



Our Company was incorporated as Dhanuka Commercial Private Limited on November 16, 1994 under the Companies Act, bearing Registration No. 065886 having its registered office in West Bengal. Later, the company shifted its registered office to New Delhi pursuant to a special resolution passed by the members of our Company at the EGM held on August 11, 2012. 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 January 27, 2014. For further details regarding the changes in our name and registered office, kindly refer to the Chapter titled “History and Certain Corporate Matters” beginning on page 104 of this Prospectus. The Company’s Corporate Identity Number is U30007DL1994PLC260191.

Registered Office: 61, Vats Market, Near Shiva Market, Pitampura, Delhi - 110034, India.

Tel.: +91 – 11 - 4513 2171; **Fax:** +91 - 11 - 4513 2171;

Email: info@dhanukacommercial.com; **Website:** www.dhanukacommercial.com

Company Secretary and Compliance Officer: Mr. Sunil Jain

Our Promoters: Mr. Mahesh Kumar Dhanuka, Mr. Sanjeev Mittal, Mr. Gopal Krishan Bansal and M/s. Talwaria Polymers Pvt. Ltd.

PUBLIC ISSUE OF 44,40,000 EQUITY SHARES OF A FACE VALUE ₹10/- EACH (“EQUITY SHARES”) OF DHANUKA COMMERCIAL LIMITED (“DCL” OR THE “COMPANY” OR THE “ISSUER”) FOR CASH AT A PRICE OF ₹10/- PER EQUITY SHARE (THE “ISSUE PRICE”) AGGREGATING TO ₹ 444.00 LACS (THE “ISSUE”) OF WHICH, 2,40,000 EQUITY SHARES OF ₹10/- EACH WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKERS TO THE ISSUE (THE “MARKET MAKER RESERVATION PORTION”). THE ISSUE LESS THE MARKET MAKER RESERVATION PORTION I.E. ISSUE OF 42,00,000 EQUITY SHARES OF ₹10 EACH IS HEREINAFTER REFERRED TO AS THE “NET ISSUE”. THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 26.52% AND 25.08%, RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF THE COMPANY.

THE FACE VALUE OF EQUITY SHARES IS ₹ 10/- EACH.

THIS ISSUE IS BEING MADE IN TERMS OF CHAPTER XB OF THE SEBI (ICDR) REGULATIONS, 2009 (as amended from time to time).

For further details see “Issue Related Information” beginning on page 180 of this Prospectus.

All potential investors may participate in the Issue through an Application Supported by Blocked Amount (“ASBA”) process providing details about the bank account which will be blocked by the Self Certified Syndicate Banks (“SCSBs”) for the same. For details in this regard, specific attention is invited to “Issue Procedure” on page 186 of this Prospectus. In case of delay, if any in refund, our Company shall pay interest on the application money at the rate of 15% per annum for the period of delay.

RISK IN RELATION TO THE FIRST ISSUE

This being the first issue of the company, there has been no formal market for the securities of the issuer. The face value of the shares is ₹10/- per Equity Share and the issue price is 1.00 time the face value. The Issue Price (as determined by Company in consultation with the Lead Manager) as stated under the paragraph on “Basis for Issue Price” on page 62 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 issue including the risks involved. The securities have not been recommended or approved by Securities and Exchange Board of India nor does Securities and Exchange Board of India guarantee the accuracy or adequacy of this document. **Specific attention of the Investors is invited to the statement of “Risk Factors” beginning on page 12 of this Prospectus.**

ISSUER’S ABSOLUTE RESPONSIBILITY

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

LISTING

The Equity Shares offered through this Prospectus are proposed to be listed on the SME Platform of BSE Limited (“BSE”). In terms of the Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time, we are not required to obtain an in-principal listing approval for the shares being offered in this issue. However, our company has received an approval letter dated April 17, 2014 from BSE for using its name in the offer document for listing 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 – 2261 8264/8635
Fax: +91- 22 – 2263 0434
Email: ipo@afsl.co.in;
Investor Grievance Email: feedback@afsl.co.in
Website: www.afsl.co.in
SEBI Registration No.: MB / INM000011344
Contact Person: Ms. Ambreen Khan

MAS Services Limited
T – 34, IInd Floor, Okhla Industrial Area,
Phase II, New Delhi-110020
Tel: +91– 11–2638 –7282/83
Fax: +91–11–2638 –7384
Email: info@masserv.com;
Investor Grievance Email: info@masserv.com
Website: www.masserv.com
SEBI Registration No.: INR000000049
Contact Person: Mr. Sharwan Mangla

ISSUE PROGRAMME

ISSUE OPENS ON: MAY 22, 2014

ISSUE CLOSES ON: MAY 28, 2014

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SECTION I: GENERAL

DEFINITIONS AND ABBREVIATIONS

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

General Terms

| Term | Description |
|--|--|
| “We”, “us”, “our”, “the Issuer”, “the Company”, “our Company” or “DCL” | Unless the context otherwise indicates or implies, refers to Dhanuka Commercial Limited. |

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. DSP & Associates. |
| Audit Committee | The audit committee was re-constituted by our Board of Directors on April 02, 2014. |
| Board / Board of Directors | The Board / Board of Directors of our Company |
| 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, 1956 | The Companies Act, 1956, as amended from time to time |
| Companies Act, 2013 | The Companies Act, 2013 has been published on August 29, 2013. 283 sections have been notified and are effective as on date. |
| Competition Act | The Competition Act, 2002, as amended |
| Corporate and / or Registered Office | The Corporate / Registered Office situated at 61, Vats Market, Near Shiva Market, Pitampura, Delhi-110034, India. |
| Directors | The Directors of our Company, unless otherwise specified |
| Group Companies | The companies, firms, ventures, etc. promoted by our Promoters, irrespective of whether such entities are covered under Section 370(1) (B) of the Companies Act and as described in chapter titled “ <i>Our Group Companies</i> ” beginning on page 127 of the prospectus. |
| Key Management Personnel | The personnel listed as Key Management Personnel in the chapter titled “ <i>Our Management</i> ” beginning on page 107 of the prospectus. |
| Memorandum/ Memorandum of Association/MOA | The Memorandum of Association of our Company, as amended |
| Promoter | Promoters of our Company being Mr. Sanjeev Mittal, Mr. Mahesh Kumar Dhanuka, Mr. Gopal Krishan Bansal & M/s. Talwaria Polymers Private Limited. |
| Promoter Group | Such persons, entities and companies constituting our promoter group pursuant to Regulation 2(1)(zb) of the SEBI ICDR Regulations as disclosed in the chapter titled “ <i>Our Promoters and Promoter Group</i> ” beginning on page 120 of the prospectus. |
| Stakeholders Relationship Committee | The Stakeholders Relationship Committee re-constituted by our Board of Directors on April 02, 2014. |

Issue Related Terms and Abbreviations

| Term | Description |
|---|--|
| Allot/Allotment/Allotted | Unless the context otherwise requires, means the allotment of Equity Shares pursuant to the Issue to successful Applicants |
| Allottee | A successful Applicant to whom the Equity Shares are Allotted |
| Applicant | Any prospective investor who makes an application for Equity Shares in terms of the prospectus |
| Application Form | The Form in terms of which the applicant shall apply for the Equity Shares of the Company |
| Application Supported by Blocked Amount/ ASBA | An application, whether physical or electronic, used by ASBA Applicants to make an Application authorising an SCSB to block the Application Amount in the specified Bank Account maintained with such SCSB. ASBA is mandatory for QIBs (except Anchor Investors) and Non-Institutional Applicants participating in the Issue |
| ASBA Account | Account maintained by an ASBA Applicant with a SCSB which will be blocked by such SCSB to the extent of the Application Amount of the ASBA Applicant |
| ASBA Applicant(s) | Prospective investors in this Issue who apply through the ASBA process. Pursuant to SEBI circular no. CIR/CFD/DIL/1/2011 dated April 29, 2011; Non-Retail Investors i.e. QIBs and Non-Institutional Investors participating in this Issue are required to mandatorily use the ASBA facility to submit their Applications. |
| ASBA Public Issue Account | An Account of the Company under Section 40 of the Companies Act, 2013, where the funds shall be transferred by the SCSBs from the bank accounts of the ASBA Investors |
| Banker(s) to the Issue/ Escrow Bank(s) | The banks which are Clearing Members and registered with SEBI as Banker to an issue with whom the Escrow Account(s) will be opened and in this case being Axis Bank & HDFC Bank |
| Basis of Allotment | The basis on which the Equity Shares will be Allotted to successful Applicants under the Issue and which is described in the chapter titled “ <i>Issue Procedure</i> ” beginning on page 187 of the prospectus |
| Broker to the Issue | All recognized members of the stock exchange would be eligible to act as the Broker to the Issue |
| Business Day | Monday to Friday (except public holidays) |
| 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 |
| 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 |
| Controlling Branches | Such Branches of the SCSBs which co-ordinate Applications by the ASBA Applicants with the Registrar to the Issue and the Stock Exchanges and a list of which is available at 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 | NSDL and CDSL |
| Depository Participant or DP | A Depository Participant as defined under the Depositories Act. |
| Designated Branches | Such Branches of the SCSBs which shall collect the Application Forms used by |

| Term | Description |
|--|---|
| | the Applicants applying through the ASBA process and a list of which is available on http://www.sebi.gov.in/pmd/scsb.pdf |
| Designated Date | The date on which funds are transferred by the Escrow Collection Bank(s) from the Escrow Account or the amounts blocked by the SCSBs are transferred from the ASBA Accounts, as the case may be, to the Public Issue Account or the Refund Account, as appropriate, after the prospectus is filed with the RoC, following which the Board of Directors shall Allot Equity Shares to successful Applicants in the Issue. |
| Designated Market Maker / Market Maker | Aryaman Capital Markets Limited. (Formerly known as Aryaman Broking Limited) having its registered office at 60, Khatau Building, Gr. Floor, Alkesh Dinesh Modi Marg, Opp. P.J. Tower (BSE Bldg.), Fort, Mumbai – 400 001 |
| Designated Exchange | Stock SME Exchange of BSE Limited |
| Eligible NRIs | NRIs from jurisdictions outside India where it is not unlawful to make an issue or invitation under the Issue and in relation to whom the Prospectus constitutes an invitation to subscribe to the Equity Shares Allotted herein. |
| Eligible QFIs | QFIs from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the Prospectus constitutes an invitation to purchase the Equity Shares offered thereby and who have opened demat accounts with SEBI registered qualified depository participants. |
| Equity Shares | Equity shares of our Company of ₹10/- each |
| Escrow Account(s) | An Account opened with the Escrow Collection Bank(s) and in whose favour the Applicants (excluding the ASBA Applicants) will issue cheques or drafts in respect of the Application Amount when submitting an Application |
| Escrow Agreement | The agreement to be entered into among our Company, the Registrar to the Issue, the LM, the Escrow Collection Bank(s) and the Refund Bank for collection of the Application Amounts and where applicable, remitting refunds of the amounts collected to the Applicants (excluding the ASBA Applicants) on the terms and conditions thereof. |
| FIIIs | Foreign Institutional Investors holding a valid certificate of registration under the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as repealed, and who are deemed to be Foreign Portfolio Investors. |
| FII Regulations | Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as repealed. |
| Foreign Portfolio Investor or FPI | Foreign portfolio investor under the SEBI (Foreign Portfolio Investors) Regulations. |
| Issue / Issue size | Public Issue of 44, 40, 000 Equity Shares of face value ₹10 each for cash at a price of ₹10 per Equity Share aggregating to ₹444.00 lacs by Dhanuka Commercial Limited. |
| Issue Opening date | The date on which the Issue opens for subscription being May 22, 2014 |
| Issue Closing date | The date on which the Issue closes for subscription being May 28, 2014 |
| Issue Period | The period between the Issue Opening Date and the Issue Closing Date inclusive of both days and during which prospective Applicants may submit their application |
| Issue Price | The price at which the Equity Shares are being issued by our Company under the prospectus being ₹10 |
| Issue Procedure | The procedure to be followed for issue of Equity Shares by our Company under the prospectus |
| Issue Proceeds | The proceeds of the Issue. For further information about use of the Issue Proceeds |

| Term | Description |
|--|--|
| | please see the chapter titled “ <i>Objects of the Issue</i> ” beginning on page 59 of the Prospectus |
| Lead Manager / LM | Lead Manager to the Issue being Aryaman Financial Services Ltd. |
| Listing Agreement | Unless the context specifies otherwise, this means the Equity Listing Agreement to be signed between our Company and the SME Platform of BSE. |
| Market Maker Reservation Portion | The Reserved portion of 2,40,000 Equity shares of ₹10 each at ₹10 per Equity Share aggregating to ₹ 24 lacs for Designated Market Maker in the Issue of Dhanuka Commercial Limited. |
| Marketing Making Agreement | The agreement dated March 03, 2014 entered into between the Lead Manager, Underwriter, Designated Market Maker and our Company. |
| Mutual Fund | A Mutual Fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended |
| Mutual Funds Portion | 5% of the QIB Portion (excluding the Anchor Investor Portion) available for allocation to Mutual Funds only |
| 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 (excluding the Market Maker Reservation Portion and Promoter Contribution Portion) of 42,00,000 Equity Shares of ₹10 each at ₹10 per Equity Share aggregating to ₹420 lacs by Dhanuka Commercial Limited. |
| Non Residents | A person resident outside India, as defined under FEMA. |
| NRIs / Non Resident Indians | A person resident outside India, as defined under FEMA and who is a citizen of India or a Person of Indian Origin under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000. |
| Prospectus | The prospectus, to be filed with the RoC containing, inter alia, the Issue opening and closing dates and other information. |
| Public Issue Account | Account opened with Bankers to the Issue for the purpose of transfer of monies from the Escrow Account on or after the Issue Opening Date. |
| Qualified Foreign Investors / QFIs | Non-resident investors other than SEBI registered FIIs or sub-accounts or SEBI registered FVCIs who meet ‘know your client’ requirements prescribed by SEBI |
| Qualified Institutional Buyers / QIBs | As defined under Regulation 2(1)(zd) of the SEBI Regulations, and includes Public Financial Institutions as specified in Section 2(72) of the Companies Act, 2013, Scheduled Commercial Banks, Mutual Funds registered with SEBI, FIIs and Sub-accounts registered with SEBI (other than a sub-account which is a foreign corporate or foreign individual), Multilateral and Bilateral Development Financial Institutions, Venture Capital Funds registered with SEBI, foreign venture capital investors registered with SEBI, State Industrial Development Corporations, Insurance Companies registered with IRDA, Provident Funds with minimum corpus of ₹250 million, Pension Funds with minimum corpus of ₹250 million, the National Investment Fund set up by the Government of India, Insurance Funds set up and managed by army, navy or air force of the Union of India and Insurance Funds set up and managed by the Department of Posts, India |
| Refund Account(s) | The account opened with Refund Banker(s), from which refunds (excluding refunds to ASBA Applicants), if any, of the whole or part of the Application Amount shall be made |
| Refund Bank | Axis Bank |

| Term | Description |
|--|--|
| Refunds through electronic transfer of funds | Refunds through NECS, Direct Credit, NEFT, RTGS or the ASBA process, as applicable |
| Registrar to the Issue | MAS Services Ltd |
| Retail Applicants | Individual Applicants (including HUFs applying through their Karta and Eligible NRIs) who have not applied for Equity Shares for an amount of more than ₹2,00,000 in the Issue |
| RoC / Registrar of companies | The Registrar of companies located at 4 th Floor, IFCI Tower, 61, Nehru Place, New Delhi - 110019 |
| SEBI Regulations / SEBI (ICDR) Regulations | Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended |
| 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/pmd/scsb.pdf |
| Stock Exchange | Unless the context requires otherwise, refers to, the BSE Limited. |
| TRS / Transaction Registration Slip | The slip or document issued by a member of the Syndicate or an SCSB (only on demand), as the case may be, to the Applicant, as proof of registration of the Application |
| Underwriters | Aryaman Financial Services Limited and Aryaman Capital Markets Ltd (Formerly known as Aryaman Broking Ltd) |
| Underwriting Agreement | The agreement dated March 03, 2014 entered into between the Lead Manager, Underwriter, Designated Market Maker and our Company. |
| U.S. Securities Act | U.S. Securities Act of 1933, as amended |
| Working Day | All days other than a Sunday or a public holiday on which Commercial Banks in Mumbai are open for business |

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 Executing Officer |
| CGTMSE | Credit Guarantee Fund Scheme for Micro and Small Enterprise |

| Term | Description |
|------------------------------|---|
| 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 2014 which consolidates the policy framework on FDI, with effect from April 17, 2014 |
| 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 |

| Term | Description |
|-----------------------|---|
| 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 |

| Term | Description |
|-----------------------------------|--|
| 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 the prospectus are to the Republic of India. In the 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 the prospectus is derived from our audited financial statements as on and for the Fiscal Years ended Nine months period ended December 31, 2013, March 31, 2013, 2012, 2011, 2010 and 2009 and, prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with the SEBI Regulations and included in the prospectus. Our Fiscal Year commences on April 1 and ends on March 31 of the following year. In the 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 the 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 the 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*”, and chapters titled “*Business Overview*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on pages 12, 87 and 153 of the prospectus, respectively, and elsewhere in the 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.

The prospectus contains 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*” beginning on page 1 of the prospectus. In the section titled “*Main Provisions of the Articles of Association of our Company*” beginning on page 213 of the 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 the 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 the 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 the 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 the 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.

These forward-looking statements are based on our current plans and expectations and are subject to a number of uncertainties and risks that could significantly affect our current plans and expectations and our future financial condition and results of operations. 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 India and other countries;
- Our inability to maintain or enhance our brand recognition;
- Our inability to retain the services of our senior management, key managerial personnel and capable employees;
- Regulatory changes relating to the finance and capital market sectors in India and our ability ;
- Inability to adequately protect our trademarks;
- Failure to successfully upgrade our products and service portfolio, from time to time; and
- Failure to obtain any applicable approvals, licenses, registrations and permits in a timely manner.

For further discussions of factors that could cause our actual results to differ, please see the section titled “*Risk Factors*”, and chapters titled “*Business Overview*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on pages 12, 87 and 153 of the 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 the prospectus. Our Company, our Directors, the LM, 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 LM 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 the 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 the 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. The 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 the Prospectus. In addition, the risks set out in the 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 the 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 the 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 nonpayment by borrowers and other counterparties. Our total loans and advances portfolio was ₹1,363.53 lacs, ₹1,359.81 lacs, ₹1,376.35 lacs and ₹1,319.43 lacs as at nine months period ended December 31, 2013, March 31, 2013, 2012 and 2011 respectively. As at December 31, 2013, all the loans granted are unsecured loans and without any collateral. Approximately 55 % of all of our loans in the portfolio are loans granted to Small and Medium Enterprises or Individuals.

In the last three (3) years, there has been a loan write-off only once in the F. Y. 2012-13 amounting to ₹14.81 lacs which is 1.15% of the total loan portfolio. 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. 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 2011, we had reported gross loss of ₹109.23 lacs from the investment and trading business. For further details refer chapter titled “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on page 153.

However, post the induction of Mr. Gopal Krishan Bansal and Mr. Sanjeev Mittal both Chartered Accountants 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.

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) *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 59 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.

5) *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. 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.

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 96 of the 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.

6) *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 166 of the prospectus.

7) *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 59 of the 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.

- 8) ***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 166 of the prospectus.

- 9) ***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 | December 31, 2013 | For the year ended March 31, | | | | |
|--|-------------------|------------------------------|---------|---------|---------|---------|
| | | 2013 | 2012 | 2011 | 2010 | 2009 |
| Net Cash from/used in Operating Activities | 1.84 | 1.32 | 9.94 | 39.31 | 6.92 | (39.18) |
| Net Cash from/used in Investing Activities | (1.28) | (0.87) | (10.14) | 0.00 | (1.15) | 0.00 |
| Net Cash from/used in Financing Activities | 0.00 | 0.00 | 0.00 | (26.20) | (14.70) | 38.40 |

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.

- 10) ***Our Company has issued equity shares at a price lower than the issue price within the past twelve months.***

On January 28, 2014, we have issued an aggregate of 1,05,20,349 bonus equity shares to our existing shareholders in proportion to their respective shareholdings. Since these shares are allotted for nil consideration they would be hence allotted at a price lower than the issue price in the last one year prior to the date of the prospectus. For further details with respect to the said bonus issue, please see the chapter titled “*Capital Structure*” beginning on page 45 of the prospectus.

11) 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 XXII – Statement of Related Party Transactions*” of the section “*Financial Information*” beginning on pages 87, 120, 134 and 150 respectively, of the prospectus.

12) We are dependent on our Individual Promoters Mr. Gopal Krishan Bansal, Mr. Mahesh Kumar Dhanuka and Mr. Sanjeev Mittal for their expertise and market goodwill. Disassociation of our promoters from our company may adversely affect our business.

We are dependent on our individual Promoters, *Mr. Gopal Krishan Bansal, Mr. Mahesh Kumar Dhanuka and Mr. Sanjeev Mittal* for their expertise and market goodwill and disassociation of our promoters from our company may adversely affect our business. We believe that our Promoters lend strength to the trust and reliability reposed in us and enables us to attract and retain fresh talent. Our separation, if any, with our Promoters for any reasons whatsoever shall adversely affect our business and results of operations.

13) 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.

14) 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.

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

We have entered into transactions with our promoters and affiliates. For a list of related parties, please see the “*Annexure XXII – Statement of Related Party Transactions*” of the section titled “*Financial Information*” beginning on page 150 of the prospectus While we believe that all such transactions have been conducted on an arm’s length basis, there can be no assurance that we could not have achieved more favorable terms had such transactions not been entered into with related parties. Furthermore, it is likely that we may enter into related party transactions in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our business, prospects, results of operations and financial condition, including because of potential conflicts of interest or otherwise.

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

The following of our Group Companies have reported losses in the last three financial years as set forth below:

(₹ in lacs)

| Sr. No | Particulars | As at March 31 | | |
|--------|---------------------------|----------------|--------|--------|
| | | 2013 | 2012 | 2011 |
| 1 | GG Recreation Pvt. Ltd. | 2.69 | 3.73 | (4.80) |
| 2 | SSM Commodities Pvt. Ltd. | (0.04) | (0.04) | 0.02 |
| 3 | Dev Softech Pvt. Ltd. | 0.27 | 0.30 | (0.10) |

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.

17) Conflicts of interest with our Promoter and/or our Directors and our related entities

Our Promoters and Promoter Group have floated various companies related to the finance, capital markets and NBFC. Further, some of the Group Companies have certain Object Clauses which would allow them to undertake a similar business as us. We have not entered into any non-compete agreements with any of our Promoters and Group Companies and hence, to that extent there exists a potential conflict of interest between our Company and our Group Companies. However, the employees of our company are whole time and work exclusively for our company. Further, two of our Group Companies namely GG Recreation Pvt. Ltd. & Dev Softech Pvt. Ltd. are situated in the same premises as our registered office, we may face a conflict of interest in terms of business privacy & space constraints.

18) 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.

19) 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 87 of the 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.

20) *We do not own our Registered Office from which we operate and the same is on leasehold basis. Our inability to occupy the same on leasehold basis would adversely affect our operations and financial condition.*

We do not own the premises on which our Registered Office is situated. Our Registered office situated at 61, Vats Market, Near Shiva Market, Pitampura, Delhi -110034 is taken on leasehold basis from M/s. Gopal Bansal & Sons HUF on a monthly rent of ₹12,500/-. The tenure of this agreement is for 5 years. We cannot assure that we will have the right to occupy, these premises in the future, or that we will be able to continue with the uninterrupted use of this property, 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” and “Objects of the Issue” beginning on pages 87 and 59 respectively of the prospectus.

21) *We are significantly dependent on a few major customers. Our top ten customers have contributed approximately 68.56%, 47.71% and 75.66% of our total non-investment interest income in FY 2013, FY 2012 and FY 2011 respectively.*

We earn interest income from our Loan Portfolio and our Investment in Debt Instruments (including Bank Fixed Deposits). The revenues from our top 10 customers constituted approximately 68.56%, 47.71% and 75.66% of our total non-investment interest income in FY 2013, FY 2012 and FY 2011 respectively. These customers take unsecured loans from our company.

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.

22) *Our Company had not complied with Section 383A of the Companies Act, 1956 with regard to appointment of a Full time Company Secretary which could attract penal action.*

As per Section 383A of the Companies Act, 1956, every company having a paid-up share capital of ₹500 lacs and above shall appoint a Whole-Time Company Secretary. Though our Company has appointed Mr. Sunil Jain on February 19, 2014 as a Whole-Time Company Secretary of the company, we have been in violation of Section 383A for a period of approximately 22 days i.e. from January 28, 2014 (when the paid – up capital crossed ₹500 lacs) to February 18, 2014.

Non-appointment of Company Secretary for the aforesaid period may invite penal action in the form of financial liability on the company as prescribed under the Companies Act or otherwise.

23) *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 sanction loan to a particular customers, we rely on published 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 87 of the 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.

24) *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.

25) *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.

26) *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.

27) 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.

28) 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.

29) 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.

30) 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.

31) 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

32) The new Companies Act, 2013 is in the process of being implemented and any developments in the near future may be material with respect to the disclosures to be made in the prospectus as well as other rules and formalities for completing the Issue

The Companies Act, 2013 has been published on August 29, 2013 . 283 sections have been notified and are effective as on date. . Though we have incorporated the relevant details pertaining to the new Companies Act, 2013 (to the extent notified) in the prospectus, any further notifications by the MCA after our filing of the prospectus may be material with respect to the disclosures to be made in the prospectus as well as other rules and formalities for completing the Issue.

The Companies Act, 2013 is expected to replace the existing Companies Act, 1956 entirely. The Companies Act, 2013 provides for, among other things, changes to the regulatory framework governing the issue of capital by companies, corporate governance, audit procedures, corporate social responsibility, the requirements for independent directors, director's liability, class action suits, and the inclusion of women directors on the boards of companies. The Companies Act, 2013 is expected to be complemented by a set of rules that shall set out the procedure for compliance with the substantive provisions of the Companies Act, 2013. In the absence of such rules, it is difficult to predict with any degree of certainty the impact, adverse or otherwise, of the Companies Act, 2013 on the Issue, and on the business, prospects and results of operations of the Company.

33) 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 2014 are 32.45%. 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.

34) 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.

35) 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 volatility, with the BSE Sensex from a high of 21,206.77 points on January 10, 2008 to a low of 7,697.39 points on October 27, 2008, a decline of almost 63.70% during the period. Similarly, the BSE Sensex increased from 8,047.17 points on March 6, 2009 to 17,486.05 points on December 29, 2009, a rise of 117.29% during the period. 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 42 of the prospectus.

36) 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.

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

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

38) 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.

39) 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.

40) 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.

41) 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

42) 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 the 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 the 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 the 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 the prospectus should accordingly be limited.

43) 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 96 of the 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.

44) 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.

45) 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.

46) 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.

47) 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:

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| Pre Issue Net worth (Based on audited accounts as on December 31, 2013) | ₹1,472.13 lacs |
| Post Issue Net worth (assuming full subscription) | ₹1,916.13 lacs |
| Issue Size | 444 lacs |
| Cost Per Share to the Promoters | Mr. Mahesh Kumar Dhanuka: ₹0.15 M/s. Talwaria Polymers Pvt. Ltd.: ₹0.29 |
| Net Asset Value per share or Book Value (Based on Audited Accounts as on December 31, 2013) (Face Value of ₹10 per share) | ₹82.56 |

- 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 62 of the prospectus.
- 4) The Lead Manager and our Company shall update the prospectus and keep the investors / public informed of any material changes till listing of the Equity Shares offered in terms of the 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 206 of the 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) Except Mr. Gopal Krishan Bansal who is interested to the extent of rent paid/payable to him in the capacity of the Karta of Gopal Bansal & Sons HUF; 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 107 and 120 of the 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 134 of the 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 XXII – Statement of Related Party Transactions*" beginning on page 150 of the prospectus.

- 10) Our Company was incorporated as Dhanuka Commercial Private Limited on November 16, 1994 under the Companies Act, bearing Registration No. 065886 having its registered office in West Bengal. Later, the company shifted its registered office to Delhi pursuant to a special resolution passed by the members of our Company at the EGM held on August 11, 2012. An order from the Regional Director for change of state consequent to change of registered office from West Bengal to Delhi was issued on October 10, 2013 by the Regional Director, Eastern Region, Kolkata. 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 January 27, 2014. A fresh certificate of incorporation consequent to conversion to a public limited was issued on February 13, 2014 by the Registrar of Companies, Delhi. The company's Corporate Identity Number is U30007DL1994PLC260191 and its Registered Office is situated at 61, Vats Market, Near Shiva Market, Pitampura, Delhi – 110034, India.

- 11) Except as disclosed in the chapters titled "*Our Promoters, and Promoter Group*" and "*Our Group Companies*" beginning on pages 120 and 127, of the 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 OUR INDUSTRY

INDIAN FINANCIAL SERVICES SECTOR

India's services sector has been the most dynamic part of its economy, leading GDP growth for past two decades. India serves as an example as to how services sector can play an important role in a country's economic growth. India is doing reasonably well in retail sector and the financial sector including insurance. India is now eager to open up the pensions sector also to foreign investors. The way these sectors have been developed with a robust regulatory and policy framework also holds important lessons for other countries. India's financial services sector has been one of the fastest growing sectors in the economy. The economy has witnessed increased private sector activity including an explosion of foreign banks, insurance companies, mutual funds, venture capital and investment institutions. Although significant steps have been taken in reforming the financial sector, some areas require greater focus like the ability of the financial services sector in its present structure to make available investible resources to the potential investors in coming years, such as equity and long term, medium and short-term debt and the inability of banks to quickly enforce security and access to collateral, and the capital constraints in recognizing large loan losses.

Volatility in global commodity prices has had a major impact on Indian companies. This has led to non-performing loans and provisioning for credit losses becoming a key area of concern for the Indian financial system.

(Source: <http://blog.ficci.com/financial-sector-india/2776/>)

Significance of NBFCs in India:

According to the Economic Survey 2010-11, it has been reported that NBFCs as a whole account for 11.2 per cent of assets of the total financial system. With the growing importance assigned to financial inclusion, NBFCs have come to be regarded as important financial intermediaries particularly for the small-scale and retail sectors.

In the multi-tier financial system of India, importance of NBFCs in the Indian financial system is much discussed by various committees appointed by RBI in the past and RBI has been modifying its regulatory and supervising policies from time to time to keep pace with the changes in the system.

NBFCs have turned out to be engines of growth and are integral part of the Indian financial system, enhancing competition and diversification in the financial sector, spreading risks specifically at times of financial distress and have been increasingly recognized as complementary of banking system at competitive prices. The Banking sector has always been highly regulated, however simplified sanction procedures, flexibility and timeliness in meeting the credit needs and low cost operations resulted in the NBFCs getting an edge over banks in providing funding. Since the 90s crisis the market has seen explosive growth, as per the Fitch Report (Non-Bank Financial Institutions in India: Performance Trends and Outlook, Fitch Friday Presentation, Ananda Bhoumik & Arshad Khan, December, 2008 Report) the compounded annual growth rate of NBFCs was 40% in comparison to the CAGR of banks being 22% only. NBFCs have been pioneering at retail asset backed lending, lending against securities, microfinance etc and have been extending credit to retail customers in under-served areas and to unbanked customers.

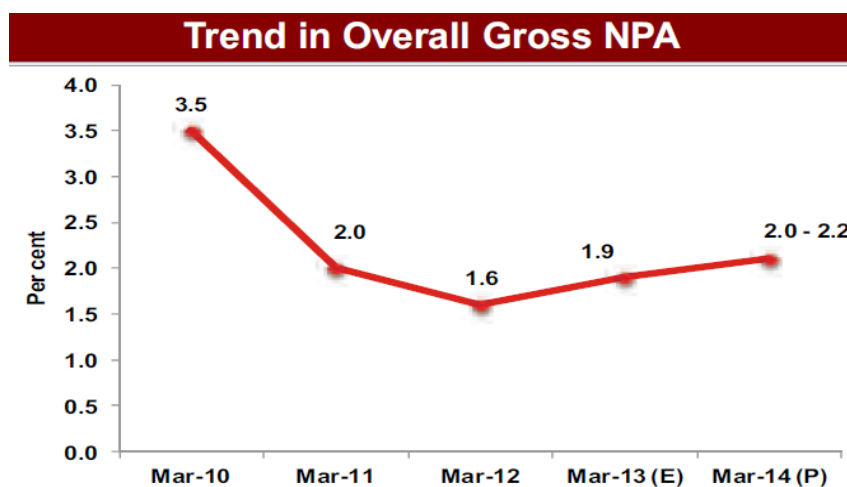
Although banks dominate the Indian financial spectrum, NBFCs play an important role in financial markets. With their unique strengths, the stronger NBFCs could complement banks as innovators and partners. The core strength of NBFCs lies in their strong customer relationships, good understanding of regional dynamics, service orientation and ability to reach out to customers who would otherwise be ignored by banks, which makes such entities effective conduits of financial inclusion.

The disaggregated data on sectoral deployment of gross bank credit available upto September, 2012 indicate that except for agriculture, there has been a reduction in the rate of growth of credit flow to other sectors. Though credit growth significantly recovered in first half of 2011-12 and 2012-13, it continued to remain below the overall non-food credit growth.

(Source: Mid-year Analysis 2010 to 2013, Ministry of finance)

Stronger system to control asset quality

NBFCs have strengthened their processes and systems to manage intrinsic risks in borrowers credit profiles. Gross NPAs in the sector has steadily declined to 1.6 per cent as on March 31, 2012 from 3.7 per cent as on March 31, 2009. The improvement has been driven by a structural shift in asset composition through transition towards secured asset classes, improved asset quality monitoring mechanisms, and a favourable business environment.



(Source: FICCI, Financial Foresights- Q4 FY 2012-2013)

A positive fallout of the sharp rise in delinquencies in the previous downturn was reorientation of system. NBFCs adopted asset protection mechanism across asset classes. Following is the Table showing Strengthening system for various asset classes:

Financial Advisors in Service Sector

The financial advisors are the conduit/business facilitator who bridges the gap between the fund raising and fund investing entities. They play a key role in assisting the business units to achieve their growth & goals.

The advisors are required to equip themselves with adequate infrastructure and facilities so as to ensure that they can provide necessary assistance to the units to start and achieve their goals. This assistance may be required at any point of time of business subject to the need of the prospective fund raising entity and the purpose for which the funds is raised.

In order to cater the need of Micro, Small and Medium Enterprises (MSME) these financial advisors plays an active role whereas in case of large sized units the equity and debt capital support is met by merchant bankers & dedicated divisions of lenders. MSME units generally look forward to Chartered Accountants and financial advisors to assist them in arranging funds for them who may not be fully equipped to assess the needs properly and the various options available. In view of their own limitations and also of the intermediaries in the unorganized sector, these units some time suffer for want of timely and adequate funds at a reasonable cost.

The absence of adequate agencies who can understand and meet the needs of SME sector, leaves a wide scope of business opportunities for such financial advisors who can cater to the needs of this sector.

Future prospects of NBFC sector

NBFCs have been playing a very important role both from the macroeconomic perspective and the structure of the Indian financial system. NBFCs are the perfect or even better alternatives to the conventional Banks for meeting various financial requirements of a business enterprise. They offer quick and efficient services without making one to go through the complex rigmarole of conventional banking formalities. However to survive and to constantly grow, NBFCs have to focus on their core strengths while improving on weaknesses. They will have to be very dynamic and constantly endeavour to search for new products and services in order to survive in this ever competitive financial market.

Since NBFCs have been kept outside the purview of SARFAESI Act, a reform in this area is quite urgently needed. A suitable legislative amendment extending the operation of the said Act to NBFCs too would go a long way in fortifying the faith of the investors and which in turn would greatly contribute to the growth of this Sector. The coming years will be very crucial for NBFCs and only those who will be able to face the challenge and prove themselves by standing the test of time will survive in the long run.

SUMMARY OF OUR BUSINESS

OVERVIEW

Our Company was incorporated as Dhanuka Commercial Private Limited on November 16, 1994 under the Companies Act, bearing Registration No. 065886 having its registered office in West Bengal. Later, the company shifted its registered office to Delhi pursuant to a special resolution passed by the members of our Company at the EGM held on August 11, 2012. An order from the Regional Director for change of state consequent to change of registered office from West Bengal to Delhi was issued on October 10, 2013 by the Regional Director, Eastern Region, Kolkata. 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 January 27, 2014. 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 U30007DL1994PLC260191 and its Registered Office is situated at 61, Vats Market, Near Shiva Market, Pitampura, Delhi – 110034, India.

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.05.05269 dated January 28, 2003.

Our existing promoters i.e. Mr. Sanjeev Mittal, Mr. Gopal Krishan Bansal and Mr. Mahesh Kumar Dhanuka and M/s. Talwaria Polymers Pvt. Ltd. are not the original promoters of the company and have acquired controlling interest in the company in 2010. *For details regarding the share capital build-up of our promoters please see note 1(f) of the chapter titled "Capital Structure" beginning on page 49 of the 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 2012 - 2013, however, post the induction of Mr. Gopal Krishan Bansal and Mr. Sanjeev Mittal both Chartered Accountants 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 ₹44.28 lacs for the nine months period ended December 31, 2013 and ₹16.76 lacs for the year ended March 31, 2013 and a total loans and advances of ₹1,363.53 lacs and ₹1,359.81 lacs respectively in the above mentioned periods.

Our revenue from operations has increased from ₹95.93 lacs in F. Y. 2010-2011 to ₹164.59 lacs in F. Y. 2011-12 showing an increase of 71.57%. However, our revenues witnessed a decline to of 24.43 % to ₹124.38 lacs in F. Y. 2012-2013. For the nine months period ended on December 31, 2013 our revenue from operations was ₹103.52 lacs.

Business Strength:

- **Well Qualified and Experienced Promoters:**

Our management team is backed by well qualified and experienced promoters. We believe that their past experience and industry networks will help us in achieving our key business strategies. For further details regarding the experience and qualifications of our management and promoters please see the chapters titled "Our Management" and "Our Promoters and Promoter Group" beginning on pages 107 and 120 of the prospectus respectively.

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

Our company received its NBFC Registration in the year 2003. 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 / Directors – Mr. Gopal Krishan Bansal and Mr. Sanjeev Mittal, 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.

- **Continuous business possibilities due to synergies with group companies**

We have group companies which deal in Equities and Commodities. The group has interests in the Financial Markets and Broking Segment. This has led to deep relationships with the participants in the financial markets and provides us with many opportunities to tap these relationships for lending funds and earn higher returns. With the growing real estate and infrastructure in the state of Delhi and surrounding areas, there exist synergies for regular business opportunities for our Company. With the further deepening and growth of the Financial Markets, the requirement of Lending Opportunities is expected to grow and flourish.

- **Internal Control and Risk Management**

The Company believes that it has internal controls and risk management systems to assess and monitor risks. The company has its management team which monitors and manages risks by monitoring trends that may have an effect on the economic environment and actively assesses on a routine basis the market value of the Company's loan book. In the last three (3) years, there has been a loan write-off only once in the F. Y. 2012-13 amounting to ₹14.81 lacs which is 1.15% of the total loan portfolio. The Company seeks to monitor and control its risk exposure through a variety of separate but complementary financial and operational reporting systems. The Company believes it has effective procedures for evaluating and managing the market, operational and other risks to which it is exposed.

Business Strategy:

- **Adherence to a disciplined investment process**

The Company will continue to trade and invest in Stock Markets and other avenues consistent with its investment process as approved by the management from time to time. The company in accordance with its investment process will aim to invest / trade in a diversified portfolio of securities (quoted and unquoted) of companies which are expected to give superior returns. The Company believes that such investments provide a sustainable competitive advantage to the Company and would contribute to its income streams. With the induction of new Promoters; we propose to improve our internal systems and methodologies. For details regarding our proposed Processes please see “*Key Business Processes*” and “*Summary of Key Policies*” beginning on pages 89 and 90 of the prospectus respectively.

- **Maintain and expand long term Relationship with Clients**

The Company believes that business is a by-product of relationship. The business model is based 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 ICDs and 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, backed by its strong clientele and relationship, intends to extend its financing services in other geographical areas in India and target the cities that are financial centres. Accordingly, we intend to expand our

reach to Kolkata in Eastern India and to Jaipur in North-West India. We believe that expansion in these areas will enable us to capitalise on the fast growing MSME sector in this region. However, these intended expansions are not part of the funds being raised in this IPO.

