notice in writing or through electronic mode but a General Meeting may be called after giving shorter notice if consent is given in writing or by electronic mode by not less than ninety five percent of the members entitled to vote at such meeting. Provided that where any members of the Company are entitled to vote only on some resolution or resolutions to be moved at meeting and not on others, those members shall be taken into account for the purposes of this clause in respect of the former resolution or resolutions and not in respect of the latter.

(2) Notice of every general meeting of the Company shall specify the place, date, day and the hour of the meeting and shall contain a statement of the business to be transacted thereat.

(3) Such notice shall be given -

(i) to every member of the Company, legal representative of any deceased Member or the assignee of an insolvent Member;

(ii) to the auditor or auditors of the Company; and

(iii) to every Director of the Company.

(iv) to every trustee for the debenture holder of any debentures issued by the Company.

(4) The accidental omission to give notice to or the non-receipt of notice by, any member or other person to whom it should be given shall not invalidate the proceedings at the meeting.

(5) In every notice calling a meeting of the Company there shall appear with reasonable prominence a statement that a member entitled to attend and vote is entitled to appoint a proxy or where that is allowed one or more proxies, to attend and vote instead of himself and that a proxy need not be a member.

(6) Where any items of business to be transacted at the meeting are deemed to be special as provided in Article 88 there shall be annexed to the notice of the meeting a statement setting out all material facts concerning each such item of business namely :

(a) The nature of concern or interest, financial or otherwise, if any of the following persons, in respect of each item of:

(i) every Director and the Manager; if any;

(ii) every other Key Managerial Personnel; and

(iii) relatives of the persons mentioned in sub-clause (i) and (ii);

(b) Any other information and facts that may enable members to understand the meaning, scope and implementation of the items of business and to take decision thereon.

(7) Where any item of business consists of the according of approval to any document by the meeting the time and place where the document can be inspected shall be specified in the statement aforesaid.

85 In the case of an Annual General Meeting all business to be transacted at the meeting shall be deemed special with the exception of business relating to (i) the consideration of the Financial Statements, (including the consolidated financial statements, if applicable), and the Reports of the Board of Directors and Auditors, (ii) the declaration of a dividend, (iii) the appointment of Directors in the place of those retiring and (iv) the appointment of and the fixing of the remuneration of the Auditors. In the case of any other meeting all business shall be deemed special.

86 Upon a requisition of members complying with Section 111 of the said Act, the Directors shall comply with the obligations of the Company under the said Act relating to circulation of members' resolutions and statements.

87 A certificate in writing, signed by the Secretary or by a Director or some officer or agent appointed by the Board for the purpose, to the effect that according to the best of its belief the notices convening the meeting have been duly given shall be prima facie evidence thereof.

88 The Board, and the persons authorised by it, shall have the right to take and/or make suitable arrangements for ensuring the safety of any meeting-whether a general meeting or a meeting of any class of Security, or of the persons attending the same, and for the orderly conduct of such meeting, and notwithstanding anything contained in this Articles, any action, taken pursuant to this Article in good faith shall be final and the right to attend and participate in such meeting shall be subject to the decision taken pursuant to this Article.

XIV. PROCEEDINGS AT GENERAL MEETINGS AND ADJOURNMENT THEREOF

89 No General Meeting, Annual or Extraordinary, shall be competent to enter upon, discuss or transact any business a statement of which has not been specified in the notice convening the meeting except as provided in the said Act.

90 No business shall be transacted at any General Meeting, unless the requisite quorum is present at the time when the meeting proceeds to business. The quorum for a general meeting shall be the presence in person of such number of members as specified in Section 103 of the Act. Subject to Article 82(7) when more than one of the joint-holders of a share is present only one of them shall be counted for ascertaining the quorum.

Several executors or administrators of a deceased person in whose sole name shares stand shall for the purpose of this clause be deemed joint holders thereof.

- 91 If, within half an hour from the time appointed for holding the meeting, a quorum of members is not present, the meeting if convened by or upon such requisition of members as aforesaid shall be dissolved, but in any other case it shall stand adjourned pursuant to the provisions of sub-section (2) of section 103 of the Act.
- 92 If at such adjourned meeting a quorum of members is not present within half an hour from the time appointed for holding the meeting, the members present, whatever their number, shall be a quorum and may transact the business and decide upon all matters which could properly have been disposed of at the meeting from which the adjournment took place, if a quorum had been present thereat.
- 93 The Chairman of the Board (whether Member or not) shall if present and willing, be entitled to take the chair at every General Meeting, whether Annual or Extraordinary, but if there be no such Chairman or in case of his being present or being unwilling or failing to take the chair within fifteen minutes of the time appointed for holding such meeting, the members present shall choose another Director (whether Member or not) as Chairman and if all the Directors present decline to take the chair or if there be no Director present, then the members present shall choose one of their own members to be Chairman of the meeting. If a poll is demanded it shall be taken forthwith in accordance with the provisions of sub-section (2) of section 104. The Chairman elected on a show of hands shall exercise all the powers of the Chairman for the purpose of such poll. If some other person is elected Chairman as a result of such poll, he shall be the Chairman for the rest of the meeting.

The Chairman be permitted to hold the position of both the Chairman of the Board and/or General Meeting as well as Managing Director/CEO/equivalent position thereof in the Company as per the recommendations of the appropriate committee of the Directors and approved by the Board of Directors and as permitted by applicable laws from time to time.

- 94 No business shall be transacted at any General Meeting, except the election of Chairman, whilst the chair is vacant.
- 95 The Chairman may, with the consent of a majority of the members personally present at any meeting, adjourn such meeting from time to time and from place to place in the city, town or village where the Registered Office of the Company be situate but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. A resolution passed at an adjourned meeting of the Company shall be treated as having been passed on the date on which it was in fact passed and shall not be deemed to have been passed on any earlier date.
- 96 Whenever any meeting is adjourned for thirty days or more notice of such adjourned meeting shall be given as in the case of an original meeting.
- 97 (1) At any General Meeting, a resolution put to vote of the meeting shall, unless a poll is demanded under Section 109, or if the voting is carried out electronically be decided on a show of hands. Such voting in a general meeting or by postal ballot shall also include electronic voting in a General Meeting or Postal Ballot as permitted by applicable laws from time to time.
- (2) A declaration by the Chairman in pursuance of clause (1) hereof that on a show of hands a resolution has or has not been carried or has or has not been carried either unanimously or by a particular majority and an entry to that effect in the book containing the minutes of the proceedings of the Company, shall be conclusive evidence of the fact, without proof of the number or proportion of the votes cast in favour of or against such resolution.
- 98 In case of an equality of votes the Chairman of any meeting shall both on the show of hands and at a poll (if any) held pursuant to a demand made at such meeting, have a second or casting vote.
- 99 (1)(a) The Company shall cause minutes of all proceedings of General Meetings of any class of shareholders or creditors, and every resolution passed by postal ballot and of all proceedings at meetings of its Board of Directors or of committees of the Board, to be entered in books kept for the purpose
- (b) The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.

(c) All appointments of officers made at any time of the meetings aforesaid shall be included in the minutes of the meeting.

(d) In case of a meeting of the Board of Directors or of a Committee of the Board, the minutes shall also contain :

(i) the names of the Directors present at the meeting; and the names of the Directors who are present through video or other audio-visual means.

(ii) in the case of each resolution passed at the meeting, the name of the Directors, if any, dissenting from or not concurring on the resolution.

(e) There shall not be included in the minutes, any matter which, in the opinion of the Chairman of the meeting :

(i) is or could reasonably be regarded as defamatory of any person;

(ii) is irrelevant to the interests of the Company; or

(iii) is detrimental to the interests of the Company.

Explanation: -

The Chairman shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in this Article.

(2) Any such minute, if purporting to be signed by the Chairman of the meeting at which the proceedings took place or by the Chairman of the next succeeding meeting, shall be evidence of the proceedings.

(3) Where the minutes have been kept in accordance with clause (1) hereof; then until the contrary is proved, the meeting shall be deemed to have been duly called and held and all proceedings thereat to have duly taken place and the resolution passed by circulation, postal ballot or other permitted means shall be construed to have been duly passed, and in particular all appointments of Directors, Key Managerial Personnel, Auditors or Company Secretary in practice, made at the meeting shall be deemed to be valid, including the matters that are required to be transacted at a meeting of the Board as specified in Section 179 of the said Act.

100 (1) The books containing the minutes of the proceedings of General Meetings of the Company shall -

(a) be kept at the registered office of the Company; and

(b) be open during business hours to the inspection of any member without charge subject to such reasonable restrictions as the Company may impose so however that not less than two hours in each day are allowed for inspection.

(2) Any member shall be entitled to be furnished within seven working days after he has made request in that behalf to the Company with a copy of any Minutes referred to in sub-clause (1) on payment of ₹10/- for every page or part thereof required to be photocopied and that the Company shall comply with provisions of Section 119 of the Act.