SUMMARY OF OUR FINANCIALS

ANNEXURE I: STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED

(₹ in lacs)

| Particulars | Dec 31, 2013 | As on March 31, | | | | |
|--|-----------------|-----------------|----------------|----------------|----------------|----------------|
| | | 2013 | 2012 | 2011 | 2010 | 2009 |
| I. EQUITY AND LIABILITIES | | | | | | |
| (1) Shareholder's Funds | | | | | | |
| (a) Share Capital | 178.31 | 178.31 | 178.31 | 178.31 | 178.31 | 178.31 |
| (b) Reserves and Surplus | 1293.82 | 1263.26 | 1254.77 | 1255.66 | 1272.27 | 1268.72 |
| Total Shareholder's Funds (A) | 1472.13 | 1441.57 | 1433.08 | 1433.97 | 1450.58 | 1447.03 |
| (2) Share application money pending allotment (B) | - | - | - | - | 26.20 | 40.90 |
| (3) Non-Current Liabilities | | | | | | |
| (a) Long-term borrowings | - | - | - | - | - | - |
| (b) Deferred tax liabilities (Net) | 0.12 | 0.11 | 0.16 | 0.18 | 0.12 | 0.02 |
| (c) Other Long term liabilities | - | - | - | - | - | - |
| (d) Long term provisions | - | - | - | - | - | - |
| Total Non-Current Liabilities (C) | 0.12 | 0.11 | 0.16 | 0.18 | 0.12 | 0.02 |
| (4) Current Liabilities | | | | | | |
| (a) Short-term borrowings | - | - | - | - | - | - |
| (b) Trade payables | - | - | - | - | 6.21 | 3.00 |
| (c) Other current liabilities | 7.64 | 5.07 | 0.33 | 0.19 | 0.05 | 0.03 |
| (d) Short-term provisions | 16.09 | 6.40 | 3.95 | 0.00 | 1.75 | 0.32 |
| Total Current Liabilities (D) | 23.73 | 11.47 | 4.28 | 0.19 | 8.01 | 3.35 |
| Total (A+B+C+D) | 1495.98 | 1453.15 | 1437.52 | 1434.34 | 1484.91 | 1491.30 |
| II. ASSETS | | | | | | |
| (1) Non-current assets | | | | | | |
| <i>(a) Fixed assets</i> | | | | | | |
| (i) Tangible assets | 0.79 | 0.41 | 0.64 | 0.88 | 1.11 | 0.06 |
| (ii) Intangible assets | - | - | - | - | - | - |
| (iii) Capital work-in-progress | - | - | - | - | - | - |
| (iv) Intangible assets under development | - | - | - | - | - | - |
| (b) Non-current investments | - | - | - | - | - | - |
| (c) Deferred tax assets (net) | - | 0.84 | 5.90 | 7.18 | - | - |
| (d) Long term loans and advances | - | - | - | - | - | - |
| (e) Other non-current assets | 11.71 | 11.01 | 10.14 | - | - | - |
| Total Non-Current Assets (A) | 12.50 | 12.26 | 16.68 | 8.06 | 1.11 | 0.06 |
| (2) Current assets | | | | | | |
| (a) Current investments | - | - | - | - | - | - |
| (b) Inventories | 86.78 | 46.02 | 18.06 | 75.54 | 168.59 | 1405.39 |
| (c) Trade receivables | 0.04 | - | - | 1.69 | - | - |
| (d) Cash and cash equivalents | 16.40 | 15.84 | 15.40 | 15.60 | 2.49 | 11.42 |
| (e) Short-term loans and advances | 1363.53 | 1359.81 | 1376.35 | 1319.43 | 1305.61 | 72.00 |
| (f) Other current assets | 16.73 | 19.22 | 11.03 | 14.02 | 7.11 | 2.43 |
| Total Current Assets (B) | 1483.48 | 1440.89 | 1420.84 | 1426.28 | 1483.80 | 1491.24 |
| Total (A+B) | 1495.98 | 1453.15 | 1437.52 | 1434.34 | 1484.91 | 1491.30 |

ANNEXURE II: STATEMENT OF PROFITS AND LOSSES, AS RESTATED
(₹ in lacs)

| Particulars | Dec 31, 2013 | For the year ended March 31, | | | | |
|--|-----------------|------------------------------|---------------|----------------|----------------|---------------|
| | | 2013 | 2012 | 2011 | 2010 | 2009 |
| Income | | | | | | |
| Revenue from operations | 103.31 | 124.32 | 164.48 | 95.93 | 1321.07 | 521.17 |
| Other Income | 0.21 | 0.06 | 0.11 | - | - | 0.04 |
| Total Income | 103.52 | 124.38 | 164.59 | 95.93 | 1321.07 | 521.21 |
| Expenditure | | | | | | |
| Purchases | 76.64 | 91.68 | 82.67 | 9.69 | 62.80 | 556.20 |
| Change in Inventories | (40.76) | (27.96) | 57.47 | 93.06 | 1236.80 | (41.04) |
| Employee benefit expense | 16.86 | 22.64 | 14.63 | 13.34 | 12.88 | 3.48 |
| Financial costs | - | - | - | 0.04 | 0.03 | 0.07 |
| Depreciation and amortization expense | 0.20 | 0.23 | 0.24 | 0.23 | 0.09 | 0.05 |
| Other expenses | 6.30 | 21.03 | 5.26 | 3.31 | 3.34 | 1.80 |
| Total Expenses | 59.24 | 107.62 | 160.27 | 119.67 | 1315.94 | 520.56 |
| Profit before exceptional and extraordinary items and tax | 44.28 | 16.76 | 4.32 | (23.74) | 5.13 | 0.65 |
| <i>Less: Exceptional Items</i> | - | - | - | - | - | - |
| Profit before extraordinary items and tax | 44.28 | 16.76 | 4.32 | (23.74) | 5.13 | 0.65 |
| <i>Less: Extraordinary Items</i> | - | - | - | - | - | - |
| Profit before tax | 44.28 | 16.76 | 4.32 | (23.74) | 5.13 | 0.65 |
| Tax expense: | | | | | | |
| Current tax | 12.75 | 3.18 | 0.80 | - | 1.48 | 0.29 |
| Deferred tax | 0.84 | 5.01 | 1.26 | (7.12) | 0.10 | 0.02 |
| Profit(Loss) from the period from continuing operations | 30.69 | 8.57 | 2.26 | (16.62) | 3.55 | 0.34 |
| Profit/(Loss) from discontinuing operations | - | - | - | - | - | - |
| Tax expense of discounting operations | - | - | - | - | - | - |
| Profit/(Loss) from Discontinuing operations | - | - | - | - | - | - |
| Profit/(Loss) for the period | 30.69 | 8.57 | 2.26 | (16.62) | 3.55 | 0.34 |

ANNEXURE III: STATEMENT OF CASH FLOWS, AS RESTATED
(₹ in lacs)

| Particulars | Dec 31, 2013 | For the year ended March 31, | | | | |
|--|-----------------|------------------------------|----------------|----------------|----------------|----------------|
| | | 2013 | 2012 | 2011 | 2010 | 2009 |
| CASH FLOW FROM OPERATING ACTIVITIES | | | | | | |
| Net Profit before tax as restated | 44.28 | 16.76 | 4.32 | (23.74) | 5.13 | 0.65 |
| Adjustment for : | | | | | | |
| Depreciation | 0.20 | 0.23 | 0.24 | 0.23 | 0.09 | 0.05 |
| (Profit)/ Loss on Sale of Fixed Assets | - | - | - | - | - | - |
| Operating Profit before Working Capital Changes | 44.48 | 16.99 | 4.56 | (23.51) | 5.22 | 0.70 |
| <i>Adjustment for :-</i> | | | | | | |
| (Increase) / Decrease in Inventories | (40.76) | (27.96) | 57.48 | 93.05 | 1236.80 | (41.04) |
| (Increase) / Decrease in Trade Receivables | (0.04) | 0 | 1.69 | (1.69) | 0 | 0 |
| (Increase) / Decrease in Loan and Advances | (3.72) | 16.54 | (56.92) | (13.82) | (1233.61) | 1.93 |
| (Increase) / Decrease in other Current Assets | 2.49 | (8.19) | 2.99 | (6.91) | (4.68) | (0.67) |
| Increase / (Decrease) in Trade Payables | - | - | - | (6.21) | 3.21 | - |
| Increase / (Decrease) in Other Current Liabilities | 2.57 | 4.74 | 0.14 | 0.14 | 0.02 | 0.00 |
| Cash Generated from Operations | 5.02 | 2.12 | 9.94 | 41.05 | 6.97 | (39.07) |
| Direct Taxes Paid | (3.18) | (0.80) | - | (1.74) | (0.05) | (0.11) |
| Net cash from /(used in) operating activities (A) | 1.84 | 1.32 | 9.94 | 39.31 | 6.92 | (39.18) |
| CASH FLOW FROM INVESTING ACTIVITIES | | | | | | |
| Purchase Of fixed Assets | (0.58) | - | - | - | (1.15) | - |
| Sale Of Fixed Assets | - | - | - | - | - | - |
| Purchase Of Investment | - | - | - | - | - | - |
| Other non Current Assets | (0.70) | (0.87) | (10.14) | - | - | - |
| Deferred Tax Assets | - | - | - | - | - | - |
| Sale Of Investments | - | - | - | - | - | - |
| Dividends received | - | - | - | - | - | - |
| Net cash from/(used in) Investing activities (B) | (1.28) | (0.87) | (10.14) | - | (1.15) | - |
| CASH FLOW FROM FINANCING ACTIVITIES | | | | | | |
| Proceeds From issue of share capital + Share Application Money | - | - | - | (26.20) | (14.70) | 38.40 |
| Increase in Secure and Unsecured loans | - | - | - | - | - | - |
| Dividends paid | - | - | - | - | - | - |
| Net cash from/(used in) financing activities (C) | - | - | - | (26.20) | (14.70) | 38.40 |
| Net (Decrease)/Increase in cash and Cash Equivalents (A+B+C) | 0.56 | 0.45 | (0.20) | 13.11 | (8.93) | (0.78) |
| Cash and cash equivalents at beginnings of year | 15.84 | 15.40 | 15.60 | 2.49 | 11.42 | 12.19 |
| Cash and cash equivalents at end of year | 16.40 | 15.85 | 15.40 | 15.60 | 2.49 | 11.41 |

THE ISSUE

PRESENT ISSUE IN TERMS OF THE PROSPECTUS

| | |
|--|--|
| Equity Shares Offered: Present Issue of Equity Shares by our Company | 44,40,000 Equity Shares of ₹10 each for cash at a price of ₹10 per share aggregating ₹444 lacs |
| <i>Of which:</i> | |
| Issue Reserved for the Market Makers | 2,40,000 Equity Shares of ₹10 each for cash at a price of ₹10 per share aggregating ₹24 lacs |
| Net Issue to the Public | 42,00,000 Equity Shares of ₹10 each for cash at a price of ₹10 per share aggregating ₹420 lacs |
| <hr/> | |
| Equity Shares outstanding prior to the Issue | 1,23,03,459 Equity Shares |
| Equity Shares outstanding after the Issue | 1,67,43,459 Equity Shares |
| Objects of the Issue | Please see the chapter titled “ <i>Objects of the Issue</i> ” on page 59 of the 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 181 of the prospectus.

GENERAL INFORMATION

Our Company was incorporated as Dhanuka Commercial Private Limited on November 16, 1994 under the Companies Act, bearing Registration No. 065886 having its registered office in West Bengal. Later, the company shifted its registered office to Delhi pursuant to a special resolution passed by the members of our Company at the EGM held on August 11, 2012. An order from the Regional Director for change of state consequent to change of registered office from West Bengal to Delhi was issued on October 10, 2013 by the Regional Director, Eastern Region, Kolkata. 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 January 27, 2014. 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 U30007DL1994PLC260191 and its Registered Office is situated at 61, Vats Market, Near Shiva Market, Pitampura, Delhi – 110034, India.

Brief Company and Issue Information

| | |
|---|--|
| Registered & Corporate Office | 61, Vats Market, Near Shiva Market, Pitampura, Delhi – 110 034, India. Tel No.: +91 – 11 – 4513 2171 Fax No.: +91 – 11 – 4513 2171 |
| Date of Incorporation | November 16, 1994 |
| Company Registration No. | 260191 |
| Company Identification No. | U30007DL1994PLC260191 |
| 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 : May 22, 2014 Issue Closes on : May 28, 2014 |
| Designated Stock Exchange | SME Platform of BSE Limited |
| Company Secretary & Compliance Officer | Mr. Sunil Jain 61, Vats Market, Near Shiva Market, Pitampura, Delhi – 110 034, India. Tel No.: +91 – 11 – 4513 2171 Fax No.: +91 – 11 – 4513 2171 Email: info@dhanukacommercial.com |

Board of Directors of the Company

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

| Name | Designation | DIN No. |
|------------------------|------------------------------------|----------|
| Sanjeev Mittal | Non-Executive Director & Chairman | 00078563 |
| Mahesh Kumar Dhanuka | Managing Director | 00069473 |
| Gopal Krishan Bansal | Executive Director | 00073139 |
| Mukesh Bansal | Non-Executive Independent Director | 06810137 |
| Sandeep Kumar Aggarwal | Non-Executive Independent Director | 01132951 |
| Surinder Kumar Bangia | Non-Executive Independent Director | 06822009 |
| Rajni Garg | Non-Executive Independent Director | 06859907 |

For further details pertaining to the educational qualification and experience of our Directors, please see the Chapter titled “*Our Management*” on beginning on page 107 of the 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 Bid cum Application Form was submitted by the ASBA Bidders.

Details of Key Intermediaries pertaining to this Issue and our Company

Lead Manager of the Issue

Aryaman Financial Services Limited

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
Website: www.afsl.co.in
Email: ipo@afsl.co.in
Investor Grievance Email: feedback@afsl.co.in
Contact Person: Ms. Ambreen Khan
SEBI Registration No.: INM000011344

Registrar to the Issue

MAS Services Limited

T – 34, 2nd Floor,
Okhla Industrial Area, Phase II,
New Delhi - 110 020
Tel No.: +91 – 11 – 2638 – 7282
Fax No.: +91 – 11 – 2638 – 7384
Contact Person: Mr. Sharwan Mangla
Email: info@masserve.com
Website: www.masserv.com
SEBI Registration No.: INR000000049

Legal Advisor to the Issue

M/s Kanga & Company

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

Statutory Auditors of our Company**DSP & Associates**

201, IInd Floor, Himland House,
Karampura Commercial Complex,
New Delhi – 110 015
Tel No. : +91 - 11 - 2592 0935
Fax No.: +91 - 11 - 2592 0935
Contact Person: Mr. Sanjay Kumar
Email: sangoyal314@yahoo.com

Banker to our Company**HDFC Bank Ltd.**

5, Community Center,
Garg Plaza, Sector-8, Rohini,
New Delhi - 110 085
Tel No.: + 91 – 11 – 6160 6161
Fax No.: + 91 – 11 – 6160 6161
Email: vijaykumar.agarwal@hdfcbank.com
Website: www.hdfcbank.com
Contact Person: Mr. Vijay Kumar Agarwal

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

Jeevan Prakash Building,
Sir P.M. Road, Fort,
Mumbai – 400 001
Tel No.: +91 – 22 – 6610 7353 / 7265
Fax No.: + 91 - 22 – 2283 5785
Email: rajesh.khandelwal@axisbank.com
Website: www.axisbank.com
Contact: Mr. Viraj Vaidya / Mr. Nachiket Kalwit
SEBI Registration No: INBI00000017

HDFC Bank Limited

FIG- OPS Department, Lodha I,
Think Techno Campus, Level O-3,
Opp. Crompton Greaves, Next to Kanjurmarg Railway Station,
Kanjurmarg (E), Mumbai - 400 042.
Tel No. +91 – 22 – 3075 2928
Fax No - 022-2579 9809 / 14
Email: uday.dixit@hdfcbank.com
Website: www.hdfcbank.com
Contact: Mr. Uday Dixit / Siddharth Jadhav
SEBI Registration No.: INBI00000063

Refund Banker to the Issue**Axis Bank Limited**

Jeevan Prakash Building,

Sir P.M. Road, Fort,

Mumbai – 400 001

Tel No.: +91 – 22 – 6610 7353 / 7265

Fax No.: + 91 - 22 – 2283 5785

Email: rajesh.khandelwal@axisbank.com

Website: www.axisbank.com

Contact: Mr. Viraj Vaidya / Mr. Nachiket Kalwit

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/pmd/scsb.pdf>. For details on designated branches of SCSBs collecting the ASBA Bid cum Application Forms, kindly refer to the above mentioned SEBI link.

Brokers to the Issue

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

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 lacs. Since the Issue size is below ₹50,000 lacs, our Company has not appointed a monitoring agency for this issue. However, as per the Clause 52 of the SME Listing Agreement to be entered into with BSE Ltd upon listing of the equity shares and the corporate governance requirements, the audit committee of our Company, would be monitoring the utilization of the proceeds of the Issue.

IPO Grading

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

Trustees

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

Details of the Appraising Authority

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

Credit Rating

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

Expert Opinion

Except the report of the Peer Reviewed Auditor on the Restated Financial Statements, Statutory Auditor of our Company on the Statement of Tax Benefits included in the prospectus and Legal Advisors on the Legal Due Diligence report, our Company has not obtained any other expert opinion.

Underwriting

This Issue is 100% Underwritten. The Underwriting agreement is dated March 03, 2014. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters are several and are subject to certain conditions specified therein. The Underwriters have indicated their intention to underwrite the following number of specified securities being offered through this Issue:

| Details of the Underwriter | No. of Shares Underwritten | Amount Underwritten (₹ in lacs) | % of the Total Issue Size Underwritten |
|---|----------------------------|---------------------------------|--|
| Aryaman Financial Services Limited 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 Website: www.afsl.co.in Email: ipo@afsl.co.in | 42,00,000 | 420.00 | 94.59 |
| Aryaman Capital Markets Ltd. (Formerly known as Aryaman Broking Limited) 60, Khatau Building, Gr. Floor, Alkesh Dinesh Modi Marg, Opp. P.J. Tower (BSE Bldg.), Fort, Mumbai – 400 001 Tel. No.: +91 – 22 – 2261 8635 Fax No.: +91 – 22 – 2263 0434 Email: aryacapm@gmail.com | 2,40,000 | 24.00 | 5.41 |
| Total | 44,40,000 | 444.00 | 100.00 |

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

Details of the Market Making Arrangement for this Issue

Our Company and the Lead Manager, Aryaman Financial Services Limited have entered into an agreement dated March 03, 2014 with Aryaman Capital Markets Limited (formerly known as Aryaman Broking Limited) a Market Maker registered with the SME Platform of BSE in order to fulfill the obligations of Market Making. The details of the Market Maker are as follows:

| | |
|-------------------------------|--|
| Name: | Aryaman Capital Markets Ltd. (Formerly known as Aryaman Broking Limited) |
| Address: | 60, Khatau Building, Gr. Floor, Alkesh Dinesh Modi Marg, Opp. P.J. Tower (BSE Bldg.), Fort, Mumbai – 400 001 |
| Tel No.: | +91 – 22 – 2261 8635 |
| Fax No.: | +91 – 22 – 2263 0434 |
| Email: | aryacapm@gmail.com/aryabroking@gmail.com |
| Contact Person: | Ms. Vinaya Panchal |
| SEBI Reg. No.: | INB011465938 |
| Market Maker Reg. No.: | SMEMM0651421122012 |

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. 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. There shall be no exemption/threshold on downside. However, in the event the Market Maker exhausts his inventory through market making process, the concerned stock exchange may intimate the same to SEBI after due verification
5. Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker, for the quotes given by him.
6. There would not be more than five Market Makers for a script at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors.
7. On the first day of the listing, there will be pre-opening session (call auction) and there after the trading will happen as per the equity market hours. The circuits will apply from the first day of the listing on the discovered price during the pre-open call auction.
8. The Market Maker may also be present in the opening call auction, but there is no obligation on him to do so.
9. There will be special circumstances under which the Market Maker may be allowed to withdraw temporarily/fully from the market – for instance due to system problems or any other problems. All controllable reasons require prior approval from the Exchange, while force-majeure will be applicable for non controllable reasons. The decision of the Exchange for deciding controllable and non-controllable reasons would be final.
10. The Market Maker shall have the right to terminate said arrangement by giving a six 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 particulars point of time.

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

11. **Risk containment measures and monitoring for Market 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.
12. **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.

13. **Price Band and Spreads:** SEBI Circular bearing reference no: CIR/MRD/DP/ 02/2012 dated January 20, 2012, has laid down that for issue size up to ₹25,000 lacs, the applicable price bands for the first day shall be:
 - a. In case equilibrium price is discovered in the Call Auction, the price band in the normal trading session shall be 5% of the equilibrium price.
 - b. In case equilibrium price is not discovered in the Call Auction, the price band in the normal trading session shall be 5% of the issue price.
 - c. Additionally, the trading shall take place in TFT segment for first 10 days from commencement of trading.

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

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

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

CAPITAL STRUCTURE

The share capital of the Company as at the date of the 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 | | |
| | 1,70,00,000 Shares of face value of ₹10 each | 1,700.00 | - |
| B | Issued, Subscribed and Paid-up Share Capital before the Issue | | |
| | 1,23,03,459 Equity Shares of face value of ₹10 each | 1,230.35 | - |
| C | Present Issue in terms of the prospectus* | | |
| | Issue of 44,40,000 Equity Shares of ₹10 each at a price of ₹10 per Equity Share | 444.00 | 444.00 |
| | <i>Which comprises:</i> | | |
| | 2,40,000 Equity Shares of ₹10 each at a price of ₹10 per Equity Share reserved as Market Maker Portion | 24.00 | 24.00 |
| | Net Issue to Public of 42,00,000 Equity Shares of ₹10 each at a price of ₹10 per Equity Share to the Public | 420.00 | 420.00 |
| | <i>Of which:</i> | | |
| | 21,00,000 Equity Shares of ₹10 each at a price of ₹10 per Equity Share will be available for allocation for Investors of up to ₹2.00 lacs | 210.00 | 210.00 |
| | 21,00,000 Equity Shares of ₹10 each at a price of ₹10 per Equity Share will be available for allocation for Investors of above ₹2.00 lacs | 210.00 | 210.00 |
| D | Equity Share Capital after the Issue | | |
| | 1,67,43,459 Equity Shares of ₹10 each | 1,674.35 | |
| E | Securities Premium Account | | |
| | Before the Issue (as on date of Prospectus) | 217.95 | |
| | After the Issue | 217.95 | |

*The present Issue has been authorized pursuant to a resolution of our Board dated February 14, 2014 and by Special Resolution passed under Section 81(1A) of the Companies Act, 1956 at an Extra ordinary General Meeting of our shareholders held on February 17, 2014.

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

- (i) The initial authorised share capital of ₹100,000 divided into 10,000 Equity Shares ₹10 each was increased to ₹25,00,000 divided into 2,50,000 Equity Shares of ₹10 each pursuant to a resolution of our shareholders dated May 19, 1998.
- (ii) The authorised share capital of ₹25,00,000 divided into 2,50,000 Equity Shares of ₹10 each was increased to ₹26,00,000 divided into 2,60,000 Equity Shares of ₹10 each pursuant to a resolution of our shareholders dated December 29, 1999.
- (iii) The authorised share capital of ₹26,00,000 divided into 2,60,000 Equity Shares of ₹10 each was increased to ₹46,00,000 divided into 4,60,000 Equity Shares of ₹10 each pursuant to a resolution of our shareholders dated September 09, 2003.
- (iv) The authorised share capital of ₹46,00,000 divided into 4,60,000 Equity Shares of ₹10 each was increased to ₹47,00,000 divided into 4,70,000 Equity Shares of ₹10 each pursuant to a resolution of our shareholders dated March 30, 2004.
- (v) The authorised share capital of ₹47,00,000 divided into 4,70,000 Equity Shares of ₹10 each was increased to ₹63,00,000 divided into 6,30,000 Equity Shares of ₹10 each pursuant to a resolution of our shareholders dated March 20, 2006.
- (vi) The authorised share capital of ₹63,00,000 divided into 6,30,000 Equity Shares of ₹10 each was increased to ₹1,80,00,000 divided into 18,00,000 Equity Shares of ₹10 each pursuant to a resolution of our shareholders dated October 09, 2006.
- (vii) The authorised share capital of ₹1,80,00,000 divided into 18,00,000 Equity Shares of ₹10 each was increased to ₹17,00,00,000 divided into 1,70,00,000 Equity Shares of ₹10 each pursuant to a resolution of our shareholders dated December 31, 2013.

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 (₹) |
|------------------------------------|----------------------|----------------|-----------------|----------------------------|-------------------------|---------------------------------|--------------------------------------|------------------------------|
| On Incorporation ⁽¹⁾ | 200 | 10 | 10 | Subscription to MoA | Cash | 200 | 2,000 | Nil |
| December 29, 1994 ⁽²⁾ | 2,400 | 10 | 10 | Further Allotment | Cash | 2,600 | 26,000 | Nil |
| March 31, 1997 ⁽³⁾ | 4,100 | 10 | 10 | Further Allotment | Cash | 6,700 | 67,000 | Nil |

| 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 1999 ⁽⁴⁾ | 31,243,300 | 10 | 10 | Further Allotment | Cash | 2,50,000 | 25,00,000 | Nil |
| March 2001 ⁽⁵⁾ | 28,8,300 | 10 | 30 | Further Allotment | Cash | 2,58,300 | 25,83,000 | 1,66,000 |
| March 2004 ⁽⁶⁾ | 30,2,08,000 | 10 | 50 | Further Allotment | Cash | 4,66,300 | 46,63,000 | 84,86,000 |
| March 2006 ⁽⁷⁾ | 31,81,000 | 10 | 100 | Further Allotment | Cash | 5,47,300 | 54,73,000 | 1,57,76,000 |
| March 2007 ⁽⁸⁾ | 31,12,35,810 | 10 | 100 | Further Allotment | Cash | 17,83,110 | 1,78,31,100 | 12,69,98,900 |
| January, 2014 ⁽⁹⁾ | 28,1,05,20,349 | 10 | 0 | Bonus Allotment ⁽¹⁾ | Nil | 1,23,03,459 | 12,30,34,590 | 2,17,95,410 |

⁽¹⁾The Company allotted 100 equity shares each to Mr. Bhagwan Das Agarwal and Mr. Subhash Chand Dhanuka.

⁽²⁾ The Company allotted 100 equity shares to Mr. Rajesh Kumar Agarwal , 100 equity shares to Mr.Radhey Shyam Sharma, 100 equity shares to Suresh Singh HUF, 100 equity shares to Ms. Rinu Goursharia, 100 equity shares to Mr. Hanuman Das Kansaria, 100 equity shares to Mr. Meghanand Mishra, 100 equity shares to Mr. Jibachh Choudhary, 100 equity shares to Ms. Gita Tiwari, 100 equity shares to Mr. Mahabir Prasad Sharma, 100 equity shares to Mr. Jagdish Prasad Sharma, 100 equity shares to Mr. Ajoy kumar Mishra, 100 equity shares to Ms. Manju Agarwal, 100 equity shares Mr. Raj Kumar Agarwal, 100 equity shares to Mr. Akash Gupta, 100 equity shares to Ms. Mamta Sharma, 100 equity shares to Mr. Chandra Devi Sharma, 100 equity shares to Ms. Meena Sharma, 100 equity shares to Ms. Puspall Chandra, 100 equity shares to Mr. Sunil Sarkar, 100 equity shares to Ms. Anita Sarkar, 100 equity shares to Mr. Sanjay Kumar Jalan, 100 equity shares to Mr. Shyam Chander Mishra, 100 equity shares to Bimal Sah (HUF)and 100 equity shares to Ms. Sangita Agarwal.

⁽³⁾The Company allotted 500 equity shares to Mr. Viswanath Jena, 500 equity shares to Ms. Vimlalat jena, 500 equity shares to Ms. Susma Shaw, 500 equity shares to Mr. Mahesh Gupta, 500 equity shares to Mr. Mahendra Pd. Shaw, 500 equity shares to Mr. Anil Kumar Shaw, 500 equity shares to Ms. Asha Gupta, 500 equity shares to Ms. Raj Kumari Shaw and 100 equity shares to Mr. Bankuth Nath Ransingh.

⁽⁴⁾ The Company allotted 7,000 equity shares to Mr. Rajesh Kumar Agarwal, 5,100 equity shares to Ms. Laxmi Mishra,1,300 equity shares to Mr. Hanuman Das Kansaria, 7,000 equity shares to Mr. Meghanand Mishra, 12,400 equity shares to Ms. Gita Tiwari, 13,100 equity shares to Mr. Mahabir Prasad Sharma, 11,500 equity shares to Mr. Jagdish Prasad Sharma, 2,100 equity shares to Mr. Akash Ch. Gupta, 6,800 shares to Ms. Mamta Sharma, 14,100 shares to Ms. Chandra Devi Sharma, 3,500 equity shares to Ms. Meena Sharma, 4,300 equity shares to Ms. Puspall Chandra, 8,100 equity shares to Ms. Anita Sarkar, 5,000 equity shares to Mr. Sanjay Kumar Jalan, 7,600 equity shares to Mr. Shyam Chander Mishra, 3,000 equity shares to Mr. Vishwanath Jena, 3,000 equity shares to Ms. Vimlalat Jena, 3,000 equity shares to Ms. Sushma Shaw, 3,000 equity shares to Mr. Mahesh Gupta, 3,000 equity shares to Mr. Mahendra Pd. Shaw, 2,500 equity shares to Mr. Anil Kumar Shaw, 2,250 equity shares to Ms. Asha Gupta, 2,500 equity shares to Mr. Raj Kumari Shaw, 2,250 equity shares to Mr. Bankuth Nath Ransingh, 1,900 equity shares to Ms. Sangita Agarwal, 1,900 equity shares to Mr. Anil Chandra, 19,100 equity shares to Mr. Vishnu Charan Sharma, 19,000 equity shares to Ms. Gayatri Devi Narsaria, 13,400 equity shares to Mr. Jagdish Prasad Sharma, 1,900 equity shares to Ms. Kavita Sarkar, 1,900 equity shares to Ms. Mamta Chandra, 1,900 equity shares to Ms. Meena Chandra, 5,100

equity shares to Ms. Parvati Pandey, 13,400 equity shares to Ms. Prema Devi Sharma, 5,000 equity shares to Ms. Pushpa Rani Singh, 1,900 equity shares to Ms. Sangeeta Gupta, 5,000 equity shares to Ms. Sunita Pandey, 5,100 equity shares to Ms. Tara Singh and 13,400 equity shares to Ms. Laxmi Devi Sharma.

⁽⁵⁾The Company allotted 4,150 equity shares to Ms. Sangita Agarwal and 4,150 equity shares to Ms. Laxmi Devi Sharma.

⁽⁶⁾The Company allotted 10,000 equity shares to Ms. Sutapa Roy, 10,000 equity shares to Mr. Subhas Manna, 10,000 equity shares to Mr. Harbans Kaur, 32,000 equity shares to Mr. Sunil Kumar Singh, 10,000 equity shares to Mr. Bapu Sardar Singh, 10,000 equity shares to Mr. Mohan Singh Walia, 10,000 equity shares to Mr. Kishan Lal Bucha, 10,000 equity shares to Mr. Nalin Kant M. Shah, 10,000 equity shares to Ms. Sarita Dugar, 10,000 equity shares to Mr. Surojit Sarkar, 20,000 equity shares to Mr. Santanu Ghosh, 10,000 equity shares to Ms. Ichhraj Devi Bucha, 10,000 equity shares to Ms. Sushma Barmecha, 10,000 equity shares to Ms. Mena Devi Bhudeka, 10,000 equity shares to Mr. Ahis Mukherjee, 10,000 equity shares to Ms. Kusum Devi Sharma, 10,000 equity shares to Ms. Asha Gupta and 6,000 equity shares to Mr. Mahesh Kr. Agarwal.

⁽⁷⁾The Company allotted 81,000 equity shares to Mr. Satbir Goel.

⁽⁸⁾The Company allotted 89,850 equity shares to Ms. Usha Devi Goel, 86,000 equity shares to Heritage Distributors Pvt. Ltd., 1,07,650 equity shares to Elegant Agencies Pvt. Ltd., 99,770 equity shares to Ashirwad Creation Pvt. Ltd., 1,44,450 equity shares to Integrated Suppliers Pvt. Ltd., 6,050 equity shares to Alco Suppliers Pvt. Ltd., 34,450 equity shares to Nalanda Merchants Pvt. Ltd., 1,60,040 equity shares to Prapti Tie Up Pvt. Ltd., 15,000 equity shares to Bluebird Suppliers Pvt. Ltd., 17,900 equity shares to Imperial Vinimay Pvt. Ltd., 13,850 equity shares to Premier Vyapaar Pvt. Ltd., 36,000 equity shares to Dreamland Agencies Pvt. Ltd., 7,000 equity shares to Goldenvalley Mercantile Pvt. Ltd., 21,500 equity shares to Akriti Fashions Pvt. Ltd., 10,000 equity shares to Citicool Agencies Pvt. Ltd., 8,500 equity shares to Fairdeal Vinimay Pvt. Ltd., 1,98,000 equity shares to Induslife Commodities Pvt. Ltd., 4,000 equity shares to Garima Advisory Pvt. Ltd., 4,000 equity shares to Millennium Suppliers Pvt. Ltd. And 1,71,800 equity shares to Utility Exim Pvt. Ltd.

⁽⁹⁾ Bonus Equity Shares have been issued in proportion to respective shareholding of existing Shareholders, by capitalizing ₹1,052.03 lacs out of Securities Premium Account.

b) Shares allotted for consideration other than cash

The following shares were allotted for consideration other than cash:

| Date of Allotment of fully Paid-up Shares | Number of Equity Shares Allotted | Face Value (₹) | Issue Price (₹) | Nature of Allotment (Reasons for Issue / Benefits to issuer) | Nature of Consideration | Allotted Person |
|---|----------------------------------|----------------|-----------------|---|-------------------------|---|
| January, 28, 2014 | 1,05,20,349 | 10 | 0 | Bonus issue in proportion to respective shareholding of existing shareholders | Bonus | Allotted to all the existing shareholders of the Company as on the date of allotment. |

Notes:

- Bonus Equity Shares have been issued to all our Shareholders on January 28, 2014 by capitalizing ₹1,052.03 lacs out of Securities Premium Account. The relevant provisions of the Companies Act have been complied with w.r.t the bonus issue.

Bonus Equity Shares have been issued to all our Shareholders on January 28, 2014 in proportion to their respective shareholding, out of Securities Premium Account by capitalizing ₹1,052.03 lacs as detailed below:

| Sr. No. | Name of shareholder | No. of shares held prior to Bonus issue | No of shares allotted as part of Bonus Issue |
|---------|---------------------------------|---|--|
| 1. | Mahesh Kumar Dhanuka | 73,750 | 4,35,125 |
| 2. | Raj Kumar Dhanuka | 89,850 | 5,30,115 |
| 3. | Madhu Dhanuka | 1,32,950 | 7,84,405 |
| 4. | Swati Dhanuka | 1,78,400 | 10,52,560 |
| 5. | Talwaria Polymers Pvt Ltd | 6,38,410 | 37,66,619 |
| 6. | Minu Dhanuka | 81,000 | 4,77,900 |
| 7. | Vikas Kumar Marwari | 81,200 | 4,79,080 |
| 8. | Pushpa Dhanuka | 56,000 | 3,30,400 |
| 9. | CMA Infin Consultants Pvt. Ltd. | 4,51,550 | 26,64,145 |
| | Total | 17,83,110 | 1,05,20,349 |

2. Except for what has been stated above our Company has not issued any Equity Share for consideration other than cash.

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

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

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

f) Shareholding of our Promoters

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

| Date of Allotment of fully paid up Equity Shares / Transfer | Allotment / Transfer | Consideration | No. of Shares | Face Value (₹) | Issue Price (₹) | Cumulative no. of Equity shares | % of Pre-Issue Paid Up Capital | % of Post-Issue Paid Up Capital |
|---|----------------------|---------------|---------------|----------------|-----------------|---------------------------------|--------------------------------|---------------------------------|
| Mr. Sanjeev Mittal | | | | | | | | |
| Total (A) | | | | | | Nil | - | 0.00 |
| Mr. Gopal Krishan Bansal | | | | | | | | |
| Total (B) | | | | | | Nil | - | 0.00 |
| Mr. Mahesh Kumar Dhanuka | | | | | | | | |
| March 11, 2005 | Transfer | Cash | 100 | 10 | 10 | 100 | 0.00 | 0.00 |
| March 31, 2010 | Transfer | Cash | 73,650 | 10 | 1 | 73,750 | 0.60 | 0.44 |
| January, 28, 2014 | Bonus | Nil | 4,35,125 | 10 | 0 | 5,08,875 | 4.14 | 3.04 |
| Total (C) | | | | | | 5,08,875 | 4.14 | 3.04 |
| M/s. Talwaria Polymers Pvt. Ltd. | | | | | | | | |
| March 31, 2010 | Transfer | Cash | 6,38,410 | 10 | 2 | 6,38,410 | 5.19 | 3.81 |
| January, 28, 2014 | Bonus | Nil | 37,66,619 | 10 | 0 | 44,05,029 | 35.80 | 26.31 |
| Total (D) | | | | | | 44,05,029 | 35.80 | 26.31 |
| Total (A+B+C+D) | | | | | | 49,13,904 | 39.94 | 29.35 |

Notes:

- None of the shares belonging to our Promoters have been pledged till date.
- The entire Promoters' shares shall be subject to lock-in from the date of allotment of the equity shares issued through the prospectus for periods as per applicable Regulations of the SEBI (ICDR) Regulations. For details please see Note no. 2 of "Capital Structure" on page 50 of the prospectus.

g) None of the members of the Promoter Group, Directors and their immediate relatives have entered into any transactions in the Equity shares of our Company within the last six months from the date of the prospectus, except as disclosed above.

h) 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 the 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 of our Company shall be locked-in for a period of three years from the date of Allotment of Equity Shares in this Issue. The lock-in of the Equity Shares 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 Promoter's Equity Shares 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 |
|----------------------------|--|---|
| Mahesh Kumar Dhanuka | 5,08,875 | 3.04 |
| Talwaria Polymers Pvt. Ltd | 29,23,535 | 17.46 |
| Total | 34,32,410 | 20.50 |

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

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

- Equity Shares acquired during the preceding three years for consideration other than cash and out of revaluation of assets or capitalization of intangible assets or bonus shares out of revaluation reserves or reserves without accrual of cash resources.
- Equity Shares acquired, except the bonus shares issued, by the Promoters during the preceding one year, at a price lower than the price at which Equity Shares are being offered to public in the Issue.
- Private placement made by solicitation of subscription from unrelated persons either directly or through any intermediary.
- 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.

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 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 the 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 Issued Equity | No. of Equity Shares | As a % of Issued Equity |
| A | Promoters | | | | |
| 1 | Mahesh Kumar Dhanuka | 5,08,875 | 4.14 | 5,08,875 | 3.04 |
| 2 | Talwaria Polymers Pvt. Ltd. | 44,05,029 | 35.80 | 44,05,029 | 26.31 |
| 3 | Gopal Krishan Bansal | - | - | - | - |
| 4 | Sanjeev Mittal | - | - | - | - |
| | Total (A) | 49,13,904 | 39.94 | 49,13,904 | 29.35 |

| Sr. No. | Name of Shareholder | Pre-Issue | | Post-Issue | |
|----------------------------|---|----------------------|-------------------------|----------------------|-------------------------|
| | | No. of Equity Shares | As a % of Issued Equity | No. of Equity Shares | As a % of Issued Equity |
| B | Promoter Group & Relatives | | | | |
| 1 | Raj Kumar Dhanuka | 6,19,965 | 5.04 | 6,19,965 | 3.70 |
| 2 | Madhu Dhanuka | 9,17,355 | 7.46 | 9,17,355 | 5.48 |
| 3 | Swati Dhanuka | 12,30,960 | 10.00 | 12,30,960 | 7.35 |
| 4 | CMA Infin Consultants Pvt. Ltd. | 31,15,695 | 25.32 | 31,15,695 | 18.61 |
| | Total (B) | 58,83,975 | 47.82 | 58,83,975 | 35.14 |
| C | Other Associates Acting in Concert | | | | |
| 1 | Nil | - | - | - | - |
| | Total (C) | - | - | - | - |
| Grand Total (A+B+C) | | 1,07,97,879 | 87.76 | 1,07,97,879 | 64.49 |

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 the prospectus are:

| Sr. No. | Particulars | No. of Shares | % of Shares to Pre – Issue Share Capital |
|--------------|---------------------------------|--------------------|--|
| 1 | Talwaria Polymers Pvt. Ltd. | 44,05,029 | 35.80 |
| 2 | CMA Infin Consultants Pvt. Ltd. | 31,15,695 | 25.32 |
| 3 | Swati Dhanuka | 12,30,960 | 10.00 |
| 4 | Madhu Dhanuka | 9,17,355 | 7.46 |
| 5 | Raj Kumar Dhanuka | 6,19,965 | 5.04 |
| 6 | Vikas Kumar Marwari | 5,60,280 | 4.55 |
| 7 | Minu Dhanuka | 5,58,900 | 4.54 |
| 8 | Mahesh Kumar Dhanuka | 5,08,875 | 4.14 |
| 9 | Pushpa Dhanuka | 3,86,400 | 3.14 |
| 10 | - | - | - |
| Total | | 1,23,03,459 | 100 |

b. The top ten Shareholders of our Company ten days prior to date of the prospectus are:

| Sr. No. | Particulars | No. of Shares | % of Shares to Pre – Issue Share Capital |
|--------------|-------------------------------|--------------------|--|
| 1 | Talwaria Polymers Pvt Ltd | 44,05,029 | 35.80 |
| 2 | CMA Infin Consultants Pvt Ltd | 31,15,695 | 25.32 |
| 3 | Swati Dhanuka | 12,30,960 | 10.00 |
| 4 | Madhu Dhanuka | 9,17,355 | 7.46 |
| 5 | Raj Kumar Dhanuka | 6,19,965 | 5.04 |
| 6 | Vikas Kumar Marwari | 5,60,280 | 4.55 |
| 7 | Minu Dhanuka | 5,58,900 | 4.54 |
| 8 | Mahesh Kumar Dhanuka | 5,08,875 | 4.14 |
| 9 | Pushpa Dhanuka | 3,86,400 | 3.14 |
| 10 | - | - | - |
| Total | | 1,23,03,459 | 100 |

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

| Sr. No. | Particulars | No. of Shares | % of Shares Pre-Issue Share Capital |
|--------------|-------------------------------|------------------|-------------------------------------|
| 1 | Talwaria Polymers Pvt Ltd | 6,38,410 | 35.80 |
| 2 | CMA Infin Consultants Pvt Ltd | 4,51,550 | 25.32 |
| 3 | Swati Dhanuka | 1,78,400 | 10.00 |
| 4 | Madhu Dhanuka | 1,32,950 | 7.46 |
| 5 | Raj Kumar Dhanuka | 89,850 | 5.04 |
| 6 | Vikas Kumar Marwari | 81,200 | 4.55 |
| 7 | Minu Dhanuka | 81,000 | 4.54 |
| 8 | Mahesh Kumar Dhanuka | 73,750 | 4.14 |
| 9 | Pushpa Dhanuka | 56,000 | 3.14 |
| 10 | - | - | - |
| Total | | 17,83,110 | 100 |

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 107 of the prospectus.
7. There have been no purchases or sale of Equity Shares by the Promoters, Promoter Group and the Directors during a period of six months preceding the date on which the Prospectus is filed with the Designated Stock Exchange.
8. Investors may note that in case of over-subscription, allotment will be on proportionate basis as detailed in “*Issue Procedure - Basis of Allotment*” on page 206 of the prospectus.
9. An investor cannot make an application for more than the number of Equity Shares offered in this Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investor.
10. An over-subscription to the extent of 10% of the Issue can be retained for the purpose of rounding off to the nearest integer during finalizing the allotment, subject to minimum allotment, which is the minimum application size in this Issue. Consequently, the actual allotment may go up by a maximum of 10% of the Issue, as a result of which, the post-issue paid up capital after the Issue would also increase by the excess amount of allotment so made. In such an event, the Equity Shares held by the Promoters and subject to lock- in shall be suitably increased; so as to ensure that 20% of the post Issue paid-up capital is locked in.
11. Under subscription, if any, in any of the categories, would be allowed to be met with spill-over from any of the other categories or a combination of categories at the discretion of our Company in consultation with the LM and Designated Stock Exchange. Such inter-se spill over, if any, would be effected in accordance with applicable laws, rules, regulations and guidelines
12. No payment, direct, indirect in the nature of discount, commission, and allowance, or otherwise shall be made either by us or by our Promoters to the persons who receive allotments, if any, in this Issue.
13. As on date of filing of the prospectus with SEBI, the entire issued share capital of our Company is fully paid-up. The Equity Shares offered through this Public Issue will be fully paid up.