101 The provisions contained in Article 103 shall mutatis mutandis apply to other registers maintained under the provisions of the said Act, that can be inspected by an eligible person.

102 No document purporting to be a report of the proceedings of any General Meeting of the Company shall be circulated or advertised at the expense of the Company unless it includes the matters required by Section 118 of the Act to be contained in the Minutes of the proceedings of such meeting.

XV. VOTING RIGHTS AND PROXY

103 No member shall be entitled to exercise any voting right on any question either personally or by proxy or upon poll (including voting by electronic means) in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has or has exercised any right of lien.

- 104 A member is not prohibited from exercising his voting right on the ground that he has held his share or other interest in the Company for any specified period preceding the date on which the vote is taken, or on any other ground not being a ground set out in Article 106.
- 105 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 at a poll by his committee or other legal guardian and not otherwise, and any such committee or guardian may, on a poll, vote by proxy.
- 106 Notwithstanding anything contained in this Articles, where the title to any Securities is under dispute before any court, where no injunction subsists (or direction made) as to the exercise of voting rights or other rights of a member including the rights attached to such Securities, the Board shall be entitled to suspend any such right aforesaid.
- 107 A Member being a Body Corporate (whether a company within the meaning of the said Act or not) may by resolution of its Board of Directors or other governing body authorise such persons as it thinks fit to act as its representative at any meeting of the Company, or at any meeting of any class of members of the Company. A person authorised by resolution as aforesaid shall be entitled to exercise the same rights and powers (including the right to vote by proxy) on behalf of the Body Corporate which he represents as that body could exercise if it were a member, creditor or holder of debentures of the Company.
- 108 (1) Subject and without prejudice to any special privileges or restrictions or conditions for the time being attached to or affecting the preference or other special classes of shares, if any, issued by and for the time being forming part of the capital of the Company every member, entitled to vote under the provisions of these presents and not disqualified by the provisions of Articles 106, 108 and 109 or by any other Article shall on a show of hands have one vote and upon a poll every member, present in person or proxy or agent duly authorised by a power-of-attorney or representative duly authorised and not disqualified as aforesaid, shall have voting rights in proportion to his share of the paid-up equity capital of the Company subject however to any limits imposed by law. But no member shall have voting right in respect of any moneys paid in advance as provided by Article 40(b).
- (2) No member not personally present shall be entitled to vote on a show of hands unless such member is a Body Corporate present by proxy or by a representative duly authorised under Section 113 of the Act in which case such proxy or representative may vote on a show of hands as if he were a member of the Company.
- (3) A Member may exercise his vote, in respect of items of business to be transacted for which notice is issued, by electronic means in accordance with Section 108, and shall vote only once.
- 109 On a poll taken at a meeting of the Company a member entitled to more than one vote, or his proxy or other person entitled to vote for him, as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes he uses. A member or his proxy who votes shall be deemed to have used all his votes unless he expressly gives written notice to the contrary at the time he casts any votes.
- 110 Any member entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person (whether a member or not) as his proxy to attend and vote instead of himself but a proxy so appointed shall not have any right to speak at the meeting and shall not be entitled to vote except on a poll. A person shall (a) not act as proxy for more than 50 Members and holding in aggregate not more than 10% of the total share capital of the Company; (b) not act as proxy for more than one Member, if that Member holds more than 10% of the total share capital of the Company.
- 111 The instrument appointing a proxy shall be in writing and shall be signed by the appointer or his attorney duly authorised in writing. If the appointer is a Body Corporate such instrument shall be under its seal or be signed by an officer or an attorney duly authorised by it, or by the persons authorised to act as the representative of such company under Article 110. Any instrument appointing a proxy to vote at a meeting shall be deemed to include the power to demand or join in the demand for a poll on behalf of the appointer, where a poll has not been ordered to be carried out electronically.
- 112 No instrument of proxy shall be treated as valid and no person shall be allowed to vote or act as proxy at any meeting under an instrument of proxy, unless such instrument of proxy and power-of-attorney or other

authority (if any) under which it is signed or a notarially certified copy of that power or authority shall have been deposited at the Registered Office of the Company at least forty-eight hours before the time appointed for holding the meeting or adjourned meeting at which the persons named in such instrument proposes to vote. An instrument appointing a proxy or an attorney permanently or for a certain period once registered with the Company need not be again registered before each successive meeting and shall be in force until the same shall be revoked. Notwithstanding that a power-of-attorney or other authority has been registered in the records of the Company, the Company may by notice in writing addressed to the member or to attorney at least seven days before the date of a meeting require him to produce the original power-of-attorney or authority and unless the same is thereupon deposited with the Company the attorney shall not be entitled to vote at such meeting unless the Directors in their absolute discretion excuse such non-production and deposit.

113 If any such instrument of appointment be confined to the objects of appointing an attorney or proxy or substitute, it shall remain, permanent or for such time as the Directors may determine in the custody of the Company and if embracing other objects, a copy thereof, examined with the original shall be delivered to the Company to remain in the custody of Company.

114 The instrument appointing a proxy whether for a specified meeting or otherwise shall be in Form MGT-11

115 (1) A vote given in pursuance of an instrument of proxy shall be valid, notwithstanding the previous death of the principal or the revocation of the proxy or any power-of-attorney under which such proxy was signed or the transfer of the shares in respect of which the vote is given provided no intimation in writing of the death, revocation or transfer shall have been received at the Registered Office of the Company before the vote is given.

(2) In case of e-voting, a Member shall be deemed to have exercised his voting rights by himself, even if any other person had voted using the login credentials of that Member.

116 No objection shall be made to the validity of any vote except at the meeting or adjourned meeting or poll at which such vote shall be tendered and every vote whether given personally or by proxy, and not disallowed at such meeting or poll, shall be deemed valid for all purposes of such meeting or poll whatsoever.

117 The Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting and the Chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll. The Chairman shall be assisted by a scrutiner, appointed by the Board for this purpose.

XVI. CAPITALISATION OF PROFITS AND DIVIDENDS AND ISSUE OF BONUS SHARES

118 The Company in General Meeting may declare a dividend to be paid to the members according to their respective rights and interests in the profits, and may fix the time for the payment thereof.

119 Any share holder whose name is entered in the Register of Members of the Company shall enjoy the rights and be subject to the same liabilities as all other shareholders of the same class.

120 No larger dividend shall be declared than is recommended by the Directors, but the Company in General Meeting may declare a smaller dividend.

121 Unless the Company otherwise resolves, dividends shall be paid in proportion to the amount paid up or credited as paid up on each share, where a larger amount is paid up or credited as paid up on some share than on others. Provided always that any capital paid up on a share during the period in respect of which a dividend is declared shall unless otherwise resolved be only entitled the holder of such share to a proportionate amount of such dividend from the date of payment.

122 Capital paid-up in advance of calls shall not confer a right to dividend or to participate in profits.

123 No dividends shall be payable except out of profits of the Company of the year or any other undistributed profits and no dividend shall carry interest against the Company. The declaration of the Directors as to the amount of the net profits of the Company shall be conclusive.

124 The Directors may, from time to time, declare and pay to the members such interim dividend as in their judgment the position of the Company justifies.

125 No member shall be entitled to receive payment of any dividend in respect of any share or shares on which the Company has a lien, or whilst any amount due or owing from time to time to the Company, either alone

or jointly with any other person or persons, in respect of such share or shares, or on any other account whatsoever, remains unpaid, and the Directors may retain, apply and adjust such dividend in or towards satisfaction of all debts, liabilities, or engagements in respect of which the lien exists, and of all such money due as aforesaid.

126 The Directors may retain the dividends payable upon shares in respect of which any person is under the transmission clause entitled to become a member, or which any person under the same clause is entitled to transfer, until such person shall become a member in respect thereof or shall duly transfer the same.

127 (1) A transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer.

(2) No dividend shall be paid by the Company in respect of any share except to the registered holder of such share or to his order or to his bankers or any other person as permitted by applicable law.

128 All dividends shall be paid by the cheque, or warrant in respect thereof shall be posted within thirty days of the date on which such dividend is declared by the Company. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent. The Company shall not be liable or responsible for any cheque or warrant lost in transmission or for any dividend lost to the member or person entitled thereto by forged endorsements on any cheque or warrant, or the fraudulent or improper recovery thereof by any other means.

129 Notice of the declaration of any dividend whether interim or otherwise, shall be given to the members in the manner hereinafter provided for giving of notice to member.

130 The Directors may, if they think fit, call upon the members, when applying for dividends, to produce their share certificates to such person or persons appointed by them in that behalf.

131 Any one of several persons who are registered as joint-holders of any share may give effectual receipts for all dividends and payments on account of dividends in respect of such share.

132 No dividend shall be payable except in cash.

Provided that nothing herein shall be deemed to prohibit the capitalisation of profits or reserves of the Company for the purpose of issuing fully paid-up bonus shares or paying up any amount for the time being unpaid on any shares held by the members of the Company.

Provided further that any dividend payable in cash may be paid in cheque or warrant or in any electronic mode to the Member entitled to the payment of the dividend.

133 Any General Meeting declaring a dividend may make a Call on the Members of such amount as the meeting fixes and so that the Call be made payable at the same time as the dividend, and the dividend may, if so resolved by the Company in General Meeting be set off against the Calls.

134 (1) A General Meeting of the Members, In a meeting in person or proxy or, through Postal Ballot or, by any other means, as may be permitted may on the recommendation of the Board, direct capitalisation of the whole or any part of the undivided profits for the time being of the Company or the whole or any part of the Reserve Fund or other funds of the Company including the moneys in the Securities Premium Account and the Capital Redemption Reserve Account or the premiums received on the issue of any shares, debentures or debenture-stock of the Company and that such sum be accordingly set free for the purpose, (1) by the issue and distribution, among the holders of the shares of the Company or any of them, in accordance with their respective rights and interests and in proportion to the amounts paid or credited as paid up thereon, of paid-up shares, debentures, debenture-stock bonds or other obligations of the Company, or (2) by crediting any shares of the Company which may have been issued and are not fully paid up, in proportion to the amounts paid or credited as paid up thereon respectively, with the whole or any part of the same.

(2) For the purposes above set out the Company may, subject to the provisions contained in section 63, apply: (i) its free reserves, (ii) the Securities Premium Account subject to the provisions of Section 52(2) of

the said Act; (iii) the Capital Redemption Reserve Fund subject to the provisions of Section 55(4) of the said Act; and (iv) such other reserves or account as may be applied for issue of bonus shares.

135 The Board shall have the right to fix a date for the purpose of determining the Members who are entitled to the payment of the dividend, or shares pursuant to the capitalisation of reserves, and for any other action of the Company that requires determination of the details of Members.

XVII. ACCOUNTS

136 (1) The Directors shall keep or cause to be kept at the Registered Office of the Company or at such place in India as the Board thinks fit proper books of accounts in respect of:

(i) all sums of money received and expended by the Company, and the matters in respect of which the receipt and expenditure take place;

(ii) all sales and purchase of goods by the Company; and

(iii) the assets and liabilities of the Company.

(iv) The items of cost, if any- as specified in the relevant Rules.

(2) Proper books of account shall also be kept at each branch office of the Company, whether in or outside India, relating to the transactions of that office and proper summarised returns made up to dates at intervals of not more than three months shall be sent by each branch office to the Company at its Registered Office of the Company or the other place referred to in clause (1) hereof.

(3) The books of account referred to in clause (1) and (2) shall be such books as are necessary to give a true and fair view of the state of affairs of the Company or such branch office and to explain its transaction.

(4) The books of accounts and other Books and Papers shall be open to inspection by any Directors during business hours.

(5) The Directors shall comply in all respects with Sections 128, 129, 133, 134, 136, to 138 of the said Act and any statutory modifications thereof.

137 The Directors 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 the members not being Directors; and no member (not being a Director) shall have any right of inspection of any account or book or document of the Company except as conferred by law or authorised by the Directors.

138 Subject to Section 129 of the Act at every Annual General Meeting of the Company the Directors shall lay before the Company a Financial Statements for each financial year.

139 The Financial Statements shall give a true and fair view of the state of affairs of the Company at the end of the period of the account.. Financial Statements shall comply with the provisions of Section 129 and 133 of the said Act.

140 The Financial Statements shall be signed in accordance with the provisions of Section 134 of the said Act.

141 The Directors shall make out and attach to every Balance Sheet laid before the Company in General Meeting a Report of the Board of Directors which shall comply with the requirements of and shall be signed in the manner provided by Section 134 of the said Act.

142 (1) A copy of every Financial Statements (including consolidated Financial Statements, the Auditors' Report and every other document required by law to be annexed or attached, as the case may be, to the Financial Statement) which is to be laid before the Company in General Meeting shall not less than twenty one days before the date of meeting be sent to every member, every trustee for the debenture holder of any debentures issued by the Company, to the Auditors of the Company, and every director of the Company.

If the copies of the documents aforesaid are sent less than twenty one days before the date of the meeting they shall, notwithstanding that fact, be deemed to have been duly sent if it is so agreed by ninety five percent of the members entitled to vote at the meeting.

The accidental omission to send the documents aforesaid, to or the non-receipt of the documents aforesaid by, any member or other person to whom it should be given shall not invalidate the proceedings at the meeting.

(2) Any member or holder of debentures of the Company whether he is or is not entitled to have copies of the Company's Financial Statements sent to him, shall on demand, be entitled to be furnished without charge, and any person from whom the Company has accepted a sum of money by way of deposit shall on demand accompanied by the payment of a fee of fifty rupees, be entitled to be furnished with a copy of the last Financial Statements and every other documents required by law to be annexed or attached thereto.

143 The Directors shall arrange to maintain at the Registered office of the Company a Register of Directors, Key Managerial Personnel, containing the particulars and in the form prescribed by Section 170 of the Act. It shall be the duty of every Director and other persons regarding whom particulars have to be maintained in such Registers to disclose to the Company any matters relating to himself as may be necessary to comply with the provisions of the said sections.

144 A Director may receive remuneration by way of fee not exceeding such amount as may be permissible under the Rules for attending each meetings of the Board or Committee thereof; or of any other purpose whatsoever as may be decided by the Board.

145 Subject to the provisions of Section 197 of the said Act :

(1) Any one or more of the Directors shall be paid such additional remuneration as may be fixed by the Directors for services rendered by him or them and any one or more of the Directors shall be paid further remuneration if any as the Company in General Meeting or the Board of Directors shall from time to time determine. Such remuneration and/or additional remuneration may be paid by way of salary or commission on net profits or turnover or by participation in profits or by way of perquisites or in any other manner or by any or all of those modes.

(2) If any director, being willing shall be called upon to perform extra services, or to make any special exertion for any of the purposes of the Company, the Company in General Meeting or the Board of Directors shall, subject as aforesaid, remunerate such Director or where there is more than one such Director all or such of them together either by a fixed sum or by a percentage of profits or in any other manner as may be determined by the Directors and such remuneration may be either in addition to or in substitution for the remuneration above provided.

146 The Directors may from time to time fix the remuneration to be paid to any member or members of their body constituting a committee appointed by the Directors in terms of these articles not exceeding such amount as is permissible under the Rules, per meeting attended by him.

147 The Board of Directors may allow and pay to any Director fair compensation for his travelling and other expenses incurred in connection with the business of the Company including attendance at meeting of the Board or Committee thereof.

XIX. APPOINTMENT AND ROTATION OF DIRECTORS

148 a. The following shall be the first Directors of the Company:-

1. Jasbir Singh Dham
2. Harbhajan Singh
3. Daunder pal Singh
4. Bhavna Wadhwa

149 b. (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.

150 A person shall not be capable of being appointed Director of the Company, if :-

- (i) he has been found to be unsound mind by court of competent jurisdiction.
- (ii) he is an undischarged insolvent;
- (iii) he has applied to be adjudicated as an insolvent and his application is pending;
- (iv) he has been convicted by a Court in India of any offence involving moral turpitude or otherwise and sentenced in respect thereof to imprisonment for not less than 6 months, and a period of five years has not elapsed from the date of expiry of the sentence;
- (v) he has not paid any call in respect of shares of the Company held by him, whether alone or jointly with others and six months have elapsed from the last day fixed for the payment for the call; or
- (vi) an order disqualifying him for appointment as Director has been passed by a Court or Tribunal and the order is in force,
- (vii) he has been convicted of the offence dealing with related party transactions under Section 188; or.
- (viii) he has not complied with sub-section 3 of section 152.

151 (1) The Company shall appoint such number of Independent Directors as it may deem fit, for a term specified in the resolution appointing him. An Independent Director may be appointed to hold office for a term of up to five consecutive years on the Board of the Company and shall be eligible for re-appointment on passing of Special Resolution and such other compliances as may be required in this regard. No Independent Director shall hold office for more than two consecutive terms. The provisions relating to retirement of directors by rotation shall not be applicable to appointment of Independent Directors. Independent Director shall be paid sitting fees for each meeting of the Board or a committee thereof, attended by him a sum not exceeding ₹ 2500/- (Rupees Two Thousand Five Hundred).

(2) Not less than two-thirds of the total number of Directors of the Company shall :

- (i) be persons whose period of office is liable to determination by retirement of Directors by rotation; and
- (ii) save as otherwise expressly provided in the said Act; be appointed by the Company in General Meeting.

Explanation:- for the purposes of this Article “total number of Directors” shall not include Independent Directors appointed on the Board of the Company.