- 14.** On the date of filing the Prospectus with SEBI, there are no outstanding financial instruments or any other rights that would entitle the existing Promoters or shareholders or any other person any option to receive Equity Shares after the Issue.
- 15.** There shall be only one denomination of Equity Shares of our Company unless otherwise permitted by law. Our Company shall comply with disclosure and accounting norms as may be specified by SEBI from time to time.
- 16.** Since the entire application money is being called on application, all successful applications, shall be issued fully paid up shares only. Also, as on the date of filing of the prospectus the entire pre-issue share capital of the Company has been made fully paid up.
- 17.** Except as disclosed in the Prospectus, our Company presently does not have any intention or proposal to alter its capital structure for a period of six months commencing from the date of opening of this Issue, by way of split / consolidation of the denomination of Equity Shares or further issue of Equity Shares or securities convertible into Equity Shares, whether on a preferential basis or issue of bonuses or rights or further public issue of specified securities or Qualified Institutional Placement.
- 18.** We have not issued any Equity Shares out of revaluation reserves. We have not issued any Equity Shares for consideration other than cash except as stated in the prospectus.
- 19.** As on date of filing the prospectus, there are no outstanding ESOP's, warrants, options or rights to convert debentures, loans or other instruments convertible into the Equity Shares, nor has the company ever allotted any equity shares pursuant to conversion of ESOP's till date.
- 20.** Our Company shall ensure that transactions in the Equity Shares by our Promoters and our Promoter Group between the date of the prospectus and the Issue Closing Date shall be reported to the Stock Exchange within twenty-four hours of such transaction.
- 21.** The Lead Manager and its associates do not directly or indirectly hold any shares of the Company.
- 22.** Our Company has Nine (9) shareholders, as on the date of filing of the prospectus.
- 23.** Our Company has not revalued its assets since incorporation.
- 24.** Our Company has not made any public issue or rights issue since its incorporation.
- 25.** There will be no further issue of capital whether by way of issue of bonus shares, preferential allotment, and rights issue or in any other manner during the period commencing from submission of the prospectus with SEBI until the Equity Shares to be issued pursuant to the Issue have been listed.

26. Shareholding Pattern of the Company

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

| Category code | Category of Shareholder | No. of Shareholders | Total no. of Shares | Total no. of Shares Held in Demat Form | Total shareholding as a % of total no. of shares | | Shares pledged or otherwise encumbered | |
|---------------|---|---------------------|---------------------|--|--|-------------------|--|-------------------------------|
| | | | | | As a % of (A+B) | As a % of (A+B+C) | No. of shares | As a % of total no. of shares |
| (A) | Shareholding of Promoter and Promoter Group | | | | | | | |
| (1) | Indian | | | | | | | |
| (a) | Individuals/ Hindu Undivided Family | 4 | 32,77,155 | - | 26.64 | 26.64 | - | - |
| (b) | Central Government/ State Government(s) | - | - | - | - | - | - | - |
| (c) | Bodies Corporate | 2 | 75,20,724 | 75,20,724 | 61.13 | 61.13 | - | - |
| (d) | Financial Institutions/ Banks | - | - | - | - | - | - | - |
| (e) | Any Other (specify) | - | - | - | - | - | - | - |
| | Sub Total (A)(1) | 6 | 1,07,97,879 | 75,20,724 | 87.76 | 87.76 | - | - |
| (2) | Foreign | | | | | | | |
| (a) | Individuals (Non-Resident Individuals/ Foreign Individuals) | - | - | - | - | - | - | - |
| (b) | Bodies Corporate | - | - | - | - | - | - | - |
| (c) | Institutions | - | - | - | - | - | - | - |
| (d) | Qualified Foreign Investor | - | - | - | - | - | - | - |
| (e) | Any Other (specify) | - | - | - | - | - | - | - |
| | Sub Total (A)(2) | - | - | - | - | - | - | - |
| | Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2) | 6 | 1,07,97,879 | 75,20,724 | 87.76 | 87.76 | - | - |
| (B) | Public Shareholding | | | | | | | |
| (1) | Institutions | | | | | | | |
| (a) | Mutual Funds/ UTI | - | - | - | - | - | - | - |
| (b) | Financial Institutions/ Banks | - | - | - | - | - | - | - |
| (c) | Central Government/ State Government(s) | - | - | - | - | - | - | - |

| Category code | Category of Shareholder | No. of Shareholders | Total no. of Shares | Total no. of Shares Held in Demat Form | Total shareholding as a % of total no. of shares | | Shares pledged or otherwise encumbered | |
|---------------|---|---------------------|---------------------|--|--|-------------------|--|-------------------------------|
| | | | | | As a % of (A+B) | As a % of (A+B+C) | No. of shares | As a % of total no. of shares |
| (d) | Venture Capital Funds | - | - | - | - | - | - | - |
| (e) | Insurance Companies | - | - | - | - | - | - | - |
| (f) | Foreign Institutional Investors | - | - | - | - | - | - | - |
| (g) | Foreign Venture Capital Investors | - | - | - | - | - | - | - |
| (h) | Qualified Foreign Investor | - | - | - | - | - | - | - |
| (i) | Any Other (specify) | - | - | - | - | - | - | - |
| | Sub-Total (B)(1) | - | - | - | - | - | - | - |
| (2) | Non-Institutions | - | - | - | - | - | - | - |
| (a) | Bodies Corporate | - | - | - | - | - | - | - |
| (b) | Individuals | | | | | | | |
| | (i) Individual shareholders holding nominal share capital upto ₹1 Lac | - | - | - | - | - | - | - |
| | (ii) Individual shareholders holding nominal share capital in excess of ₹1 Lac | 3 | 15,05,580 | - | 12.24 | 12.24 | - | - |
| (c) | Qualified Foreign Investor | - | - | - | - | - | - | - |
| (d) | Any Other (specify) – Non-Resident Entities | - | - | - | - | - | - | - |
| | Sub-Total (B)(2) | 3 | 15,05,580 | - | 12.24 | 12.24 | - | - |
| | Total Public Shareholding (B) = (B)(1)+(B)(2) | 3 | 15,05,580 | - | 12.24 | 12.24 | - | - |
| | Total (A+B) | 9 | 1,23,03,459 | 75,20,724 | 100.00 | 100.00 | - | - |
| (C) | Shares held by Custodians and against which Depository receipts have been issued | - | - | - | - | - | - | - |
| (1) | Promoter and Promoter Group | - | - | - | - | - | - | - |

| Category code | Category of Shareholder | No. of Shareholders | Total no. of Shares | Total no. of Shares Held in Demat Form | Total shareholding as a % of total no. of shares | | Shares pledged or otherwise encumbered | |
|---------------|----------------------------|---------------------|---------------------|--|--|-------------------|--|-------------------------------|
| | | | | | As a % of (A+B) | As a % of (A+B+C) | No. of shares | As a % of total no. of shares |
| (2) | Public | - | - | - | - | - | - | - |
| | Grand Total (A+B+C) | 9 | 1,23,03,459 | 75,20,724 | 100.00 | 100.00 | - | - |

Statement showing holding of securities (including shares, warrants, convertible securities) of persons belonging to the category “Promoters and Promoter Group”

| Sr. No. | Name of the Shareholder | Details of Shares held | | Encumbered Shares | | Details of Warrants / Convertible Securities | | Total Shares | |
|---------|---------------------------------|------------------------|-------------------|-------------------|-------------------|--|-------------------|--------------------|-------------------|
| | | No. of shares held | As a % of (A+B+C) | No. of shares | As a % of (A+B+C) | No. of Warrants / Convertible Securities | As a % of (A+B+C) | No. of shares | As a % of (A+B+C) |
| 1 | Mahesh Kumar Dhanuka | 5,08,875 | 4.14 | - | - | - | - | 5,08,875 | 4.14 |
| 2 | Raj Kumar Dhanuka | 6,19,965 | 5.04 | - | - | - | - | 6,19,965 | 5.04 |
| 3 | Madhu Dhanuka | 9,17,355 | 7.46 | - | - | - | - | 9,17,355 | 7.46 |
| 4 | Swati Dhanuka | 12,30,960 | 10.00 | - | - | - | - | 12,30,960 | 10.00 |
| 5 | CMA Infin Consultants Pvt. Ltd. | 31,15,695 | 25.32 | - | - | - | - | 31,15,695 | 25.32 |
| 6 | Talwaria Polymers Pvt. Ltd. | 44,05,029 | 35.80 | - | - | - | - | 44,05,029 | 35.80 |
| | Total | 1,07,978,79 | 87.76 | - | - | - | - | 1,07,978,79 | 87.76 |

Statement showing holding of securities (including shares, warrants, convertible securities) of persons belonging to the category “Public” and holding more than 1% of the total number of shares

| Sr. No | Name of the Shareholder | Details of Shares held | | Encumbered Shares | | Details of Warrants / Convertible Securities | | Total Shares | |
|--------|-------------------------|------------------------|-------------------|-------------------|-------------------|--|-------------------|---------------|-------------------|
| | | No. of shares held | As a % of (A+B+C) | No. of shares | As a % of (A+B+C) | No. of Warrants / Convertible Securities | As a % of (A+B+C) | No. of shares | As a % of (A+B+C) |
| 1 | Minu Dhanuka | 5,58,900 | 4.54 | - | - | - | - | - | - |
| 2 | Vikas Kumar Marwari | 5,60,280 | 4.55 | - | - | - | - | - | - |
| 3 | Pushpa Dhanuka | 3,86,400 | 3.14 | - | - | - | - | - | - |
| | Total | 15,05,580 | 12.23 | | | | | | |

Details of locked-in shares - Nil

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.

The Main Objects clause as set out in the Memorandum of Association enables our Company to undertake its existing activities and the activities for which funds are being raised by the Company through the Present Issue. Further, we confirm that the activities that we have been conducting until now are in accordance with the objects clause of our Memorandum of Association.

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 | 444.00 |
| Issue related Expenses | 44.00 |
| Net Proceeds from the Issue | 400.00 |

Fund Requirements

The funds raised from 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 | 400.00 |
| TOTAL | | 400.00 |

Means of Finance

The above mentioned fund requirements are to be financed as shown below:

| Sr. No. | Particulars | Amount (₹ in lacs) |
|--------------|-----------------------|--------------------|
| 1. | Proceeds from the IPO | 444.00 |
| TOTAL | | 444.00 |

Since the entire fund requirements are to be financed from the IPO Proceeds, 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 12 of the 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 December 31, 2013, our total loans and advances stood at ₹1,363.53 lacs. We propose to augment our capital base by ₹400.00 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:

| Sr. No. | Particulars | Amount (₹ in lacs) |
|--------------|---|--------------------|
| 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 “ <i>Business Overview</i> ” beginning on page 87 of the prospectus) | 400.00 |
| Total | | 400.00 |

2. *Issue related Expenses*

The total estimated Issue Expenses are ₹44.00 lacs, which is 9.91% of the Issue Size. The details of the Issue Expenses are tabulated below:

| Sr. No. | Particulars | Amount (₹ in lacs) |
|---------|--|--------------------|
| 1 | Issue Management fees including fees and reimbursements of Market Making fees, selling commissions, brokerages, and payment to other intermediaries such as Legal Advisors, Registrars and other out of pocket expenses. | 25.00 |
| 2 | Printing & Stationery, Distribution, Postage, etc. | 8.00 |

| Sr. No. | Particulars | Amount (₹ in lacs) |
|--------------|--------------------------------------|-----------------------|
| 3 | Advertisement and Marketing Expenses | 6.00 |
| 4 | Regulatory and other Expenses | 5.00 |
| Total | | 44.00 |

The amount set aside towards Issue related Expenses shall be utilized in FY 2014-15.

Year wise Deployment of Funds / Schedule of Implementation

The entire Issue Proceeds are to be deployed in the FY 2014-15 itself.

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

As the net proceeds of the Issue will be less than ₹50,000 lacs, under the SEBI Regulations, it is not mandatory for us to appoint a monitoring agency.

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

Our management, in accordance with the policies established by the Board, will have flexibility in deploying the proceeds received from the Issue. Pending utilization of the proceeds of the Issue for the purposes described above, we may invest the funds in high quality interest bearing liquid instruments including money market mutual funds, deposits with banks or temporarily deploy the funds in working capital loan accounts and other investment grade interest bearing securities as may be approved by the Board. Such investments would be in accordance with the investment policies approved by our Board from time to time and at the prevailing commercial rates at the time of investment. No part of the Issue proceeds will be paid to our Promoters, Directors, Key Managerial Personnel.

BASIS FOR ISSUE PRICE

Qualitative Factors

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

1. Well Qualified and Experienced Promoters
2. Long Standing Track-record and Established relationships
3. Internal Control and Risk Management

For further details regarding the above mentioned factors, which form the basis for computing the Issue Price, please see the chapter titled “*Business Overview – Business Strength*” on page 88 of the prospectus.

Quantitative Factors

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

1) *Basic Earnings per Share (Basic EPS)*

| Year ended March 31 | Basic EPS (in ₹) | Diluted EPS (in ₹) | Weight |
|-------------------------|------------------|--------------------|--------|
| 2013 | 0.07 | 0.07 | 3 |
| 2012 | 0.02 | 0.02 | 2 |
| 2011 | (0.14) | (0.14) | 1 |
| Weighted Average | 0.02 | 0.02 | |

The Basic EPS (not annualized) for the Nine months period ended December 31, 2013 was ₹0.25.

Notes:

- a. Basic EPS has been calculated as per the following formula:
(Net Profit after excluding Extra-ordinary items / Weighted Average No. of outstanding shares)
- b. Earnings per share calculations are in accordance with Accounting Standard 20 “Earnings per Share” prescribed by the Companies (Accounting Standard) Rules, 2006
- c. The face value of each Equity Share is ₹10.

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

| Particulars | P/E Ratio |
|---|-----------|
| P/E ratio based on Basic EPS as at March 31, 2013 | 142.86 |
| P/E ratio based on Weighted Average Basic EPS | 500.00 |

| Particulars | P/E Ratio |
|-------------------------|-------------|
| Industry P/E# | |
| Highest (Bajaj Finserv) | 158.7 |
| Lowest (Nahar Capital) | 3.3 |
| Average | 13.4 |

[#]Source: Capital Market volume no. XXIX/05 dated April 28 – May 11, 2014, Industry - Finance & Investments

3) Return on Net worth (RoNW)

| Year ended March 31 | RoNW (%) | Weight |
|-------------------------|-------------|--------|
| 2013 | 0.59 | 3 |
| 2012 | 0.16 | 2 |
| 2011 | (1.16) | 1 |
| Weighted Average | 0.16 | |

RoNW for the Nine months period ended December 31, 2013 was 2.08%.

Note: Return on Net worth has been calculated as per the following formula:
(Profit after Tax/ (Equity Share Capital +Reserves and Surplus)

4) Minimum Return on Net Worth after Issue needed to maintain the Pre-Issue Basic EPS for the FY 2012-13 (based on Restated Financials) at the Issue Price of ₹10 is 0.41%.

5) Net Asset Value (NAV)

| Financial Year | NAV (in ₹) |
|-----------------------------|------------|
| NAV as at March 31, 2013 | 80.85 |
| NAV as at December 31, 2013 | 82.56 |
| NAV after Issue | 17.09 |
| Issue Price | 10 |

Note: Net Asset Value has been calculated as per the following formula:
(Equity Share Capital + Reserves and Surplus)/Number of Equity Shares at year.

6) Comparison with Industry peers

Comparison of Accounting Ratios with Peer Group Companies

| Particulars | Face Value (₹) | EPS* (₹) | P/E Ratio | RONW (%)^ | NAV (₹)^^ |
|--------------------------------------|----------------|----------|-----------|-----------|-----------|
| Stellar Capital Services Ltd.# | 10 | 0.08 | 250 | 0.36 | 23.06 |
| India Finsec Ltd.# | 10 | 0.38 | 26.32 | 0.25 | 149.85 |
| Edelweiss Financial Services Limited | 1 | 0.62 | 50.30 | 3.27 | 18.73 |
| First Leasing Co. Ltd. | 10 | 15.24 | 2.99 | 9.54 | 159.69 |
| Nalwa Sons Investments Ltd. | 10 | 27.51 | 22.76 | 4.33 | 634.81 |

Source: All comparisons are as per the Standalone Financials of the Annual Report of the Company for the year ended March 31, 2013

*Basic Standalone EPS for F.Y 2012-13

Accounting Ratios as disclosed in the Prospectus.

^RONW = (Profit after Tax/ (Equity Share Capital +Reserves and Surplus).

^^NAV = (Equity Share Capital + Reserves and Surplus)/Number of Equity Shares at year

7) The Company in consultation with the Lead Manager believes that the issue price of ₹10 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 Statement included in the 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 time of the face value i.e. ₹10 per share.

STATEMENT OF TAX BENEFITS

The Board of Directors
Dhanuka Commercial Ltd.
61 ,Vats Market ,
Near Shiva Market ,
Pitam Pura ,Delhi-110034

Dear Sirs,

Statement of Possible Tax Benefits available to “Dhanuka Commercial Ltd.” and its shareholders

We hereby report that the enclosed statement provides the possible tax benefits available to Dhanuka Commercial Ltd. (‘the Company’) under the Income-tax Act, 1961, presently in force in India and to the shareholders of the Company under the Income Tax Act, 1961 and Wealth Tax Act, 1957 and the Gift Tax Act, 1958, presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Statute. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon their fulfilling such conditions which based on business imperatives the Company faces in the future, the Company may or may not choose to fulfil.

The benefits discussed in the enclosed statement are not exhaustive. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for Professional advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own Tax Consultant with respect to the specific tax implications arising out of their participation in the issue.

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

- i) the Company or its shareholders will continue to obtain these benefits in future; or
- ii) 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 their understanding of the business activities and operations of the Company.

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 DSP & Associates
Chartered Accountants
(Firm Registration No. 006791N)

Sanjay Kumar
Partner
Membership No: 093720

Place: New Delhi
Date: 03.03.2014

General Tax Benefits to the Company under Income Tax Act, 1961

- 1) Dividends earned are exempt from tax in accordance with and subject to the provisions of section 10(34) read with section 115-O of the Act. However, as per section 94(7) of the Act, losses arising from sale/transfer of shares, where such shares are purchased within three months prior to the record date and sold within three months from the record date, will be disallowed to the extent such loss does not exceed the amount of dividend claimed exempt.
- 2) The Company will be entitled to amortize certain preliminary expenditure, specified under section 35D(2) of the I.T. Act, subject to the limit specified in Section 35D(3). The deduction is allowable for an amount equal to one-fifth of such expenditure for each of five successive Assessment Years beginning with the Assessment Year in which the business commences.
- 3) Income by way of interest, premium on redemption or other payment on notified securities, bonds, certificates issued by the Central Government is exempt from tax under section 10(15) of the Income-tax Act, 1961 (herein after referred to as 'the Act') in accordance with and subject to the conditions and limits as may be specified in notifications.
- 4) In accordance with section 32 of the Act, the company is entitled to claim depreciation on specified tangible assets (being Buildings, Plant & Machinery, Vehicles, Furniture & fittings and computers) and Intangible assets (being Patent, Trademarks, Knowhow, Copyrights, Licenses, Franchises or any other business or commercial rights of similar nature) owned by it and used for the purpose of its business.
- 5) The amount of tax paid under Section 115JB by the company for any assessment year beginning on or after 1st April 2006 will be available as credit for ten years succeeding the Assessment Year in which MAT credit becomes allowable in accordance with the provisions of Section 115JAA.
- 6) In case of Loss under the head "Profit and Gains from Business or Profession", it can be set-off against other heads of income except salary head and the excess loss after set-off can be carried forward for set-off -against business income of the next eight Assessment Years.
- 7) The unabsorbed depreciation, if any, can be adjusted against any other income and can be carried forward indefinitely for set-off against the income of future years.
- 8) If the company invests in the equity shares of another company, as per the provisions of Section 10(38), any income arising from the transfer of a long term capital asset being an equity share in a company is not includible in the total income, if the transaction is chargeable to Securities Transaction Tax.
- 9) Income earned from investment in units of a specified Mutual Fund is exempt from tax under section 10(35) of the Act. However, as per section 94(7) of the Act, losses arising from the sale/redemption of units purchased within three months prior to the record date (for entitlement to receive income) and sold within nine months from the record date, will be disallowed to the extent such loss does not exceed the amount of income claimed exempt.
- 10) Further, as per section 94(8) of the Act, if an investor purchases units within three months prior to the record date for entitlement of bonus, and is allotted bonus units without any payment on the basis of holding original units on the record date and such person sells/redeems the original units within nine months of the record date, then the loss arising from sale/redemption of the original units will be ignored for the purpose of computing income chargeable to tax and the amount of loss ignored shall be regarded as the cost of acquisition of the bonus units.

- 11) In accordance with section 112, the tax on capital gains on transfer of listed shares, where the transaction is not chargeable to securities transaction tax, held as long term capital assets will be the lower of:
 - a) 20 per cent (plus applicable surcharge and education cess) of the capital gains as computed after indexation of the cost or
 - b) 10 per cent (plus applicable surcharge and education cess) of the capital gains as computed without indexation.
- 12) In accordance with Section 111A, the tax on capital gains arising from the transfer of a short term asset being an equity share in a company or a unit of an equity oriented fund, is chargeable to tax at the rate of 15% (plus applicable surcharge and education cess), where such transaction is chargeable to Securities Transaction Tax. And if the provisions of Section 111A are not applicable to the short term capital gains, in case of non chargeability to Securities Transaction Tax, then the tax will be chargeable at the rate of 30% (plus applicable surcharge and education cess) as applicable.
- 13) Under section 36(1)(vii), any bad debt or part thereof written off as irrecoverable in the accounts is allowable as a deduction from the total income.
- 14) Section 14A of the Act restricts claim for deduction of expenses incurred in relation to incomes which do not form part of the total income under the Act. Thus, any expenditure incurred to earn tax exempt income is not tax deductible expenditure.

Section 115-O DDT on dividends

Tax rate on distributed profits of domestic companies (Dividend Distribution Tax) is 15%, the surcharge on Income tax is at 10%, and the Education Cess 2% and Higher Education Cess is at 1%.

Section 115QA

Tax rate on distributed income of domestic company under section 115QA for buyback of unlisted shares (applicable from June 1, 2013) is 20%, the surcharge on Income tax is at 10%, and the Education Cess 2% and Higher Education Cess is at 1%.

Tax Rates for domestic companies

The tax rate is 30%. The surcharge on Income tax is 5%, if the total income exceeds ₹1 crore but does not exceed ₹10 crores. The surcharge on Income tax is 10%, if the total income exceeds ₹10 crores. Education Cess 2% and Higher Education Cess is at 1%.

Under Central Excise and Customs Act

The Company will be entitled to claim excise refund for duty paid on capital good purchased under the duty drawback scheme of DGFT subject to fulfilment of export obligations in eight years.

General Tax Benefits to the Shareholders of the Company

(I) Under the Income-tax Act, 1961

A) Residents

- 1) Dividends earned on shares of the Company are exempt from tax in accordance with and subject to the provisions of section 10(34) read with section 115-O of the Act. However, as per section 94(7) of the

Act, losses arising from sale/transfer of shares, where such shares are purchased within three months prior to the record date and sold within three months from the record date, will be disallowed to the extent such loss does not exceed the amount of dividend claimed exempt.

- 2) Shares of the company held as capital asset for a period of more than twelve months preceding the date of transfer will be treated as a long term capital asset.
- 3) Long term capital gain arising on sale of shares is fully exempt from tax in accordance with the provisions of section 10(38) of the Act, where the sale is made on or after October 1, 2004 on a recognized stock exchange and the transaction is chargeable to securities transaction tax.
- 4) Section 14A of the Act restricts claim for deduction of expenses incurred in relation to incomes which do not form part of the total income under the Act. Thus, any expenditure incurred to earn tax exempt income (i.e. dividend/exempt long-term capital gains) is not tax deductible expenditure.
- 5) Under section 36(1)(xv) of the Act, Securities Transaction Tax paid by a Shareholder in respect of taxable securities transactions entered into in the course of its business, would be allowed as a deduction if the income arising from such taxable securities transactions is included in the income computed under the head “Profits and Gains of Business or Profession”.
- 6) As per the provision of Section 71(3), if there is a Loss under the head “Capital Gains”, it cannot be set-off against the income under any other head. Section 74 provides that the short term capital loss can be set-off against both Short Term and Long Term Capital Gain. But Long Term Capital Loss cannot be set-off against Short Term Capital Gain. The unabsorbed Short Term Capital Loss can be carried forward for next Eight Assessment Years and can be set off against any Capital Gains in subsequent years. The Unabsorbed Long Term Capital Loss can be carried forward for next eight Assessment Years and can be set off only against Long Term Capital Gains in subsequent years.
- 7) Taxable Long Term Capital Gains would arise [if not exempt under section 10(38) or any other section of the Act] to a resident shareholder where the equity shares are held for a period of more than 12 months prior to the date of transfer of the shares. In accordance with and subject to the provisions of Section 48 of the Act, in order to arrive at the quantum of capital gains, the following amounts would be deductible from the full value of consideration:
 - a) Cost of acquisition/improvement of the shares as adjusted by the cost inflation index notified by the Central Government; and
 - b) Expenditure incurred wholly and exclusively in connection with the transfer of shares
- 8) Under Section 112 of the Act, Taxable Long-Term Capital Gains are subject to tax at a rate of 20% (plus applicable surcharge and education cess) after indexation, as provided in the second proviso to section 48 of the Act. However, in case of listed securities or units, the amount of such tax could be limited to 10% (plus applicable surcharge and education cess), without indexation, at the option of the shareholder.
- 9) Short Term Capital Gains on the transfer of equity shares, where the shares are held for a period of not more than 12 months would be taxed at 15% (plus applicable surcharge and education cess), where the sale is made on or after October 1, 2004 on a recognized stock exchange and the transaction is chargeable to securities transaction tax. In all other cases, the short term capital gains would be taxed at the normal rates of tax (plus applicable surcharge and education cess) applicable to the resident investor. Cost indexation benefits would not be available in computing tax on Short Term Capital Gain.
- 10) Under section 54EC of the Act, Long Term Capital Gain arising on the transfer of shares of the Company [other than the sale referred to in section 10(38) of the Act] is exempt from tax to the extent the same is

invested in certain notified bonds within a period of six months from the date of such transfer (up to a maximum limit of ₹50 lacs) for a minimum period of three years.

- 11) In accordance with section 54F, Long-Term Capital Gains arising on the transfer of the shares of the Company held by an individual and Hindu Undivided Family on which Securities Transaction Tax is not payable, shall be exempt from Capital Gains Tax, if the net consideration is utilized, within a period of one year before, or two years after the date of transfer, in the purchase of a new residential house, or for construction of a residential house within three years. Such benefit will not be available if the individual-
 - owns more than one residential house, other than the new residential house, on the date of transfer of the shares; or
 - purchases another residential house within a period of one year after the date of transfer of the shares; or
 - constructs another residential house within a period of three years after the date of transfer of the shares; and
 - the income from such residential house, other than the one residential house owned on the date of transfer of the original asset, is chargeable under the head “Income from house property”.
- 12) If only a part of the net consideration is so invested, so much of the capital gains as bears to the whole of the capital gain the same proportion as the cost of the new residential house bears to the net consideration shall be exempt.
- 13) If the new residential house is transferred within a period of three years from the date of purchase or construction, the amount of capital gains on which tax was not charged earlier, shall be deemed to be income chargeable under the head “Capital Gains” of the year in which the residential house is transferred.
- 14) If an individual or HUF receives any property, from any person other than specified relative which includes shares, without consideration, the aggregate fair market value of which exceeds ₹50,000, the whole of the fair market value of such property will be considered as income in the hands of the recipient. Similarly, if an individual or HUF receives any property, which includes shares, for consideration which is less than the fair market value of the property by an amount exceeding ₹50,000, the fair market value of such property as exceeds the consideration will be considered as income in the hands of the recipient

Tax Rates

For Individuals, HUFs, BOI and Association of Persons:

| Slab of income (₹) | Rate of tax (%) |
|---------------------|-----------------|
| 0 – 200,000 | Nil |
| 200,001 – 500,000 | 10% |
| 500,001 – 10,00,000 | 20% |
| 10,00,001 and above | 30% |

Notes:

- (i) In respect of women residents below the age of 60 years, the basic exemption limit is ₹2,00,000.
- (ii) In respect of senior citizens resident in India, the basic exemption limit is ₹2,50,000. (Age more than 60 years)
- (iii) In respect of Super citizens resident in India, the basic exemption limit is ₹5,00,000. (Age more than 80 years)
- (iv) Education cess @ 2% and Higher Education cess @1% will be levied on income tax.
- (v) Surcharge @ 10% if income exceeds ₹100 lacs.

B) Non-Residents

- 1) Dividends earned on shares of the Company are exempt in accordance with and subject to the provisions of section 10(34) read with Section 115-O of the Act. However, as per section 94(7) of the Act, losses arising from sale/ transfer of shares, where such shares are purchased within three months prior to the record date and sold within three months from the record date, will be disallowed to the extent such loss does not exceed the amount of dividend claimed exempt
- 2) Long Term Capital Gain arising on sale of Company's shares is fully exempt from tax in accordance with the provisions of section 10(38) of the Act, where the sale is made on or after October, 1 2004 on a recognized Stock Exchange and the transaction is chargeable to Securities Transaction Tax.
- 3) In accordance with section 48, capital gains arising out of transfer of capital assets being shares in the Company shall be computed by converting the cost of acquisition, expenditure in connection with such transfer and the full value of the consideration received or accruing as a result of the transfer into the same foreign currency as was initially utilized in the purchase of the shares and the capital gains computed in such foreign currency shall be reconverted into Indian currency, such that the aforesaid manner of computation of capital gains shall be applicable in respect of capital gains accruing/arising from every reinvestment thereafter in, and sale of, shares and debentures of, an Indian company including the Company.
- 4) As per the provisions of Section 90, the Non Resident shareholder has an option to be governed by the provisions of the tax treaty, if they are more beneficial than the domestic law wherever in India has entered into Double Taxation Avoidance Agreement (DTAA) with the relevant Country for Avoidance of Double Taxation of Income.
- 5) In accordance with section 112, the tax on capital gains on transfer of listed shares, where the transaction is not chargeable to Securities Transaction Tax, held as long term capital assets will be at the rate of 10% (plus applicable surcharge and education cess). A non-resident will not be eligible for adopting the indexed cost of acquisition and the indexed cost of improvement for the purpose of computation of long-term capital gain on sale of shares.
- 6) In accordance with Section 111A, the tax on capital gains arising from the transfer of a short term asset being an equity share in a company or a unit of an equity oriented fund, is chargeable to tax at the rate of 15% (plus applicable surcharge and education cess), where such transaction is chargeable to Securities Transaction Tax. If the provisions of Section 111A are not applicable to the short term capital gains, then the tax will be chargeable at the applicable normal rates plus surcharge and education cess as applicable.
- 7) Under section 54EC of the Act, long term capital gain arising on the transfer of shares of the Company [other than the sale referred to in section 10(38) of the Act] is exempt from tax to the extent the same is invested in certain notified bonds within a period of six months from the date of such transfer (up to a maximum limit of ₹50 lacs) for a minimum period of three years.
- 8) In accordance with section 54F, long-term capital gains arising on the transfer of the shares of the Company held by an individual and Hindu undivided family on which Securities Transaction Tax is not payable, shall be exempt from capital gains tax if the net consideration is utilized, within a period of one year before, or two years after the date of transfer, in the purchase of a new residential house, or for construction of a residential house within three years subject to regulatory feasibility. Such benefit will not be available if the individual-
 - owns more than one residential house, other than the new residential house, on the date of transfer of the shares; or
 - purchases another residential house within a period of one year after the date of transfer of the shares; or

- constructs another residential house within a period of three years after the date of transfer of the shares; and
 - the income from such residential house, other than the one residential house owned on the date of transfer of the original asset, is chargeable under the head “Income from house property”.
- 9) If only a part of the net consideration is so invested, so much of the capital gains as bears to the whole of the capital gain the same proportion as the cost of the new residential house bears to the net consideration shall be exempt.
- 10) If the new residential house is transferred within a period of three years from the date of purchase or construction, the amount of capital gains on which tax was not charged earlier, shall be deemed to be income chargeable under the head “Capital Gains” of the year in which the residential house is transferred.

C) Non-Resident Indians

Further, a Non-Resident Indian has the option to be governed by the provisions of Chapter XII-A of the Income-tax Act, 1961 which reads as under:

- 1) In accordance with section 115E, income from investment or income from long-term capital gains on transfer of assets other than specified asset shall be taxable at the rate of 20% (plus education cess). Income by way of long term capital gains in respect of a specified asset (as defined in Section 115C (f) of the Income-tax Act, 1961), shall be chargeable at 10% (plus education cess).
- 2) In accordance with section 115F, subject to the conditions and to the extent specified herein, long-term capital gains arising from transfer of shares of the company acquired out of convertible foreign exchange, and on which Securities Transaction Tax is not payable, shall be exempt from capital gains tax, if the net consideration is invested within six months of the date of transfer in any specified new asset.
- 3) In accordance with section 115G, it is not necessary for a Non-Resident Indian to file a return of income under section 139(1), if his total income consists only of investment income earned on shares of the company acquired out of convertible foreign exchange or income by way of long-term capital gains earned on transfer of shares of the company acquired out of convertible foreign exchange or both, and the tax deductible has been deducted at source from such income under the provisions of Chapter XVII-B of the Income-tax Act, 1961.
- 4) In accordance with Section 115-I, where a Non-Resident Indian opts not to be governed by the provisions of Chapter XII-A for any Assessment Year, his total income for that assessment year (including income arising from investment in the company) will be computed and tax will be charged according to the other provisions of the Income-tax Act, 1961.
- 5) As per the provisions of Section 90, the NRI shareholder has an option to be governed by the provisions of the tax treaty, if they are more beneficial than the domestic law wherever India has entered into Double Taxation Avoidance Agreement (DTAA) with the relevant Country for avoidance of double taxation of income.
- 6) In accordance with section 10(38), any income arising from the transfer of a long term capital asset being an equity share in a company is not includible in the total income, if the transaction is chargeable to Securities Transaction Tax.
- 7) In accordance with section 10(34), dividend income declared, distributed or paid by the Company (referred to in section 115-O) will be exempt from tax.

- 8) In accordance with Section 111A capital gains arising from the transfer of a short term asset being an equity share in a company or a unit of an equity oriented fund where such transaction has suffered Securities Transaction Tax is chargeable to tax at the rate of 15% (plus applicable surcharge and education cess). If the provisions of Section 111A are not applicable to the short term capital gains, then the tax will be chargeable at the applicable normal rates plus surcharge and education cess.
- 9) Under section 54EC of the Act, long term capital gain arising on the transfer of shares of the Company [other than the sale referred to in section 10(38) of the Act] is exempt from tax to the extent the same is invested in certain notified bonds within a period of six months from the date of such transfer (upto a maximum limit of ₹50 lacs) for a minimum period of three years.
- 10) In accordance with section 54F, long-term capital gains arising on the transfer of the shares of the Company held by an individual or Hindu Undivided Family on which Securities Transaction Tax is not payable, shall be exempt from capital gains tax if the net consideration is utilized, within a period of one year before, or two years after the date of transfer, in the purchase of a new residential house, or for construction of a residential house within three years subject to regulatory feasibility. Such benefit will not be available if the individual or Hindu Undivided Family-
 - owns more than one residential house, other than the new residential house, on the date of transfer of the shares; or
 - purchases another residential house within a period of one year after the date of transfer of the shares; or
 - constructs another residential house within a period of three years after the date of transfer of the shares; and
 - the income from such residential house, other than the one residential house owned on the date of transfer of the original asset, is chargeable under the head “Income from house property”.
- 11) If only a part of the net consideration is so invested, so much of the capital gains as bears to the whole of the capital gain the same proportion as the cost of the new residential house bears to the net consideration shall be exempt.
- 12) If the new residential house is transferred within a period of three years from the date of purchase or construction, the amount of capital gains on which tax was not charged earlier, shall be deemed to be income chargeable under the head “Capital Gains” of the year in which the residential house is transferred.

D) Foreign Institutional Investors (FIIs)

- 1) In accordance with section 10(34), dividend income declared, distributed or paid by the Company (referred to in section 115-O) will be exempt from tax in the hands of Foreign Institutional Investors (FIIs).
- 2) In accordance with section 115AD, FIIs will be taxed at 10% (plus applicable surcharge and education cess) on long-term capital gains (computed without indexation of cost and foreign exchange fluctuation), if Securities Transaction Tax is not payable on the transfer of the shares and at 15% (plus applicable surcharge and education cess) in accordance with section 111A on short-term capital gains arising on the sale of the shares of the Company which is subject to Securities Transaction Tax. If the provisions of Section 111A are not applicable to the short term capital gains, then the tax will be charged at the rate of 30% plus applicable surcharge and education cess, as applicable.

In accordance with section 10(38), any income arising from the transfer of a long term capital asset being an equity share in a company is not includible in the total income, if the transaction is chargeable to Securities Transaction Tax.

- 3) As per the provisions of Section 90, the Non Resident shareholder has an option to be governed by the provisions of the tax treaty, if they are more beneficial than the domestic law wherever India has entered into Double Taxation Avoidance Agreement (DTAA) with the relevant Country for avoidance of double taxation of income.
- 4) Under section 196D (2) of the Income-tax Act, 1961, no deduction of Tax at Source will be made in respect of income by way of capital gain arising from the transfer of securities referred to in section 115AD.
- 5) Under section 54EC of the Act, Long Term Capital Gain arising on the transfer of shares of the Company [other than the sale referred to in section 10(38) of the Act] is exempt from tax to the extent the same is invested in certain notified bonds within a period of six months from the date of such transfer (upto a maximum limit of ₹50 lacs) for a minimum period of three years.

E) Persons carrying on business or profession in shares and securities.

Under section 36(1)(xv) of the Act, securities transaction tax paid by a shareholder in respect of taxable securities transactions entered into in the course of its business, would be allowed as a deduction if the income arising from such taxable securities transactions is included in the income computed under the head “Profits and Gains of Business or Profession”.

A non- resident taxpayer has an option to be governed by the provisions of the Income-tax Act, 1961 or the provisions of a Tax Treaty that India has entered into with another country of which the investor is a tax resident, whichever is more beneficial (section 90(2) of the Income tax Act, 1961).

F) Mutual Funds

Under section 10(23D) of the Act, exemption is available in respect of income (including capital gains arising on transfer of shares of the Company) of a Mutual Fund registered under the Securities and Exchange Board of India Act, 1992 or such other Mutual fund set up by a public sector bank or a public financial institution or authorized by the Reserve Bank of India and subject to the conditions as the Central Government may specify by notification.

G) Venture Capital Companies/Funds

In terms of section 10(23FB) of the I.T. Act, income of:-

Venture Capital Company which has been granted a certificate of registration under the Securities and Exchange Board of India Act, 1992; and Venture Capital Fund, operating under a registered trust deed or a venture capital scheme made by Unit trust of India, which has been granted a certificate of registration under the Securities and Exchange Board of India Act, 1992, from investment in a Venture Capital Undertaking, is exempt from income tax, Exemption available under the Act is subject to investment in domestic Company whose shares are not listed and which is engaged in certain ‘specified’ business/industry.

(II) Under the Wealth Tax and Gift Tax Acts

- 1) “Asset” as defined under section 2(ea) of the Wealth-tax Act, 1957 does not include shares held in a Company and hence, these are not liable to wealth tax.
- 2) Gift tax is not leviable in respect of any gifts made on or after October 1, 1998. Any gift of shares of the Company is not liable to gift-tax. However, in the hands of the Donee the same will be treated as income unless the gift is from a relative as defined under Explanation to Section 56(vi) of Income-tax Act, 1961.

Notes:

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

For DSP & Associates
Chartered Accountants
(Firm Registration No. 006791N)

Sanjay Kumar
Partner
Membership No: 093720

Place: New Delhi
Date: 03.03.2014

SECTION IV – ABOUT THE ISSUER COMPANY

INDUSTRY OVERVIEW

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

Overview of the Global and Indian Economy

Global Scenario

The global economy continues to recover from the downturn witnessed at the end of 2012. Second estimates of GDP growth for the third quarter of 2013 have shown varied results across the countries. U.S. announced an upward revision of GDP growth in Q3 2013, while Japan observed significantly slower growth in third quarter, compared to preliminary estimates. However, the growth in U.K. and Eurozone remained unchanged from the first estimate.

Overall economic growth across the globe has witnessed an improvement in third quarter of 2013. Compared to second quarter of 2013, GDP growth in U.S. and U.K. has shown considerable gain in quarter ending September 2013; On the other hand, growth in Japan, Germany, France and several emerging economies has declined in Q3 2013. To stimulate stronger growth in Euro area, the European central Bank (ECB) decreased the key interest rates on refinancing operations of the Euro-system by 25 basis points in November 2013. With stronger growth in manufacturing and service sector business activities, growth in U.S. is expected to accelerate in last quarter of 2013. Growth outlook for emerging economies remains subdued.

The below table shows the Major Macroeconomic Indicators in the Global Economy:

| | Country / Region | Quarterly Growth Rate of Real GDP | | Annual CPI Inflation Rate | Unemployment Rate | Benchmark Interest Rate |
|---------------------|-----------------------|-----------------------------------|------------|---------------------------|-------------------|-------------------------|
| | | Q-o-Q | Y-o-Y | | | |
| Developed Economies | OECD | 0.50 (Q3) | 1.40 (Q3) | 1.30 (Oct) | 7.90 (Oct) | NA |
| | USA | 0.89 (Q3) | 1.83 (Q3) | 1.20 (Nov) | 7.00 (Nov) | 0.25 |
| | UK | 0.79 (Q3) | 1.53 (Q3) | 2.10 (Nov) | 7.40 (Aug-Oct) | 0.50 |
| | Japan | 0.26 (Q3) | 2.40 (Q3) | 1.10 (Oct) | 4.00 (Oct) | 0.10 |
| | Euro Area (EA17) | 0.08 (Q3) | -0.36 (Q3) | 0.90 (Nov) | 12.10 (Oct) | 0.25 |
| | European Union (EU28) | 0.23 (Q3) | 0.08 (Q3) | 1.00 (Nov) | 10.90 (Oct) | NA |
| BRIC | Brazil | -0.48 (Q3) | 2.19 (Q3) | 5.77 (Nov) | 4.60 (Nov) | 10.00 |
| | Russia | -0.26 (Q2) | 1.24 (Q2) | 6.50 (Nov) | 5.50 (Oct) | 5.50 [#] |
| | India* | NA | 4.80 (Q3) | 7.52 (Nov) | NA | 7.75 |
| | China | 2.20 (Q3) | 7.80 (Q3) | 3.00 (Nov) | NA | 6.00 |
| Other EMEs | Korea | 1.06 (Q3) | 3.34 (Q3) | 0.90 (Nov) | 3.00 (Oct) | 2.50 |
| | Indonesia | 1.33 (Q3) | 5.64 (Q3) | 8.37 (Nov) | NA | 7.50 |
| | Turkey | 0.86 (Q3) | 4.65 (Q3) | 7.30 (Nov) | 9.10 (Aug) | 4.50 |

Note: Months mentioned in bracket are for the Year-2013.

(Q3) & (Q2) represent third and second quarter of 2013 respectively.

* Wholesale Price Index (WPI) inflation data is considered for measuring inflation in India.

Bank of Russia's newly introduced "Key rate"

NA – Not Available

(Source: http://www.sebi.gov.in/cms/sebi_data/attachdocs/1372418345819.pdf)

Global Growth

Global activity and world trade picked up in the second half of 2013. Recent data even suggest that global growth during this period was somewhat stronger than anticipated in the October 2013 World Economic Outlook (WEO). Final demand in advanced economies expanded broadly as expected—much of the upward surprise in growth is due to higher inventory demand. In emerging market economies, an export rebound was the main driver behind better activity, while domestic demand generally remained subdued, except in China.

Overall, growth in emerging market and developing economies is expected to increase to 5.1 percent in 2014 and to 5.4 percent in 2015. Growth in China rebounded strongly in the second half of 2013, largely due to acceleration in investment. This surge is expected to be temporary, in part because of policy measures aimed at slowing credit growth and raising the cost of capital. Growth is thus expected to moderate slightly to around 7½ percent in 2014–15. Growth in India picked up after a favorable monsoon season and higher export growth and is expected to firm further on stronger structural policies supporting investment. In sum, global growth is projected to increase from 3 percent in 2013 to 3.7 percent in 2014 and 3.9 percent in 2015.

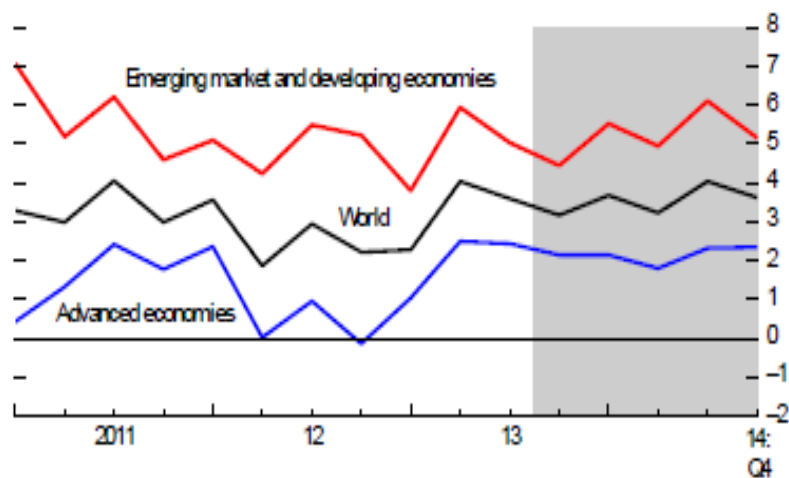
(Source: IMF World Economic Outlook (WEO) Update dated January 2014)

Global growth of Gross Domestic Product (GDP), adjusted for inflation, will only rebound moderately from 2.8 percent in 2013 to 3.1 percent in 2014, as the world’s major economies still face many structural flaws and policy constraints that hinder more investment and faster productivity growth. Across mature economies, the 2014 growth outlook improves somewhat to 1.7 percent growth in 2014, compared to 1 percent in 2013. The slight uptick is largely due to the Eurozone which is expected to return to a positive growth rate of 0.8 percent, coming out of recession for most of the previous two years. The upsides for the medium term growth outlook for the global economy are a significant faster increase in public and private investment and an acceleration in the economies’ reform agenda to accelerate productivity growth.

(Source: <http://www.conference-board.org/data/globaloutlook.cfm>)

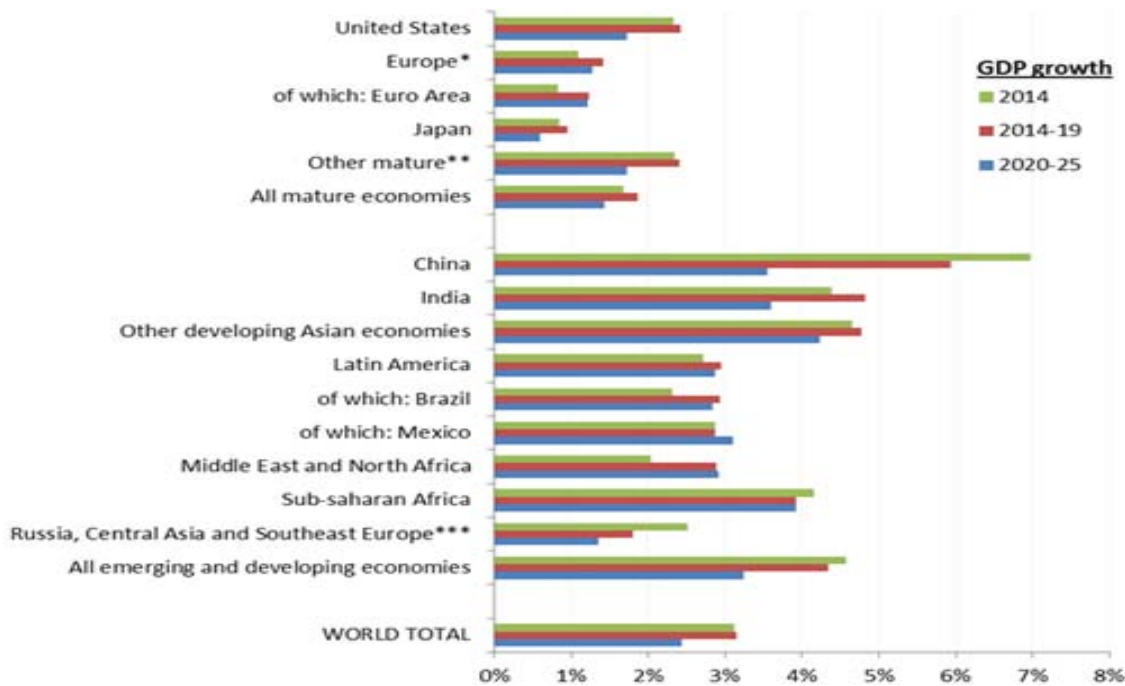
Following is the diagram showing Global GDP Growth rate:

Global GDP Growth



(Source: IMF World Economic Outlook (WEO) dated January 2014)

Following is the diagram showing Global GDP Growth forecast rate:

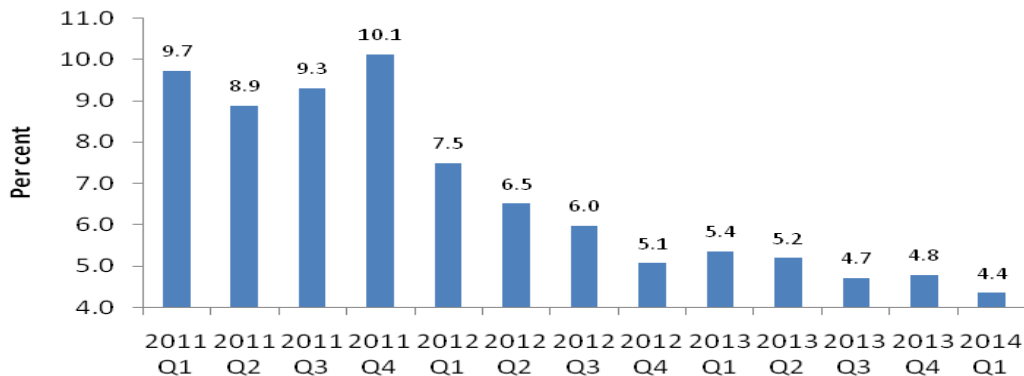


(Source: <http://www.conference-board.org/data/globaloutlook.cfm>)

Indian Scenario:

The GDP growth rate for the first quarter (April-June) of financial year 2013-14 (FY14) at 4.4 per cent per annum showed a deceleration over 4.8 per cent in the previous quarter (Q4 of FY13) (Chart 1). Decline in growth rate during Q1 of FY14 was seen across all the major sectors barring 'community, social and personal services', 'electricity, gas and water supply' and 'agriculture, forestry and fishing' which manifested a growth of 9.4 per cent, 3.7 per cent and 2.7 per cent, respectively, in Q1 of FY14 compared with 4.0 per cent, 2.8 per cent and 1.4 per cent in Q4 of FY13. Major decline in growth rate was seen under Manufacturing, Trade, Hotel and Transport, Construction, and Financing, Insurance, Real Estate and Business Services to (-)1.6 per cent, 3.9 per cent, 2.8 per cent and 8.9 per cent compared with 2.6 per cent, 3.9 per cent, 4.4 per cent and 9.1 per cent, respectively, in Q4 of FY 13.

Quarterly Growth Rate in GDP



(Source: Public Debt Management- Quarterly Report- July – September 2013)

A moderate creeping up trend in WPI Inflation rate continued for the fourth consecutive month in September 2013. Average inflation rate during the Q2 of FY14 increased to 6.13 per cent from 4.84 per cent in the previous quarter. Food inflation increased sharply to 18.40 per cent in September 2013 mainly due to rise in prices of vegetables and onions. Inflation rate of Fuel & Power remained elevated at 10.08 per cent with a major increase in prices of High Speed Diesel. The inflation rate of Manufactured Products in September 2013 increased to 2.03 per cent reversing the declining trend seen upto August 2013. Build up of WPI inflation rate in the financial year so far was 5.64 per cent compared to a build up rate of 4.84 per cent in the corresponding period of the previous year. CPI inflation rate at the end of Q2 at 9.8 per cent was broadly stable at the level seen at end of previous quarter. Liquidity conditions in the economy remained tight during the quarter. Following the pressure on Rupee exchange rate, RBI took measures to contain liquidity in the market through a hike in short-term (Marginal Standing Facility, MSF) rates by 200 bps, placing a cap on amount given under daily LAF window at 0.5 per cent of NDTL and increasing the minimum daily requirement of CRR to 99 per cent of the requirement.

(Source: Public Debt Management- Quarterly Report- July – September 2013)

Financial Markets

Improved global sentiments along with recent policy reforms by the government beginning September 2012, and market expectations of a cut in the policy rate in the face of moderation in inflation, aided FII flows into the domestic market. The equity markets showed significant turnaround, while the rupee remained range-bound. In addition, revival is witnessed in the IPO segment. Although Indian financial market sentiments improved significantly in Q3 of 2012-13, some macroeconomic concerns persist, as witnessed in the inverted yield curve. Sustained commitment to curtail twin deficits and nurture growth without fuelling inflation is critical to support investor confidence.

(Source: RBI: <http://www.rbi.org.in/scripts/PublicationsView.aspx?id=14923>)

INDIAN FINANCIAL SERVICES SECTOR

India's services sector has been the most dynamic part of its economy, leading GDP growth for past two decades. India serves as an example as to how services sector can play an important role in a country's economic growth. India is doing reasonably well in retail sector and the financial sector including insurance. India is now eager to open up the pensions sector also to foreign investors. The way these sectors have been developed with a robust regulatory and policy framework also holds important lessons for other countries. India's financial services sector has been one of the fastest growing sectors in the economy. The economy has witnessed increased private sector activity including an explosion of foreign banks, insurance companies, mutual funds, venture capital and investment institutions. Although significant steps have been taken in reforming the financial sector, some areas require greater focus like the ability of the financial services sector in its present structure to make available investible resources to the potential investors in coming years, such as equity and long term, medium and short-term debt and the inability of banks to quickly enforce security and access to collateral, and the capital constraints in recognizing large loan losses.

Volatility in global commodity prices has had a major impact on Indian companies. This has led to non-performing loans and provisioning for credit losses becoming a key area of concern for the Indian financial system.

(Source: <http://blog.ficci.com/financial-sector-india/2776/>)

Significance of NBFCs in India:

According to the Economic Survey 2010-11, it has been reported that NBFCs as a whole account for 11.2 per cent of assets of the total financial system. With the growing importance assigned to financial inclusion,

NBFCs have come to be regarded as important financial intermediaries particularly for the small-scale and retail sectors.

In the multi-tier financial system of India, importance of NBFCs in the Indian financial system is much discussed by various committees appointed by RBI in the past and RBI has been modifying its regulatory and supervising policies from time to time to keep pace with the changes in the system.

NBFCs have turned out to be engines of growth and are integral part of the Indian financial system, enhancing competition and diversification in the financial sector, spreading risks specifically at times of financial distress and have been increasingly recognized as complementary of banking system at competitive prices. The Banking sector has always been highly regulated, however simplified sanction procedures, flexibility and timeliness in meeting the credit needs and low cost operations resulted in the NBFCs getting an edge over banks in providing funding. Since the 90s crisis the market has seen explosive growth, as per the Fitch Report (Non-Bank Financial Institutions in India: Performance Trends and Outlook, Fitch Friday Presentation, Ananda Bhoumik & Arshad Khan, December, 2008 Report) the compounded annual growth rate of NBFCs was 40% in comparison to the CAGR of banks being 22% only. NBFCs have been pioneering at retail asset backed lending, lending against securities, microfinance etc and have been extending credit to retail customers in under-served areas and to unbanked customers.

Although banks dominate the Indian financial spectrum, NBFCs play an important role in financial markets. With their unique strengths, the stronger NBFCs could complement banks as innovators and partners. The core strength of NBFCs lies in their strong customer relationships, good understanding of regional dynamics, service orientation and ability to reach out to customers who would otherwise be ignored by banks, which makes such entities effective conduits of financial inclusion.

The disaggregated data on sectoral deployment of gross bank credit available upto September, 2012 indicate that except for agriculture, there has been a reduction in the rate of growth of credit flow to other sectors. Though credit growth significantly recovered in first half of 2011-12 and 2012-13, it continued to remain below the overall non-food credit growth.

(Source: Mid-year Analysis 2010 to 2013, Ministry of finance)

Latest Developments in NBFCs

The RBI proposed new draft regulatory guidelines on NBFCs based on the recommendations of the Usha Thorat Committee on 12 December 2012. The key proposals are listed below:

1. The Tier 1 ratio of registered NBFCs should be increased to 10% (12% for captive finance companies - financing 90% of parent's products), and three years be given to achieve the required ratio (currently the minimum Tier 1 ratio for retail finance NBFCs is 7.5%).
2. Asset classification and provisioning norms similar to those for banks are to be introduced in a phased manner. This includes standard asset provision at 0.40% (current 0.25%), the 90 days overdue norm for classifying NPLs from Q1FY16, to be transited through a 120- day NPL from Q1FY15, and a 'one-time restructuring' to be allowed for borrowers, which will not be treated as default.
3. Liquidity ratio requirement for all registered NBFCs, such that cash, bank balances and government securities fully cover the gaps, if any, between cumulative outflows and cumulative inflows for the first 30 days (currently only deposit-taking NBFCs are required to hold 15% of their public deposits in the RBI-defined liquid assets).
4. Strict corporate governance standards to be followed by large NBFCs. RBI permission necessary for change in control, or sale of 25% stake, and appointment of CEOs for NBFCs with asset size of over INR10bn.

5. Higher disclosures have been suggested by the RBI. These cover provision coverage ratios, liquidity ratios, asset liability profiles, the extent of financing of a parent company's products and the movement of non-performing assets.
6. Capital market and real estate exposures. Risk weights will be increased to 125% for capital market exposures and 150% for commercial real estate exposures (from the current 100% for both these categories).
7. NBFCs with asset size below INR250m will be exempted from registration with the RBI; existing non-deposit taking NBFCs (asset size below INR250m) will have to provide a roadmap to the RBI, for increasing their asset size to this level or above within two years

(Source: 2013 Outlook: Major Indian Non-Bank Finance Companies, India Ratings & Research)

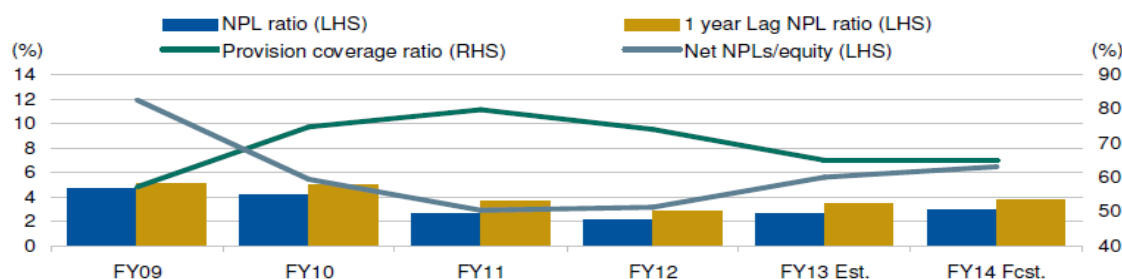
Performance of the NBFC Sector

Funding source of NBFCs comprises debentures, borrowings from banks and FIs, public deposits, commercial papers, and inter-corporate loans. In FY12, borrowings from banks and FIs, followed by debentures, constituted an important source of funds for NBFCs-D. Borrowings from banks and FIs accounted for approximately 40% and debentures accounted for approximately 30% of the total borrowings of NBFCs-D in FY12-13. Debentures form an important source of funds for NBFCs-ND-SI. In FY12-13, debentures accounted for approximately 45% and borrowings from banks and FIs accounted for approximately 30% of the total borrowings of NBFCs-ND-SI.

As at the end of FY13 balance sheet size of NBFC-D stood at ₹1,249 bn registering an increase of around 2% y-o-y. As of March 2013, more than two-thirds of NBFCs-D sector's total assets were held by AFCs. Component wise, the advances accounted for a predominant share of the total assets, followed by investments. Borrowings, a major source of funding, grew 15.9% and public deposits which are subjected to credit rating, continued to show an increasing trend, with 43.8% growth. However, total Investments registered a 24.8% decline due to 0.7% and 67.6% decline in SLR and Non-SLR investments. The ratio of public deposit to owned funds improved marginally and stood at 32.42% as at end-March 2013, as against 26.15% in 2012.

The balance sheet size of NBFCs-ND-SI as at end-FY12 stood at ₹11,177 bn, as against ₹9,353 bn, indicating 19.50% growth. This rise is mainly due to a sharp increase in borrowings from banks and FIs, and debentures. Unsecured borrowings of NBFCs-ND-SI, constituting slightly less than half the total borrowings, expanded significantly and outpaced the growth in secured borrowings during 2012-13. The leverage ratio of the entire NBFCs-ND-SI sector increased marginally to 3.20% during FY12-13 from 2.87% in FY11-12. On the deployment side, loans and advances continue to constitute the largest share, followed by Investments and hire purchase assets. During FY12, loans and advances grew 25.3% on account of 31.7% growth in secured loans and advances, hire purchase assets grew 26.5%, and investments grew by 5.9% y-o-y.

Key Performance Trends of NBFCs



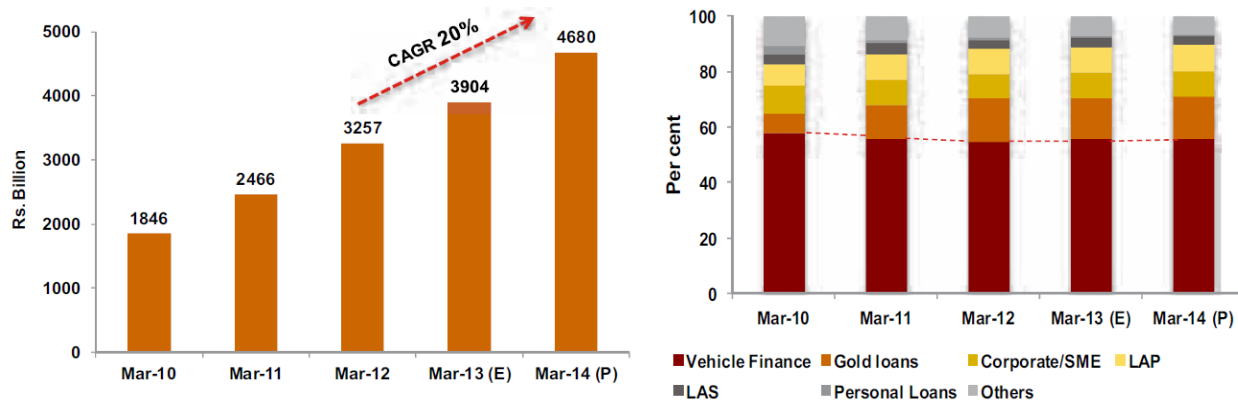
Over the years, the NBFC sector has undergone a fair degree of consolidation leading to the emergence of companies having larger asset size. Capital adequacy norms that were mandatory for NBFCs-D were made applicable to NBFCs-ND-SI too in 2007, considering their growing importance in the segment and to ensure their sound development.

(Source: Report on Trend and Progress of Banking in India 2012-13 – RBI)

Major Growth Drivers for this Sector

The NBFC sector has witnessed a compound annual growth rate (CAGR) of 28 per cent in assets under management over 2009-10 to 2012-13(E) and is likely to sustain such healthy growth over the medium term. The market share of over 70 per cent in the commercial vehicle (CV) financing segment. The borrowers in these segments are largely small truck operators with no significant access to banking services.

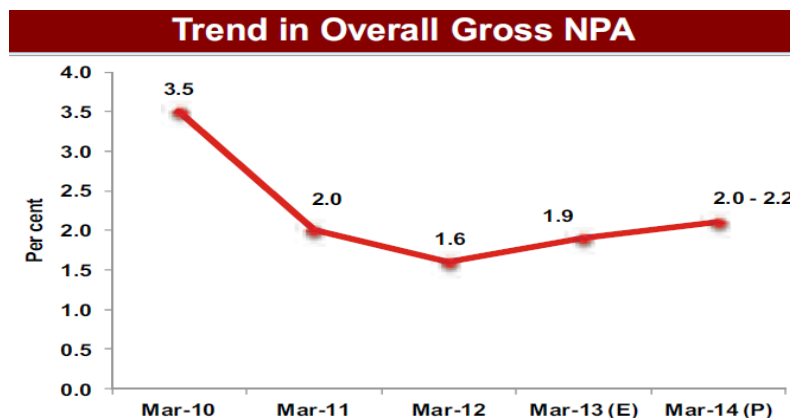
One of the key drivers of growth for retail NBFCs has been the steady expansion in the Gold Loan and the Loan against Property (LAP) segment. In the gold loan segment, NBFCs borrowers are typically those with smaller incomes looking to bridge their short-term cash mismatches. The borrowers in the LAP segment are usually small business owners looking at financing their business by leveraging their existing property.



(Source: FICCI, Financial Foresights- Q4 FY 2012-2013)

Stronger system to control asset quality

NBFCs have strengthened their processes and systems to manage intrinsic risks in borrowers credit profiles. Gross NPAs in the sector has steadily declined to 1.6 per cent as on March 31, 2012 from 3.7 per cent as on March 31, 2009. The improvement has been driven by a structural shift in asset composition through transition towards secured asset classes, improved asset quality monitoring mechanisms, and a favourable business environment. Following is the Table showing Strengthening system for various asset classes:



(Source: FICCI, Financial Foresights- Q4 FY 2012-2013)

A positive fallout of the sharp rise in delinquencies in the previous downturn was reorientation of system. NBFCs adopted asset protection mechanism across asset classes.

MICRO, SMALL AND MEDIUM ENTERPRISES (MSMEs)

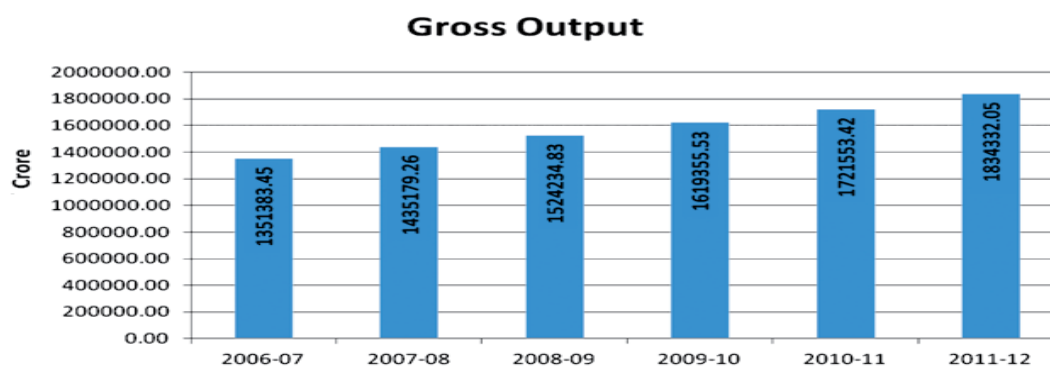
Importance of MSME in India

The Micro, Small and Medium Enterprises (MSMEs) including Khadi and Village/Rural Enterprises, constitute an important segment of the Indian economy in terms of their contribution to country's industrial production, exports, employment and creation of entrepreneurship base. Micro, Small and Medium Enterprises (MSME) sector has emerged as a highly vibrant and dynamic sector of the Indian economy over the last five decades. MSMEs not only play crucial role in providing large employment opportunities at comparatively lower capital cost than large industries but also help in industrialization of rural & backward areas, thereby, reducing regional imbalances, assuring more equitable distribution of national income and wealth. Advances extended to the SME sector are treated as priority sector advances and as per RBI guidelines banks are required to extend at least 60% of their advances to the micro enterprises. The primary responsibility of promotion and development of MSMEs is of the State Governments. However, the Government of India, supplements the efforts of the State Governments through different initiatives. The schemes/programmes undertaken by the Ministry and its organizations seek to facilitate/provide:

- i) adequate flow of credit from financial institutional/banks;
- ii) support for technology upgradation and modernization;
- iii) integrated infrastructural facilities;
- iv) modem testing facilities and quality certification;
- v) access to modem management practices;
- vi) entrepreneurship development and skill upgradation through appropriate training facilities;
- vii) support for product development, design intervention and packaging;
- viii) welfare of artisans and workers;
- ix) assistance for better access to domestic and export markets and;
- x) cluster-wise measures to promote capacity-building and empowerment of the units and their collectives.

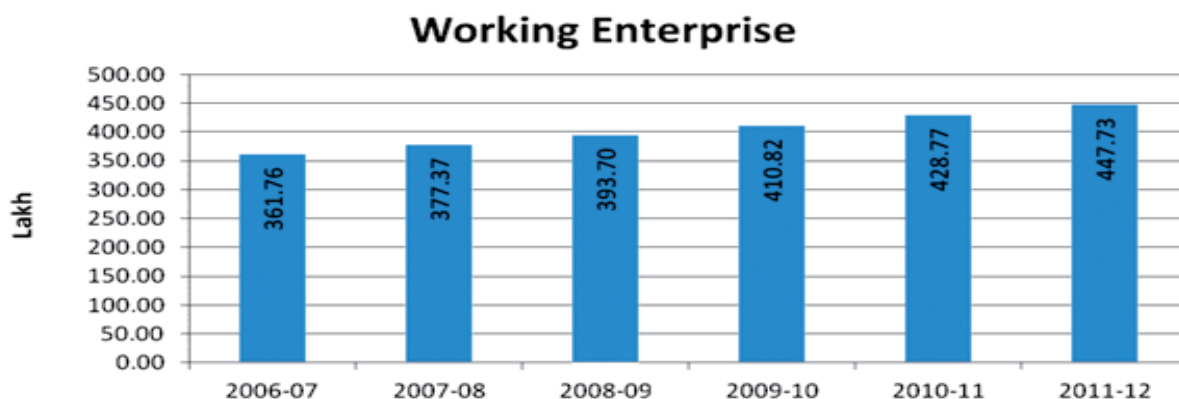
The Government launched the Credit Guarantee Fund Scheme for Small Industries (now renamed as Credit Guarantee Fund Scheme for Micro and Small Enterprises) in August, 2000 with the objective of making available credit to SSI units, particularly tiny units, for loans up to ₹100 lacs without collateral/third party guarantees. The scheme covers collateral free credit facility (term loan and / or working capital) extended by eligible lending institutions to new and existing micro and small enterprises up to ₹100 lacs per borrowing unit. The scheme is being operated by the Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) set up jointly by the Government of India and SIDBI. The corpus of CGTMSE is contributed by the Government of India and SIDBI in the ratio of 4:1. As announced in the 'Package for Promotion of Micro and Small Enterprises', the corpus fund will be raised to ₹2,500 crores during the XI Plan. Wherein, SIDBI is the Principal Financial Institution for the Promotion, Financing and Development of the Micro, Small and Medium Enterprise (MSME) sector. The Bank also co-ordinates the functions of the institutions engaged in similar activities.

The MSME sector has shown a steady growth over the years which is indicated by the below graph:



(Source: Annual report 2012-13, Ministry of MSME)

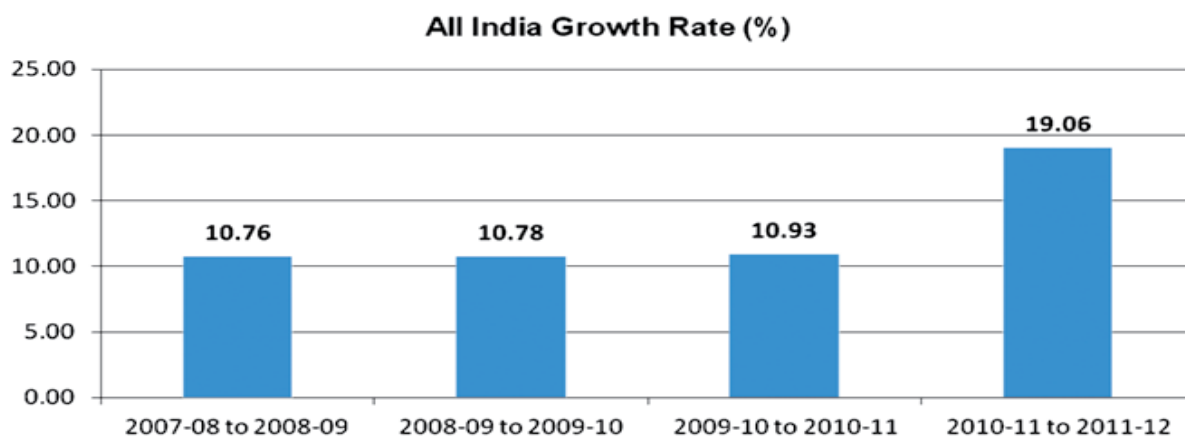
As per the Forth Census published in 2012, the size of the registered MSME sector is provisionally estimated to be ₹15.64 lacs and of unregistered MSME to be ₹198.74 lacs. The total working enterprises in the MSME sector were 361.76 lacs with total employment of 805.24 lacs.



(Source: Annual report 2012-13, Ministry of MSME)

This comprises of 67.10% manufacturing enterprises and 32.90% services enterprises in registered category and 30.20% manufacturing enterprises and 69.80% services enterprises in unregistered category. Of the total working enterprises in the registered MSME sector, 54.77% (8.57 lacs) are located in Urban areas and 45.23% (7.07 lacs) are located in the Rural areas, whereas the same for unregistered MSME are 44.21% (153 lacs) and 55.79% (193.12 lacs) respectively. 55.34% (200.19 lacs) of the total working units were located in rural areas and 44.66% (161.57 lacs) enterprises were located in rural areas.

Further, this sector has consistently registered a higher growth rate than the rest of industrial sector. MSMEs has shown constant growth rate of more than 10% every year till 2010-11, whereas in year 2011-12 growth rate was 19%, approximately twice of the growth rate recorded for previous years.



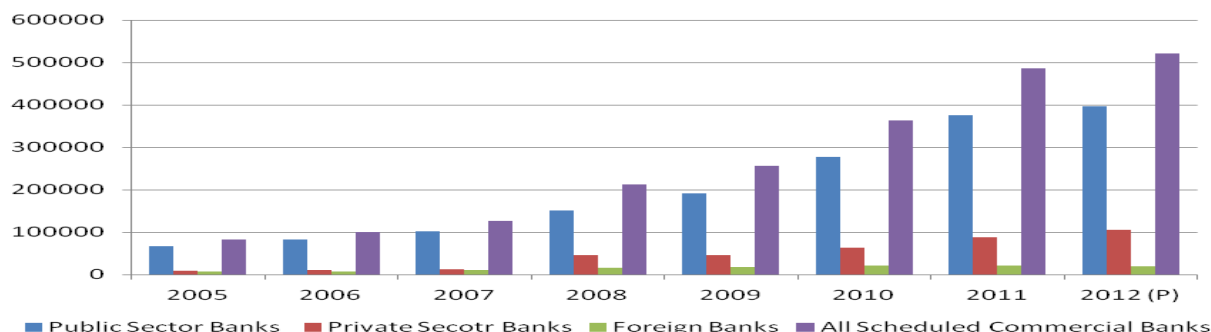
(Source: Annual report 2012-13, Ministry of MSME)

There are over 6000 products ranging from traditional to high-tech items, which are being manufactured by the MSMEs in India. It is well known that the MSME sector provides the maximum opportunities for both self-employment and jobs after agriculture sector. 42.96% of the enterprises in MSME sector were engaged in

manufacturing/assembling/processing, whereas 7.35% of the units were engaged in repair and maintenance and other ancillary activities. The remaining 49.69% of the enterprises were in the services and retail activities. (Source: Annual report 2010 - 2013, Ministry of MSME)

Outstanding Bank Credit to Micro and Small Enterprises

The share of micro- and small industry in gross outstanding credit is only about 12 per cent although this sector accounts for a far larger share of overall manufacturing and exports. Disaggregated data suggest that credit growth to all major sectors such as agriculture, industry, services and personal loans had begun to improve from November 2009 onwards.



(Source: Annual report 2012-13, Ministry of MSME)

The above graph indicates that Banks, particularly Private sector & Foreign banks, shows reluctance to extend credit to small enterprises. This can be broadly attributed to the following reasons:

- High administrative costs of small-scale lending
- Asymmetric information
- High risk perception and
- Lack of collateral.

Credit guarantee schemes diminish the risk incurred by lenders and are mainly a reaction to small firms' lack of collateral. Such schemes do have the potential to reduce the costs of small-scale lending and to improve the information available on borrowers. They enable small firms to access formal credit and also improve the terms of a loan. Such schemes assist small enterprises to obtain finance for working capital, investment and/or leasing purposes at reasonable conditions. This enables SMEs to improve their competitiveness and to extend their economic activity. Weaknesses of credit guarantee schemes can be avoided through proper design and private sector involvement.

Innovative business models for MSME financing

Globally, commercial banks are the main source of financing for MSMEs. However, considering the nature & characteristic of the industry, access to finance remain a key concern area. This has resulted in the ever-increasing financing gap for MSMEs, leading to a potential loss to the national economy. The traditional approach to MSME financing that was based on rigid credit assessment frameworks. Limited delivery channels and hierarchical structure for decisions making needs to be replaced with new flexible models for MSME financing, to ensure agility & achieve cost efficiencies.

New-age banks are moving to a more flatter, horizontal and functional structure, to lead to faster, time-bound and objective decision making processes, while financing MSMEs. This should be further complemented by leveraging technology to make the application, appraisal and sanctioning process faster for the MSMEs. The rigid risk assessment models need to issue high cost of acquisition and servicing of MSMEs can be addressed

through innovative products that be replaced by new techniques to distinguish between high-risk and low-risk MSME borrowers. The plain-vanilla standardized products are being replaced by structured products, such as receivable financing, cash flow based-lending, asset securitization, guarantees, cash management services and advisory services, to provide a comprehensive solution to MSMEs.

Appreciating concerns of the MSMEs, the government has taken a number of progressive steps to develop a conducive environment for development of MSMEs. As the economy tides over financial crisis, a healthy business ecosystem should be created for MSMEs, based on market principles. Also, suitable policy frameworks should be devised to align investors from public, private, PE funds and other institutions that approach MSMEs for financing with diverse offerings and expectations. A positive initiative towards improving the existing policy, legal and regulatory framework is the World Bank-led multi-agency project on financing and development of MSMEs being implemented by SIDBI.

Factors Affecting MSMEs

Some of the key constraints that are being faced by the Indian MSMEs are:

- Accessing adequate and timely financing on competitive terms, particularly longer tenure loans.
- Accessing credit on easy terms has become difficult in the backdrop of current global financial crisis and the resultant liquidity constraints in the Indian financial sector, which has held back the growth of SMEs and impeded overall growth and development.
- The financing constraints faced by Indian SMEs are attributable to a combination of factors that include policy, legal/regulatory framework (in terms of recovery, bankruptcy and contract enforcement), institutional weaknesses (absence of good credit appraisal and risk management/ monitoring tools), and lack of reliable credit information on SMEs.
- It has become difficult for lenders to be able to assess risk premiums properly, creating differences in the perceived versus real risk profiles of SMEs.
- Access to skilled manpower, R&D facilities and marketing channels is limited.
- Availability of finance at cheaper rates, skills about decision-making and good management and accounting practices, and access to modern technology.

Financial Advisors in Service Sector

The financial advisors are the conduit/business facilitator who bridges the gap between the fund raising and fund investing entities. They play a key role in assisting the business units to achieve their growth & goals.

The advisors are required to equip themselves with adequate infrastructure and facilities so as to ensure that they can provide necessary assistance to the units to start and achieve their goals. This assistance may be required at any point of time of business subject to the need of the prospective fund raising entity and the purpose for which the funds is raised.

In order to cater the need of Micro, Small and Medium Enterprises (MSME) these financial advisors plays an active role whereas in case of large sized units the equity and debt capital support is met by merchant bankers & dedicated divisions of lenders. MSME units generally look forward to Chartered Accountants and financial advisors to assist them in arranging funds for them who may not be fully equipped to assess the needs properly and the various options available. In view of their own limitations and also of the intermediaries in the unorganized sector, these units some time suffer for want of timely and adequate funds at a reasonable cost.

The absence of adequate agencies who can understand and meet the needs of SME sector, leaves a wide scope of business opportunities for such financial advisors who can cater to the needs of this sector.

Future prospects of NBFC sector

NBFCs have been playing a very important role both from the macroeconomic perspective and the structure of the Indian financial system. NBFCs are the perfect or even better alternatives to the conventional Banks for meeting various financial requirements of a business enterprise. They offer quick and efficient services without making one to go through the complex rigmarole of conventional banking formalities. However to survive and to constantly grow, NBFCs have to focus on their core strengths while improving on weaknesses. They will have to be very dynamic and constantly endeavour to search for new products and services in order to survive in this ever competitive financial market.

Since NBFCs have been kept outside the purview of SARFAESI Act, a reform in this area is quite urgently needed. A suitable legislative amendment extending the operation of the said Act to NBFCs too would go a long way in fortifying the faith of the investors and which in turn would greatly contribute to the growth of this Sector. The coming years will be very crucial for NBFCs and only those who will be able to face the challenge and prove themselves by standing the test of time will survive in the long run.

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 12, 134 and 153 respectively, of the 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 the prospectus. In this section only, any reference to "we", "us" or "our" refers to Dhanuka Commercial Limited.

OVERVIEW

Our Company was incorporated as Dhanuka Commercial Private Limited on November 16, 1994 under the Companies Act, bearing Registration No. 065886 having its registered office in West Bengal. Later, the company shifted its registered office to Delhi pursuant to a special resolution passed by the members of our Company at the EGM held on August 11, 2012. An order from the Regional Director for change of state consequent to change of registered office from West Bengal to New Delhi was issued on October 10, 2013 by the Regional Director, Eastern Region, Kolkata. 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 January 27, 2014. 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 U30007DL1994PLC260191 and its Registered Office is situated at 61, Vats Market, Near Shiva Market, Pitampura, Delhi – 110034, India.

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.05.05269 dated January 28, 2003.

Our existing promoters i.e. Mr. Sanjeev Mittal, Mr. Gopal Krishan Bansal and Mr. Mahesh Kumar Dhanuka and M/s. Talwaria Polymers Pvt. Ltd. are not the original promoters of the company and have acquired controlling interest in the company in 2010. *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 49 of the 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 2012 - 2013, however, post the induction of Mr. Gopal Krishan Bansal and Mr. Sanjeev Mittal both Chartered Accountants 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 ₹44.28 lacs for the period ended December 31, 2013 and ₹16.76 lacs for the year ended March 31, 2013 and a total loans and advances of ₹1,363.53 lacs and ₹1,359.81 lacs respectively in the above mentioned periods.

Our revenue from operations has increased from ₹95.93 lacs in F. Y. 2010-2011 to ₹164.59 lacs in F. Y. 2011-12 showing an increase of 71.57%. However, our revenues witnessed a decline of 24.43% to ₹124.38 lacs in F. Y. 2012-2013. For the nine months period ended on December 31, 2013 our revenue from operations was ₹103.52 lacs.

Our Profit before tax for the above mentioned periods are ₹ 23.74 lacs, ₹4.32 lacs and ₹16.76 lacs. Our Total Loans and advances have increased from a modest ₹72.00 lacs in 2008-09 to ₹1,359.81 lacs in 2012-13. 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 Promoters:**

Our management team is backed by well qualified and experienced promoters. We believe that their past experience and industry networks will help us in achieving our key business strategies. For further details regarding the experience and qualifications of our management and promoters please see the chapter titled “*Our Management*” and “*Our Promoters and Promoter Group*” beginning on pages 107 and 120 of the prospectus respectively.

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

Our company received its NBFC Registration in the year 2003. 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 Promoters / Directors – Mr. Gopal Krishan Bansal and Mr. Sanjeev Mittal 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.

- **Continuous business possibilities due to synergies with group companies**

We have group companies which deal in Equities and Commodities. The group has interests in the Financial Markets and the Commodities Trading Segment. This has led to deep relationships with the participants in these markets and provides us with many opportunities to tap these relationships for lending funds and generate risk adjusted returns. With the growing real estate and infrastructure in the state of Delhi and surrounding areas, there exist synergies for regular business opportunities for our Company. With the further deepening and growth of the Financial Markets, the requirement of Lending Opportunities is expected to grow further.

- **Risk Management**

The Company along with its promoters believe that they have internal controls and risk management required to assess and monitor risks. The company’s management team monitors and manages risks by relationship based and well as system based risk assessment and recovery procedures. In the last three (3) years, there has been a loan write-off only once in the F. Y. 2012-13 amounting to ₹14.81 lacs which is 1.15% of the total loan portfolio. The Company seeks to monitor and control its risk exposure through a variety of separate but complementary financial and operational reporting systems.

Business Strategy:

- **Adherence to a disciplined investment process**

The Company will continue to trade and invest in Stock Markets and other avenues in order to maximize the risk adjusted returns of the available assets. Further, the company will assess better market opportunities for loans and advances and aim at diversifying the customer base in order to reduce per account risks. With the induction of new Promoters; we propose to improve our internal systems and methodologies. For details regarding our proposed Processes please see “*Key Business Processes*” and “*Summary of Key Policies*” beginning on pages 89 and 90 of the prospectus respectively.