(3) The remaining Directors of the Company shall also be appointed by the Company in General Meeting except to the extent that the Articles otherwise provide or permit.

152 (1) Subject to the provisions of Section 152 of the Act at every Annual General Meeting, one-third of such of the Directors for the time being as are liable to retire by rotation, or if their number is not three or a multiple of three, then the number nearest to one-third, shall retire from office.

(2) The Directors to retire by rotation at every Annual General Meeting shall be those who have been longest in office since their last appointment, but as between persons who become Directors on the same day, those who are to retire shall, in default of and subject to any agreement among themselves, be determined by lot. A retiring Director shall be eligible for re-election.

(3) (i) At the Annual General Meeting at which a Director retires as aforesaid, the Company may fill up the vacancy by appointing the retiring Director or some other person thereto.

(ii) If the place of the retiring Director is not so filled up and the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week, at the same time and

place, or if that day is a National Holiday, till the next succeeding day which is not a holiday, at the same time and place.

(iii) If at the adjourned meeting also, the place of the retiring Director is not filled up and that meeting also has not expressly resolved not to fill the vacancy, the retiring Director shall be deemed to have been re-appointed at the adjourned meeting unless :-

(i) at the meeting or at the previous meeting a resolution for the re-appointment of such Director has been put to the meeting and lost;

(ii) the retiring Director has, by a notice in writing addressed to the Company or its Board of Directors, expressed his unwillingness to be so re-appointed;

(iii) he is not qualified or is disqualified for appointment;

(iv) a resolution, whether special or ordinary, is required for his appointment or re-appointment by virtue of any provisions of the said Act; or

(v) Section 162 is applicable to the case.

153 The Company may by an ordinary resolution remove any Director (not being a Director appointed by the Tribunal in pursuance of Section 242 of the Act) in accordance with the provisions of Section 169 of the Act. A Director so removed shall not be reappointed a Director by the Board of Directors.

154 A person who is not a retiring Director shall subject to the provisions of the said Act, be eligible for appointment to the Office of Director at any General Meeting, if he or some member intending to propose him has, not less than fourteen days before the meeting, left at the Registered Office of the Company a notice in writing under his hand signifying his candidature for the office of Directors or as the case may be, the intention of such Member to propose him as a candidate for the office, along with deposit of one lakh rupees or such other amount as may be specified in the relevant Rules.

155 The amount so deposited shall be refunded to such person or, as the case may be, to the Member, if the person proposed gets elected as a Director or gets more than 25% of total valid votes.

156 A person appointed as a Director shall not act as a Director unless he gives his consent to hold the office as director and such consent has been filed with the Registrar within thirty days of his appointment in such manner as prescribed in the relevant Rules.

157 (1) At a General Meeting of the Company a motion shall not be made for the appointment of two or more persons as Directors of the Company by a single resolution, unless a resolution that is shall be so made has first been agreed to by the meeting without any vote being given against it.

(2) A resolution moved in contravention of clause (1) shall be void, whether or not objection was taken at the time to its being so moved;

(3) For the purpose of this Article a motion for approving a person's appointment or for nominating a person for appointing shall be treated as a motion for his appointment.

158 The Directors shall have power at any time and from time to time, to appoint any person other than a person who fails to get appointed as a director in a general meeting, as an additional director at any time. Each such Additional Director shall hold office only up to the date of the next following Annual General Meeting, or the last date on which the annual general meeting should have been held, whichever is earlier, but shall be eligible for appointment by the Company at that meeting as a Director.

159 (1) If the office of any Director appointed by the Company in General Meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may be filled by the Board of Directors at a meeting of the Board.

(2) Any person so appointed shall hold office only up to the date up to which the Director in whose place he is appointed would have held office if it has not been vacated as aforesaid.

160 (1) The Board of Directors may appoint a person, not being a person holding any alternate directorship for any other Director in the Company, to act as an Alternate Director to act for a Director (hereinafter called "the Original Director") during his absence for a period of not less than three months from India.

(2) No person shall be appointed as an alternate director for an Independent Director unless he is qualified to be appointed as an Independent Director.

(3) An Alternate Director shall be entitled to notice of meetings of the Directors, and to attend and vote thereat accordingly.

(4) An Alternate Director shall vacate office if and when the Original Director returns to India.

(5) If the term of office of the Original Director is determined before he so returns to India as aforesaid any provision for the automatic re-appointment of retiring Directors in default of another appointment shall apply to the Original Director and not to the Alternate Director.

(6) An Alternate Director may be removed by the Board of Directors which may appoint another Alternate Director in his place.

161 The continuing Directors may act notwithstanding any vacancy in their body, but, if and so long as their number is reduced below three, the continuing Directors may act for the purpose of increasing the number of Directors to the said number, or of summoning a General Meeting of the Company, but for no other purpose.

XX. RESIGNATION OF OFFICE BY DIRECTORS

162 Subject to the provisions of Section 168 of the Act a Director may at any time resign from his office upon giving notice in writing to the Company of his intention so to do, and thereupon his office shall be vacated.

XXI. PROCEEDINGS OF BOARD OF DIRECTORS

163 A minimum number of four meetings of the Directors shall have been held in every year in such a manner that not more than one hundred and twenty days shall intervene between two consecutive meetings of the Board. The Directors may meet together for the conduct of business, adjourn and otherwise regulate their meeting and proceedings, as they think fit, and may determine the quorum necessary for the transaction of business.

164 The Board of Directors shall be entitled to hold its meeting through video conferencing or other permitted means, and in conducting the Board meetings through such video conferencing or other permitted means the procedures and the precautions as laid down in the relevant Rules shall be adhered to. With regard to every meeting conducted through video conferencing or other permitted means, the scheduled venue of the meetings shall be deemed to be in India, for the purpose of specifying the place of the said meeting and for all recordings of the proceedings at the meeting.

165 Subject to provisions of Section 173 (3) of the Act, notice of not less than seven days of every meeting of the Board of Directors of the Company shall be given in writing to every Director at his address registered with the company and shall be sent by hand delivery or by post or through electronic means. The meeting of the Board may be called at a shorter notice to transact urgent business subject to the condition that at least one Independent Director of the Company shall be present at the meeting. In the event, any Independent Director is not present at the meeting called at shorter notice, the decision taken at such meeting shall be circulated to all the directors and shall be final only on ratification thereof by at least one Independent Director.

166 The quorum for a meeting of the Board shall be one-third of its total strength (any fraction contained in that one third being rounded off as one), or two directors whichever is higher and the directors participating by video conferencing or by other permitted means shall also counted for the purposes of this Article.

Provided that where at any time the number of interested Directors exceeds or is equal to two-thirds of the total strength, the number of the remaining Directors, that is to say, the number of the Directors who are not interested, being not less than two, shall be the quorum during such time.

Explanation:

The expressions “interested Director” shall have the meanings given in Section 184(2) of the said Act and the expression “total strength” shall have the meaning as given in Section 174 of the Act.

- 167 (1) If a meeting of the Board could not be held for want of a quorum then the meeting shall automatically stand adjourned to the same day in the next week, at the same time and place, or if that day is a National Holiday, till the next succeeding day which is not a National Holiday at the same time and place.
- (2) The provisions of Article 169 shall not be deemed to have been contravened merely by reason of the fact that a meeting of the Board which has been called in compliance with the terms of that Article could not be held for want of a quorum.
- 168 A meeting of the Directors for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers and directions by law or under the Articles and regulations for the time being vested in or exercisable by the Directors generally.
- 169 The Chairman may, and manager or Secretary on the requisition of a Director shall, at any time, summon a meeting of the Board.
- 170 Questions arising at any meeting of the Directors shall be decided by a majority of votes, and in case of an equality of votes, the Chairman thereat shall have a second or casting vote.
- 171 The Directors may elect a Chairman of their meetings, and determine the period for which he is to hold office, and unless otherwise determined the Chairman shall be elected annually. If no Chairman is elected, or if at any meeting the Chairman is not present within five minutes of the time appointed for holding the same, or is unwilling to preside, the Directors present may choose one of their members to be the Chairman of such meeting.
- 172 Subject to the provisions of Section 179 of the said Act, the Directors may delegate any of their powers, other than powers which by reason of the provisions of the said Act cannot be delegated to committees consisting of such member or members of their body as they may think fit, and they may from time to time revoke and discharge any such Committee either wholly or in part, and either as to persons or purposes. Every Committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed on it by the Directors, and all acts done by any such Committee in conformity with such regulations and in fulfillment of the purpose of their appointment, but not otherwise, shall have the like force and effect as if done by the Board.
- 173 The meetings and proceedings of any such Committee consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors, so far as the same are applicable thereto, and are not superseded by the express terms of the appointment of any such Committee, or by any regulations made by the Directors.
- 174 A resolution not being a resolution required by the said Act or otherwise to be passed at a meeting of the Directors, may be passed without any meeting of the Directors or of a committee of Directors provided that the resolution has been circulated in draft, together with the necessary papers, if any, to all the Directors, or to all the members of the Committee as the case may be, at their addresses registered with the Company, by hand delivery or by post or courier or through electronic means as permissible under the relevant Rules and has been approved by a majority of the Directors as are entitled to vote on the resolution.
- 175 All acts done by a person as a Director shall be valid, notwithstanding that it may be afterwards discovered that his appointment was invalid by reason of any defect or disqualification or had terminated by virtue of any provision contained in the said Act or in these Articles. Provided that this Article shall not give validity to acts done by a Director after his appointment has been shown to the company to be invalid or to have terminated.
- 176 The Directors shall cause minutes to be duly entered in a book or books provided for the purpose in accordance with these presents and section 118 of the Act.
- 177 (1) The Directors shall cause to be kept at the Registered Office (a) a Register mentioned in Article 152 and (b) a Register of Contracts or arrangements of which they are interested, containing the particulars required by Section 189 of the Act.
- (2) The provisions contained in Article 103 (1)(b) and 103(2) relating to inspection and taking copies shall be mutatis mutandis be applicable to the registers specified in this Article.