- **Maintain and expand long term Relationship with Clients**

The Company believes that business is a by-product of relationship. The business model is based 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 ICDs and 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, backed by its strong clientele and relationship, intends to extend its financing services in other geographical areas in India and target the cities that are financial centres. Accordingly, we intend to expand our reach to Kolkata in Eastern India and to Jaipur in North-West India. We believe that expansion in these areas will enable us to capitalise on the fast growing MSME sector in this region. However, these intended expansions are not part of the funds being raised in this IPO.

DETAILS OF OUR BUSINESS

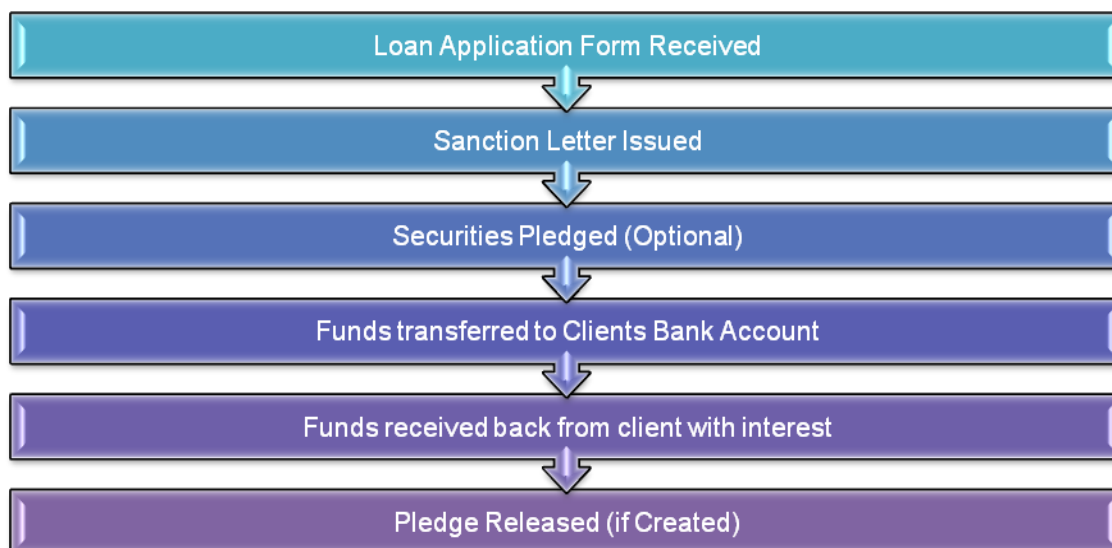
Location

Our Company operates from its registered office located at 61, Vats Market, Near Shiva Market, Pitampura, Delhi – 110034. India. As on the date of the prospectus, there are no branch offices of our company.

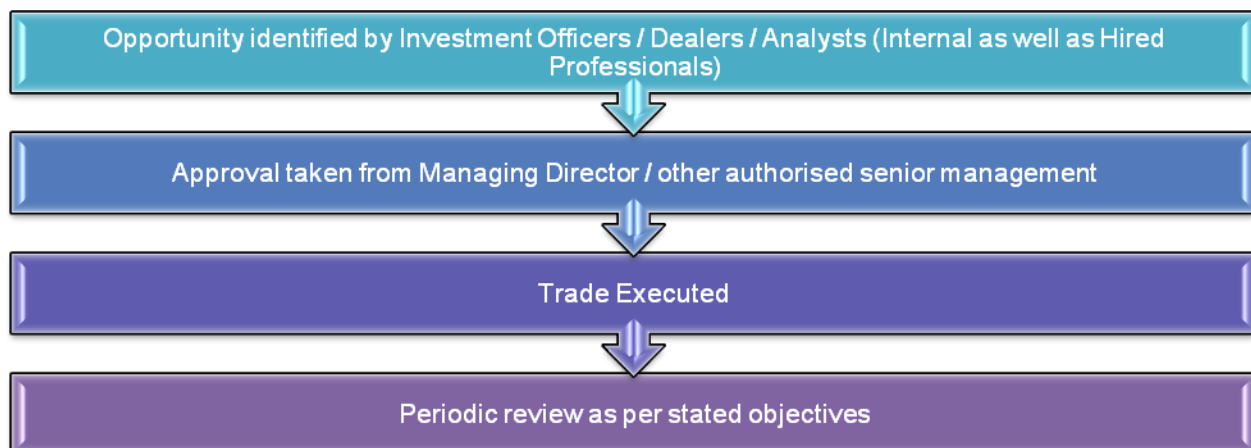
Key Business Processes

We have been running on a modest operating scale till 2012 - 2013, however, post the induction of Mr. Gopal Krishan Bansal and Mr. Sanjeev Mittal both Chartered Accountants 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 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. It will be the form policy to follow certain customer identification procedure for opening of accounts and monitoring transactions of a suspicious nature for the purpose of reporting it to appropriate authority.

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 is opened in anonymous or fictitious/ benami name(s)
2. KYC forms will be taken from the borrower
3. Loans will only be given to individual borrowers and not to and non-individual entity like trusts, limited companies, partnerships, etc. after approved by the Directors
4. 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
5. PAN Card as proof of identity will be obtained from all clients
6. 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.
7. In all cases the required of the company's PMLA policy will be met 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.

- 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 will be charged @ 12% to all categories of Borrowers. Interest rate will be revised in the event there is any upward revision in the rates by the regulator. Such changes and period will be communicated to the borrower by the lender.
- g) Interest may be charged below 12% 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 will be in consonance with the loan agreement.
- 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 (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 given 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 has been able to grow its outstanding loan book at a CAGR of 5.32% from March 31, 2011 to March 31, 2013. The following table provides a break-up of the loans sanctioned, disbursed and outstanding during Fiscals 2013, 2012 and 2011:

(₹ in lacs)

| Sr. No. | Particulars | Fiscal 2013 | Fiscal 2012 | Fiscal 2011 |
|---------|----------------------------------|-------------|-------------|-------------|
| 1 | Loans Sanctioned during the year | 1,299.32 | 1,394.54 | 1,518.02 |
| 2 | Loans Disbursed during the year | 1,299.32 | 1,394.54 | 1,518.02 |
| 3 | Outstanding Loans as at March | 1,286.81 | 1,259.35 | 1,132.43 |

As at on date, all our outstanding loans are on a fixed rate of interest. Our Company is consciously targeting markets that are relatively underpenetrated. The key target markets of our Company are tier 2, Tier 3 cities, Tehsil headquarters and the peripheral areas of tier 1 cities. We believe that sustained growth in the Indian economy will result in urbanization and significant development in tier 2 and tier 3 cities and Tehsil headquarters, resulting in an increase in requirement of finance to fulfil personal needs and expand their business needs and thereby making tier 2 and tier 3 cities attractive markets in the future.

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 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

General economic conditions in India have a significant impact on our results of operations. Last few years have been difficult years for the global economy and for India in its efforts to sustain the new found growth momentum of its economy. The Euro crisis has hit the financial markets in the industrialized economies, eventually pushing them into a near recession. Most emerging market slowed down significantly and India has also been affected. However, the Indian economy is further affected adversely owing a virtual policy paralysis leading to high inflation, CAD & higher fiscal deficit. Both domestic and external financing conditions are on the downturn. There are concerns on the Indian Economy achieving the desired growth trajectory that may lead to recovery. Private consumption demand is yet to pick up. Services sector growth remains below trend. We believe growth in the overall economy has driven in the past, and will drive, the underlying demand for investment products and services both in terms of the availability of capital for investment and the availability of such products and services.

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 96 of the 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. Chemicals, Infrastructure, Logistics, Plastics, etc. The percentage of income derived from top 5 and top 10 customers in the last financial year is given below:

(₹ in lacs)

| Sr. No. | Particular | FY ended March 2013 | | FY ended March 2012 | |
|---------|----------------------------------|---------------------|---------|---------------------|---------|
| | | Revenue | %age | Revenue | %age |
| 1 | Income from Top 5 Customers (%) | 67,89,702 | 54.62 % | 64,50,099 | 39.21 % |
| 2 | Income from Top 10 Customers (%) | 85,22,510 | 68.56 % | 78,48,352 | 47.71 % |

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 the prospectus, the Company has 8 employees.


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. The Company will work towards taking insurance coverage to such amounts that will be sufficient to cover all normal risks associated with its operations and is in accordance with the industry standard.

INTELLECTUAL PROPERTY RIGHTS



The logo “” and the name “Dhanuka Commercial Limited” is currently being registered in the name of the Company i.e. Dhanuka Commercial Limited. Company has filed an application dated February 21, 2014 before the Trade Mark Registry for registration of its name and logo under Class 36. The application is pending for registration. The company shall use the logo once the same is registered.

PROPERTIES

Leasehold Properties

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

| Location | Property Kind | Name of Lessor | Rent | Rent Period |
|--|---------------|---|--------------|-----------------------------------|
| 61, Vats Market, Near Shiva Market, Pitampura, Delhi- 110034 | Lease | Mr. Gopal Krishan Bansal, Karta of Gopal Bansal & Sons HUF | ₹12,500 p.m. | 5 Yrs (from February 01, 2014) |

Freehold Property / Land

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

LEGAL PROCEEDINGS

Other than as described in the chapter titled “*Outstanding Litigation and Material Developments*” beginning on page 163 of the prospectus, the Company is not currently a party to any proceedings and no proceedings are known by it 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” beginning on page 166 of the prospectus.

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 8th April, 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 lacs to be considered for the grant of CoR by the RBI. The RBI also has the power to exempt certain NBFC’s 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 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 NBFC's 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.⁽¹⁾

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 NBFC's 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 ₹10,000 lacs, 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.

Capital Adequacy Norms & Asset Liability Management ("ALM")

The Company is required to maintain the minimum capital ratio consisting of capital of not less than 10% of its aggregated risk weighted assets on balance sheet and of risk adjusted value of off – balance sheet.

Currently, this ratio is required to be at least 15%. The Company's assets should be financial assets and hence the ALM guidelines requiring the NBFC to manage the asset liability shall be implemented by reviewing its functioning periodically and overseeing. The ALM guidelines mainly address liquidity and interest rate risks.

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 NBFC's 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 Rupees 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 Rupees1 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, 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

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

Labour Laws

The Company is required to comply with various labour laws, including the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965, the Payment of Wages Act, 1936, the Payment of Gratuity Act, 1972, the Employees Provident Funds and Miscellaneous Provisions Act, 1952.

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

The Company has its registered office at 61, Vats Market, Near Shiva Market, Pitampura, Delhi- 110034, India and accordingly the provisions of DSE Act, 1954 are applicable to the Company. The said Act regulates the conditions of work and employment in shops and commercial establishments and generally prescribe 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.

Other Regulations

Laws relating to 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.

The Companies Act, 1956

The Companies Act, 1956 (“**the Act**”) deals with laws relating to companies and certain other associations. It was enacted by the parliament in the year 1956. The Act primarily regulates the formation, financing, functioning and winding up of companies. The Act prescribes regulatory mechanism regarding all relevant aspects including organizational, financial and managerial aspects of companies. Regulation of the financial and management aspects constitutes the main focus of the Act. In the functioning of the corporate sector, although freedom of companies is important, protection of the investors and shareholders, on whose funds they flourish, is equally important. The Act plays the balancing role between these two competing factors, namely, management autonomy and investor protection.

The Companies Act, 2013 (to the extent notified)

In the first phase of implementation, the Government has notified 98 sections on September 12, 2013. On September 18, 2013, Ministry of Corporate Affairs, through its General circular No.16/2013 has clarified that the sections of the old Act i.e. Companies Act, 1956 that correspond to the 98 provisions notified on September 12, 2013, will cease to have effect. In the following phases of implementation, the Government notified one more section on February 27, 2014 and additional 183 sections were notified on March 26, 2014 all of which are in effect as on date. The Government has also notified 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.

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 (“**SR Act**”) is complimentary to the provisions of the Contract Act and the Transfer of Property Act, as the SR Act applies both to movable property and immovable property. The SR Act applies in cases where the Court can order specific performance of a contract. Specific relief can be granted only for the 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.

The Competition Act, 2002

The Competition Act, 2002 (“**Competition Act**”) was enacted by the Parliament of India and governs Indian competition law. It replaced the archaic Monopoly and Restrictive Trade Practices Act. Under this act, the Competition Commission of India aims to prevent activities that have an adverse effect on competition 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.

Income-tax Act, 1961

The Income tax Act, 1961 (the “**IT Act**”) deals with the taxation of individuals, corporates, partnership firms and others. As per the provisions of the IT Act the rates at which they are required to pay tax is calculated on the income declared by them or assessed by the authorities, after availing the deductions and concessions accorded under the IT Act. 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 etc. The maintenance of Books of Accounts and relevant supporting documents and registers are mandatory under the IT Act. Filing of returns of Income is compulsory for all assesses.

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 ‘Circular 1 of 2014’ (the “**FDI Circular**”) which consolidates the policy framework on Foreign Direct Investment (“**FDI**”), with effect from April 17, 2014. The FDI Circular consolidates and subsumes all the press notes, press releases, and clarifications on FDI issued by DIPP till April 17, 2014. All the press notes, press releases, clarifications on FDI issued by DIPP till April 17, 2014 stand rescinded as on April 17, 2014. Foreign investment is permitted (except in the prohibited sectors) in Indian companies either through the automatic route or the approval route, depending upon the sector in which foreign investment is sought to be made. Under the approval route, prior approval of the Government of India through Foreign Investment Promotion Board (“**FIPB**”) is required. FDI for the items or activities that cannot be brought in under the automatic route may be brought in through the approval route. Where FDI is allowed on an automatic basis without the approval of the FIPB, the RBI would continue to be the primary agency for the purposes of monitoring and regulating Foreign Investment. In cases where FIPB approval is obtained, no approval of the RBI is required except with respect to fixing the issuance price, although a declaration in the prescribed form, detailing the foreign investment, must be filed with the RBI once the foreign investment is made in the Indian company. The RBI, in exercise of its power under the FEMA, has also notified the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000 to prohibit, restrict or regulate, transfer by or issue security to a person resident outside India.

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

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

- 17) Micro Credit
- 18) Rural Credit

Investment would be subject to 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) Minimum capitalization norm of US\$0.5 million is applicable in respect of all permitted non-fund based NBFCs with foreign investment irrespective of the level of foreign investment. However, it will not be permissible for such a company set-up any subsidiary for any other activity, nor can it participate in any equity of an NBFC holding/operating company.
- c) NBFCs having more than 75% and upto 100% foreign investment and with a minimum capitalization of US \$ 50 million can set up step down subsidiaries for specific NBFC activities, without any restriction on the number of operating subsidiaries and without bringing in additional capital. However, the minimum capitalization condition shall not apply to downstream subsidiaries.

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

HISTORY AND CERTAIN CORPORATE MATTERS

Our Company was incorporated as Dhanuka Commercial Private Limited on November 16, 1994 under the Companies Act, bearing Registration No. 065886 having its registered office in West Bengal. Later, the company shifted its registered office to Delhi pursuant to a special resolution passed by the members of our Company at the EGM held on August 11, 2012. An order from the Regional Director for change of state consequent to change of registered office from West Bengal to New Delhi was issued on October 10, 2013 by the Regional Director, Eastern Region, Kolkata. 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 January 27, 2014. 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 U30007DL1994PLC260191 and its Registered Office is situated at 61, Vats Market, Near Shiva Market, Pitampura, Delhi – 110 034, India.

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.05.05269 dated January 28, 2003.

Our existing promoters i.e. Mr. Sanjeev Mittal, Mr. Gopal Krishan Bansal and Mr. Mahesh Kumar Dhanuka and M/s. Talwaria Polymers Pvt. Ltd. are not the original promoters of the company and have acquired controlling interest in the company in 2010. *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 49 of the 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 2012 - 2013, however, post the induction of Mr. Gopal Krishan Bansal and Mr. Sanjeev Mittal both Chartered Accountants 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 ₹44.28 lacs for the period ended December 31, 2013 and ₹16.76 lacs for the year ended March 31, 2013 and a total loan and advances of ₹1,363.53 lacs and ₹1,359.81 lacs respectively in the above mentioned periods.

Our revenue from operations has increased from ₹95.93 lacs in F. Y. 2010-2011 to ₹164.59 lacs in F. Y. 2011-12 showing an increase of 71.57%. However, due to uncertain economic conditions our revenues witnessed a decline of 24.43 % to ₹124.38 lacs in F. Y. 2012-2013. For the nine months period ended on December 31, 2013 our revenue from operations was ₹103.52 lacs.

Our Profit before tax for the above mentioned periods are ₹ (23.74) lacs, ₹4.32 lacs and ₹16.76 lacs. Our Total Loans and advances have increased from a modest ₹72.00 lacs in 2008-09 to ₹1,359.81 lacs in 2012-13. We propose to increase our operating efficiencies and scale and plan to become a notable player in the Finance and Investment Field in India.

For further details regarding our business operations, please see the Chapter titled "*Business Overview*" beginning on page 87 of the prospectus.

Our Company has Nine (9) shareholders, as on the date of filing of the prospectus.

Major events in the history of our Company:

| YEAR | MAJOR EVENT |
|------|---|
| 1994 | Incorporation of our Company |
| 2003 | Received RBI License to carry our NBFC Activities (Non Deposit Taking Non Systemic) |
| 2009 | Our Current Promoter Mr. Mukesh Kumar Dhanuka was inducted on the Board |
| 2013 | Change of registered office from West Bengal to Delhi |
| 2014 | Our Co-Promoter Mr. Gopal Krishan Bansal was inducted on the Board |

| YEAR | MAJOR EVENT |
|------|--|
| 2014 | Issue of Bonus Shares |
| 2014 | Conversion of our Company into a Public Limited Company |
| 2014 | Our Co-Promoter Mr. Sanjeev Mittal was inducted on the Board |

For details of the changes in our Registered Office Address, please see the “Changes in Registered Office of our Company” on page 105 of the prospectus.

Main Objects of our Company

The main object of our Company is as follows:

- To carry on all or any of the business as buyers, sellers, suppliers and to carry on computer parts, computer data materials computing, data calculating, nuclear, medical and industrial equipment, electro acoustics devices, and to carry on suppliers, traders, merchants, indenters, brokers, agents, assemblers packers, stockiest, distributors and dealers of and in all kinds of agricultural products, food articles, forest products, minerals, metals chemicals, industrial and other gases alcohols, wines and beverages, eligible and non - eligible oils, fats petrol and diesel oil and other petroleum products, consumer and domestic and house hold articles, hardware goods, plant and machinery equipment, component stores spare parts and accessories and other engineering goods fibers and fibrous substances, commercial natural and manmade fibers, readymade garments, hi-fashion departmental stores, and hosiery goods, leather & and leather products sanitary materials textiles granite of all kinds all types of yarns, jute and jute products, cement dyes, building materials, vehicles and vehicle parts machine part and industrial components plastics and electronic parts and devices, bullion, gems, ivory, precious stocks, jewellery and ornaments, food grains and all kinds of articles, merchandise and other things required in connection therewith.
- To carry on business as advisors and / or management consultants on matters and problems relating to the industries, share broker, orrul and industrial taxation, administration, management, organization accountancy, costing, commercial quality control and data processing, technical knowhow, operation, production storage, graphic design, distribution sale and purchase of goods and properties, other activities of and in relation to any business, trade, commerce industries housing or real estate.

Changes in Registered Office of our Company

| Date of Change of Registered Office | Address |
|-------------------------------------|---|
| December 11, 2003 | Change of registered office from 67/50, Strand Road, Kolkata – 700 006 to 147/A/1, Girish Ghosh Road, Ghusury, Howrah - 711 107. |
| February 09, 2004 | Change of registered office from 147/A/1, Girish Ghosh Road, Ghusury, Howrah - 711 107 to 67/50, Strand Road, Kolkata – 700 007 |
| December 30, 2008 | Change of registered office from 67/50, Strand Road, 2 nd Floor, Jorasanko Kolkata, West Bengal - 700 007 to Stephen House 4, B. B. D. BAG, 2nd Floor, Room No.22A, Kolkata, West Bengal - 700 001 |
| April 24, 2009 | Change of registered office from Stephen House 4, B. B. D. BAG, 2nd Floor, Room No. 22A, Kolkata, West Bengal - 700 001 to 67/50, Strand Road, 2 nd Floor, Kolkata, West Bengal - 700 007 |
| November 08, 2013 | Change of registered office from 67/50, Strand Road, 2 nd Floor, Kolkata, West Bengal - 700 007 to 61, Vats Market, Near Shiva Market, Pitampura, Delhi - 110 034 |

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

Amendments to the Memorandum of Association

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

| DATE | NATURE OF AMMENDMENT |
|--------------------|---|
| May 19, 1998 | The Authorised Share Capital was increased from ₹1,00,000 to ₹25,00,000 |
| December 29, 1999 | The Authorised Share Capital was increased from ₹25,00,000 to ₹26,00,000 |
| September 09, 2003 | The Authorised Share Capital was increased from ₹26,00,000 to ₹46,00,000 |
| March 30, 2004 | The Authorised Share Capital was increased from ₹46,00,000 to ₹47,00,000 |
| March 20, 2006 | The Authorised Share Capital was increased from ₹47,00,000 to ₹63,00,000 |
| October 09, 2006 | The Authorised Share Capital was increased from ₹63,00,000 to ₹1,80,00,000 |
| December 31, 2013 | The Authorised Share Capital was increased from ₹1,80,00,000 to ₹17,00,00,000 |
| November 08, 2013 | Change of registered office from State of West Bengal to State of Delhi |
| January 27, 2014 | Conversion of Private Limited Company to Public Limited Company |
| April 28, 2014 | Amendments to Memorandum of Association |

Subsidiaries

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

Joint Ventures

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

Acquisition of business/undertakings

We have not acquired any business/undertakings till date.

Shareholder Agreements

There are no Shareholder Agreements existing as on the date of the 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 the prospectus.

Other Confirmations

Our Company is not operating under any injunction or restraining order.

Financial Partners

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

Strategic Partners

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

OUR MANAGEMENT

Board of Directors

Our Board of Director comprises of 2 Executive Directors and 5 Non-Executive Directors out of which 4 are Independent Directors.

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

| Sr. No. | Name, Designation, Address, Occupation, Term, Date of Birth and DIN | Nationality | Age | Other Directorships |
|---------|--|-------------|-------------|--|
| 1 | <p>Mr. Sanjeev Mittal <i>Non-Executive Chairman</i></p> <p><i>Address:</i> A-2/204, Paschim Vihar, New Delhi-110063</p> <p><i>Occupation:</i> Professional</p> <p><i>Term:</i> Liable to retire by rotation</p> <p><i>Date of Birth:</i> June 19, 1966</p> <p><i>DIN:</i> 00078563</p> | Indian | 47 Years | <ul style="list-style-type: none"> • CMA Infin Consultants Pvt. Ltd. • SSM Commodities Pvt. Ltd. |
| 2 | <p>Mr. Mahesh Kumar Dhanuka <i>Managing Director</i></p> <p><i>Address:</i> 97/99/1/2, Sri Arvinda Road, Sadar, Salkia, Howrah, West Bengal -711106.</p> <p><i>Occupation:</i> Business</p> <p><i>Term:</i> February 17, 2014 to February 16, 2017</p> <p><i>Date of Birth:</i> May 25, 1958</p> <p><i>DIN:</i> 00069473</p> | Indian | 55 Years | <ul style="list-style-type: none"> • Silverson Suppliers Pvt. Ltd. |
| 3 | <p>Mr. Gopal Krishan Bansal <i>Executive Director</i></p> <p><i>Address:</i> H-154, Pocket- 17, Sector-7, Rohini, New Delhi - 110085</p> <p><i>Occupation:</i> Professional</p> <p><i>Term:</i> Liable to retire by Rotation</p> <p><i>Date of Birth:</i> October 03, 1968</p> <p><i>DIN:</i> 00073139</p> | Indian | 45 Years | <ul style="list-style-type: none"> • GG Recreation Pvt. Ltd. |

| Sr. No. | Name, Designation, Address, Occupation, Term, Date of Birth and DIN | Nationality | Age | Other Directorships |
|---------|---|-------------|-------------|---------------------------|
| 4 | <p>Mr. Mukesh Bansal <i>Non-Executive Independent Director</i></p> <p><i>Address:</i> G-21/191, Sector-7, Rohini, Delhi – 110 085</p> <p><i>Occupation:</i> Service</p> <p><i>Term:</i> Liable to retire by Rotation</p> <p><i>Date of Birth:</i> November 27, 1983</p> <p><i>DIN:</i> 06810137</p> | Indian | 30 Years | Nil |
| 5 | <p>Mr. Sandeep Kumar Aggarwal <i>Non-Executive Independent Director</i></p> <p><i>Address:</i> A-27, D L and C Group Housing Society Ltd, Plot No. 8, Sector 12, Dwarka, Delhi, 110075</p> <p><i>Occupation:</i> Service</p> <p><i>Term:</i> Liable to retire by Rotation</p> <p><i>Date of Birth:</i> January 29, 1968</p> <p><i>DIN:</i> 01132951</p> | Indian | 46 Years | • Jag Par Securities Ltd. |
| 6 | <p>Mr. Surinder Kumar Bangia <i>Non-Executive Independent Director</i></p> <p><i>Address:</i> 42 A, Pocket-C, Sidhartha Extension, New Delhi, 110014.</p> <p><i>Occupation:</i> Service</p> <p><i>Term:</i> Liable to retire by Rotation</p> <p><i>Date of Birth:</i> January 01, 1948</p> <p><i>DIN:</i> 06822009</p> | Indian | 66 Years | Nil |
| 7 | <p>Mrs. Rajni Garg <i>Non-Executive Independent Director</i></p> <p><i>Address:</i> C-5/6, Mount Everest Society, Sector-9, Dwarka, New Delhi, 110034.</p> <p><i>Occupation:</i> Service</p> <p><i>Term:</i> Liable to retire by Rotation</p> <p><i>Date of Birth:</i> June 25, 1987</p> <p><i>DIN:</i> 06859907</p> | Indian | 26 Years | Nil |

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.
- 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 are no service contracts entered into by the Directors with our Company providing for benefits upon termination of employment.
- None of our directors are/have been directors in any listed company, whose shares have been suspended or delisted from any stock exchange in the past.

Brief Biographies

- **Mr. Sanjeev Mittal**

Mr. Sanjeev Mittal, aged 47 years, is the Promoter Director of our Company and was appointed as the Non-Executive Chairman of our Company with effect from February 17, 2014. He is member of the Institute of Chartered Accountants of India (ICAI) since 1990 and holds a Bachelors degree in Science from Kurukshetra University, Haryana. He has hence acquired relevant experience of 23 years in the field of Accounts, Auditing, Taxation and Statutory Compliance. He has also vast experience in field of Finance, Project Financing, Share Market Research, Bonds Market & RBI/Banking matters.

- **Mr. Mahesh Kumar Dhanuka**

Mr. Mahesh Kumar Dhanuka, aged 55 years, is the Promoter of our Company and has been appointed as the Managing Director of our company with effect from February 17, 2014. He has 25 years of working experience as Accounts Head cum Cashier at M/s. Calcutta Wheat & Food Products Pvt. Ltd.

- **Mr. Gopal Krishan Bansal**

Mr. Gopal Krishan Bansal, aged 45 years, is the Promoter of our Company and was appointed as the Executive Director of our Company with effect from January 25, 2014. He did his Bachelors and Masters in Commerce from Ajmer University, Rajasthan and is a member of the Institute of Chartered Accountants of India (ICAI) since 1994. He has hence acquired relevant experience of 20 years in the field of Finance, Investments, Accounts, Auditing, Taxation and Statutory Compliance.

- **Mr. Mukesh Bansal**

Mr. Mukesh Bansal, aged 30 years, was appointed as the Non Executive Independent Director of our Company with effect from February 17, 2014. He did his Bachelors in Commerce from Delhi University and his Post Graduate Diploma in Business Administration from Symbiosis Centre for Distance Education. He is currently working with ICICI Prudential as the Business Manager since five years and has gained experience in the field of Finance and Insurance Marketing.

- **Mr. Sandeep Kumar Aggarwal**

Mr. Sandeep Kumar Aggarwal, aged 46 years, was appointed as the Non Executive Independent Director of our Company with effect from February 17, 2014. He did his Bachelors in Commerce from Punjab University and is an Associate Member of Institute of Chartered Accountants of India (ICAI). He has a rich work

experience of 21 years in the Finance Sector. He is currently working as the Chief Financial Officer of M/s. Insecticides India Ltd.

- **Mr. Surinder Kumar Bangia**

Mr. Surinder Kumar Bangia, aged 66 years, was appointed as the Non Executive Independent Director of our Company with effect from February 19, 2014. He did his Bachelors in Law from Kurukshetra University, Haryana and also earned a Diploma in Corporate Law & Secretarial Practice. He served the State Bank of India for almost four decades at different positions. He retired from the State Bank of India as an Assistant General Manager.

- **Mrs. Rajni Garg**

Mrs. Rajni Garg, aged 26 years, was appointed as the Non Executive Independent Director of our Company with effect from May 03, 2014. She did her Bachelors in Commerce from Delhi University and has also completed Diploma in Business Administration from Symbiosis Centre for Distant Learning. She has an overall experience of 2 years in Finance Sector.

Borrowing Powers of our Board of Directors

Pursuant to section 180 of the Companies Act 2013, our board of directors shall not borrow moneys after the commencement of this Act, 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. We confirm that the borrowing powers of directors are in compliance with the relevant provision of the Companies Act, 2013.

For further details of the provisions of our Articles of Association regarding borrowing powers, please see the section titled “*Main Provisions of the Articles of Association of our Company*” beginning on page 213 of the prospectus.

Remuneration of Directors

- **Mr. Mahesh Kumar Dhanuka, Managing Director**

The compensation package payable to Mr. Dhanuka as resolved in the Board meeting held on February 14, 2014 is stated hereunder:

Salary, Allowances and Perquisites: ₹15,000 per month (inclusive of all benefits)

Bonus: Nil

Commission: Subject to overall limited laid down in Section 198 and 309 of the Companies Act, 1956, such percentage of net profit of the company as may be decided by the board of directors for each financial year.

Note: *The said compensation shall not exceed the overall limit prescribed under section 197 of the Companies Act, 2013*

Compensation of Non-Executive Directors

The Board of Directors have accorded their approval for payment of sitting fee, in their meeting held on February 19, 2014, whereby the Non - Executive Independent Directors of our Company would be entitled to a sitting fee of ₹500/- for attending every meeting of the Board or its committee thereof.

No remuneration was paid to the Non - Executive Independent Directors in the preceding fiscal year.

Shareholding of Directors

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

| Name of Directors | No. of Equity Shares held | Holding in % of Pre Issue Equity Share Capital |
|-----------------------|---------------------------|--|
| Sanjeev Mittal | - | - |
| Mahesh Kumar Dhanuka | 5,08,875 | 4.14 |
| Gopal Krishan Bansal | - | - |
| Mukesh Bansal | - | - |
| Sandeep Aggarwal | - | - |
| Surinder Kumar Bangia | - | - |
| Rajni Garg | - | - |
| TOTAL | 5,08,875 | 4.14 |

Interest of Directors

Our Company has been promoted by Mr. Sanjeev Mittal, Mr. Mahesh Kumar Dhanuka & Mr. Gopal Krishan Bansal, being individual Promoters and M/s. Talwaria Polymers Pvt. Ltd., being the Corporate Promoter. The Promoters may be deemed to be interested in the promotion of our Company to the extent of shares held by them and their relatives. The Promoters may also benefit from holding directorship in our Company. All our Directors may be deemed to be interested to the extent of compensation paid/payable and/or fees, if any, payable to them for attending meetings of the Board and of committees thereof, reimbursement of expenses as well as to the extent of commission and other remuneration, if any, payable to them under the Articles of Association and the applicable laws. Some of the Directors may be deemed to be interested to the extent of consideration received/paid or any loan or advances provided to anybody-corporate including companies and firms, and trusts, in which they are interested as directors, members, partners or trustees. Our Directors may also be regarded interested to the extent of dividend payable to them and other distributions in respect of the Equity Shares, if any, held by them or by the companies / firms / ventures promoted by them or that may be subscribed by or allotted to them and the companies, firms, in which they are interested as Directors, members, partners and Promoters, pursuant to this Issue.

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

Changes in our Board of Directors in the last three years

| Sr. No. | Name of Director | Date of Change | Reason for change |
|---------|-----------------------|-------------------|-------------------|
| 1. | Ankit Garg | July 25, 2013 | Resignation |
| 2. | Gopal Krishan Bansal | January 25, 2014 | Appointment |
| 3. | Sanjeev Mittal | February 17, 2014 | Appointment |
| 4. | Sandeep Aggarwal | February 17, 2014 | Appointment |
| 5. | Mukesh Bansal | February 17, 2014 | Appointment |
| 6. | Surinder Kumar Bangia | February 19, 2014 | Appointment |
| 7. | Vinod Kumar Aggarwal | February 19, 2014 | Resignation |
| 8. | Rajni Garg | May 03, 2014 | Appointment |

Corporate Governance

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

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

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

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

Audit Committee

Our Company has constituted an Audit Committee, as per the provisions of Section 292A of the Companies Act 1956. The constitution of the Audit Committee was approved at the meeting of the Board of Directors held on February 19, 2014. The reconstitution of the Audit Committee as per Section 177 of the Companies Act, 2013 was approved at the meeting of the Board of Directors held on April 02, 2014. The Committee functions as prescribed under Section 177 of the Companies Act, 2013 and Clause 52 of the SME listing agreement. The members of the committee at present are:

| Sr. No. | Name | Designation in Committee | Nature of Directorship |
|---------|----------------------------|--------------------------|------------------------------------|
| 1. | Mr. Sandeep Kumar Aggarwal | Chairman | Non-Executive Independent Director |
| 2. | Mr. Mukesh Bansal | Member | Non-Executive Independent Director |
| 3. | Mr. Mahesh Kumar Dhanuka | Member | Managing Director |

The Audit Committee enjoys following powers:

- a. To investigate any activity within its terms of reference,
- b. To seek information from any employee
- c. To obtain outside legal or other professional advice, and
- d. To secure attendance of outsiders with relevant expertise if it considers necessary.

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.

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

1. Oversight of the Issuer's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013
 - b. Changes, if any, in accounting policies and practices and reasons for the same
 - c. Major accounting entries involving estimates based on the exercise of judgment by management
 - d. Significant adjustments made in the financial statements arising out of audit findings
 - e. Compliance with listing and other legal requirements relating to financial statements
 - f. Disclosure of any related party transactions
 - g. Qualifications in the draft audit report.
5. Reviewing, with the management, the half yearly financial statements before submission to the board for approval
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes 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.
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;

12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
13. 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.
14. Discussion with internal auditors any significant findings and follow up there on.
15. 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.
16. 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.
17. 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.
18. To review the functioning of the Whistle Blower mechanism,
19. 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.
20. 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.

Meeting of Audit Committee and relevant Quorum

The audit committee shall meet at least 4 times in a year and not more than 4 months shall elapse between 2 meetings. The quorum shall be either 2 members or one third of the members of the Audit Committee whichever is greater, but there shall be a minimum of 2 Independent Directors, who are members, present.

Stakeholders Relationship Committee

Our Company has constituted a Shareholders'/Investors' Grievance Committee. The constitution of the Shareholders'/Investor' Grievance Committee was approved by a Meeting of the Board of Directors held on February 19, 2014. The reconstitution of the Stakeholders Relationship Committee as per Section 178(5) of the Companies Act, 2013 was approved at the meeting of the Board of Directors held on April 02, 2014. The committee is formed to specifically look into the redressal of shareholder and investor complaints. The members of the committee at present are:

| Sr. No. | Name | Designation in Committee | Nature of Directorship |
|---------|----------------------------|--------------------------|------------------------------------|
| 1. | Mr. Mukesh Bansal | Chairman | Non-Executive Independent Director |
| 2. | Mr. Sandeep Kumar Aggarwal | Member | Non-Executive Independent Director |
| 3. | Mr. Gopal Krishan Bansal | Member | Executive Director |

The terms of reference of the Stakeholders Relationship Committee shall be as follows:

- a) Efficient transfer of shares; including review of cases for refusal of transfer / transmission of shares and debentures;
- b) Redressal of shareholder and investor complaints like transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends etc;
- c) Issue of duplicate / split / consolidated share certificates;
- d) Allotment and listing of shares;
- e) Review of cases for refusal of transfer / transmission of shares and debentures;
- f) Reference to statutory and regulatory authorities regarding investor grievances; and
- g) To otherwise ensure proper and timely attendance and redressal of investor queries and grievances.
- h) Any other power specifically assigned by the Board of Directors of the Company

Quorum for Stakeholders Relationship Committee

The quorum necessary for a meeting of the Shareholders' / Investors' Grievance Committee shall be 2 members or one third of the members, whichever is greater.

Nomination and Remuneration Committee

Our Company has constituted a Nomination and Remuneration Committee. The constitution of the Remuneration committee was approved by a Meeting of the Board of Directors held on February 19, 2014. The reconstitution of the Nomination and Remuneration Committee as per Section 178(1) of the Companies Act, 2013 was approved at the meeting of the Board of Directors held on April 02, 2014. The said committee is comprised as under:

| Sr. No. | Name | Designation in Committee | Nature of Directorship |
|----------------|----------------------------|---------------------------------|------------------------------------|
| 1. | Mr. Surinder Kumar Bangia | Chairman | Non-Executive Independent Director |
| 2. | Mr. Mukesh Bansal | Member | Non-Executive Independent Director |
| 3. | Mr. Sandeep Kumar Aggarwal | Member | Non-Executive Independent Director |

The terms of reference of the Nomination and Remuneration committee are:

- 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 for Nomination and Remuneration Committee

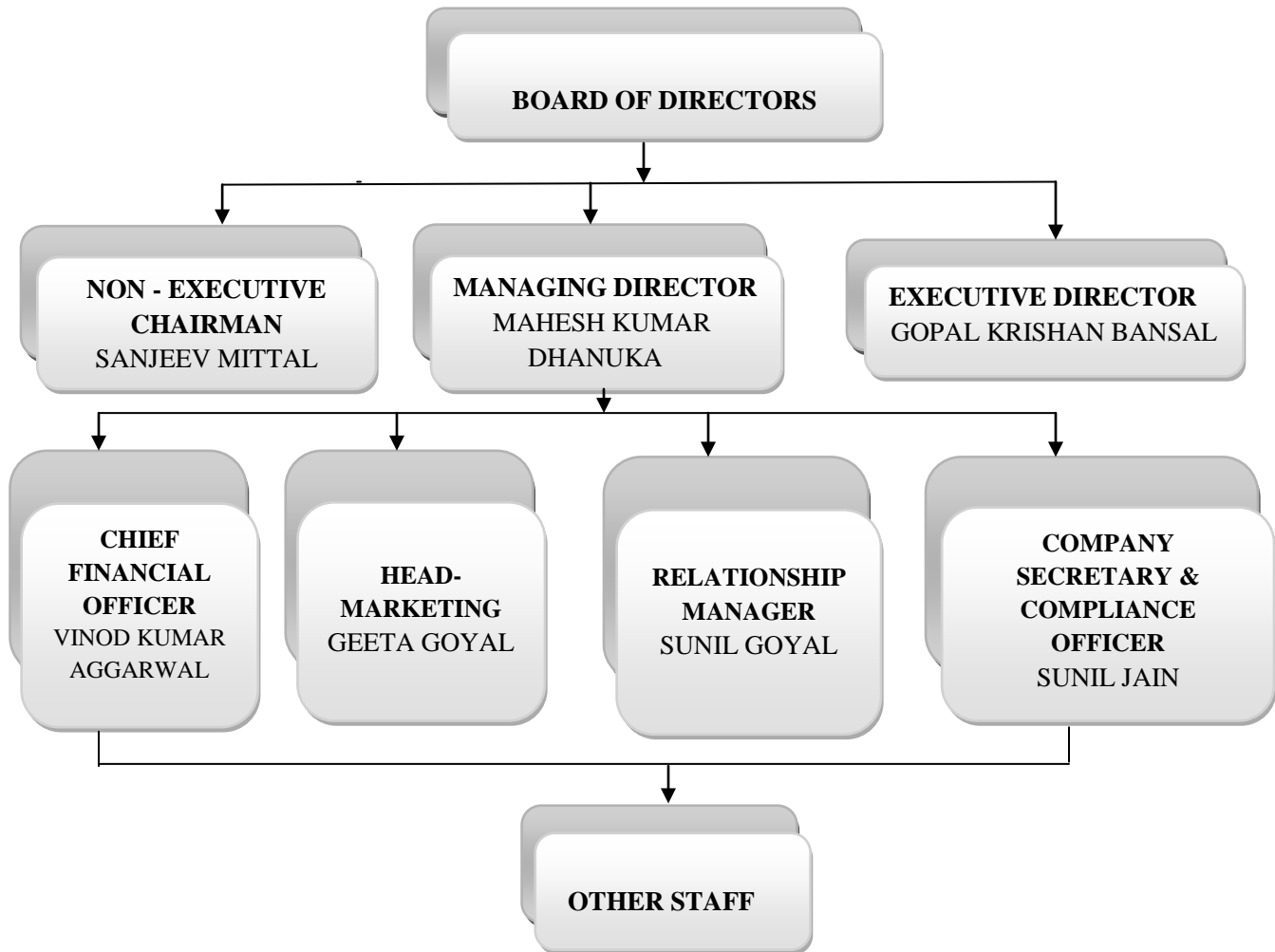
The quorum necessary for a meeting of the Remuneration Committee shall be 2 members or one third of the members, whichever is greater.

Policy on Disclosure and Internal Procedure for Prevention of Insider Trading

Our company undertakes to comply with the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 1992 after listing of our Company's Equity Shares on the Stock Exchanges. Further, Board of Directors have approved and adopted the policy on insider trading in view of the proposed public issue.

Mr. Sunil Jain Compliance Officer is responsible for setting forth policies, procedures, monitoring and adherence to the rules for the preservation of price sensitive information and the implementation of the code of conduct under the overall supervision of the Board.

ORGANISATIONAL STRUCTURE OF THE COMPANY



Key Managerial Personnel

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

| Name of Employee | Designation & Functional Area | Date of Joining | Current C.T.C (₹ in lacs) | Perks & Requisites | Qualification | Name of Previous Employer(s) | Total years of Experience |
|---------------------------|--|-------------------|---------------------------|--------------------|---------------------------|------------------------------|---------------------------|
| Ms. Geeta Goyal | Head of Marketing | April 01, 2010 | 6.00 | NIL | BBA | NIL | 5 years |
| Mr. Sunil Goel | Relationship Manager | July 01, 2010 | 6.00 | NIL | B.Com | NIL | 5 years |
| Mr. Sunil Jain | Company Secretary & Compliance Officer | February 19, 2014 | 2.04 | NIL | Company Secretary & B.Com | Vinay Jain & Associates | 1.5 years |
| Mr. Vinod Kumar Aggarwal* | Chief Financial Officer | April 02, 2014 | 1.80 | NIL | B.Com | Shyam Goel & Associates | 15 years |

*Mr. Vinod Kumar Aggarwal was appointed as 'Sr. Manager (Accounts & Finance)' in our company on February 20, 2014 and was re-designated as 'Chief Financial Officer' vide Board resolution dated April 02, 2014 as per Section 203 of the Companies Act, 2013.

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 is 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 filing of the prospectus.

Interest of Key Managerial Personnel

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

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

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

Loans taken by Key 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, 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 the prospectus

| Name | Designation | Date of Change | Reason |
|---------------------------|--|-----------------------|---------------|
| Mr. Sunil Jain | Company Secretary & Compliance Officer | February 19, 2014 | Appointment |
| Mr. Vinod Kumar Aggarwal* | Chief Financial Officer | April 02, 2014 | Appointment |

**Mr. Vinod Kumar Aggarwal was appointed as 'Sr. Manager (Accounts & Finance)' in our company on February 20, 2014 and was re-designated as 'Chief Financial Officer' vide Board resolution dated April 02, 2014 as per Section 203 of the Companies Act, 2013.*

OUR PROMOTERS AND PROMOTER GROUP

The Promoters of our Company are:




Individual Promoter:

1. Mr. Sanjeev Mittal
2. Mr. Mahesh Kumar Dhanuka
3. Mr. Gopal Krishan Bansal

Corporate Promoter:

1. M/s. Talwaria Polymers Pvt. Ltd.

The details of our Promoters who are individuals are as follows:

| | | |
|---|--|---|
|  Mr. Sanjeev Mittal | Identification | Details |
| | PAN | AAQPM2672J |
| | Passport No. | J0041186 |
| | Driving License Number | P04052007515743 |
| | Voter's ID | JB1113984 |
| | Bank Account Number | 00911000260061 |
| | Name of Bank & Branch | HDFC Bank (Punjabi Bagh, New Delhi) |
| | <i>Mr. Sanjeev Mittal, aged 47 years is on our Board. For further details, please see chapter titled "Our Management" beginning on page 107 of the prospectus.</i> | |
|  Mr. Mahesh Kumar Dhanuka | Identification | Details |
| | PAN | ACTPD8370R |
| | Passport No. | L3938967 |
| | Driving License Number | NA* |
| | Voter's ID | WBE1335280 |
| | Bank Account Number | 02141010001750 |
| | Name of Bank & Branch | Oriental Bank of Commerce (Liluah, West Bengal) |
| | <i>Mr. Mahesh Kumar Dhanuka, aged 55 years is on our Board. For further details, please see chapter titled "Our Management" beginning on page 107 of the prospectus.</i> | |
|  Mr. Gopal Krishan Bansal | Identification | Details |
| | PAN | AALPB3714H |
| | Passport No. | F 2183322 |
| | Driving License Number | DL-1119940039675 (P) |
| | Voter's ID | AFQ0897074 |
| | Bank Account Number | 629801505803 |
| | Name of Bank & Branch | ICICI Bank (Rohini Branch, New Delhi) |
| | <i>Mr. Gopal Krishan Bansal, aged 45 years is on our Board. For further details, please see chapter titled "Our Management" beginning on page 107 of the prospectus</i> | |

**Mr. Mahesh Kumar Dhanuka does not hold a driving license.*

For additional details regarding age, background, personal address, educational qualifications, experience, positions/posts held in the past, terms of appointment as Directors and other directorships of our Promoters, please see the Chapter titled "Our Management" beginning on page 107 of the prospectus.

For details of the build-up of our Promoters' shareholding in our Company, please see the chapter titled "Capital Structure –Notes to Capital Structure" beginning on page 46 of the prospectus.

Brief Profile of our Corporate Promoter

Talwaria Polymers Pvt. Ltd. (TPPL)

| | |
|---|---|
| Name | M/s. Talwaria Polymers Pvt. Ltd. |
| PAN | AAACT4940P |
| Company Registration Number | U25201DL1997PTC090081 |
| Address of ROC with which the company was registered | 4 th Floor, IFCI Tower, 61, Nehru Place, New Delhi-110 019 |
| Bank Account Number | 212002000003090 |
| Name of the Bank and Branch | Indian Overseas Bank (New Delhi) |

Brief History and Background

TPPL was incorporated on October 08, 1997 as a private limited company under the Companies Act, 1956 as 'Talwaria Polymers Pvt. Ltd.' (TPPL) and was registered with the Registrar of Companies, Delhi.

The registered office of TPPL is situated at BC 324, Mangol Puri, Industrial Area, Phase- II, New Delhi-110034. The company is currently involved in the business of plastic, thermocole, leather business etc.

The Company was originally promoted by Mr. Gopendera Garg and Mr. Pawan Garg holding 100 equity shares each. In March 2009, our current promoter Mr. Gopal Krishan Bansal along with his wife acquired controlling interest in the company. Mrs. Reena Bansal, wife of Mr. Gopal Krishan Bansal in currently on the board of the company. Except for this there has not been any change in management/control of TPPL in the last three years.

TPPL was not the original promoter of our company; however it currently holds 44,05,029 Equity Shares of our Company, which constitutes 35.80 % of our Pre-Issue paid- up share capital. The Post- Issue shareholding of TPPL will be 26.31%. For details of the build-up of our TPPL's shareholding in our Company, please see "Capital Structure – Notes to Capital Structure" on page 46 of the prospectus. Further, we confirm that, compliance with SEBI (SAST) Regulations and Listing Agreement was not applicable, since shares of our Company were not listed on any Sock Exchange in India at the time of said acquisitions.

Nature and extent of interest of our Promoters

Our Promoters and Promoters Group currently hold 69.92 % equity in TPPL.

Board of Directors

The Board of Directors of TPPL as on date of the prospectus are:

| Sr. No. | Name of Director | Designation |
|----------------|--------------------------|--------------------|
| 1 | Mrs. Reena Bansal | Director |
| 2 | Mr. Vinod Kumar Aggarwal | Director |

Financial Information

The brief audited financial Information of TPPL for the last three years is set forth below:

(Amt in ₹lacs)

| Sr. No. | Particulars | As at March 31 | | |
|---------|--|----------------|--------|--------|
| | | 2013 | 2012 | 2011 |
| 1. | Equity Capital | 13.58 | 10.00 | 10.00 |
| 2. | Reserves (excluding revaluation reserve) and Surplus | 168.61 | 123.93 | 123.55 |
| 3. | Income including other income | 12.04 | 10.85 | 10.20 |
| 4. | Profit/ (Loss) after tax | 0.28 | 0.46 | 0.52 |
| 5. | Earnings per share (face value of ₹10 each) | 0.21 | 0.46 | 0.52 |
| 6. | Net asset value per share | 134.16 | 133.93 | 133.55 |

Other undertakings and confirmations

We confirm that the PAN, Bank account number and passport number of the Individual Promoters and 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 Prospectus with the Stock Exchange.

Our Promoters, the members of our Group Companies and relatives of our Promoters (as per the Companies Act) have confirmed that they have not been identified as willful 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, Promoter Groups 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.

Outstanding Litigation

There is no outstanding litigation against our Promoters except as disclosed in the section titled “*Risk Factors*” and the chapter titled “*Outstanding Litigation and Material Developments*” beginning on pages 12 and 163 respectively of the prospectus.

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

None of our Promoters have disassociated themselves from any of the companies, firms or entities during the last three years preceding the date of the prospectus.

Experience of Our Promoters in the business of Our Company

Our Promoters Mr. Sanjeev Mittal and Mr. Gopal Krishan Bansal have an experience of over 23 years and 20 years respectively, in similar business as of our company. Our Promoters are assisted by a team of dedicated employees to manage the operations of our Company.

Interests of Promoters

Except Mr. Gopal Krishan Bansal, who is interested to the extent of rent paid/payable to him in the capacity of the Karta of Gopal Bansal & Sons HUF; none of our Directors / Promoters of the Company have any interest in our Company except to the extent of compensation payable/paid 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 “*Capital Structure*”, “*Our Promoters and Promoter Group*” and “*Our Management*” beginning on pages 45 , 120 and 107 of the prospectus.

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

Except as stated in “*Annexure XXII – Statement of Related Party Transactions*” of the chapter titled “*Financial Statements*” beginning on page 150 of the prospectus, there has been no payment of benefits to the Promoters during the two years preceding the date of the prospectus.

Common Pursuits of Our Promoters

Our Promoter and the Non-Executive Director, Mr. Sanjeev Mittal is on the Board of Directors of M/s. SSM Commodities Pvt. Ltd. and M/s. CMA Infin Consultants Pvt. Ltd. while our Executive Director Mr. Gopal Krishan Bansal is on the Board of M/s. GG Recreation Pvt. Ltd. Our Promoter and Managing Director, Mr. Mahesh Kumar Dhanuka is on the Board of M/s. Silverson Suppliers Pvt. Ltd. These companies may be enabled under their objects of their respective Memorandum of Associations to undertake activities which are similar to ours.

Our Company has not adopted any measures for mitigating such conflicting situations. For further details on the related party transactions, to the extent of which our Company is involved, please see the “*Annexure XXII – Statement of Related Party Transactions*” of the section titled “*Financial Information*” beginning on page 150 of the prospectus.

Interest of Promoters in the Promotion of our Company

Our Company is currently promoted by the promoters in order to carry on its present business. Our Promoters are interested in our Company as mentioned above under “*Our Promoters and Promoter Group – Common Pursuits of our Promoters*” 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 the prospectus or proposed to be acquired by our Company as on the date of filing of the Prospectus, other than as mentioned in the chapters titled “*Business Overview*” and “*Objects of the Issue*” beginning on pages 87 and 59 respectively of the 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.

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

For details, please see “*Annexure XXII – Statement of Related Party Transactions*” of the section titled “*Financial Information*” beginning on page 150 of the 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 107 and 45 respectively of the prospectus.

Except as mentioned in this section and the chapters titled “*Business Overview*”, “*Objects of the Issue*”, “*History and Certain Corporate matters*” and “*Annexure XXII – Statement of Related Party Transactions*” of the section titled “*Financial Information*” beginning on pages 87, 59, 104 and 150 respectively, our Promoters do not have any interest in our Company other than as promoters.

Related Party Transactions

Except as stated in the “*Annexure XXII – Statement of Related Party Transactions*” of the section titled “*Financial Information*” beginning on page 150, our Company has not entered into related party transactions with our Promoters or our Group Companies.

Shareholding of the Promoter Group in our Company

For details of shareholding of members of our Promoter Group as on the date of filing of the prospectus please see chapter titled “*Capital Structure – Notes to Capital Structure*” beginning on page 46 of the prospectus.

Other confirmations

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 in the “*Annexure XXII – Statement of Related Party Transactions*” of the section titled “*Financial Information*” beginning on page 150 of the prospectus.

OUR PROMOTER GROUP

Apart from our Promoters, the following individuals and entities form 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. Sanjeev Mittal, Mr. Mahesh Kumar Dhanuka and Mr. Gopal Krishan Bansal, the following natural persons (being the immediate relatives of our Promoters), shall form part of our Promoter Group:

| Name of the Promoter | Name of the Relative | Relationship with the Promoter |
|--------------------------|---|--------------------------------|
| Mr. Sanjeev Mittal | Vas Dev Mittal | Father |
| | Kanta Mittal | Mother |
| | Seema Mittal | Wife |
| | Sangeeta Thathi & Seema Bansal | Sister(s) |
| | Amit Mittal | Son |
| | Aditi Mittal | Daughter(s) |
| | Sulekh Chand Singla | Wife's Father |
| | Kaushalya Devi Singla | Wife's Mother |
| | Shyam Singla & Ashok Kumar Singla | Wife's Brother(s) |
| | Manju Goyal | Wife's Sister(s) |
| Mr. Mahesh Kumar Dhanuka | Ladhu Ram Dhanuka | Father |
| | Savitri Devi Dhanuka | Mother |
| | Seema Dhanuka | Wife |
| | Raj Kumar Dhanuka & Subhash Dhanuka | Brother(s) |
| | Laxmi Devi Mittal | Sister(s) |
| | Vivek Dhanuka | Son |
| | Madhu Dhanuka ,Swati Dhanuka & Jyoti Dhanuka | Daughter(s) |
| | Murari Lal Aggarwal | Wife's Father |
| | Geeta Devi Aggarwal | Wife's Mother |
| | Rajesh Aggarwal | Wife's Brother(s) |
| | Shweta Aggarwal | Wife's Sister(s) |
| Mr. Gopal Krishan Bansal | Shyam Lal Bansal | Father |
| | Sarla Devi Bansal | Mother |
| | Reena Bansal | Wife |
| | Purushotam Bansal, Vinod Bansal & Sanjay Bansal | Brother(s) |
| | Shashank Bansal & Parichay Bansal | Son |
| | Arjun Dev Lila | Wife's Father |
| | Kamla Devi Lila | Wife's Mother |
| | Mahendra Lila & Amit Lila | Wife's Brother(s) |
| Neelam Garg | Wife's Sister(s) | |

2. Other Individuals who are part of the Promoter Group: None

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. TPPL) the following entities would form part of our Promoter Group:

| Sr. No. | Name of Promoter Group Entity |
|----------------|--------------------------------------|
| 1. | GG Recreation Pvt. Ltd. |
| 2. | Silverson Suppliers Pvt. Ltd. |
| 3. | SSM Commodities Pvt. Ltd. |
| 4. | Dev Softech Pvt. Ltd. |
| 5. | CMA Infin Consultants Pvt. Ltd. |

OUR GROUP COMPANIES

The following company is promoted by our Promoters (including companies under the same management pursuant to Section 370 (1B) of the Companies Act) and thus is our Group Companies as defined under Schedule VIII of the SEBI Regulations.

Unless otherwise stated none of the companies forming part of the Group Companies, is a sick company under the meaning of SICA and none of them are under winding up. Further, all the Group Companies are unlisted and have not made public issue of securities (including rights) in the preceding three years.

DETAILS OF OUR GROUP COMPANY:

1. GG Recreation Pvt. Ltd. (“GRPL”)

GRPL was incorporated on September 13, 2010 as GG Recreation Private Limited under the Companies Act, 1956. Its CIN is U92490DL2010PTC208164. Its registered office is situated at 61, Vats Market, Pitampura, Delhi – 110034, India. It is engaged in the business of providing recreation and amusement services and to undertake, handle and carry on business in India and abroad of spa, health club gymnasiums, bar lounge, discotheques, theaters, etc.

Board of Directors

- Mr. Gopal Krishan Bansal
- Mrs. Reena Bansal
- Mr. Atul Gangwar
- Mr. Girish Singh

Interest of our Promoters

Our Promoters and Promoters Group currently hold 32.07% of the equity share capital of this company and Mr. Gopal Krishan Bansal and his wife Mrs. Reena Bansal are the directors in the company.

Financial Performance

The summary audited financial information of GRPL is as follows:

(₹ in lacs)

| Sr. No. | Particulars | As at March 31 | | |
|---------|--|----------------|-------|--------|
| | | 2013 | 2012 | 2011 |
| 1. | Equity Capital | 1.59 | 1.59 | 1.5 |
| 2. | Reserves (excluding revaluation reserve) and Surplus | 26.58 | 23.89 | (4.80) |
| 3. | Income including other income | 79.04 | 65.84 | - |
| 4. | Profit/ (Loss) after tax | 2.69 | 3.73 | (4.80) |
| 5. | Earnings per share (face value of ₹1 each) | 1.69 | 2.35 | (3.2) |
| 6. | Net asset value per share | 17.71 | 16.02 | (2.2) |

GG Recreation Private Limited is an unlisted company and it has not made any public issue (including any right issue to the public) in the preceding three years. It has not become a sick company under the meaning of SICA.

2. Silverson Suppliers Pvt. Ltd. (“SSPL”)

SSPL was incorporated on February 23, 1995 as Silverson Suppliers Private Limited under the Companies Act, 1956. Its CIN is U51109WB1995PTC068658. Its registered office is situated at 67/50, Strand Road, Jorasanko PS: Kol, West Bengal - 700007. It is engaged in the business of to carry on all or any of business as buyers, sellers, traders, distribution, heirs, indentors, assemblers, packers, processors, warehousemen, merchant, agent, brokers, sub- brokers, stockists, commission agent and dealers of salt, raw jute, hemp, jute fibers, rope and lining, etc.

Board of Directors

- Mr. Vikash Marwari
- Mr. Mahesh Kumar Dhanuka

Interest of our Promoters

Our Promoters and Promoters Group currently hold 50.16% of the equity share capital of this company and Mr. Mahesh Kumar Dhanuka is also a Director in the company.

Financial Performance

The summary audited financial information of SSPL is as follows:

(₹ in lacs)

| Sr. No. | Particulars | As at March 31 | | |
|---------|--|----------------|--------|--------|
| | | 2013 | 2012 | 2011 |
| 1. | Equity Capital | 9.51 | 9.51 | 9.51 |
| 2. | Reserves (excluding revaluation reserve) and Surplus | 162.34 | 162.20 | 162.00 |
| 3. | Income including other income | 2.46 | 53.04 | 163.50 |
| 4. | Profit/ (Loss) after tax | 0.14 | 0.21 | 0.15 |
| 5. | Earnings per share (face value of ₹10 each) | 0.15 | 0.22 | 0.16 |
| 6. | Net asset value per share | 180.70 | 180.55 | 180.34 |

3. SSM Commodities Pvt. Ltd. (“SSMCPL”)

SSMCPL was incorporated on January 18, 2006 as SSM Comex Private Limited under the Companies Act, 1956. Subsequently name of the company has been changed from “SSM Comex Private Limited” to “SSM Commodities Private Limited” on October 16, 2006. Its CIN is U51909DL2006PTC145035. Its registered office is situated at 409 MG House, Wazirpur Community Centre, Wazirpur, Delhi-110052. It is engaged in the business of commodity (including commodity derivatives) broking, trading, hedging etc.

Board of Directors

- Mr. Sanjeev Mittal
- Mrs. Manju Mittal

Interest of our Promoters

Our Promoters and Promoters Group currently hold 42.98 % of the equity share capital of this company and Mr. Sanjeev Mittal is also a Director in the company.

Financial Performance

The summary audited financial information of SSMCPL is as follows:

(₹ in lacs)

| Sr. No. | Particulars | As at March 31 | | |
|---------|--|----------------|--------|-------|
| | | 2013 | 2012 | 2011 |
| 1. | Equity Capital | 11.40 | 11.40 | 11.40 |
| 2. | Reserves (excluding revaluation reserve) and Surplus | 13.57 | 13.61 | 13.65 |
| 3. | Income including other income | - | 0.0013 | 0.34 |
| 4. | Profit/ (Loss) after tax | (0.04) | (0.04) | 0.02 |
| 5. | Earnings per share (face value of ₹10 each) | (0.04) | (0.04) | 0.02 |
| 6. | Net asset value per share | 21.90 | 21.94 | 21.98 |

4. Dev Softech Pvt. Ltd. (“DSPL”)

DSPL was originally incorporated on January 08, 1997 as M/s. Harkh Chand Aggarwal & Company Private Limited under the Companies Act, 1956. Subsequently name of the company has been changed from “**M/s. Harkh Chand Aggarwal & Company Private Limited**” to “**Dev Softech Private Limited**” on December 22, 2004. Its CIN is U51909DL1997PTC084322. Its registered office is situated at 61, Vats Market, Pitampura, Delhi – 110 034. It is engaged in the business of business system designing, web- designing, internet services, developing, improving, maintaining, import, export, Job-work, consultancy in all type of computer components, computer hardware etc.

Board of Directors

- Mrs. Reena Bansal
- Mr. Vinod Kumar Aggarwal

Interest of our Promoters

Our Promoters and Promoters Group currently hold 29.85 % of the equity share capital of this company Mrs. Reena Bansal (wife of Mr. Gopal Krishan Bansal) is also a Director in the company.

Financial Performance

The summary audited financial information of DSPL is as follows:

(₹ in lacs)

| Sr. No. | Particulars | As at March 31 | | |
|---------|--|----------------|-------|--------|
| | | 2013 | 2012 | 2011 |
| 1. | Equity Capital | 17.89 | 8.99 | 8.17 |
| 2. | Reserves (excluding revaluation reserve) and Surplus | 80.51 | 40.19 | 0.47 |
| 3. | Income including other income | 9.43 | 8.43 | - |
| 4. | Profit/ (Loss) after tax | 0.27 | 0.30 | (0.10) |
| 5. | Earnings per share (face value of ₹10 each) | 0.15 | 0.34 | (0.12) |
| 6. | Net asset value per share | 55.00 | 54.71 | 10.58 |

5. CMA Infin Consultants Pvt. Ltd.

CMAICPL was incorporated on April 17, 1995 as CMA Infin Consultants Private Limited under the Companies Act, 1956. Its CIN is U74899DL1995PTC067401. Its registered office is situated at 409, MG House I, Wazirpur Community Centre, New Delhi- 110 052. It was registered as a NBFC with RBI to carry on NBFC Activities under section 45(IA) of the Reserve Bank of India Act, 1934 bearing Registration No.-B-14.02101 dated 01.11.2000 and it also carries on the business as share and stock brokers, Investment brokers, sub-brokers, underwriters, agent and consultant etc.

Board of Directors

- Mr. Sanjeev Mittal
- Mrs. Seema Mittal

Interest of our Promoters

Our Promoters and Promoters Group currently hold 12.73 % of the equity share capital of this company and Mr. Sanjeev Mittal and his wife Mrs. Seema Mittal are also Directors in the company.

Financial Performance

The summary audited financial information of CMAICPL is as follows:

(₹ in lacs)

| Sr. No. | Particulars | As at March 31 | | |
|---------|--|----------------|--------|--------|
| | | 2013 | 2012 | 2011 |
| 1. | Equity Capital | 61.54 | 61.54 | 61.54 |
| 2. | Reserves (excluding revaluation reserve) and Surplus | 122.84 | 122.43 | 122.37 |
| 3. | Income including other income | 12.77 | 14.23 | 18.41 |
| 4. | Profit/ (Loss) after tax | 0.42 | 0.42 | 1.09 |
| 5. | Earnings per share (face value of ₹10 each) | 0.07 | 0.07 | 0.18 |
| 6. | Net asset value per share | 29.96 | 29.89 | 29.88 |

Nature and extent of the interest of the Group Companies in our Company

(a) In the promotion of our Company

Except CMA Infin Consultants Pvt. Ltd which holds 25.32% of the Pre-Issue Equity Share capital of this company, none of the other Group Companies have any interest in the promotion of our Company.

(b) In the properties acquired by our Company within the two years of the date of filing the prospectus or proposed to be acquired by our Company

None of the Group Companies have any interest in the properties acquired by our Company within the two years of the date of filing the prospectus or proposed to be acquired by our Company.

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

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

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

Except as disclosed in the “Annexure XXII – Statement of Related Party Transactions” of the section titled “Financial Information” beginning on page 150 of the prospectus, no amount or benefits were paid or were intended to be paid to our Group Companies since the incorporation of our Company.

Common pursuits between the Group Companies and our Company

Except for, CMA Infin Consultants Pvt. Ltd. & SSM Commodities Pvt. Ltd. none of our Group Companies have any common pursuits.

We shall adopt the necessary procedure and practices as permitted by law to address any conflicting situations, as and when they may arise.

Related business transactions within the Group Companies and its significance on the financial performance of our Company

For details, please see “Annexure XXII – Statement of Related Party Transactions” of the section titled “Financial Information” on page 150 the prospectus

Sale/purchase between Group Companies (exceeding 10% in aggregate of the total sales or purchases of our Company)

For details, please see “Annexure XXII – Statement of Related Party Transactions” of the section titled “Financial Information” on page 150 the prospectus

Business interest of Group Companies in our Company

For details, please see “Annexure XXII – Statement of Related Party Transactions” of the section titled “Financial Information” on page 150 the prospectus

Defunct Group Companies

None of the Group Companies are defunct and no application has been made to the registrar of companies for striking off the name of any of the Group Companies during the five years preceding the date of the prospectus.

Litigation

For details relating to the material legal proceedings involving our Group Companies, see the chapter titled “Outstanding Litigation and Material Developments” on page 163 the prospectus

Other Confirmations

Our Group Companies have further confirmed that they have not been declared as wilful defaulters by the RBI or any other governmental authority and there have been no violations of securities laws committed by them in the past and no proceedings pertaining to such penalties are pending against them. Additionally, none of our Group Companies have been restrained from accessing the capital markets for any reasons by the SEBI or any other authorities.

Conflicts of interest with our Promoter and/or our Directors and our related entities

Our Promoters and Promoter Group have floated various companies related to the finance, capital markets and NBFC. Further, some of the Group Companies have certain Object Clauses which would allow them to

undertake a similar business as us. We have not entered into any non-compete agreements with any of our Promoters and Group Companies and hence, to that extent there exists a potential conflict of interest between our Company and our Group Companies. However, the employees of our company are whole time and work exclusively for our company.

DIVIDEND POLICY

Under the Companies Act, our Company can pay dividends upon a recommendation by our Board of Directors and approval by a majority of the shareholders at the Annual 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.

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, contractual restrictions, applicable Indian legal restrictions and other factors considered relevant by our Board of Directors.

Our Company has no formal dividend policy. The amounts paid as dividends in the past are not necessarily indicative of our Company's dividend policy or dividend amounts, if any, in the future. Investors are cautioned not to rely on past dividends as an indication of the future performance of our Company or for an investment in the Equity Shares. Our Company has not declared any dividends in last 5 fiscal years.

SECTION V – FINANCIAL INFORMATION

FINANCIAL STATEMENTS

RESTATED FINANCIAL INFORMATION OF DHANUKA COMMERCIAL LTD.

**The Board of Directors,
Dhanuka Commercial Ltd.**

61, Vats Market,
Shiva Market, Pitam Pura ,
Delhi-110034

Dear Sirs,

Re: Proposed Public Issue of Equity Shares of Dhanuka Commercial Ltd. (DCL)

1. We have examined the attached **Restated Financial Information** of Dhanuka Commercial Ltd. , as on period ended 31st Dec.,2013, as at 31st March 2013 , 31st March 2012, 31st March 2011, 31st March 2010 and 31st March 2009 and **Restated Profit & Loss and Cash Flow Statements** for the period ended 31st Dec., 2013, and for the year ended 31st March 2013 , 31st March 2012, 31st March 2011, 31st March 2010 and 31st March 2009 for (Collectively the “**Restated Financial Statements**”), as approved by the Board of Directors of DCL prepared in terms of the requirements of Paragraph B(1) of Part II of Schedule II to the Companies Act, 1956 (the “Act”) and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, 2009 as amended to date (the “SEBI Regulations”) in connection with the Company’s Proposed Initial Public Offer (IPO) of equity shares at ₹10/- each (referred to as the “**Issue**”) under the Fixed Price Issue Method.
2. The Restated Financial Information have been extracted by the management from the financial statements for the period ended 31st Dec., 2013 which has been audited by us and / financial years 31st March 2013 , 31st March 2012, 31st March 2011, 31st March 2010 and 31st March 2009. Audit for the financial statements year ended 31st March 2013 was conducted by previous auditors, KHETRA MOHAN ROY, Chartered Accountant and audit for the financial statements year ended 31st March 2012, 31st March 2011, 31st March 2010 and 31st March 2009 was conducted by previous auditor, DUTTA SARKAR & CO., Chartered Accountants and the same is re-audited by us for the financial year ended on 31st March 2013, approved by the Board of Directors and adopted by the Members in those respective financial years. We did not carry out any validation tests or review procedures of financial statements for aforesaid financial year audited by KHETRA MOHAN ROY and DUTTA SARKAR & CO., Chartered Accountants and accordingly reliance has been placed on the financial statements examined by them for the said years.
3. In accordance with the requirements of Paragraph B (1) of Part II of Schedule II to the Companies Act 1956, the SEBI Regulations; Revised Guidance Note on Reports in Company Prospectus (as amended from time to time) issued by the Institute of Chartered Accountants of India (the “ICAI”) and the term of our engagement agreed with you, we further report that:
 - i. The Restated Statement of Assets and Liabilities of the Company as at 31st Dec., 2013, 31st March 2013, 31st March 2012, 31st March 2011, 31st March 2010 and 31st March 2009 as set out in “**Annexure I**” to this report read with the Significant Accounting Policies and related Notes in Annexure IV & V are after making such adjustments and regroupings as in our opinion are appropriate in the year to which they relate and more fully described in Schedules to the Restated Summary Statements.
 - ii. The Restated Profit & Loss Statement of the Company for the Period ended 31st Dec., 2013, Financial Year ended 31st March 2013 , 31st March 2012, 31st March 2011, 31st March 2010

and 31st March 2009 as set out in “Annexure II” to this report read with the significant accounting policies and related Notes in Annexure IV & V are after making such adjustments and regroupings as in our opinion are appropriate in the year to which they relates and more fully described in Schedules to the Restated Summary Statements.

- iii. We have also examined the following financial information as set out in Annexure prepared by the Management and approved by the Board of Directors relating to the Company for the Period ended 31st Dec., 2013, Financial year ended 31st March 2013 , 31st March 2012, 31st March 2011, 31st March 2010 and 31st March 2009.

| | |
|----------------|---|
| Annexure I | Restated Statement of Assets and Liabilities |
| Annexure II | Restated Statement of Profit and Loss |
| Annexure III | Restated Statement of Cash Flows |
| Annexure IV | Significant Accounting Policies |
| Annexure V | Major Notes to Accounts |
| Annexure VI | Restated Statement of Fixed Assets |
| Annexure VII | Restated Statement of Inventories |
| Annexure VIII | Restated Statement of Other Non-Current Assets |
| Annexure IX | Restated Statement of Trade Receivables |
| Annexure X | Restated Statement of Cash and Cash Equivalents |
| Annexure XI | Restated Statement of Loans & Advances |
| Annexure XII | Restated Statement of Other Current Assets |
| Annexure XIII | Restated Statement of Trade Payables |
| Annexure XIV | Restated Statement of Short Term Provisions |
| Annexure XV | Restated Statement of Other Current Liabilities |
| Annexure XVI | Restated Statement of Other Income |
| Annexure XVII | Restated Statement of Capitalization |
| Annexure XVIII | Restated Statement of Tax Shelters |
| Annexure XIX | Restated Statement of Accounting Ratios |
| Annexure XX | Restated Statement of Contingent Liabilities |
| Annexure XXI | Restated Statement of Dividend Declared |
| Annexure XXII | Restated Statement of Related Parties Transaction |

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

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

For DSP & Associates

Chartered Accountants

(Firm Registration No. 006791N)

Sanjay Kumar

Partner

Membership No: 093720

Place: New Delhi

Date: March 03, 2014

ANNEXURE I: STATEMENT OF ASSETS AND LIABILITIES
(₹ in lacs)

| Particulars | Dec 31, 2013 | As on March 31, | | | | |
|--|-----------------|-----------------|----------------|----------------|----------------|----------------|
| | | 2013 | 2012 | 2011 | 2010 | 2009 |
| I. EQUITY AND LIABILITIES | | | | | | |
| (1) Shareholder's Funds | | | | | | |
| (a) Share Capital | 178.31 | 178.31 | 178.31 | 178.31 | 178.31 | 178.31 |
| (b) Reserves and Surplus | 1293.82 | 1263.26 | 1254.77 | 1255.66 | 1272.27 | 1268.72 |
| Total Shareholder's Funds (A) | 1472.13 | 1441.57 | 1433.08 | 1433.97 | 1450.58 | 1447.03 |
| (2) Share application money pending allotment (B) | - | - | - | - | 26.20 | 40.90 |
| (3) Non-Current Liabilities | | | | | | |
| (a) Long-term borrowings | - | - | - | - | - | - |
| (b) Deferred tax liabilities (Net) | 0.12 | 0.11 | 0.16 | 0.18 | 0.12 | 0.02 |
| (c) Other Long term liabilities | - | - | - | - | - | - |
| (d) Long term provisions | - | - | - | - | - | - |
| Total Non-Current Liabilities (C) | 0.12 | 0.11 | 0.16 | 0.18 | 0.12 | 0.02 |
| (4) Current Liabilities | | | | | | |
| (a) Short-term borrowings | - | - | - | - | - | - |
| (b) Trade payables | - | - | - | - | 6.21 | 3.00 |
| (c) Other current liabilities | 7.64 | 5.07 | 0.33 | 0.19 | 0.05 | 0.03 |
| (d) Short-term provisions | 16.09 | 6.40 | 3.95 | 0.00 | 1.75 | 0.32 |
| Total Current Liabilities (D) | 23.73 | 11.47 | 4.28 | 0.19 | 8.01 | 3.35 |
| Total (A+B+C+D) | 1495.98 | 1453.15 | 1437.52 | 1434.34 | 1484.91 | 1491.30 |
| II. ASSETS | | | | | | |
| (1) Non-current assets | | | | | | |
| <i>(a) Fixed assets</i> | | | | | | |
| (i) Tangible assets | 0.79 | 0.41 | 0.64 | 0.88 | 1.11 | 0.06 |
| (ii) Intangible assets | - | - | - | - | - | - |
| (iii) Capital work-in-progress | - | - | - | - | - | - |
| (iv) Intangible assets under development | - | - | - | - | - | - |
| (b) Non-current investments | - | - | - | - | - | - |
| (c) Deferred tax assets (net) | - | 0.84 | 5.90 | 7.18 | - | - |
| (d) Long term loans and advances | - | - | - | - | - | - |
| (e) Other non-current assets | 11.71 | 11.01 | 10.14 | - | - | - |
| Total Non-Current Assets (A) | 12.50 | 12.26 | 16.68 | 8.06 | 1.11 | 0.06 |
| (2) Current assets | | | | | | |
| (a) Current investments | - | - | - | - | - | - |
| (b) Inventories | 86.78 | 46.02 | 18.06 | 75.54 | 168.59 | 1405.39 |
| (c) Trade receivables | 0.04 | - | - | 1.69 | - | - |
| (d) Cash and cash equivalents | 16.40 | 15.84 | 15.40 | 15.60 | 2.49 | 11.42 |
| (e) Short-term loans and advances | 1363.53 | 1359.81 | 1376.35 | 1319.43 | 1305.61 | 72.00 |
| (f) Other current assets | 16.73 | 19.22 | 11.03 | 14.02 | 7.11 | 2.43 |
| Total Current Assets (B) | 1483.48 | 1440.89 | 1420.84 | 1426.28 | 1483.80 | 1491.24 |
| Total (A+B) | 1495.98 | 1453.15 | 1437.52 | 1434.34 | 1484.91 | 1491.30 |

Annexure II: STATEMENT OF PROFIT AND LOSS ACCOUNT, AS RESTATED
(₹ in lacs)

| Particulars | Dec 31, 2013 | For the year ended March 31, | | | | |
|--|-----------------|------------------------------|---------------|----------------|----------------|---------------|
| | | 2013 | 2012 | 2011 | 2010 | 2009 |
| Income | | | | | | |
| Revenue from operations | 103.31 | 124.32 | 164.48 | 95.93 | 1321.07 | 521.17 |
| Other Income | 0.21 | 0.06 | 0.11 | - | - | 0.04 |
| Total Income | 103.52 | 124.38 | 164.59 | 95.93 | 1321.07 | 521.21 |
| Expenditure | | | | | | |
| Purchases | 76.64 | 91.68 | 82.67 | 9.69 | 62.80 | 556.20 |
| Change in Inventories | (40.76) | (27.96) | 57.47 | 93.06 | 1236.80 | (41.04) |
| Employee benefit expense | 16.86 | 22.64 | 14.63 | 13.34 | 12.88 | 3.48 |
| Financial costs | - | - | - | 0.04 | 0.03 | 0.07 |
| Depreciation and amortization expense | 0.20 | 0.23 | 0.24 | 0.23 | 0.09 | 0.05 |
| Other expenses | 6.30 | 21.03 | 5.26 | 3.31 | 3.34 | 1.80 |
| Total Expenses | 59.24 | 107.62 | 160.27 | 119.67 | 1315.94 | 520.56 |
| Profit before exceptional and extraordinary items and tax | 44.28 | 16.76 | 4.32 | (23.74) | 5.13 | 0.65 |
| <i>Less: Exceptional Items</i> | - | - | - | - | - | - |
| Profit before extraordinary items and tax | 44.28 | 16.76 | 4.32 | (23.74) | 5.13 | 0.65 |
| <i>Less: Extraordinary Items</i> | - | - | - | - | - | - |
| Profit before tax | 44.28 | 16.76 | 4.32 | (23.74) | 5.13 | 0.65 |
| Tax expense: | | | | | | |
| Current tax | 12.75 | 3.18 | 0.80 | - | 1.48 | 0.29 |
| Deferred tax | 0.84 | 5.01 | 1.26 | (7.12) | 0.10 | 0.02 |
| Profit(Loss) from the period from continuing operations | 30.69 | 8.57 | 2.26 | (16.62) | 3.55 | 0.34 |
| Profit/(Loss) from discontinuing operations | - | - | - | - | - | - |
| Tax expense of discounting operations | - | - | - | - | - | - |
| Profit/(Loss) from Discontinuing operations | - | - | - | - | - | - |
| Profit/(Loss) for the period | 30.69 | 8.57 | 2.26 | (16.62) | 3.55 | 0.34 |

Annexure III: CASH FLOW STATEMENT, AS RESTATED
(₹ in lacs)

| Particulars | Dec 31, 2013 | For the year ended March 31, | | | | |
|--|-----------------|------------------------------|----------------|----------------|----------------|----------------|
| | | 2013 | 2012 | 2011 | 2010 | 2009 |
| CASH FLOW FROM OPERATING ACTIVITIES | | | | | | |
| Net Profit before tax as restated | 44.28 | 16.76 | 4.32 | (23.74) | 5.14 | 0.66 |
| Adjustment for : | | | | | | |
| Depreciation | 0.20 | 0.23 | 0.24 | 0.23 | 0.09 | 0.05 |
| (Profit)/ Loss on Sale of Fixed Assets | - | - | - | - | - | - |
| Operating Profit before Working Capital Changes | 44.48 | 16.99 | 4.56 | (23.51) | 5.23 | 0.71 |
| <i>Adjustment for :-</i> | | | | | | |
| (Increase) / Decrease in Inventories | (40.76) | (27.96) | 57.48 | 93.05 | 1236.80 | (41.04) |
| (Increase) / Decrease in Trade Receivables | (0.04) | 0 | 1.69 | (1.69) | 0 | 0 |
| (Increase) / Decrease in Loan and Advances | (3.72) | 16.54 | (56.92) | (13.82) | (1233.61) | 1.93 |
| (Increase) / Decrease in other Current Assets | 2.49 | (8.19) | 2.99 | (6.91) | (4.68) | (0.67) |
| Increase / (Decrease) in Trade Payables | - | - | - | (6.21) | 3.21 | - |
| Increase / (Decrease) in Other Current Liabilities | 2.57 | 4.74 | 0.14 | 0.14 | 0.02 | 0.00 |
| Cash Generated from Operations | 5.02 | 2.12 | 9.94 | 41.05 | 6.97 | (39.07) |
| Direct Taxes Paid | (3.18) | (0.80) | - | (1.74) | (0.05) | (0.11) |
| Net cash from /(used in) operating activities (A) | 1.84 | 1.32 | 9.94 | 39.31 | 6.92 | (39.18) |
| CASH FLOW FROM INVESTING ACTIVITIES | | | | | | |
| Purchase Of fixed Assets | (0.58) | - | - | - | (1.15) | - |
| Sale Of Fixed Assets | - | - | - | - | - | - |
| Purchase Of Investment | - | - | - | - | - | - |
| Other non Current Assets | (0.70) | (0.87) | (10.14) | - | - | - |
| Deferred Tax Assets | - | - | - | - | - | - |
| Sale Of Investments | - | - | - | - | - | - |
| Dividends received | - | - | - | - | - | - |
| Net cash from/(used in) Investing activities (B) | (1.28) | (0.87) | (10.14) | - | (1.15) | - |
| CASH FLOW FROM FINANCING ACTIVITIES | | | | | | |
| Proceeds From issue of share capital + Share Application Money | - | - | - | (26.20) | (14.70) | 38.40 |
| Increase in Secure and Unsecured loans | - | - | - | - | - | - |
| Dividends paid | - | - | - | - | - | - |
| Net cash from/(used in) financing activities (C) | - | - | - | (26.20) | (14.70) | 38.40 |

| Particulars | Dec 31, 2013 | For the year ended March 31, | | | | |
|--|-----------------|------------------------------|--------------|--------------|-------------|--------------|
| | | 2013 | 2012 | 2011 | 2010 | 2009 |
| Net (Decrease)/Increase in cash and Cash Equivalents (A+B+C) | 0.56 | 0.45 | (0.20) | 13.11 | (8.93) | (0.78) |
| Cash and cash equivalents at beginnings of year | 15.84 | 15.40 | 15.60 | 2.49 | 11.42 | 12.19 |
| Cash and cash equivalents at end of year | 16.40 | 15.85 | 15.40 | 15.60 | 2.49 | 11.41 |

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 notified Section 211 of The Companies Act, 1956 and the relevant provisions of The Companies Act, 1956.

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

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.

E. Inventories

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

F. Foreign Currency Transactions

There are no Foreign Currency Transactions in our Company.

G. Investment

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

H. 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.

I. 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.

J. 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.

K. 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.

L. 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.

M. 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.

N. 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.

O. There are no Auditor's Qualifications in the Financial Statements of the Company.

Annexure V: NOTES TO ACCOUNTS

1. Managerial Remuneration

(₹ in lacs)

| Particulars | Dec 31, 2013 | For the Year Ended March 31, | | | | |
|--|-----------------|------------------------------|------|------|------|------|
| | | 2013 | 2012 | 2011 | 2010 | 2009 |
| <i>Whole Time Directors Remuneration</i> | | | | | | |
| Salaries and Allowances | 1.35 | 1.80 | 0.00 | 0.00 | 0.00 | 0.00 |
| <i>Non Whole Time Directors Remuneration</i> | 0.00 | 2.40 | 0.00 | 0.00 | 0.00 | 0.00 |
| Sitting Fees | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |

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 & Deferred Tax Asset is recognized for business losses as per income Tax Act to the extent that there is virtual certainty that sufficient future taxable income will be taxable against which Deferred Tax Assets can be realized.