XXII. APPOINTMENT OF KEY MANAGERIAL PERSONNEL

178 (1) Subject to the provisions of the Act :

(i) A Key Managerial Personnel may be appointed by the Board for such term at such remuneration and upon such conditions as it may think fit and the Key Managerial Personnel so appointed may be removed by means of a resolution in the Board Meeting.

(ii) A Director may be appointed as chief executive officer, manager, company secretary or chief financial officer.

XXIII. BORROWING POWERS OF DIRECTORS

179 (1) Subject to clause (2) hereof the Directors may, from time to time at their discretion raise or borrow, or secure the repayment of any loan or advance taken by the Company. Any such moneys may be raised and the payment or repayment of such moneys may be secured in such manner and upon such terms and conditions in all respects as the Directors may think fit and, in particular by promissory notes, or by opening current accounts or by receiving deposits and advances at interest, with or without security, or by the issue of debentures or debenture-stock of the Company charged upon all or any part of the property of the Company (both present and future), including its uncalled capital for the time being, or by mortgaging, charging or pledging any lands, buildings, machinery, plants, goods or other property and securities of the Company, or by such other means as to them may seem expedient.

(2) The Board of Directors shall not, except with the consent of the Company in General Meeting, borrow moneys where the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) will exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose. No debt by the Company in excess of limit imposed by this Article shall be valid or effectual unless the lender proves that he advanced the loan in good faith and without knowledge that the limit imposed by that Article has been exceeded.

(3) Any bonds, debentures, debenture-stock or other securities issued or to be issued by the Company, shall be under the Control of the Directors who may issue them upon such terms and conditions and in such manner and for such consideration as they shall consider to be for the benefit of the Company.

(4) Any such debentures, debenture-stock and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.

(5) If any other offer is made to the public to subscribe for or purchase debentures the provisions of the said Act relating to a prospectus shall be complied with.

(6) (i) Any such debentures, debenture-stock, bonds or other securities may be issued at a discount, premium or otherwise, and on condition (with the consent of the Company in General Meeting) and they may have a right to allotment of or be convertible into shares of any denominations, and with any special privileges and conditions as to redemption (or being irredeemable), surrender, drawings, re-issue, attending at General Meeting of the Company, appointment of Directors, and otherwise, provided that no debentures, debenture-stock, bonds or other securities may be issued carrying voting rights.

(ii) The Company shall have power to re-issue redeemed debentures.

(iii) A contract with the Company to take up and pay for any debentures of the Company may be enforced by a Deed for specific performance.

(iv) The Company, shall within two months after the allotment of any of its shares, and six months after the allotment of any debentures or debenture-stock, and within one month after the application for the registration of the transfer of any shares, debentures or debenture-stock have completed and have ready for delivery the certificates of all shares, the debentures and the certification of all debenture-stock allotted or transferred, unless the conditions of issue of the shares, debentures or debenture-stock otherwise provide

The expression “transfer” of the purpose of the sub clause means a transfer duly stamped, dated and otherwise valid, and does not include any transfer which the Company is for any reason entitled to refuse to register and does not register.

(7) (i) A copy of any trust deed for securing any issue of debentures shall be forwarded to the holder of any such debentures or any member of the Company at his request and within seven days of the making thereof on payment of rupees fifty (₹ 50/-);

(ii) The Court may also, by order, direct that the copy required shall forthwith be sent to the person requiring it.

(iii) The Trust Deed referred to in sub-clause (i) shall be open inspection by any member or debenture holder of the Company in the same manner, to the same extent, and on payment of the same fees, as if it were the register of members of the Company.

180 If any uncalled capital of the Company is included in or charged by any mortgagor other security, the Directors may, by instrument under the Company’s seal, authorise the person in whose favour such mortgage or other security is executed, or any other person in trust for him to make calls on the members in respect of such uncalled capital, and the provisions hereinbefore contained in regard to call shall mutatis mutandis apply to calls under such authority, and such authority may be made exercisable either conditionally or unconditionally and either presently or contingently, and either to the exclusion of the Directors power or otherwise, and shall be assignable if expressed so to be.

181 If the Directors or any of them or any other person shall become personally liable for the payment of any sum primarily due from the Company, the Board may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or person so becoming liable as aforesaid from any loss in respect of such liability.

182 The Company may exercise the power to keep foreign register of members or debenture holders or other security holders or beneficial owners residing outside India as provided in Section 88 of the Act.

XXIV. POWER OF DIRECTORS

183 (1) Subject to the provisions of Section 135, 179, 180, 181, 182, 183, 184, 185, 186, 188 and 203 of the Act, the Board of Directors of the Company shall be entitled to exercise all such powers, give all such consents, make all such arrangements, be nearly do all such acts and things as are or shall be by the said Act, and the memorandum of association and these precedents directed or authorized to be exercised, given, made or done by the Company and are not thereby expressly directed or required to be exercise, given, made or done by the Company in General Meeting, but subject to such regulations being (if any) not inconsistent with the said provisions as from time to time may be prescribed by the Company in General Meeting provided that no regulation so made by the company in General Meeting shall invalidate any prior act of the Directors which would have been valid if the regulations had not been made.

(2) Save as provided by the said Act or by these presents and subject to the restrictions imposed by Section 179 of the said Act, the Directors may delegate all or any powers by the said Act or by the Memorandum of Association or by these presents reposed in them.

184 Subject to the provisions of Articles 189 but without prejudice to the General Powers thereby conferred and so as not in any way to be conferred by these presents, it is hereby expressly declared that the Directors shall have the following powers and authorities, that is to say power and authority :

(1) (i) to enter into agreements with foreign components and other persons for obtaining by granting licence or other terms, formulae and other rights and benefits and to obtain financial and or technical collaboration, technical information, knowhow and expert advice in connection with the activities and business permitted under the Memorandum of Association of the Company.

(ii) to take over and acquire the industrial licence, import licence, permit and other rights on payment of actual and out of pocket expenses incurred thereof, and compensation for technical services rendered in connection therewith :

(iii) to pay and charge to the Capital / Revenue Account of the Company the legal and other costs, charges and expenses of and preliminary and incidental to the promotion, formation, establishment and registration of the Company including the stamps and fees paid in respect thereof :

(iv) to pay and charge to the Capital / Revenue Account of the Company any commission or interest lawfully payable under the provisions of the said Act :

(v) To carry out activities that are specified in Schedule VII of the Act, and for this purpose expend / incur the monies of the Company, and all monies so expended or incurred for this purpose shall also be construed to be for the purpose of the Company's business.

(2) to purchase in India or elsewhere any machinery plant, stores and other articles and things for all or any of the objects or purpose of the Company;

(3) to purchase, take on lease or otherwise acquire in India any lands (whether freehold, leasehold or otherwise) and with or without houses, buildings, structures or machinery (fixed or loose) and any moveable property, rights or privileges (including intellectual property rights) from any person including a Director in furtherance of or for carrying out its objects, at or for such price or consideration and generally on such terms and conditions and with such titled thereto as they may think fit or may believe or be advised to be reasonable satisfactory.

(4) to purchase, or otherwise acquire from any person and to resell, exchange, and repurchase any patent for or licence for the use of any invention.

(5) to purchase or otherwise acquire for the Company any other property, formule, concessions, rights and privileges which the Company is authorised to acquire, at or for such price or consideration and generally on such terms and conditions as they may think fit.

(6) in any such purchase or other acquisition to accept such titled as the Directors may believe or may be advised to be reasonably satisfactory. At their discretion to pay for any property, rights or privileges acquired by or services rendered to the Company, either wholly or partly in cash or in shares, or in both, or in bonds, debentures, mortgages or other securities of the Company, and any such shares may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon and any bonds, debentures, mortgages or other securities, may be either specifically charged upon all or any part of the property of the Company, and its uncalled capital or not so charged.

(7) to sell for cash or on credit or to contract for the sale and future delivery of or to and for sale in any part of India or elsewhere any products or Articles produced, manufactured or prepared by the Company as the Directors may deem advisable.

(8) to erect, construct, and build and factories, warehouses, godowns, engine houses, tanks, wells, or other constructions, adopted to the objects of the Company or may be considered expedient or desirable for the objects or purposes of the Company or any of them;

(9) to sell from time to time any articles, materials, machinery, plant, stores and other articles and things belonging to the Company as the Directors may think proper and to manufacturer, prepare and sell waste and by-products;

(10) from time to time to extend the business and undertaking of the company by adding to, altering, or enlarging all or any of the building, factories, workshops, premises, plant and machinery, for the time being the property or in the possession of the Company, or by erecting new or additional buildings, and to expend such sums of money for the purposes aforesaid or any of them, as may be thought necessary or expedient;

(11) to remove all or any of the machinery, plant and other movable property of the Company for the time being in or upon lands, buildings, or premises of the Company to other lands, buildings, or premises;

(12) to negotiate for, and subject to the approval of the Company in General Meeting, contract for the sale and transfer of all or any part of the property and undertaking of the Company as a going concern, subject or not subject to all or any of the obligations and liabilities of the Company;

- (13) to undertake on behalf of the Company the payment of all rents the performance of all covenants, conditions and agreements contained in or reserved by any lease that may be granted or assigned to or otherwise acquired by the Company, and to purchase the reversion or reversions, and otherwise to acquire the freehold or fee-simple of all or any of the lands of the Company for the time being held under lease, or for an estate less than a free hold estate;
- (14) to improve, manage, develop, exchange, lease, sell, re-sell and re- purchase, dispose of, deal with or otherwise turn to account and property (movable or immovable) or any rights or privileges belonging to or at the disposal of the Company or in which the Company is interested;
- (15) to secure the fulfillment of any contracts or engagements entered into by the Company by mortgage or charge of all or any of the property of the Company and its unpaid capital for the time being or in such manner as they may think fit.
- (16) to accept from any member, on such terms and conditions as shall be agreed upon and as far as may be permissible by law, a surrender of his shares or any part thereof;
- (17) to determine from time to time who shall be entitled to sign on the Company's behalf bills, notes, receipts, acceptances, endorsement, cheques, dividend warrants, releases, contracts and documents and to give the necessary authority for such purposes;
- (18) to make advances and loans without any security, or on such security as they may think proper and to take security for already existing debts, and otherwise to invest and deal with any of the moneys of the Company not immediately required for the purpose thereof in Government or Municipal securities, fixed deposits in banks and in such other manner as they may think fit and from time to time vary or realise such investments, and for the purpose aforesaid to authorise such persons within limits to be fixed from time to time by the Board.
- (19) to make and give receipts, releases and other discharges for moneys payable to, or for goods or property belonging to the Company, and for the claims and demands of the Company;
- (20) subject to the provisions of Section 179, 180 and 186 of the said Act, to invest and deal with any moneys of the Company not immediately required of the purposes thereof, upon such security (not being shares of the Company) or without security and in such manner as they may think fit, and from time to time to vary or realise such investments, Save as provided in Section 187 of the said Act all investments shall be made and held in the Company's own name;
- (21) to give to any officer or other person employed by the Company including any Directors so employed, a commission on the profits of any particular business or transaction, or a share in general or particular profits of the Company, and such commission or share of profits shall be treated as part of the working expenses of the Company and to pay commissions and make allowances to any person introducing business to the Company or otherwise assisting its interests;
- (22) subject to the provisions of Section 187 of the said Act to appoint any person or persons (whether incorporated or not) to accept and hold in trusts for the Company any property belonging to the Company, or in which the Company is interested or for any other purposes and to execute and do all such acts, deeds and things as may be requisite in relation to any such trust, and to provide for the remuneration of such trustee or trustees;
- (23) to insure and keep insured against loss or damage or fire or otherwise for such period and to such extent as they may think proper all or any part of the buildings, machinery, goods, stores, produce and other movable property of the Company either separately or conjointly, also to insure all or any portion of the goods, produce, machinery and other articles imported or exported by the Company and to sell, assign, surrender or discontinue any policies of assurance effected in pursuance of this power.
- (24) to attach to any shares to be issued as the consideration or part of the consideration for any contract with or property acquired by the Company, or in payment for services rendered to the Company, such conditions as to the transfer thereof as they think fit;

(25) to execute, in the name and on behalf of the Company, in favour of any Director or other person who may incur or be about to incur any personal liability for the benefit of the Company, such mortgages of the Company's property (present and future) as they may think fit and any such mortgage may contain a power of sale and such other powers, covenants and provisions as shall be agreed upon;

(26) to institute, conduct, defend, compound, abandon or refer to arbitration any action, suit, appeals, proceedings, for enforcing decrees and orders and other legal proceedings by or against the Company or its officers, or otherwise concerning the affairs of the Company, to compound or compromise and allow time for payment or satisfaction of any debts due and of any claims or demands by or against the Company and to refer the same or arbitration, to observe and perform any awards made there on; to act on behalf of the Company in all matters relating to bankrupts and insolvents;

(27) The person duly authorised by the Directors shall be entitled to make, give, sign and execute all and every warrant to use or defend on behalf of the Company, and all and every legal proceedings and compositions or compromise, agreements, and submission to arbitration and agreement to refer to arbitration as may be requisite, and for the purposes aforesaid, the Secretary or such other person may be empowered to use their or his own name on behalf of the Company, and they or he shall be saved harmless and indemnified out of the funds and property of the Company, from and against all costs and damages which they or he may incur or be liable to by reason of their or his name so used as aforesaid.

(28) to provide for the welfare of the employees or ex-employees of the Company, and the wives, widows and families or the dependants or connects of such persons and to give, award or allow any pension, gratuity, compensation, grants of money, allowances, bonus, stock options (including other stock related compensation) or other payment to or for the benefit of such persons as may appear to the Directors just and proper, whether they have or have not a legal claim upon the Company, and before recommending any dividends to set aside portions of the profits of the Company to form a fund to provide for such payments and in particular to provide for the welfare of such persons, by building or contributing to the building of houses, dwelling or chawls, or by creating and from time to time subscribing or contributing to provident and other associations, institutions, funds, or trusts and by providing or subscribing or contributing towards places of instruction and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Directors shall think fit; and to subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or other institutions, or objects which shall have any moral or other claim to support or aid by the Company either by reason of locality of operation or of public and general utility;

(29) before recommending any dividend, to set aside, out of the profits of the Company such sums for depreciation as provided in Section 123 of the said Act and such sums as they think proper for creating reserves, general or specific or special funds to meet contingencies or to repay debentures or debenture-stock or to pay off preference of other shareholders subject to the sanction of the Court when the same is required by law on for payment of dividends or equalising dividend or for special dividends or bonus or for repairing, improving, extending and maintaining any part of the property of the Company and for such other purposes (including the purposes referred to in the preceding clause) as the Directors may in their absolute discretion think conducive to the interest of the Company and from time to time to carry forward such sums as may be deemed expedient and to invest and deal with the several sums to set aside or any part thereof as provided in Clause (18) of this Article as they think fit, and from time to time to deal with and vary such investment and dispose of and apply and expend the same or any part thereof for the benefit of the Company in such manner and for such purpose as the Directors in their absolute discretion think conducive to the interest of the Company notwithstanding that the matters to which the Directors apply or upon which they expend the same or any part thereof for the benefit of the Company in such manner and for such purpose as the Directors in their absolute discretion think conducive to the interest of the Company notwithstanding that the matter to which the Directors apply or upon which they expend the same or any part thereof may be matters to and upon which the capital money of the Company might rightly be applied or expended and the Directors may divide the Reserve or any Fund into such special funds and transfer any sum from one fund to another as they may think fit and may employ the assets constituting all or any of the above funds including the Depreciation Fund or any part thereof in the business of the Company or in the purchase or repayment of debentures or debenture-stock or preference shares or in payment of special dividend or bonus and that without being bound to keep the same separate from the other assets, and without being bound to pay interest for the same with power however to the Directors at their discretion to

pay or allow to the credit of such funds or any of them the interest at such rate as the Directors may think proper not exceeding 9 per cent per annum.