(₹ in lacs)

| Particulars | Dec 31, 2013 | For the Year Ended March 31, | | | | |
|--|-----------------|------------------------------|-------------|-------------|---------------|---------------|
| | | 2013 | 2012 | 2011 | 2010 | 2009 |
| Fixed Assets as per Company Act | 0.79 | 0.41 | 0.64 | 0.88 | 1.11 | 0.06 |
| Fixed Assets as per Income Tax Act | 0.41 | 0.05 | 0.11 | 0.29 | 0.72 | 0.00 |
| Timing Difference | 0.38 | 0.36 | 0.53 | 0.59 | 0.39 | 0.06 |
| Rate | 30% | 30% | 30% | 30% | 30% | 30% |
| Closing Bal. of Deferred Tax Liability(A) | 0.12 | 0.11 | 0.16 | 0.18 | 0.12 | 0.02 |
| Business Loss c/f as per Income Tax Act | 0.00 | 2.80 | 19.66 | 23.93 | 0.00 | 0.00 |
| Rate | 30% | 30% | 30% | 30% | 30% | 30% |
| Closing Bal. of Deferred Tax Asset(B) | 0.00 | 0.84 | 5.90 | 7.18 | 0.00 | 0.00 |
| Net Deferred Tax Asset(B-A) | (0.12) | 0.73 | 5.74 | 7.00 | (0.12) | (0.02) |

3. Remuneration to Statutory Auditors:

(₹ in lacs)

| Particulars | Dec 31, 2013 | For the year ended March 31, | | | | |
|------------------|-----------------|------------------------------|-------------|-------------|-------------|-------------|
| | | 2013 | 2012 | 2011 | 2010 | 2009 |
| Audit Fees | 0.00 | 0.05 | 0.05 | 0.05 | 0.05 | 0.03 |
| Taxation Matters | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| ROC Matters | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Total | 0.00 | 0.05 | 0.05 | 0.05 | 0.05 | 0.03 |

4. 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.
5. 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.
6. 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.

7. 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.

8. Contingent Liability

There are no Contingent Liabilities in the Company as on March 31, 2013

9. Earnings Per share

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

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

11. 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

Reconciliation of Current Assets and Loans & Advances

(₹ in lacs)

| Particulars | Dec 31, 2013 | For the Year Ended March 31, | | | | |
|-----------------------------|-----------------|------------------------------|------|-------|--------|---------|
| | | 2013 | 2012 | 2011 | 2010 | 2009 |
| As per Balance Sheet | | | | | | |
| Cash & Bank Balances | | | | 15.60 | 2.49 | 11.42 |
| Inventories | | | | 75.54 | 168.59 | 1405.39 |
| Trade Receivables | | | | 1.69 | - | - |

| Particulars | Dec 31, | For the Year Ended March 31, | | | | |
|-------------------------------|---------|------------------------------|------|----------------|----------------|----------------|
| | | | | | | |
| Loans & Advances | | | | 1333.45 | 1312.72 | 74.42 |
| Tax Deducted at Source | | | | - | - | - |
| Total | | | | 1426.28 | 1483.80 | 1491.23 |
| Restated as follows | N.A. | N.A. | N.A. | | | |
| Cash and Cash Equivalents | | | | 15.60 | 2.49 | 11.42 |
| Inventories | | | | 75.54 | 168.59 | 1405.39 |
| Trade Receivables | | | | 1.69 | - | - |
| Short Term Loans and Advances | | | | 1319.43 | 1305.61 | 72.00 |
| Other Current Assets | | | | 14.02 | 7.11 | 2.42 |
| Total | | | | 1426.28 | 1483.80 | 1491.23 |

Reconciliation of Current Liabilities & Provisions

(₹ in lacs)

| Particulars | Dec 31, 2013 | For the Year Ended March 31, | | | | |
|-------------------------------|-----------------|------------------------------|------|-------------|--------------|--------------|
| | | 2013 | 2012 | 2011 | 2010 | 2009 |
| As per Balance Sheet | | | | | | |
| Sundry Creditors | | | | - | 6.22 | 3.00 |
| Share Application Money | | | | - | 26.20 | 40.90 |
| Provision for Income Tax | | | | - | 1.75 | 0.32 |
| Provision for Standard Assets | | | | - | - | - |
| Proposed Dividend & DDT | | | | - | - | - |
| Sundry Creditors for Expenses | | | | 0.19 | 0.05 | 0.03 |
| Total | N.A. | N.A. | N.A. | 0.19 | 34.22 | 44.25 |
| Restated as follows | | | | | | |
| Miscellaneous Advances | | | | - | - | - |
| Trade Payables | | | | - | 6.22 | 3.00 |
| Short Term Provisions | | | | - | 1.75 | 0.32 |
| Other Current Liabilities | | | | 0.19 | 0.05 | 0.03 |
| Total | | | | 0.19 | 8.02 | 3.35 |

OTHER ADJUSTMENTS MADE IN RESTATED FINANCIAL STATEMENTS

Reconciliation of Income

(₹ in lacs)

| Particulars | Dec 31, 2013 | For the Year Ended March 31, | | | | |
|-------------------------------------|-----------------|------------------------------|---------------|--------------|----------------|---------------|
| | | 2013 | 2012 | 2011 | 2010 | 2009 |
| As per Profit & Loss A/c | | | | | | |
| Sales | 9.89 | 12.28 | 63.15 | 93.50 | 1267.91 | 515.17 |
| Interest Income | 93.63 | 112.10 | 101.44 | 2.43 | 53.16 | 6.04 |
| Total | 103.52 | 124.38 | 164.59 | 95.93 | 1321.07 | 521.21 |
| Restated as follows | | | | | | |
| Revenue from Operations | 103.31 | 124.32 | 164.48 | 95.93 | 1321.07 | 521.17 |
| Other Income | 0.21 | 0.06 | 0.11 | - | - | 0.04 |
| Total | 103.52 | 124.38 | 164.59 | 95.93 | 1321.07 | 521.21 |
| Difference in PAT | - | - | - | - | - | - |

Reconciliation of Expenses

(₹ in lacs)

| Particulars | Dec 31, 2013 | For the Year Ended March 31, | | | | |
|-------------------------------------|-----------------|------------------------------|------|--------------|--------------|-------------|
| | | 2013 | 2012 | 2011 | 2010 | 2009 |
| As per Profit & Loss A/c | | | | | | |
| Audit fee | | | | - | - | 0.03 |
| Accounting Charges | | | | - | - | 0.12 |
| Office expenses | | | | - | - | 0.22 |
| Legal & Professional Charges | | | | - | - | 0.04 |
| Printing and Stationary | | | | - | - | 0.09 |
| Salary Expenses | | | | - | - | 3.25 |
| Finance Cost | N.A. | N.A. | N.A. | 0.04 | - | 0.07 |
| Other Administrative Expenses | | | | 16.64 | 16.25 | 1.53 |
| Total | | | | 16.68 | 16.25 | 5.35 |
| Restated as follows | | | | | | |
| Employee Benefit Expenses | | | | 13.34 | 12.88 | 3.47 |
| Finance Cost | | | | - | - | - |
| Other Administrative Expenses | | | | 3.34 | 3.37 | 1.88 |
| Total | | | | 16.68 | 16.25 | 5.35 |
| Difference in PAT | | | | - | - | - |

NOTES FOR MATERIAL RE – GROUPING

1. The Company has accounted for Deferred Tax in the Audited Financials from the F.Y. 2010-11. However, the same has now been restated since F.Y.2008-09, i.e. beginning of the reported period.

a. Change in Deferred Tax

(₹ in lacs)

| Particulars | Dec 31, 2013 | For the year ended March 31, | | | | |
|--|-----------------|------------------------------|-------------|-------------|---------------|---------------|
| | | 2013 | 2012 | 2011 | 2010 | 2009 |
| Deferred Tax as per Audited Financials | (0.11) | 0.73 | 5.74 | 6.82 | - | - |
| Changes in Deferred Tax in Restated Financials | (0.11) | 0.73 | 5.74 | 7.00 | (0.12) | (0.02) |
| Difference in Deferred Tax | 0.00 | 0.00 | 0.00 | 0.18 | (0.12) | (0.02) |

b. Change in PAT

(₹ in lacs)

| Particulars | Dec 31, 2013 | For the year ended March 31, | | | | |
|--|-----------------|------------------------------|-------------|----------------|-------------|-------------|
| | | 2013 | 2012 | 2011 | 2010 | 2009 |
| Net Profit as per Audited Financials | 30.69 | 8.57 | 2.44 | (16.92) | 3.65 | 0.40 |
| Depreciation of earlier years written back | - | - | - | - | - | (0.04) |
| Difference in Deferred Tax | - | - | - | 0.30 | (0.10) | (0.02) |
| Difference in Deferred Tax for earlier year | - | - | (0.18) | - | - | - |
| Net Profit as per Restated Financials | 30.69 | 8.57 | 2.26 | (16.62) | 3.55 | 0.34 |

2. In the FY 2010-11, Profit & Loss Debit balance was shown on the asset side on the face of Balance Sheet in the Audited Financials. However, in accordance to the new format of Schedule VI of the Companies Act, 1956, the same is shown as part of reserves (negative figure) in restated financials.

Annexure VI: STATEMENT OF FIXED ASSETS, AS RESTATED

(₹ in lacs)

| Particular | Dec 31, 2013 | For the year ended on March 31, | | | | |
|--------------------------------|-----------------|---------------------------------|-------------|-------------|-------------|-------------|
| | | 2013 | 2012 | 2011 | 2010 | 2009 |
| Computer | 2.03 | 1.45 | 1.45 | 1.45 | 1.45 | 0.30 |
| Less: Accumulated Depreciation | 1.24 | 1.04 | 0.81 | 0.57 | 0.34 | 0.24 |
| Net Block | 0.79 | 0.41 | 0.64 | 0.88 | 1.11 | 0.06 |
| Total | 0.79 | 0.41 | 0.64 | 0.88 | 1.11 | 0.06 |

Annexure VII: STATEMENT OF INVENTORIES, AS RESTATED

(₹ in lacs)

| Particular | Dec 31, 2013 | For the year ended on March 31, | | | | |
|----------------------|-----------------|---------------------------------|--------------|--------------|---------------|----------------|
| | | 2013 | 2012 | 2011 | 2010 | 2009 |
| Quoted Equity Shares | 86.78 | 46.02 | 18.06 | 21.56 | 27.11 | - |
| Un-quoted Shares | - | - | - | 53.98 | 141.48 | 1405.39 |
| Total | 86.78 | 46.02 | 18.06 | 75.54 | 168.59 | 1405.39 |

Annexure VIII: STATEMENT OF OTHER NON-CURRENT ASSETS, AS RESTATED

(₹ in lacs)

| Particular | Dec 31, 2013 | For the year ended on March 31, | | | | |
|---------------------------|-----------------|---------------------------------|-------------|-------------|----------|----------|
| | | 2013 | 2012 | 2011 | 2010 | 2009 |
| Deferred tax Assets | - | 0.84 | 5.90 | 7.18 | - | - |
| Deferred Revenue Expenses | - | - | - | - | - | - |
| Total | - | 0.84 | 5.90 | 7.18 | - | - |

Annexure IX: STATEMENT OF TRADE RECEIVABLES, AS RESTATED

(₹ in lacs)

| Particulars | Dec 31, 2013 | For the year ended March 31, | | | | |
|---|-----------------|------------------------------|----------|----------|----------|----------|
| | | 2013 | 2012 | 2011 | 2010 | 2009 |
| Debt outstanding exceeding six months: | | | | | | |
| Considered Good | | | | | | |
| Receivable from Promoter / Promoter Group Co. | - | - | - | - | - | - |
| Others | - | - | - | - | - | - |
| Sub - Total (A) | - | - | - | - | - | - |
| Debt outstanding not exceeding six months: | | | | | | |

| Particulars | Dec 31, 2013 | For the year ended March 31, | | | | |
|---|-----------------|------------------------------|----------|-------------|----------|----------|
| | | 2013 | 2012 | 2011 | 2010 | 2009 |
| Considered Good | | | | | | |
| Receivable from Promoter / Promoter Group Co. | - | - | - | - | - | - |
| Others | 0.04 | - | - | 1.69 | - | - |
| Sub - Total (B) | 0.04 | - | - | 1.69 | - | - |
| Total (A+B) | 0.04 | - | - | 1.69 | - | - |

Annexure X: STATEMENT OF CASH AND CASH EQUIVALENTS, AS RESTATED

(₹ in lacs)

| Particular | Dec 31, 2013 | For the year ended on March 31, | | | | |
|---------------|-----------------|---------------------------------|--------------|--------------|-------------|--------------|
| | | 2013 | 2012 | 2011 | 2010 | 2009 |
| Cash in hand | 5.20 | 2.56 | 14.28 | 15.18 | 1.97 | 9.19 |
| Bank Balances | 11.20 | 13.28 | 1.12 | 0.43 | 0.52 | 2.23 |
| Total | 16.40 | 15.84 | 15.40 | 15.64 | 2.49 | 11.42 |

Annexure XI: STATEMENT OF LOANS AND ADVANCES, AS RESTATED

(₹ in lacs)

| Particular | Dec 31, 2013 | For the year ended on March 31, | | | | |
|--------------------------------------|-----------------|---------------------------------|----------------|----------------|----------------|--------------|
| | | 2013 | 2012 | 2011 | 2010 | 2009 |
| Loans Portfolio | 1336.53 | 1286.81 | 1259.35 | 1132.43 | 1108.61 | 65.78 |
| Advances against investment & others | 27.00 | 73.00 | 117.00 | 187.00 | 197.00 | 6.22 |
| Total | 1363.53 | 1359.81 | 1376.35 | 1319.43 | 1305.61 | 72.00 |

Annexure XII: STATEMENT OF OTHER CURRENT ASSETS, AS RESTATED

(₹ in lacs)

| Particular | Dec 31, 2013 | For the year ended on March 31, | | | | |
|------------------------|-----------------|---------------------------------|--------------|--------------|-------------|-------------|
| | | 2013 | 2012 | 2011 | 2010 | 2009 |
| Tax Deducted at Source | 16.73 | 19.22 | 11.03 | 14.02 | 7.11 | 2.43 |
| Total | 16.73 | 19.22 | 11.03 | 14.02 | 7.11 | 2.43 |

Annexure XIII: STATEMENT OF TRADE PAYABLES, AS RESTATED

(₹ in lacs)

| Particular | Dec 31, 2013 | For the year ended on March 31, | | | | |
|------------------|-----------------|---------------------------------|----------|----------|-------------|-------------|
| | | 2013 | 2012 | 2011 | 2010 | 2009 |
| Trade Payables | - | - | - | - | 6.22 | 3.00 |
| Total (A) | - | - | - | - | 6.22 | 3.00 |

Annexure XIV: STATEMENT OF SHORT TERM PROVISIONS, AS RESTATED
(₹ in lacs)

| Particular | Dec 31, 2013 | For the year ended on March 31, | | | | |
|--|-----------------|---------------------------------|-------------|----------|-------------|-------------|
| | | 2013 | 2012 | 2011 | 2010 | 2009 |
| Provision for income tax | 12.75 | 3.18 | 0.80 | - | 1.75 | 0.32 |
| Contingent Provision for Standard Assets | 3.34 | 3.22 | 3.15 | - | - | - |
| Total | 16.09 | 6.40 | 3.95 | - | 1.75 | 0.32 |

Annexure XV: STATEMENT OF OTHER CURRENT LIABILITIES, AS RESTATED
(₹ in lacs)

| Particular | Dec 31, 2013 | For the year ended on March 31, | | | | |
|------------------------|-----------------|---------------------------------|-------------|-------------|-------------|-------------|
| | | 2013 | 2012 | 2011 | 2010 | 2009 |
| Miscellaneous Advances | - | - | - | - | - | - |
| Expenses Payable | 7.65 | 5.07 | 0.33 | 0.19 | 0.05 | 0.03 |
| TDS payable | - | - | - | - | - | - |
| Total | 7.65 | 5.07 | 0.33 | 0.19 | 0.05 | 0.03 |

Annexure XVI: STATEMENT OF OTHER INCOME, AS RESTATED
(₹ in lacs)

| Particulars | Dec 31, 2013 | For the year ended March 31, | | | | |
|--|-----------------|------------------------------|-------------|----------------|-------------|-------------|
| | | 2013 | 2012 | 2011 | 2010 | 2009 |
| Net Profit Before Tax and Extraordinary Items | 44.28 | 16.76 | 4.32 | (23.74) | 5.13 | 0.65 |
| 20% of Net Profit Before Tax | 8.86 | 3.35 | 0.86 | (4.75) | 1.03 | 0.13 |
| Other Income Details | | | | | | |
| Dividend Income | 0.21 | 0.06 | 0.11 | 0.00 | 0.00 | 0.04 |
| Total | 0.21 | 0.06 | 0.11 | 0.00 | 0.00 | 0.04 |

Annexure XVII: STATEMENT OF CAPITALIZATION, AS RESTATED
(₹ in lacs)

| Particular | Pre Issue as at 31 st Dec, 2013 | Post Issue |
|--|---|----------------|
| Debt | | |
| Long Term Debt | - | - |
| Short Term Debt | - | - |
| Total Debts (A) | - | - |
| Equity (Shareholder's funds) | | |
| Equity share capital | 178.31 | 1674.35 |
| Reserve and Surplus | 1293.82 | 241.79 |
| Total Equity(B) | 1472.13 | 1916.14 |
| 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:

1. The above has been computed on the basis of Restated Summary Statements of the Company.
2. The Corresponding Post Issue (IPO) Capitalization data for each of the amounts given in above table is not determinable at this stage pending the Completion of the Book Building Process and hence the same has not been provided in the above Statement.

Annexure XVIII: STATEMENT OF TAX SHELTER, AS RESTATED

(₹ in lacs)

| Particular | Dec 31, | For the year ended on March 31, | | | | |
|---|---------------|---------------------------------|---------------|---------------|---------------|---------------|
| | 2013 | 2013 | 2012 | 2011 | 2010 | 2009 |
| 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% | 18.00% | 15.00% | 10.00% |
| Profit before tax as per Restated P/L | 44.28 | 16.75 | 4.32 | (23.74) | 5.13 | 0.65 |
| 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) | 13.28 | 5.03 | 1.30 | (0.00) | 1.54 | 0.20 |
| <u>Tax Adjustment</u> | | | | | | |
| <u>Permanent Difference</u> | | | | | | |
| Dividend Income Exempted | 0.21 | 0.06 | 0.11 | - | - | 0.04 |
| Donation & Other Expenses | - | - | - | - | - | - |
| Cash expenses disallowable u/s 40A(3) | - | - | - | - | - | - |
| Total Permanent Difference (B) | 0.21 | 0.06 | 0.11 | - | - | 0.04 |
| <u>Timing Difference</u> | | | | | | |
| Depreciation | 0.02 | (0.16) | (0.06) | 0.20 | 0.34 | (0.05) |
| Deferred revenue expenses w/off | - | - | - | - | - | - |
| Total Timing Difference (C) | 0.02 | (0.16) | (0.06) | 0.20 | 0.34 | (0.05) |
| Business Losses not set off in past years (D) | 2.81 | 16.85 | 4.27 | 23.93 | - | - |
| Total Adjustment (E) = (B+C+D) | 3.04 | 16.75 | 4.32 | - | 0.34 | (0.01) |
| Tax Expenses / (Saving) thereon (F) = (E)* Tax rate | 0.91 | 5.03 | 1.30 | - | 0.10 | - |
| Tax payable as per normal provisions (other than 115JB) of the Act (G) | 12.37 | - | - | - | 1.44 | 0.20 |
| MAT tax rate (H) | 18.50% | 18.50% | 18.50% | 15.00% | 10.00% | 10.00% |
| Tax under MAT (I) | 8.15 | 3.09 | 0.78 | - | 0.51 | 0.07 |
| Tax payable for the year maximum of (G) or (I) | 12.37 | 3.09 | 0.78 | - | 1.44 | 0.20 |
| Interest under section 234B & 234C (As per income tax return) | - | - | - | - | - | - |
| Total Tax Payable(*) | 12.37 | 3.09 | 0.78 | - | 1.44 | 0.20 |

* The above tax payable does not include Surcharge, Education Cess and Higher Education Cess, if any

Notes:

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

Annexure XIX: STATEMENT OF ACCOUNTING RATIOS, AS RESTATED

| Particular | Dec 31, 2013 | For the year ended on March 31, | | | | |
|---|-----------------|---------------------------------|----------|----------|----------|----------|
| | | 2013 | 2012 | 2011 | 2010 | 2009 |
| Restated PAT as per P & L Account | 30.69 | 8.57 | 2.26 | (16.62) | 3.55 | 0.34 |
| Actual Number of Equity Shares outstanding at the end of the year | 1783110 | 1783110 | 1783110 | 1783110 | 1783110 | 1783110 |
| Equivalent Weighted Average number of Equity Shares at the end of the year (with retrospective effect of Bonus) | 12303459 | 12303459 | 12303459 | 12303459 | 12303459 | 12303459 |
| Net Worth (₹in lacs) | 1472.13 | 1441.57 | 1433.08 | 1433.97 | 1450.58 | 1447.03 |
| Earnings Per Share: | | | | | | |
| Basic & Diluted | 0.25 | 0.07 | 0.02 | (0.14) | 0.03 | 0.00 |
| Return on Net Worth (%) | 2.08% | 0.59% | 0.16% | (1.16%) | 0.25% | 0.02% |
| Net Asset Value Per Share (₹) - based on actual no. of equity shares at the end of the year | 82.56 | 80.85 | 80.37 | 80.42 | 81.35 | 81.15 |
| Nominal Value per Equity share (₹) | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 |

Notes to Accounting Ratios:

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

* There is no revaluation reserve in last five years of the Company.

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

Annexure XX: STATEMENT OF CONTINGENT LIABILITIES, AS RESTATED
(₹ in lacs)

| Particular | Dec 31, 2013 | For the year ended on March 31, | | | | |
|--|-----------------|---------------------------------|-------------|-------------|-------------|-------------|
| | | 2013 | 2012 | 2011 | 2010 | 2009 |
| Claims against the company not acknowledged as debts | - | - | - | - | - | - |
| Total | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |

Annexure XXI: STATEMENT OF DIVIDEND DECLARED, AS RESTATED

| Particular | Dec 31, 2013 | For the year ended on March 31, | | | | |
|---|-----------------|---------------------------------|--------|--------|--------|--------|
| | | 2013 | 2012 | 2011 | 2010 | 2009 |
| On Equity Shares | | | | | | |
| Fully Paid up Share Capital(<i>₹ in lacs</i>) | 178.31 | 178.31 | 178.31 | 178.31 | 178.31 | 178.31 |
| Face Value (₹) | 10/- | 10/- | 10/- | 10/- | 10/- | 10/- |
| Paid up Value per Share (₹) | 10/- | 10/- | 10/- | 10/- | 10/- | 10/- |
| Rate of Dividend | - | - | - | - | - | - |
| Total Dividend | - | - | - | - | - | - |
| Corporate dividend tax on above | - | - | - | - | - | - |

Annexure XXII: STATEMENT OF RELATED PARTY TRANSACTIONS, AS RESTATED

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 Managerial Personnel

| For the year ended March 31, | | | | | | | | | |
|------------------------------|--------|------------|-------|------------|-------|------------|-------|------------|-------|
| 2009 | | 2010 | | 2011 | | 2012 | | 2013 | |
| Bipin | Kumar | Vinod | Kumar | Vinod | Kumar | Vinod | Kumar | Vinod | Kumar |
| Kejriwal | | Aggarwal | | Aggarwal | | Aggarwal | | Aggarwal | |
| Govind | Prasad | Mahesh | Kumar | Mahesh | Kumar | Mahesh | Kumar | Mahesh | Kumar |
| Kejriwal | | Dhanuka | | Dhanuka | | Dhanuka | | Dhanuka | |
| - | | Ankit Garg | | Ankit Garg | | Ankit Garg | | Ankit Garg | |

(ii) Relatives of Key Managerial Personnel

| For the year ended March 31, | | | | | | | | |
|------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|
| 2009 | 2010 | | 2011 | | 2012 | | 2013 | |
| NA | Raj | Kumar | Raj | Kumar | Raj | Kumar | Raj | Kumar |
| | Dhanuka | | Dhanuka | | Dhanuka | | Dhanuka | |
| | Madhu | Dhanuka | Madhu | Dhanuka | Madhu | Dhanuka | Madhu | Dhanuka |
| | Swati | Dhanuka | Swati | Dhanuka | Swati | Dhanuka | Swati | Dhanuka |

| For the year ended March 31, | | | | |
|------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| 2009 | 2010 | 2011 | 2012 | 2013 |
| | Rajesh Kumar Aggarwal | Rajesh Kumar Aggarwal | Rajesh Kumar Aggarwal | Rajesh Kumar Aggarwal |
| | Laxmi Mittal | Laxmi Mittal | Laxmi Mittal | Laxmi Mittal |

(iii) Associates / Enterprises over which directors and / or their relatives has significant influence

| For the year ended March 31, | | | | |
|------------------------------|-------------------------------|------------------------------|------------------------------|------------------------------|
| 2009 | 2010 | 2011 | 2012 | 2013 |
| NA | Silverson Suppliers Pvt. Ltd. | Silverson Suppliers Pvt. Ltd | Silverson Suppliers Pvt. Ltd | Silverson Suppliers Pvt. Ltd |

(iv) Particulars of Transactions with Related Parties

Key Management Personnel

(₹ in lacs)

| Particulars | Dec 31, 2013 | For the year ended March 31, | | | | |
|---|-----------------|------------------------------|-------------|------|------|------|
| | | 2013 | 2012 | 2011 | 2010 | 2009 |
| 1) Remuneration Paid Directors: | | | | | | |
| Mahesh Kumar Dhanuka | 1.35 | 1.80 | - | - | - | - |
| Ankit Garg | - | 2.40 | - | - | - | - |
| 2) Short Term Loans taken from KMP and repaid during the year (Including interest payments, if any). | | | | | | |
| | NA | NA | NA | NA | NA | NA |
| 3) Short Term Loans given to KMP and returned back during the year (including interest receipts, if any) | | | | | | |
| | NA | NA | NA | NA | NA | NA |
| 4) Rent paid: | | | | | | |
| Mahesh Kumar Dhanuka | - | 0.72 | - | - | - | - |
| Gopal Krishan Bansal | 1.13 | 1.50 | 1.50 | - | - | - |
| Total | 2.48 | 6.42 | 1.50 | - | - | - |

Relatives of KMP

| Particulars | Dec 31, 2013 | For the year ended March 31, | | | | |
|--------------------------------|-----------------|------------------------------|----------|----------|----------|----------|
| | | 2013 | 2012 | 2011 | 2010 | 2009 |
| Rent Paid to relative of KMP: | - | - | - | - | - | - |
| Salaries Paid to : | - | - | - | - | - | - |
| Loan Given to relative of KMP: | - | - | - | - | - | - |
| Total | - | - | - | - | - | - |

Associate Companies

| Particulars | Dec 31, 2013 | For the year ended March 31, | | | | |
|---|-----------------|------------------------------|------|------|------|------|
| | | 2013 | 2012 | 2011 | 2010 | 2009 |
| Short Term Loans taken from Associate and repaid during the year (including interest payments, if any). | - | - | - | - | - | - |
| Short Term Loans given to Associate and returned back during the year (including interest receipts, if any) | - | - | - | - | - | - |
| Total | - | - | - | - | - | - |

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 the 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 statements" 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 Dhanuka Commercial Private Limited on November 16, 1994 under the Companies Act, bearing Registration No. 065886 having its registered office in West Bengal. Later, the company shifted its registered office to Delhi pursuant to a special resolution passed by the members of our Company at the EGM held on August 11, 2012. An order from the Regional Director for change of state consequent to change of registered office from West Bengal to Delhi was issued on October 10, 2013 by the Regional Director, Eastern Region, Kolkata. 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 January 27, 2014. 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 U30007DL1994PLC260191 and its Registered Office is situated at 61, Vats Market, Near Shiva Market, Pitampura, Delhi – 110 034, India.

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.05.05269 dated January 28, 2003.

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 2012 - 2013, however, post the induction of Mr. Gopal Krishan Bansal and Mr. Sanjeev Mittal both Chartered Accountants 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 ₹44.28 lacs for the period ended December 31, 2013 and ₹16.76 lacs for the year ended March 31, 2013 and a total loans and advances of ₹1,363.53 lacs and ₹1,359.81 lacs respectively in the above mentioned periods.

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.

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 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.

Significant Developments after December 31, 2013 that may affect our Future Results of Operations

The Directors confirm that there have been no events or circumstances since the date of the last financial statements as disclosed in the Prospectus which materially or adversely affect or is likely to affect the profitability of our Company, or the value of our assets, or our ability to pay liabilities within next twelve months.

Factors affecting our Result of Operation

Except as otherwise stated in the prospectus and the Risk Factors given in the Prospectus, the following important factors could cause actual results to differ materially from the expectations include, among others:

- **Revenue Generation**

We earn majority of our revenue from interest on the loans given to various MSME and Individuals. Regular income is the only source to create a healthy working of our Company. Our Interest rates are fixed upon entering into an agreement with the borrower. Our revenue growth is impacted by total loan amount disbursed

and the size of the loan disbursed. Interest revenues are principally driven by interest rates, financial standing of the borrower, term of the loan and size of the loan portfolio.

- ***Size and composition of our loan portfolio***

The size, tenure and composition of our loan portfolio have a significant impact on our financial condition and results of operations. Our ability to show an increased loan portfolio year on year depends upon the availability of capital with us for disbursing loans. In addition, our research and credit appraisal of the borrower also plays a significant role in determining our loan disbursement. As of the date of filing the prospectus, our total loans and advances is ₹1,363.53. We intend to use the Proceeds of the Issue to expand our capital base so that we can enhance our loan portfolio.

- ***Our Financial Expenses***

Our profitability is significantly impacted by our financial costs. For the fiscal 2013, 2012, our financial expenses were nil and for the fiscals 2011 and 2010 they were ₹0.04 lacs or ₹0.03 lacs respectively.

- ***Our ability to successfully implement its strategy and its growth and expansion plans***

Our growth plans are considerable and would put significant demands on our management team and other resources. Any delay in implementation of our strategy and growth and expansion plans could impact our Company's roll out schedules and cause cost and time over runs.

- ***Increasing competition in the industry***

Our Company faces competition from Banks & other local lenders. Our Company operates in competitive environment which may force us to reduce the interest rates of the loans disbursed and it may have an effect on our margins.

- ***General economic and business conditions***

As a Company with its complete operations in India, we are affected by general economic conditions in the country and in particular economic factors that affect financial market in India. India's gross domestic product, or GDP, has been and will continue to be of importance in determining our operating results and future growth.

Results of our Operations
(₹ in lacs)

| Particulars | Dec 31, 2013 | For the year ended March 31, | | | | | | | | |
|--|-----------------|------------------------------|---------------|-----------------------------|---------------|-----------------------------|----------------|-----------------------------|----------------|-----------------------------|
| | | % of Total Inco me | 2013 | % of Total Inco me | 2012 | % of Total Inco me | 2011 | % of Total Inco me | 2010 | % of Total Inco me |
| Income | | | | | | | | | | |
| Revenue from operations | 103.31 | 99.80 | 124.32 | 99.95 | 164.48 | 99.93 | 95.93 | 100.00 | 1321.07 | 100.00 |
| Other Income | 0.21 | 0.20 | 0.06 | 0.05 | 0.11 | 0.07 | - | - | - | - |
| Total Income | 103.52 | 100 | 124.38 | 100 | 164.59 | 100 | 95.93 | 100 | 1321.07 | 100 |
| Expenditure | | | | | | | | | | |
| Purchases | 76.64 | 74.03 | 91.68 | 73.71 | 82.67 | 50.23 | 9.69 | 10.10 | 62.80 | 4.75 |
| Change in Inventories | (40.76) | (39.37) | (27.96) | (22.48) | 57.47 | 34.92 | 93.06 | 97.01 | 1236.80 | 93.62 |
| Employee benefit expense | 16.86 | 16.29 | 22.64 | 18.20 | 14.63 | 8.89 | 13.34 | 13.91 | 12.88 | 0.97 |
| Financial costs | - | - | - | - | - | - | 0.04 | 0.04 | 0.03 | 0.00 |
| Depreciation and amortization expense | 0.20 | 0.19 | 0.23 | 0.18 | 0.24 | 0.15 | 0.23 | 0.24 | 0.09 | 0.01 |
| Other expenses | 6.30 | 6.09 | 21.03 | 16.91 | 5.26 | 3.20 | 3.31 | 3.45 | 3.34 | 0.25 |
| Total Expenses | 59.24 | 57.23 | 107.62 | 86.53 | 160.27 | 97.38 | 119.67 | 124.75 | 1315.94 | 99.61 |
| Profit before exceptional and extraordinary items and tax | 44.28 | 42.77 | 16.76 | 13.47 | 4.32 | 2.62 | (23.74) | (24.75) | 5.13 | 0.39 |
| <i>Less: Exceptional Items</i> | - | - | - | - | - | - | - | - | - | - |
| Profit before extraordinary items and tax | 44.28 | 42.77 | 16.76 | 13.47 | 4.32 | 2.62 | (23.74) | (24.75) | 5.13 | 0.39 |
| <i>Less: Extraordinary Items</i> | - | - | - | - | - | - | - | - | - | - |
| Profit before tax | 44.28 | 42.77 | 16.76 | 13.47 | 4.32 | 2.62 | (23.74) | (24.75) | 5.13 | 0.39 |
| Tax expense: | | | | | | | | | | |
| Current tax | 12.75 | 12.32 | 3.18 | 2.56 | 0.80 | 0.49 | - | - | 1.48 | 0.11 |
| Deferred tax | 0.84 | 0.81 | 5.01 | 4.03 | 1.26 | 0.77 | (7.12) | (7.42) | 0.10 | 0.01 |
| Profit(Loss) from the period from continuing operations | 30.69 | 29.65 | 8.57 | 6.89 | 2.26 | 1.37 | (16.62) | (17.33) | 3.55 | 0.27 |
| Profit/(Loss) from | - | - | - | - | - | - | - | - | - | - |

| Particulars | Dec 31, 2013 | For the year ended March 31, | | | | | | | | |
|--|-----------------|------------------------------|-------------|-----------------------------|-------------|-----------------------------|----------------|-----------------------------|-------------|-----------------------------|
| | | % of Total Inco me | 2013 | % of Total Inco me | 2012 | % of Total Inco me | 2011 | % of Total Inco me | 2010 | % of Total Inco me |
| discontinuing operations | | | | | | | | | | |
| Tax expense of discounting operations | - | - | - | - | - | - | - | - | - | - |
| Profit/(Loss) from Discontinuing operations | - | - | - | - | - | - | - | - | - | - |
| Profit/(Loss) for the period | 30.69 | 29.65 | 8.57 | 6.89 | 2.26 | 1.37 | (16.62) | (17.33) | 3.55 | 0.27 |

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 (i.e. our interest income and sales) as a percentage of total income was 99.95%, 99.93%, 100.00%, 100.00% and 99.80% in fiscals 2013, 2012, 2011, 2010 and for the nine months period ended December 31, 2013 respectively.

Other Income

Our other income includes Dividend income. Other income, as a percentage of total income was 0.05%, 0.07% and 0.20% in fiscals 2013, 2012 and for the nine months period ended December 31, 2013 respectively. There were no other incomes in fiscal 2011 & 2010.

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 bonds and equity shares in listed and/or unlisted companies.

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. It represents one of our significant expenses.

Other Expenses

Other expenses primarily include Rent, Advertisement expenses, Legal & Professional fees, Office expenses, etc

Financial Cost

Financial Cost primarily consists of Bank Charges.

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.

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 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 for the nine (9) months period ended December 31, 2013

Income

Our total income for the nine months period ended December 31, 2013 was ₹103.52 lacs. In the current period, the revenue earned from operations is 99.80% of the total income. Other income for said period was recorded at ₹0.21 lacs or 0.20% of total income.

Purchases

Our purchases for the nine months period ended December 31, 2013 were ₹76.64 lacs. As a proportion of our total income they were 74.03%.

Employee Benefit Expenses

Our Employee Benefit Expenses for the nine months period ended December 31, 2013 were ₹16.86 lacs. As a proportion of our total income they were 16.29%.

Other Expenses

Our Other Expenses for the nine months period ended December 31, 2013 ₹6.30 lacs. As a proportion of our total income they were 6.09%.

Financial Cost

Our Financial Cost for the nine months period ended December 31, 2013 was nil.

Depreciation and Amortization Expenses

Our Depreciation and Amortization Expenses for the nine months period ended December 31, 2013 were ₹0.2 lacs. As a proportion of total income they were 0.19%.

Profit before Tax

Profit before Tax for the nine months period ended December 31, 2013 was ₹44.28 lacs.

Profit after Tax

Profit after Tax for the nine months period ended December 31, 2013 was ₹30.69 lacs.

Fiscal 2013 compared with fiscal 2012

Income

In fiscal 2013, our total income decreased by ₹40.21 lacs or 24%, from ₹164.59 lacs in fiscal 2012 to ₹124.38 lacs in fiscal 2013. The major factor for such decrease was an uncertain economic scenario which led to decrease in our operations. Other income also decreased by ₹0.05 lacs or 45%, from ₹0.11 lacs in fiscal 2012 to ₹0.06 lacs in fiscal 2013. The major factor for such decrease was due to decrease in the dividend rate.

Purchases

The purchases in fiscal 2013 were ₹91.68 lacs, an increase of 11% as compared to the previous year purchases of ₹82.67 lacs in fiscal 2012. The above increase was mainly due to increase in our investments.

Employee Benefit Expenses

Our staff cost increased by ₹8.01 lacs or 55%, from ₹22.64 lacs in fiscal 2013 to ₹14.63 lacs in 2012. This increase was mainly due to payment of Director's remuneration.

Other Expenses

Other expenses increased by ₹15.77 lacs from ₹5.26 lacs in fiscal 2012 to ₹21.03 lacs in fiscal 2013. The cause of increase in these expenses was majorly due to increase in business promotion expenses.

Financial Cost

No financial cost was incurred by the company for the fiscals 2013 and 2012.

Depreciation and Amortization Expenses

Depreciation expenses decreased marginally by ₹0.01 lacs, from ₹0.24 lacs in fiscal 2012 to ₹0.23 lacs in fiscal 2013. This decrease was due to the reduction in the written down value of the Assets.

Profit before Tax

Due to a better profit margin and operational efficiency, our PBT increased by ₹12.44 lacs from ₹4.32 lacs in fiscal 2012 to ₹16.76 lacs in fiscal 2013.

Profit after Tax

Our profit after tax increased by ₹6.31 lacs from ₹2.26 lacs in fiscal 2012 to ₹8.57 lacs in fiscal 2013.

Fiscal 2012 compared with fiscal 2011

Income

Our total income increased by ₹68.66 lacs or 72% from ₹95.93 lacs in fiscal 2011 to ₹164.59 lacs in fiscal 2012. The Major factor for this increase was increase in our operations and higher operational efficiency. Other income was ₹0.11 lacs for the fiscal year 2012 and there was no other income for the fiscal year 2011.

Purchases

Purchases in fiscal 2012 was ₹82.67 lacs as compared to ₹9.69 lacs purchases in fiscal 2011, an increase of ₹72.98 lacs was recorded. This was mainly due to increase in our scale of operations and increased investments.

Employee Benefit Expenses

Our staff costs increased by ₹1.29 lacs, or 9.67%, from ₹13.34 lacs in fiscal 2011 to ₹14.63 lacs in fiscal 2012. This increase in our staff costs were driven by addition in staff.

Other Expenses

Other Expenses increased by ₹1.95 lacs in fiscal 2012 from ₹3.31 lacs in fiscal 2011 to ₹5.26 lacs in fiscal 2012. The cause of increase in these expenses was majorly due to increase in business promotion expenses and higher operational scale in the year 2012.

Financial Cost

There were no financial expenses in fiscal 2012. In fiscal 2011 the financial expenses amounted to ₹0.04 lacs.

Depreciation Expenses

Depreciation expenses increased marginally by ₹0.01 lacs, from ₹0.23 lacs in fiscal 2011 to ₹0.24 lacs in fiscal 2012.

Profit before Tax

Our company had faced losses in fiscal 2011 of ₹23.74 lacs. But due to our operational efficiency we had PBT of ₹4.32 lacs in fiscal 2012.

Profit after Tax

We earned profit of ₹2.26 lacs in fiscal 2012. In fiscal 2011 we incurred losses of ₹16.62 lacs.

Fiscal 2011 compared with fiscal 2010

Income

In fiscal 2011, we recorded a total income of ₹95.93 lacs, a decrease of ₹1,225.14 lacs as compared to ₹1,321.07 lacs in fiscal 2010. The Revenue in 2011 includes sale of Shares for ₹ 93.50 lacs, loss on Derivatives Trading of ₹ 99.99 lacs and Interest Income on Un-secured Loans of ₹ 102.41 lacs. The main reason for decrease in revenue was the loss incurred due Derivatives trading.

Purchases

In fiscal 2011, we recorded purchases of ₹9.69 lacs, a decrease of ₹53.11 lacs as compared to ₹62.80 lacs in fiscal 2010. The main reason for decrease in purchases was due to decrease in our trading operations.

Employee Benefit Expenses

Our staff costs increased by ₹0.46 lacs, from ₹12.88 lacs in fiscal 2010 to ₹13.34 lacs in fiscal 2011. This increase in our staff costs were driven by addition in staff.

Other Expenses

Other expenses decreased to ₹0.03 lacs, from ₹3.34 lacs in fiscal 2010 to ₹3.31 lacs in fiscal 2011. The cause of decrease in these expenses was due to proper internal control of resources and greater operational efficiency.

Financial Cost

There was marginal increase in financial cost to ₹0.01 lacs, from ₹0.03 lacs in fiscal 2010 to ₹0.04 lacs in fiscal 2011. The financial cost consists only of Bank Charges.

Depreciation Expenses

Depreciation expenses were ₹0.23 lacs in fiscal 2011 as compared to ₹0.09 lacs in fiscal 2010. This increase was due to the purchase of fixed assets.

Profit before Tax

Our company faced losses in the fiscal 2011 of ₹23.74 lacs. PBT of the company was ₹5.13 lacs in fiscal 2010

Profit after Tax

Our company faced losses in the fiscal 2011 of ₹16.62 lacs. PAT of the company was ₹3.55 lacs in fiscal 2010.

OTHER MATTERS

1. Unusual or infrequent events or transactions

Except as described in the 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 134 and 153 respectively of the prospectus respectively, to our knowledge there are no Significant economic changes that materially affected or are likely to affect income from continuing Operations.