(30) from time to time and at any time to entrust to and confer upon the officers for the time being of the Company, and to authorise, or empower them to exercise and perform and by Power-of-Attorney under seal to appoint any person to be the Attorney of the Company and invest them with such of their powers, authorities, duties and discretion exercisable by or conferred or imposed upon the Directors, but not the power to make Calls or other power which by law are expressly stated to be incapable of delegation as the Directors may think fit, and for such time and to be exercise for such objects and purposes and subject to such restrictions and conditions, as the Directors may think proper or expedient, and either collaterally with or to the exclusion of and in substitution for all or any of the powers, authorities, duties and discretions of the Directors in that behalf, with authority to the Secretary or such officers or attorney to sub-delegate all or any of the powers, authorities, duties, and discretions for the time being vested in or conferred upon them and from time to time to revoke all such appointments of attorney and withdraw, alter or vary all or any of such powers, authorities, duties and discretions;

(31) to appoint, and at their pleasure to remove, discharge, or suspend and to re-employ or replace, for the management, of the business, secretaries, managers, experts, engineers, accountants, agents, subagents, bankers, brokers, muddadums, solicitors, officers, clerks, servants and other employees for permanent, temporary or special services as the Directors may from time to time think fit, and to determine their powers and duties and fix their emoluments, salaries, wages, and to require security in such instances and to such amount as they think fit, and to ensure and arrange for guarantee for fidelity of any employees of the Company and to pay such premiums on any policy of guarantee as may from time to time become payable;

(32) from time to time and at any time to establish any local Board for managing any of the affairs of the Company in any specified locality in India or elsewhere and to appoint any persons to be members of any Local Boards and to fix their remuneration. And from time to time and at any time to delegate to any person so appointed any of the powers, authorities and discretions for the time being vested in the Directors, other than their power to make a Call and to authorise the members for the time being of any such Local Board, or any of them to fill up any vacancies therein and to act notwithstanding vacancies and any such appointment or delegation may be made on such terms and subject to such conditions as the Directors may think fit, and the Directors may at any time remove any person so appointed, and may annul or vary any such delegation. Any such delegate may be authorised by the Directors to sub-delegate all or any of the powers, authorities and discretions for the time being vested in him.

(33) at any time and from time to time by power-of-attorney to appoint any person or persons to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under these presents) and for such period and subject to such conditions as the Directors may from time to time think fit and any such appointment (if the Directors think fit) may be made in favour of the members or any of the members of any Local Board established as aforesaid or in favour of any Company or the members, Directors, nominees, or Managers of any company or firm or otherwise in favour of any fluctuating body or persons whether nominated directly or indirectly by the Directors, and any such Power-of-attorney may contain such powers for the protection or convenience of persons dealing with such Attorney as the Directors may think fit.

(34) from time to time to provide for the management transaction of the affairs of the Company outside the Registered Office or in any specified locality in India or outside India, in such manner as they think fit and in particular to appoint any person to be the Attorneys or agents of the Company with such powers, authorities and discretions (including power to sub- delegate) but not exceeding those vested in or exercisable by the Directors, and also not the power to make calls or issue debentures and for such period, and upon such terms and subject to such conditions as the Directors may think fit, and at any time to remove any person so appointed or withdraw or vary any such powers as may be thought fit, and for that purpose the Company may exercise the powers conferred by Section 88 of the Act relating to keep in any State or country outside India a foreign Register respectively and such powers shall accordingly be vested in the Directors.

(35) for or in relation to any of the matters aforesaid or otherwise for the purpose and objects of the Company to enter into all such negotiations and contracts and rescind and vary all such contracts, and execute, perform and do and sanction, and authorise all such acts, deeds, matters and things, including

matters that are incidental and/or ancillary thereto, in the same and on behalf of the Company as they may consider expedient;

(36) to open accounts with any bank or bankers or with any Company, firm or individual for the purpose of the Company's business and to pay money into and draw money from any such account from time to time as the Directors may think fit.

(37) generally subject to the provisions of the Act and these Articles to delegate the powers, authorities and discretions vested in the Directors to any Key Managerial Personnel, firm, company or fluctuating body of persons as aforesaid.

(38) to authorise the issue of securities (including depository receipts), whether convertible to shares or not, as per applicable laws, either as a primary issue or a secondary offering.

XXV. MANAGING DIRECTORS

185 Subject to the provisions of Section 196, 197, and 203 of the Act, the Directors may from time to time appoint one or more of their body to be Managing Director, Joint Managing Director or Managing Directors, Whole-time Director, Manager or Chief Executive Officer of the Company either for a fixed term or without any limitation as to the period for which he or they is or are to hold such office but in any case not exceeding five years at a time and may from time to time remove or dismiss him or them from office and appoint another or others in his or their place or places.

186 A managing Director or Joint Managing Director subject to the provisions contained in Article 184 shall not while he continues to hold that office be subject to retirement by rotation and he shall not be taken into account in determining the rotation of retirement of Directors or the number of Directors to retire but he shall, subject to the terms of any contract between him and the Company, be subject to the same provisions as to resignation and removal as the Directors of the Company, and if he ceases to hold the office of Directors from any cause shall ipso facto and immediately cease to be Managing Director.

187 The remuneration of a Managing Director and Joint Managing Director shall from time to time be fixed by the Directors and may be by way of salary or commission or participating in profits or by way or all of those modes or in other forms shall be subject to the limitations prescribed in Section 197 of the Act.

188 The Directors may from time entrust to and upon a Managing Director or Joint Managing Director for the time being such of the powers exercisable under these Articles by the Directors as they may think fit, and may confer such powers for such time and to be exercised for such objects and purposes and upon such terms and conditions and with such restrictions as they think expedient, and they may confer such powers either collaterally with or to the exclusion of and in substitution for all or any of the powers of the Directors in that behalf, and may from time to time revoke, withdraw, alter or vary all or any of such powers, unless and until otherwise determined a Managing Director may exercise all the powers exercisable by the Directors, save such powers as by the Act or by these Articles shall be exercisable by the Directors themselves.

XXVI. SECRETARY

189 (1) The Directors may from time to time appoint and at their discretion remove, a person (hereinafter called "the Secretary") to keep the Registers required to be kept by the Company, to perform any other function which by the said Act or by these Articles are to be performed by the Secretary and to execute any other duties which may from time to time be assigned to the Secretary by the Directors.

(2) The Directors may any time appoint a temporary substitute for the Secretary who shall for the purpose of these Articles be deemed to be the Secretary.

XXVII. INDEMNITY TO AND PROTECTION OF DIRECTORS AND OFFICERS

190 (1) The Board shall be entitled to meet out of the funds of the Company to defend, every officer of the Company as defined by Section 2(59) of the said Act, or any person (whether an officer of the Company or not) employed by the Company, against all claims made on them (including losses, expenses, fines, penalties or such levies), in or about the discharge of their respective duties.

(2) Every Officer of the Company, as defined by Section 2(59) of the said Act, or any person (whether an Officer of the Company or not) employed by the Company, shall be entitled to direct the company to meet all claims, losses, expenses, fines, penalties or such other levies, expended by them, respectively in or about the discharge of their respective duties, out of the funds of the Company against all such liabilities, including attorney fees, incurred by them in defending any proceedings under the Act, or other laws applicable to the Company, and/or its subsidiaries in any jurisdiction.

(3) The Company may take and maintain any insurance as the Board may think fit on behalf of its directors (present and former), other employees and the Key Managerial Personnel, for insurers to directly meet all claims, losses, expenses, fines, penalties or such other levies, or for indemnifying any or all of them against any such liability for any acts in relation to the Company for which they may be liable.

191 No Director of the Company, Manager, Secretary, Trustee, Auditor and other officer or servant of the Company shall be liable for the acts, receipts, neglects or defaults of any other Director or officer or servant or for joining in any receipts or other act for the sake of conformity merely or for any loss or expenses happening to the Company through the insufficiency or deficiency in point of titles or value of any property acquired by the order of the Directors for or on behalf of the Company or mortgaged to the Company or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested or for any loss or damage arising from the bankruptcy, insolvency or tortuous act of any person, company or corporation to or with whom any moneys, securities or effects of the Company shall be entrusted or deposited or for any loss occasioned by any error of judgement, omission default or oversight on his part or for any other loss, damage or misfortune whatever which shall happen in relation to the execution or performance of the duties of his office or in relation thereto, unless the same happen through his own dishonesty.

192 An Independent Director, and a non-executive director not being a promoter or a Key Managerial Personnel, shall be liable only in respect of acts of omission or commission, by the Company which had occurred with his knowledge, attributable through Board processes, and with his consent or connivance or where he has not acted diligently.

XXVIII. SEAL

193 (1) The Directors shall provide a Common Seal for the purpose of the Company and shall have power from time to time to destroy the same and substitute a new seal in lieu thereto and the Directors shall provide for the safe custody of the seal for the time being. The seal of the Company shall never be used except by the authority of a resolution of the Board of Directors and in presence of one of Directors or such other persons as the Board may authorise who will sign in token thereof and countersigned by such officers or persons as the Directors may from time to time resolve.

(2) Any instrument bearing the Common Seal of the Company and issued for valuable consideration shall be binding on the Company notwithstanding any irregularity touching the authority of the Directors to issue the same.

XXIX. NOTICES AND SERVICE OF DOCUMENTS

194 It shall be imperative on every member or notify to the Company for registration his place of address in India and if he has no registered address within India to supply to the Company an address within India for giving of notices to him. A member may notify his email address if any, to which the notices and other documents of the company shall be served on him by electronic mode. The Company's obligation shall be satisfied when it transmits the email and the company shall not be responsible for failure in transmission beyond its control.

195 Subject to Section 20 of the said Act, a document may be served by the Company on any member thereof by sending it to him by post or by registered post or by speed post or by courier or by delivering at his address (within India) supplied by him to the company for the service of notices to him.

The term courier means person or agency who or which delivers the document and provides proof of its delivery.

196 Every person, who by operation of law, transfer or other means whatsoever, shall become entitled to any share, shall be bound by any and every notice and other document in respect of such share which previous to his name and address being entered upon the register shall have been duly given to the person from whom he derives his title to such share.

197 Any notice required to be given by the Company to the members or any of them and not expressly provided for by these presents shall be sufficiently given, if given by advertisement, once in English and once in a vernacular daily newspaper circulating in the city, town or village in which the registered office of the Company is situate.

198 Any notice or document served in the manner hereinbefore provided shall notwithstanding such member be then dead and whether or not the Company has notice of his death, be deemed to have been duly served in respect of any share, whether held solely or jointly with other persons by such member, until some other person be registered in his stead as the holder or joint-holder thereof and such service, for all purposes of these presents be deemed a sufficient service of such notice or documents on his heirs, executors, administrators and all person (if any) jointly interested with him in any such shares.

199 Any notice given by the Company shall be signed (digitally or electronically) by a Director or by the Secretary or some other officer appointed by the Directors and the signature thereto may be written, facsimile, printed, lithographed, photostat.

200 A document may be served on the Company or on an officer thereof by sending it to the Company or officer at the Registered Office of the Company by post or by Registered Post or by leaving it at its Registered Office, or by means of such electronic mode or other mode as may be specified in the relevant Rules.

XXX. SECRECY CLAUSE

201 No member shall be entitled to visit any works of the Company without the permission of the Directors or to require discovery of or any information respecting any detail of the Company's working, trading or any matter which is or may be in the nature of a secret, mystery of trade or secret process, which may relate to the conduct of the business of that Company and which in the opinion of the Directors, it will be inexpedient in the interest of the members of the Company to communicate to the public.

XXXI. WINDING-UP

202 If upon the winding-up of the Company, the surplus assets shall be more than sufficient to repay the whole of the paid-up capital, the excess shall be distributed amongst the members in proportion to the capital paid or which ought to have been paid-up on the shares at the commencement of the winding-up held by them respectively, other than the amounts paid in advance of calls. If the surplus assets shall be insufficient to repay the whole of the paid-up capital, such surplus assets shall be distributed so that as nearly as may be the losses shall be borne by the members in proportion to the capital paid-up or which ought to have been paid-up at the commencement of the winding-up on the shares held by them respectively, other than the amounts paid by them in advance of calls. But this Article is without prejudice to the rights of the holders of any shares issued upon special terms and conditions and shall not be construed so as to or be deemed to confer upon them any rights greater than those conferred by the terms and conditions of issue.

203 If the Company shall be wound-up whether voluntarily or otherwise, the following provisions shall take effect:

(1) the Liquidator may, with the sanction of a Special Resolution, divide among the contributories in specie or kind any part of the assets of the Company and may, with the like sanction, vest any part of the assets of the Company in trustees upon such trust for the benefit of the contributories or any of them, as the Liquidator with the like sanction shall think fit.

(2) If thought fit any such division may be otherwise than in accordance with the legal rights of the contributories (except where unalterably fixed by the Memorandum of Association) and in particular any class may be given preferential or special rights or may be excluded altogether or in part but in case any division otherwise than in accordance with the legal rights of the contributories shall be determined on any contributory who would be prejudiced thereby shall have the right to dissent and shall have ancillary rights as if such determination were a Special Resolution passed pursuant to Section 319 of the said Act.

(3) In case any shares to be divided as aforesaid involve a liability to calls or otherwise any person entitled under such division to any of the said shares, may, within seven days after the passing of the Special Resolution by notice in writing, direct the Liquidator to sell his proportion and pay him the proceeds and the Liquidator shall, if practicable, act accordingly.

204 Any such Liquidator may, irrespective of the powers conferred upon him by the said Act and as an additional power conferring a general or special authority, sell the undertaking of the Company or the whole or any part of its assets for shares fully or partly paid-up or the obligations of or other interest in any other company and may by the contract of sale agree for the allotment to the members directly of the proceeds of sale in proportion to their respective interests in the Company and in case the shares of this Company shall be of different classes, may arrange for the allotment in respect of preference shares of the Company, to obligations of the purchasing company or of shares of the purchasing company with preference or priority over or with a larger amount paid-up than the shares allotted in respect of ordinary shares of this Company and may further by the contract, limit a time at the expiration of which shares, obligations or other interests not accepted or required to be sold, shall be deemed to have been refused and be at the disposal of the Liquidator.

205 Sale under Sections 319 of the Companies Act, 2013 :

Upon any sale under the last preceding Article or under the powers given by Section 319 of the said Act, no member shall be entitled to require the Liquidator either to abstain from carrying into effect the sale or the resolution authorising the same or to purchase such member's interest in this Company, but in case any member shall be unwilling to accept the share, obligations or interests to which under such sale he would be entitled, he may, within seven days of the passing of the resolution authorising the sale, by notice in writing to the Liquidator, require him to sell such shares, obligations or interests and thereupon the same shall be sold in such manner as the Liquidator may think fit and the proceeds shall be paid over to the member requiring such sale.

XXXII. GENERAL POWERS

206 Where any provisions of the said Act, provides that the Company shall do such act, deed, or thing, or shall have a right, privilege or authority to carry out a particular transaction, only if it is so authorised in its Articles, in respect of all such acts, deeds, things, rights, privileges and authority, this Article hereby authorises the Company to carry out the same, without the need for any specific or explicit Article in that behalf.

XXXIII. INDEMNITY

207 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 X – OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been entered into or are to be entered into by the Company (not being contracts entered into in the ordinary course of business carried on by the Company or contracts entered into more than two years before the date of this Prospectus) which are or may be deemed material have been attached to the copy of the Prospectus delivered to the RoC for registration. Copies of the abovementioned contracts and also the documents for inspection referred to hereunder, may be inspected at our Registered Office between 11 a.m. and 4 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 February 09, 2015 between our Company and the Lead Manager.
2. Memorandum of Understanding dated February 04, 2015 between our Company and the Registrar to the Issue.
3. Escrow Agreement dated September 10, 2015 and addendum dated March 09, 2016 between our Company, the Lead Manager, Escrow Collection Bank(s), Refund bank and the Registrar to the Issue.
4. Market Making Agreement dated February 13, 2015 between our Company, the Lead Manager and the Market Maker.
5. Underwriting Agreement dated February 13, 2015 between our Company and the Lead Manager and the Market Maker.
6. Tripartite agreement between the NSDL, our Company and the Registrar dated March 19, 2015.
7. Tripartite agreement between the CDSL, our Company and the Registrar dated March 16, 2015.

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 our Company.
3. Resolution of the Board of Directors meeting dated December 15, 2014 and February 01, 2016, authorizing the Issue.
4. Shareholders resolution passed at the Extra-Ordinary General Meeting dated January 10, 2015 and February 26, 2016, authorizing the Issue.
5. Consent from the Statutory and Peer Review Auditors for inclusion of their reports in this Prospectus.
6. Peer Review Auditor's report for Restated Financials dated March 4, 2016, included in this Prospectus.
7. The report on Statement of Tax Benefits dated March 04, 2016 from our Statutory Auditors.
8. Consent of our Directors, Company Secretary and Compliance Officer, CFO, Lead Manager, Legal Advisor to the Issue, Registrar to the Issue, Bankers to our Company, Bankers to the Issue, Market Maker and Underwriters, as referred to in their specific capacities.
9. Due Diligence Certificate(s) dated March 17, 2016 of the Lead Manager to be submitted to SEBI along with the filing of the Prospectus.

10. Approval from BSE vide letter dated June 12, 2015 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

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 this Prospectus is contrary to the provisions of the Companies Act, 1956, Companies Act, 2013 (to the extent notified), the Securities and Exchange Board of India Act, 1992, 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 this Prospectus are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY:

Mr. Pawan Dalmia
(Chairman and Managing Director)

Mr. Ramesh Dalmia
(Non-Executive Director)

Ms. Pushpaben Kothari
(Non-Executive Independent Director)

Ms. Shilpi Agrawal
(Non-Executive Independent Director)

Mr. Raju Kumar Ram
(Chief Financial Officer)

Ms Shanu Jain
(Company Secretary and Compliance Officer)

Date: March 18, 2016
Place: Delhi