3. Known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations

Other than as described in the section titled “*Risk Factors*” and the chapter titled “*Management’s Discussion and Analysis of Financial Conditions and Result of Operations*”, beginning on pages 12 and - 153 respectively of the prospectus respectively to our knowledge there are no known trends or

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

4. Future relationship between Costs and Income

Other than as described in the section titled “*Risk Factors*” beginning on page 12 of the 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 Non Banking Financial Corporation and is in the business of equipment financing, corporate financing and vehicle loans. Relevant industry data, as available, has been included in the chapter titled “*Industry Overview*” beginning on page 75 of the prospectus.

7. Status of any publicly announced new products or business segments

Please refer to the chapter titled “*Business Overview*” beginning on page 87 of the 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 68.56% for FY 2013.

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 sector 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 financial companies and banks. This we believe may impact our financial condition and operations.

SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated herein, there are no outstanding or pending litigation, suits, civil prosecution, criminal proceedings or tax liabilities against our Company, our Directors, our Promoters and Promoter Group and there are no defaults, non-payment of statutory dues, over dues to banks and financial institutions, defaults against bank and financial institutions and there are no outstanding debentures, bonds, fixed deposits or preference shares issued by our Company; no default in creation of full security as per the terms of the issue, no proceedings initiated for economic or other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (I) of Part I of Schedule XIII of the Companies Act, 1956), and no disciplinary action has been taken by SEBI or any stock exchanges against our Promoters, our Directors or Promoter Group Companies.

PART 1: LITIGATION RELATING TO THE COMPANY

A. CASES FILED AGAINST COMPANY

1. *Litigation involving Civil Laws:*

NIL

2. *Litigation involving Criminal Laws:*

NIL

3. *Litigation involving Securities and Economic Laws:*

NIL

4. *Litigation involving Statutory Laws*

NIL

5. *Litigation involving Labour Laws:*

NIL

B. CASES FILED BY THE COMPANY

1. *Litigation involving Civil Laws:*

NIL

2. *Litigation involving Criminal Laws:*

NIL

3. *Litigation involving Securities and Economic Laws:*

NIL

4. *Litigation involving Statutory Laws*

NIL

5. *Litigation involving Labour Laws:*

NIL

C. PAST PENALTIES

NIL

D. OUTSTANDING LITIGATIONS, DEFAULTS PERTAINING TO MATTERS LIKELY TO AFFECT OPERATIONS AND FINANCE OF THE ISSUER, INCLUDING DISPUTED TAX LIABILITIES, PROSECUTION UNDER ANY ENACTMENT IN RESPECT OF SCHEDULE XIII TO THE COMPANIES ACT, 1956 (1 of 1956) .

NIL

E. THE NAME(S) OF THE SMALL SCALE UNDERTAKING(S) OR ANY OTHER CREDITORS TO WHOM THE ISSUER OWES A SUM EXCEEDING Rs. ONE LAKH WHICH IS OUTSTANDING MORE THAN THIRTY DAYS.

NIL

PART 2: LITIGATION RELATING TO THE DIRECTORS OF THE COMPANY

A. LITIGATION AGAINST THE DIRECTORS

1. *Civil Cases:*

NIL

2. *Criminal Cases:*

NIL

3. *Economic and Statutory Offences:*

NIL

4. *Tax Liabilities:*

NIL

B. LITIGATIONS FILED BY THE DIRECTORS

NIL

C. PAST PENALTIES

NIL

PART 3: LITIGATION RELATING TO THE PROMOTERS AND GROUP COMPANIES

A. LITIGATION AGAINST THE PROMOTERS AND GROUP COMPANIES:

1. Civil Cases:

NIL

2. Criminal Cases:

NIL

3. Securities and Economic Offences:

NIL

B. LITIGATION FILED BY THE PROMOTERS AND GROUP COMPANIES

NIL

C. PAST PENALTIES

NIL

MATERIAL DEVELOPMENTS

In the opinion of the Board of Directors of our Company, there have not arisen, since the date of the last audited financial statements disclosed in the 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

Our 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. It must, however, be distinctly understood that in granting the above approvals, the Government and other authorities do not take any responsibility for the financial soundness of the Company or for the correctness of any of the statements or any commitments made or opinions expressed.

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.

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

1. The Board of Directors has, vide resolution passed at its meeting held on February 14, 2014 authorised the Issue subject to the approval of the shareholders of the Company under Section 81(1A) of the Companies Act, 1956 and approvals by such other authorities as may be necessary.
2. The shareholders of the Company have, pursuant to special resolution dated February 17, 2014 under Section 81(1A) of the Companies Act, 1956 authorised the Issue.
3. The Company has obtained in-principle listing approvals from SME Platform of BSE dated April 17, 2014.

II. INCORPORATION AND OTHER DETAILS

1. Certificate of Incorporation dated November 16, 1994 issued by the Registrar of Companies, Kolkata (“RoC”) in the name of “Dhanuka Commercial Private Limited”.
2. An Order from Regional Director for Change of State consequent to Change of Registered Office from the state of West Bengal to the state of Delhi was issued on October 10, 2013 by the Regional Director, Eastern Region, Kolkata.
3. Certificate of Registration of Regional Director order for change of State from West Bengal to National Capital Territory of Delhi and Haryana dated November 14, 2013 was issued by the Registrar of Companies, National Capital Territory of Delhi and Haryana.
4. Pursuant to shareholders resolution dated January 27, 2014 our Company was converted into a Public Limited Company and the name was changed to Dhanuka Commercial Limited. A fresh Certificate of Incorporation, bearing number U30007DL1994PLC260191, consequent to change of name as a result of conversion to a public limited company was issued on February 13, 2014 by the Registrar of Companies, Delhi.

III. APPROVALS FOR BUSINESS/GENERAL APPROVALS

| Sr. No. | Particulars | Granting Authority | License /Registration No. | Date of Issue | Validity |
|---------|---|--|---------------------------|-------------------|-----------------------|
| 1. | Permanent Account Number (PAN)* | Income Tax Department (Government of India) | AAACD8892N | November 16, 1994 | Valid until cancelled |
| 2. | Certificate from RBI to carry on business as a NBFC, Under Section 45IA of the RBI Act, 1934* | Reserve Bank of India | B. 05. 05269 | January 28, 2003 | Valid until cancelled |
| 3. | Tax Deduction Account No. (TAN) | Income Tax Department (Government of India) | DELD15068E | February 28, 2014 | Valid until cancelled |
| 4. | Certificate of Establishment | Department of Labour Government of National Capital Territory of Delhi | 2014006714 | February 17, 2014 | Valid until cancelled |

*Application for change of name pursuant to conversion to public limited company has been made to the appropriate statutory authority.

IV. PENDING APPROVALS

1. Relating to Intellectual Property

| Sr. No. | Trademark | Applicant | Application No. | Date of Filing | Class |
|---------|---|------------------------------|-----------------|-------------------|-------|
| 1 |  | M/s. Dhanuka Commercial Ltd. | 2684138 | February 21, 2014 | 36 |

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

Our Board of Directors have vide resolution dated February 14, 2014 authorized the Issue, subject to the approval by the shareholders of our Company under Section 81 (1A) of the Companies Act, 1956.

The shareholders have authorized the Issue, by passing a Special Resolution at the EGM held on February 17, 2014 in accordance with the provisions of Section 81(1A) of the Companies Act, 1956.

The Company has obtained approval from BSE vide letter dated April 17, 2014 to use the name of BSE in the 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 willful 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.

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 “General Information-Underwriting” on page 42 of the prospectus.
- b) In accordance with Regulation 106(R) of the SEBI (ICDR) Regulations, we shall ensure that the total number of proposed allottees in the issue is greater than or equal to fifty, otherwise, the entire application money will be refunded within such time which shall be prescribed by the SEBI. If the stated minimum amount has not been subscribed and the sum payable on application is not received within a period of thirty days from the date of issue of the prospectus, or such other period as may be specified by the Securities and Exchange Board, the amount received under sub-section (3) of Section 39 shall be returned within such time and manner as may be prescribed under the Companies Act, 2013.

- c) In accordance with Regulation 106(O) the SEBI (ICDR) Regulation, we have not filed any Prospectus with SEBI nor has SEBI issued any observations on our Prospectus. Also, we shall ensure that our Lead Manger submits the copy of Prospectus along with a Due Diligence Certificate including additional confirmations as required to SEBI at the time of filing the prospectus with Stock Exchange and the Registrar of Companies.
- d) In accordance with Regulation 106(V) of the SEBI (ICDR) Regulations, we have entered into an agreement with the Lead manager and Market Maker to ensure compulsory Market Making for a minimum period of three years from the date of listing of equity shares offered in this issue. For further details of the arrangement of Market Making please refer to “*General Information- Details of the Market Making Arrangements for this Issue*” on page 42 of the 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. 205 of Companies Act, 1956 for at least two years out of immediately preceding three financial years and each financial year has to be a period of at least 12 months.
- h) The distributable Profit, Net tangible Assets and Net worth of our Company as per the restated financial statements for the year ended and as at March 31, 2013, 2012 and 2011 is as set forth below:

(₹ in lacs)

| Particulars | Fiscal 2013 | Fiscal 2012 | Fiscal 2011 |
|-------------------------------------|-------------|-------------|-------------|
| Distributable Profit ⁽¹⁾ | 8.57 | 2.26 | (16.62) |
| Net tangible Assets ⁽²⁾ | 1429.10 | 1411.46 | 1419.97 |
| Net Worth ⁽³⁾ | 1441.57 | 1433.08 | 1433.97 |

⁽¹⁾Distributable profits have been computed in terms Section 205 of the Companies Act, 1956.

⁽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 Prospectus, our Company has a paid up capital of ₹1,230.35 lacs, which is in excess of ₹1 crore, and the Post Issue Capital shall also be in excess of ₹1 crore.
- j) Our Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR).
- k) There is no winding up petition against our company that has been accepted by a court or a liquidator has not been appointed.
- l) Our company shall mandatorily facilitate trading in demat securities and enter into an agreement with both the depositories.

- m) We have a website: www.dhanukacommercial.com
- n) 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.

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 MAY 10, 2014 WHICH READS AS FOLLOWS:

- 1. WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THE PROSPECTUS PERTAINING TO THE SAID ISSUE;**
- 2. ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE ISSUER, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE ISSUER, WE CONFIRM THAT:**
 - A. THE PROSPECTUS FILED WITH THE BOARD IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;**
 - B. ALL THE LEGAL REQUIREMENTS RELATING TO THE ISSUE AS ALSO THE REGULATIONS GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY THE BOARD, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND**
 - C. THE DISCLOSURES MADE IN THE PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956, THE COMPANIES ACT, 2013 (TO THE EXTENT NOTIFIED), THE SECURITIES AND EXCHANGE**

BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 AND OTHER APPLICABLE LEGAL REQUIREMENTS.

- 3. WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE PROSPECTUS ARE REGISTERED WITH THE BOARD AND THAT TILL DATE SUCH REGISTRATION IS VALID.**
- 4. WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS.**
- 5. WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES AS PART OF PROMOTERS CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTERS CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED / SOLD / TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING OF THE PROSPECTUS WITH THE BOARD TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE PROSPECTUS - NOT APPLICABLE.**
- 6. WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE PROSPECTUS.**
- 7. WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITOR'S CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE BOARD. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE ISSUER ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE. – NOT APPLICABLE.**
- 8. WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE ISSUER FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE “MAIN OBJECTS” LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE ISSUER AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION.**
- 9. WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT**

ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION. - NOTED FOR COMPLIANCE.

10. WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE PROSPECTUS IN ACCORDANCE WITH SECTION 29(1) OF THE COMPANIES ACT, 2013, EQUITY SHARES WILL BE ISSUED AND ALLOTMENT SHALL BE MADE ONLY IN THE DEMATERIALISED FORM TO THE ALLOTTEES.
11. WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.
12. WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE PROSPECTUS:
 - A. AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE ISSUER, AND
 - B. AN UNDERTAKING FROM THE ISSUER THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE BOARD FROM TIME TO TIME.
13. WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 WHILE MAKING THE ISSUE.
14. WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OF THE ISSUER, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS EXPERIENCE, ETC.
15. WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.
16. WE ENCLOSE STATEMENT ON PRICE INFORMATION OF PAST ISSUES HANDLED BY MERCHANT BANKER AS PER FORMAT SPECIFIED BY SEBI THROUGH CIRCULAR (PLEASE SEE "ANNEXURE A" FOR FURTHER DETAILS).
17. WE CERTIFY THAT PROFITS FROM RELATED PARTY TRANSACTIONS HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS.

THE FILING OF THE PROSPECTUS DOES NOT, HOWEVER, ABSOLVE OUR COMPANY FROM ANY LIABILITIES UNDER 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 PROSPECTUS.

ADDITIONAL CONFIRMATIONS/ CERTIFICATION TO BE GIVEN BY MERCHANT BANKER IN DUE DILIGENCE CERTIFICATE TO BE GIVEN ALONG WITH PROSPECTUS REGARDING SME EXCHANGE

- 1. WE CONFIRM THAT NONE OF THE INTERMEDIARIES NAMED IN THE PROSPECTUS HAVE BEEN DEBARRED FROM FUNCTIONING BY ANY REGULATORY AUTHORITY.**
- 2. WE CONFIRM THAT ALL THE MATERIAL DISCLOSURES IN RESPECT OF THE ISSUER HAVE BEEN MADE IN PROSPECTUS AND CERTIFY THAT ANY MATERIAL DEVELOPMENT IN THE ISSUER OR RELATING TO THE ISSUE UP TO THE COMMENCEMENT OF LISTING AND TRADING OF THE SPECIFIED SECURITIES OFFERED THROUGH THIS ISSUE SHALL BE INFORMED THROUGH PUBLIC NOTICES/ ADVERTISEMENTS IN ALL THOSE NEWSPAPERS IN WHICH PRE-ISSUE ADVERTISEMENT AND ADVERTISEMENT FOR OPENING OR CLOSURE OF THE ISSUE HAVE BEEN GIVEN.**
- 3. WE CONFIRM THAT THE ABRIDGED PROSPECTUS CONTAINS ALL THE DISCLOSURES AS SPECIFIED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009.**
- 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 April 17, 2014, permission to this Company to use its name in this offer document as one of the stock exchanges on which this company's securities are proposed to be listed on the SME Platform. BSE has scrutinized this offer document for its limited internal purpose of deciding on the matter of granting the aforesaid 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 the 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 March 03, 2014, the Underwriting Agreement dated March 03, 2014 entered into among the Underwriters and our Company and the Market Making Agreement dated March 03, 2014 entered into among the Market Maker, Lead Manager and our Company.

All information shall be made available by us and the Lead Manager to the public and investors at large and no selective or additional information would be available for a Section of the investors in any manner whatsoever including at road show presentations, in research or sales reports or at collection centres or elsewhere.

Note:

Investors who apply in the Issue will be required to confirm and will be deemed to have represented to our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company and will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company. Our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our Company.

Disclaimer in respect of Jurisdiction

This Issue is being made in India to persons resident in India including Indian nationals resident in India (who are not minors), Hindu Undivided Families (HUFs), companies, corporate bodies and societies registered under the applicable laws in India and authorised 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. The Prospectus does not, however, constitute an offer to sell or an invitation to subscribe to Equity Shares offered hereby in any other jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession the Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in Delhi 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 the prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of the prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been any change in the affairs of our Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

Disclaimer Clause under Rule 144a of the U.S. Securities Act

The Equity Shares have not been and will not be registered under the U.S. Securities Act 1933, as amended (the “Securities Act”) or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, “U.S. persons” (as defined in Regulation S of the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares will be offered and sold (i) in the United States only to “qualified institutional buyers”, as defined in Rule 144A of the Securities Act, and (ii) outside the United States in offshore transactions in reliance on Regulation S under the Securities Act and in compliance with the applicable laws of the jurisdiction where those offers and sales occur.

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

Filing

The Draft Prospectus shall not be filed with SEBI, nor will SEBI issue any observation on the Draft Prospectus in term of Reg. 106(O) (1). However, a copy of 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 32 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 the prospectus. The allotment letters shall be issued or application money shall be refunded within fifteen days from the closure of the issue or such lesser time as may be specified by Securities and Exchange Board or else the application money shall be refunded to the applicants forthwith, failing which interest shall be due to be paid to the applicants at the rate of fifteen per cent per annum for the delayed period as prescribed under Section 40 of the Companies Act, 2013.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the SME Platform of BSE mentioned above are taken within 12 Working Days of the Issue Closing Date.

The Company has obtained approval from BSE vide letter dated April 17, 2014 to use the name of BSE in the prospectus for listing of equity shares on SME Platform of BSE.

Price Information of past issues handled by the Lead Manager

| Sr. No | Issue Name | Issue size (₹ in lacs) | Issue Price (₹) | Listing date | Opening price on listing date (₹) | Closing price on listing date (₹) | % Change in Price on listing date (Closing) vs. Issue Price | Benchmark index on listing date (Closing) | Closing price as on 10th calendar day from listing day | Benchmark index as on 10th calendar day from listing day (Closing) | Closing price as on 20th calendar day from listing day | Benchmark index as on 20th calendar day from listing day (Closing) | Closing price as on 30th calendar day from listing day | Benchmark index as on 30th calendar day from listing day (Closing) |
|--------|--------------------------------|------------------------|-----------------|--------------|-----------------------------------|-----------------------------------|---|---|--|--|--|--|--|--|
| 1 | Karnimata Cold Storage Limited | 303.60 | 20.00 | 18/03/2014 | 29.05 | 30.00 | 50.00% | 21,832.61 | 22.15 | 22,214.37 | 22.15 | 22,343.45 | 20.30 | 22,628.84 |
| 2 | Suyog Telematics Limited | 453.00 | 25.00 | 22/01/2014 | 25.20 | 25.25 | 1.00% | 21,337.67 | 25.20 | 20,513.85 | 25.00 | 20363.37 | 25.50 | 20,700.25 |
| 3 | Stellar Capital Services Ltd. | 900.00 | 20.00 | 01/11/2013 | 20.10 | 19.10 | (4.50)% | 21,196.81 | 16.90 | 20,666.15 | 15.30 | 20,635.13 | 14.55 | 20,791.93 |
| 4 | S R G Securities Finance Ltd. | 501.60 | 20.00 | 29/10/2013 | 23.90 | 24.25 | 21.25% | 20,929.01 | 20.50 | 20,666.15 | 20.10 | 20,850.74 | 20.00 | 20,425.02 |
| 5 | Kushal Tradelink Ltd. | 2,774.80 | 35.00 | 04/09/2013 | 35.00 | 35.80 | 2.29% | 18,567.55 | 35.30 | 19,732.76 | 35.30 | 19920.21 | 43.10 | 19915.95 |
| 6 | India Finsec Ltd. | 600.00 | 10.00 | 11/06/2013 | 10.00 | 10.50 | 5.00% | 19,143.00 | 9.55 | 19,245.70 | 10.00 | 18,629.15 | 10.00 | 18,629.15 |
| 7 | SRG Housing Finance Ltd. | 700.80 | 20.00 | 11/09/2012 | 20.30 | 20.30 | 1.50% | 17,852.95 | 21.00 | 18,349.25 | 20.15 | 18,823.91 | 20.10 | 18,804.75 |
| 8 | Jupiter Infomedia Ltd. | 408.00 | 20.00 | 16/08/2012 | 22.00 | 22.05 | 10.25% | 17657.21 | 21.95 | 17,783.21 | 22.40 | 17,313.34 | 23.15 | 18,464.27 |
| 9 | Sangam Advisors Ltd. | 506.88 | 22.00 | 09/08/2012 | 22.10 | 22.00 | 0.00% | 17,560.87 | 22.10 | 17,728.20 | 22.20 | 17,783.21 | 22.00 | 17313.34 |
| 10 | VKS Projects Ltd. | 5500.00 | 55.00 | 18/07/2012 | 55.80 | 55.05 | 0.09% | 17185.01 | 55.50 | 16,839.19 | 53.10 | 17,601.78 | 52.00 | 17691.08 |

Notes:

In case the 10th, 20th and 30th calendar day from the date of listing is a holiday, or if the stock was not traded on the said calendar days from the date of listing, the share price and benchmark index is taken of the immediately preceding working day.

Summary Statement of Disclosure

| Financial Year | Total no. of IPOs | Total Funds Raised (₹ in lacs) | 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% | Between 25-50% | Less than 25% | Over 50% | Between 25-50% | Less than 25% | Over 50% | Between 25-50% | Less than 25% | Over 50% | Between 25-50% | Less than 25% |
| 2014-15 | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 2013- | 6@ | 5533.00 | - | - | 1 | - | 1 | 4 | - | 1 | - | - | - | 3 |

| | | | | | | | | | | | | | | |
|---------|----|---------|---|---|---|---|---|---|---|---|---|---|---|---|
| 14 | | | | | | | | | | | | | | |
| 2012-13 | 4* | 7115.68 | - | - | - | - | - | 3 | - | - | 1 | - | - | 2 |
| 2011-12 | 1^ | 885.00 | - | - | - | - | - | 1 | - | - | - | - | - | - |

[@]As on the 30th Calendar day from the listing day, the price of SRG Securities Finance Limited, India Finsec Limited is exactly equal to its Issue Price and hence it is neither trading at Premium or Discount.

*As on the listing day, the price of Sangam Advisors Ltd. is exactly equal to its Issue Price and hence it is neither trading at Premium or Discount; As on the 30th Calendar day from the listing day, the price of, SRG Housing Finance Ltd. and Sangam Advisors Ltd. is exactly equal to its Issue Price and hence it is neither trading at Premium or Discount.

^As on the 30th Calendar day from the listing day, the price of BCB Finance Limited is exactly equal to its Issue Price and hence it is neither trading at Premium or Discount.

Notes:

(a) In case the 30th calendar day from the date of listing is a holiday, or if the stock was not traded on the said calendar days from the date of listing, the share price and benchmark index is taken of the immediately preceding working day.

(b) BSE SENSEX has been considered 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, Registrar to the Issue, the Legal Advisors to the Issue, to act in their respective capacities, have been obtained and shall be filed along with a copy of the prospectus with the RoC, as required under Section 32 of the Companies Act, 2013 and such consents shall not be withdrawn up to the time of delivery of the prospectus for registration with the RoC.

Expert Opinion

Except for the below stated reports and certificate, our Company has not obtained any expert opinions:

1. Statutory Auditor – Statement of Tax Benefits
2. Peer Reviewed Auditor – Restated Financial Statements
3. Legal Due Diligence Report

Issue Related Expenses

The expenses of this Issue include, among others, underwriting and management fees, Market Making Fees, selling commissions, SCSB’s commission/ fees, printing and distribution expenses, legal fees, statutory advertisement expenses, registrar and depository fees and listing fees is given below:

| Sr. No. | Particulars | Amount (₹ in lacs) |
|--------------|--|-----------------------|
| 1 | Issue Management fees including fees and reimbursements of Market Making fees, selling commissions, brokerages, and payment to other intermediaries such as Legal Advisors, Registrars and other out of pocket expenses. | 25.00 |
| 2 | Printing & Stationery, Distribution, Postage, etc. | 8.00 |
| 3 | Advertisement and Marketing Expenses | 6.00 |
| 4 | Regulatory and other Expenses | 5.00 |
| Total | | 44.00 |

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 March 03, 2014, the Underwriting Agreement dated March 03, 2014 and the Market Making Agreement dated March 03, 2014 among the Company and the Lead Manager and other parties, a copy of which will be made available for inspection at our Registered Office.

Fees Payable to the Registrar to the Issue

The fees payable to the Registrar to the Issue, for processing of application, data entry, printing of refund order, preparation of refund data on magnetic tape, printing of bulk mailing register will be as per the MoU between the Company and the Registrar to the Issue dated March 04, 2014.

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

Commission and Brokerage Paid on Previous Issues of our Equity Shares

Since this is the Initial Public Offer of the Company, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since inception of the Company.

Capital Issue during the last three years

Dhanuka Commercial Limited and its Group Companies have not made any capital issue viz. initial public offering, rights issue or composite issue during the last three years.

Previous Public and Rights Issues

We have not made any previous rights and public issues, and we are an “Unlisted Company” in terms of the SEBI (ICDR) Regulations and this Issue is an “Initial Public Offering” in terms of the SEBI (ICDR) Regulations.

Previous Issues of Equity Shares otherwise than for Cash

Except as stated in the chapter titled “*Capital Structure*” beginning on page 45 of the prospectus, we have not issued any Equity Shares for consideration other than for cash.

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 Promoter Group have not made any previous rights or 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 MAS Services Limited as the Registrar to the Issue, to handle the investor grievances in co-ordination with the Compliance Officer of the Company. All grievances relating to the present Issue may be addressed to the Registrar with a copy to the Compliance Officer, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and name of bank and branch. The Company would monitor the work of the Registrar to ensure that the investor grievances are settled expeditiously and satisfactorily.

The Registrar to the Issue, namely MAS Services Limited, will handle investor’s grievances pertaining to the Issue. A fortnightly status report of the complaints received and redressed by them would be forwarded to the Company. The Company would also be co-coordinating with the Registrar to the Issue in attending to the grievances to the investor.

All grievances relating to the ASBA process may be addressed to the SCSBs, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the Designated Branch of the SCSB where the Application Form was submitted by the ASBA Applicant.

We estimate that the average time required by us or the Registrar to the Issue or the SCSBs for the redressal of routine investor grievances will be seven business days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible.

Our Board by a resolution on April 02, 2014 re-constituted a Stakeholders Relationship Committee. The composition of the Stakeholders Relationship Committee is as follows:

| Name | Designation in Committee | Nature of Directorship |
|----------------------------|---------------------------------|------------------------------------|
| Mr. Mukesh Bansal | Chairman | Non-Executive Independent Director |
| Mr. Sandeep Kumar Aggarwal | Member | Non-Executive Independent Director |
| Mr. Gopal Krishan Bansal | Member | Executive Director |

For further details, please see the chapter titled “*Our Management*” beginning on page 107 of the prospectus.

We have also appointed Mr. Sunil Jain as the Company Secretary and Compliance Officer for this Issue and he may be contacted at the registered office of our Company. The contact details are as follows:

Name: Mr. Sunil Jain

Address: 61, Vats Market, Near Shiva Market,

Pitampura, Delhi- 110 034, India.

Tele Fax No.: +91-11- 4513 2171

Email: info@dhanukacommercial.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 the prospectus and hence there are no pending investor complaints as on the date of the 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 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

Our current statutory auditor M/s. DSP & Associates was appointed vide a ordinary resolution on February 17, 2014 in place of M/s. Khetra Mohan Roy, Chartered Accountants who could not continue their services & tendered their resignation to the company vide a letter dated January 31, 2014. M/s. Khetra Mohan Roy was appointed as the statutory auditors for the financial year ending 2013 in place of M/s. Dutta Sarkar & Co. who were the statutory auditors of the company for the financial year ending 2012 & 2011. Except as mentioned herein, there has been no other change in the auditors during the last three years.

Capitalisation of Reserves or Profits

Except as stated in the chapter titled “*Capital Structure*” beginning on page 45 of the prospectus, our Company has not capitalised our reserves or profits during the last five years.

Revaluation of Assets

We have not revalued our assets since inception.

SECTION VII – ISSUE RELATED INFORMATION

TERMS OF THE ISSUE

The Equity Shares being issued are subject to the provisions of the Companies Act, SEBI (ICDR) Regulations, 2009, our Memorandum and Articles of Association, the terms of the prospectus, the 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 February 14, 2014 and was approved by the Shareholders of the Company by passing a Special Resolution at the Extraordinary General Meeting held on February 17, 2014 in accordance with the provisions of Section 81(1A) of the Companies Act, 1956.

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 213 of the prospectus.

Mode of Payment of Dividend

The declaration and payment of dividend will be as per the provisions of Companies Act and recommended by the Board of Directors and the Shareholders at their discretion and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company. We shall pay dividends in cash and as per provisions of the Companies Act, 1956. For further details, please see the chapter titled "*Dividend Policy*" beginning on page 133 of the prospectus.

Face Value and Issue Price

The Equity Shares having a face value of ₹10 each are being issued in terms of the prospectus at the price of ₹10 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 62 of the prospectus. At any given point of time there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws

Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, the equity shareholders shall have the following rights:

- ✓ Right to receive dividend, if declared;
- ✓ Right to attend general meetings and exercise voting rights, unless prohibited by law;
- ✓ Right to vote on a poll either in person or by proxy;

- ✓ Right to receive offer for rights shares and be allotted bonus shares, if announced;
- ✓ Right to receive surplus on liquidation;
- ✓ Right of free transferability; and
- ✓ Such other rights, as may be available to a shareholder of a listed Public Limited Company under the Companies Act, terms of the listing agreements with the Stock Exchange and the Memorandum and Articles of Association of our Company.

For a detailed description of the main provision of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien and / or consolidation / splitting, etc., please see the section titled "*Main Provisions of Articles of Association of our company*" beginning on page 213 of the 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.

The investors have an option either to receive the security certificate or to hold the securities with depository. However, as per SEBI's circular RMB (compendium) series circular no. 2 (1999-2000) dated February 16, 2000, it has been decided by the SEBI that trading in securities of companies making an initial public offer shall be in Dematerialized form only.

Trading of the Equity Shares will happen in the minimum contract size of 10,000 Equity Shares in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012 and the same may be modified by BSE from time to time by giving prior notice to investors at large.

Allocation and allotment of Equity Shares through this Issue will be done in multiples of 10,000 Equity Share subject to a minimum allotment of 10,000 Equity Shares to the successful applicants.

Minimum Number of Allottees

The minimum number of allottees in this Issue shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and the monies collected shall be refunded within 12 Working days of closure of issue.

Joint Holders

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

Nomination Facility to Investor

In accordance with Section 72 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 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 the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed

form available on request at the Registered Office of our Company or to the Registrar and Transfer Agents of our Company.

In accordance with Section 56 of the Companies Act, 2013 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.

Minimum Subscription

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

Arrangements for Disposal of Odd Lots

The trading of the Equity Shares will happen in the minimum contract size of 10,000 shares. However, the Market Maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the SME platform of BSE.

Restrictions, if any, on transfer and transmission of shares or debentures and on their consolidation or splitting

For a detailed description in respect of restrictions, if any, on transfer and transmission of shares and on their consolidation / splitting, please see the section titled "*Main Provisions of the Articles of Association of our Company*" on page 213 of the prospectus.

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 Dematerialized 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 fulfillment of the eligibility criteria for listing of specified securities laid down by the Main Board.
- If the Paid up Capital of the company is more than ₹10 crores but below ₹25 crores, we may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

Market Making

The shares issued through this Issue are proposed to be listed on the SME Platform of BSE (SME Exchange), wherein the Lead Manager to this Issue shall ensure compulsory Market Making through the registered Market Maker of the SME Exchange for a minimum period of three years from the date of listing on the SME Platform of BSE.

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*" on page 42 of the prospectus.

New Financial Instruments

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

Jurisdiction

Exclusive jurisdiction for the purpose of this Issue is with the competent courts / authorities in Delhi. 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 181 and 187 respectively, of the prospectus.

Following is the issue structure:

Public issue of 44,40,000 Equity Shares of ₹10 each (the "Equity Shares") for cash at a price of ₹10 per Equity Share aggregating to ₹444 lacs ("the Issue") by Dhanuka Commercial Limited ("DCL" or the "Company" or the "Issuer").

The issue comprises a Net Issue to Public of 42,00,000 Equity Shares of ₹10 each ("the Net issue") and a reservation of 2,40,000 Equity Shares for subscription by the designated Market Maker ("the Market Maker Reservation Portion").

| Particulars of the Issue | Net Issue to Public* | Market Maker Reservation Portion |
|---|--|----------------------------------|
| Number of Equity Shares available for allocation | 42,00,000 Equity Shares | 2,40,000 Equity Shares |
| Percentage of Issue Size available for allocation | 94.59% of the Issue Size | 5.41% of the Issue Size |
| Basis of Allotment | Proportionate subject to minimum allotment of 10,000 Equity Shares and further allotment in multiples of 10,000 Equity Shares each. | Firm Allotment |
| Mode of Application | For QIB and NII Applicants the application must be made compulsorily through the ASBA Process. The Retail Individual Applicant may apply through the ASBA or the Physical Form. | Through ASBA Process Only |
| Minimum Application Size | <p><i>For QIB and NII:</i></p> <p>Such number of Equity Shares in multiples of 10,000 Equity Shares such that the Application Value exceeds ₹2,00,000.</p> <p><i>For Retail Individuals:</i></p> <p>10,000 Equity Shares</p> | 2,40,000 Equity Shares |
| Maximum Application Size | <p><i>For QIB and NII:</i></p> <p>Such number of Equity Shares in multiples of 10,000 Equity Shares such that the Application Size does not exceed 42,00,000 Equity Shares.</p> | 2,40,000 Equity Shares |

| Particulars of the Issue | Net Issue to Public* | Market Portion | Maker | Reservation |
|--------------------------|---|--|-------|-------------|
| | <p><i>For Retail Individuals:</i></p> <p>Such number of Equity Shares in multiples of 10,000 Equity Shares such that the Application Value does not exceed ₹2,00,000.</p> | | | |
| Mode of Allotment | Dematerialized Form | Dematerialized Form | | |
| Trading Lot | 10,000 Equity Shares | 10,000 Equity Shares, However the Market Maker may accept odd lots if any in the market as required under the SEBI (ICDR) Regulations, 2009. | | |
| Terms of Payment | The entire Application Amount will be payable at the time of submission of the Application Form. | | | |

* 50 % of the shares offered are reserved for allocation to applications below or equal to ₹2 lacs and the balance for higher amount applications.

Withdrawal of the Issue

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

- The final listing and trading approvals of BSE for listing of Equity Shares offered through this Issue on its SME Platform, which the Company shall apply for after Allotment; and
- The final RoC approval of the Prospectus after it is filed with the RoC.

In case, the Company wishes to withdraw the Issue after Issue Opening but before allotment, the Company will give public notice within two days, providing reasons for withdrawal of Issue. The public notice will appear in two widely circulated national newspapers (one each in English and Hindi).

The LM, through the Registrar to the Issue, will instruct the SCSBs to unblock the ASBA Accounts within one Working Day from the day of receipt of such instruction. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisements have appeared and the Stock Exchange will also be informed promptly. If our Company withdraws the Issue after the Issue Closing Date and subsequently decides to undertake a public offering of Equity Shares, our Company will file a fresh offer document with the stock exchange where the Equity Shares may be proposed to be listed.

Issue Programme

| | |
|---------------------------|--------------|
| ISSUE OPENING DATE | May 22, 2014 |
| ISSUE CLOSING DATE | May 28, 2014 |

Applications and any revisions to the same will be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time) during the Issue Period at the Application Centres mentioned in the Application Form, or in the case of ASBA Applicants, at the Designated Bank Branches except that on the Issue Closing Date applications will be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time). Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday).

ISSUE PROCEDURE

Fixed Price Issue Procedure

This Issue is being made under Regulation 106(M)(2) of Chapter XB of SEBI (ICDR) Regulations, 2009 via Fixed Price Process. Applicants are required to submit their Applications to the Selected Branches / Offices of the Escrow Bankers to the Issue who shall duly submit them to the Registrar of the Issue. In case of QIB Applicants, the Company in consultation with the Lead Manager may reject Applications at the time of acceptance of Application Form provided that the reasons for such rejection shall be provided to such Applicant in writing. In case of Non-Institutional Applicants and Retail Individual Applicants, our Company would have a right to reject the Applications based on technical grounds only.

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 application system of the stock exchanges by the Brokers (including sub-brokers) do not match with the DP ID, Client ID and PAN available in the depository database, the application is liable to be rejected. Applicants will not have the option of getting allotment of the Equity Shares in physical form. The Equity Shares on allotment shall be traded only in the dematerialised segment of the Stock Exchanges.

Applicants are required to ensure that the PAN (of the sole/ first Applicant) provided in the Application Form is exactly the same as the PAN of the person(s) in whose name the relevant beneficiary account is held. In case of joint Applications, the Application Form should contain only the name of the first Applicant whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such first Applicant would be required in the Application Form and such first Applicant would be deemed to have signed on behalf of the joint holders.

Application Form

Applicants shall only use the specified Application Form for the purpose of making an Application in terms of the prospectus. Upon completing and submitting the Application Form to the Bankers, the Applicant is deemed to have authorized our Company to make the necessary changes in the Prospectus and the Application Form as would be required for filing the Prospectus with the RoC and as would be required by RoC after such filing, without prior or subsequent notice of such changes to the Applicant.

ASBA Applicants shall submit an Application Form either in physical or electronic form to the SCSBs authorizing blocking funds that are available in the bank account specified in the Application Form used by ASBA applicants. Upon completing and submitting the Application Form for ASBA Applicants to the SCSB, the ASBA Applicant is deemed to have authorized our Company to make the necessary changes in the Prospectus and the ASBA as would be required for filing the Prospectus with the RoC and as would be required by RoC after such filing, without prior or subsequent notice of such changes to the ASBA Applicant.

The prescribed color of the Application Form for various categories is as follows:

| Category | Colour |
|--|--------|
| Resident Indians and Eligible NRIs applying on a non-repatriation basis (ASBA and Non-ASBA) | White |
| Non-Residents and Eligible NRIs, FPIs, Sub Accounts (other than Category III FPIs), FIIs, FVCIs, etc. applying on a repatriation basis (ASBA and Non-ASBA) | Blue |

In accordance with the SEBI (ICDR) Regulations, 2009 in public issues w.e.f. May 1, 2010 all the investors can apply through ASBA process and w.e.f. May 02, 2011, the Non-Institutional Applicants and the QIB Applicants have to compulsorily apply through the ASBA Process.

Who Can Apply?

1. Indian nationals resident in India, who are not minors, 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. State Industrial Development Corporations;
13. 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;
14. Scientific and/or industrial research organizations authorized in India to invest in equity shares;
15. Insurance companies registered with Insurance Regulatory and Development Authority;
16. Provident Funds with a minimum corpus of ₹250 million and who are authorised under their constitution to hold and invest in equity shares;
17. Pension Funds with a minimum corpus of ₹250 million and who are authorised under their constitution to hold and invest in equity shares;
18. Limited liability partnerships;

19. 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;
20. Nominated Investor and Market Maker
21. Insurance funds set up and managed by the army, navy or air force of the Union of India; and
22. Multilateral and Bilateral Development Financial Institutions
23. Insurance funds set up and managed 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.

Applications not to be made by:

1. Minors
2. Partnership firms or their nominations
3. Foreign Nationals (except NRIs)
4. Overseas Corporate Bodies

Availability of Prospectus and Application Forms

The Memorandum Form 2A containing the salient features of the Prospectus together with the Application Forms and copies of the Prospectus may be obtained from the Registered Office of our Company, from the Corporate Office of the Lead Manager to the Issue, Registrar to the Issue and the Collection Centres of the Bankers to the Issue, as mentioned in the Application Form. The Application Forms may also be downloaded from the website of BSE Limited i.e. www.bsesme.com.

Option to Subscribe in the Issue

- a) Allotment of Equity Shares to all successful Applicants will only be in the dematerialised form.
- b) The equity shares, on allotment, shall be traded on stock exchange in demat segment only.
- c) A single application from any investor shall not exceed the investment limit/minimum number of specified securities that can be held by him/her/it under the relevant regulations/statutory guidelines.

Participation by associates / affiliates of Lead Manager

The LM shall not be entitled to subscribe to this Issue in any manner except towards fulfilling its underwriting obligations. However, associates and affiliates of the LM may subscribe for Equity Shares in the Issue, either in the QIB Portion and Non-Institutional Portion where the allotment is on a proportionate basis.

Application by Indian Public including eligible NRIs applying on Non-Repatriation

Application must be made only in the names of individuals, Limited Companies or Statutory Corporations/ Institutions and not in the names of Minors, Foreign Nationals, Non Residents (except for those applying on non-repatriation), Trusts (unless the Trust is registered under the Societies Registration Act, 1860 or any other applicable Trust laws and is authorized under its constitution to hold shares and debentures in a Company), Hindu Undivided Families, Partnership firms or their nominees. In case of HUFs application shall be made by the Karta of the HUF. An applicant in the Net Public Category cannot make an application for that number of securities exceeding the number of securities offered to the public.

Application by Mutual Funds

As per the current regulations, the following restrictions are applicable for investments by mutual funds:

No mutual fund scheme shall invest more than 10% of its net asset value in the Equity Shares or equity related instruments of any Company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No mutual fund under all its schemes should own more than 10% of any Company's paid up share capital carrying voting rights.

Multiple Applications: In case of a Mutual Fund, a separate Application can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Applications in respect of more than one scheme of the Mutual Fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

Applications by Eligible NRIs/FIIs on Repatriation Basis

Application Forms have been made available for Eligible NRIs at our registered Office. Eligible NRI applicants may please note that only such applications as are accompanied by payment in free foreign exchange shall be considered for Allotment. The Eligible NRIs who intend to make payment through Non Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians. Under the Foreign Exchange Management Act, 1999 (FEMA) general permission is granted to the companies vide notification no. FEMA/20/2000 RB dated 03/05/2000 to issue securities to NRI's subject to the terms and conditions stipulated therein. The Companies are required to file the declaration in the prescribed form to the concerned Regional Office of RBI within 30 days from the date of issue of shares for allotment to NRI's on repatriation basis. Allotment of Equity Shares to Non-Resident Indians shall be subject to the prevailing Reserve Bank of India Guidelines. Sale proceeds of such investments in Equity Shares will be allowed to be repatriated along with the income thereon subject to permission of the RBI and subject to the Indian Tax Laws and regulations and any other applicable laws. The Company does not require approvals from FIPB or RBI for the Transfer of Equity Shares in the issue to eligible NRI's, FII's, Foreign Venture Capital Investors registered with SEBI and multilateral and bilateral development financial institutions.

Applications by Eligible FPIs

SEBI recently notified the SEBI (Foreign Portfolio Investors) Regulations whereby FIIs, sub-accounts and QFIs categories of investors were merged to form a new category called 'Foreign Portfolio Investors'. Prior to the notification of the SEBI (Foreign Portfolio Investors) Regulations, portfolio investments by FIIs and sub-accounts were governed by SEBI under the FII Regulations and portfolio investments by QFIs were governed by various circulars issued by SEBI from time to time (the "QFI circulars"). Pursuant to the notification of the SEBI (Foreign Portfolio Investors) Regulations, the FII Regulations were repealed and the QFI circulars were rescinded.

Under the SEBI (Foreign Portfolio Investors) Regulations, purchase of equity shares by an FPI or an investor group should be below 10% of the total issued capital of an Indian company.

However, portfolio investments by FIIs and QFIs are also governed by RBI under FEMA and RBI has not yet notified the corresponding amendments to regulations under FEMA. Under the FEMA regulations, no single FII can hold more than 10% of the paid up capital of an Indian company. In respect of an FII investing on behalf of its eligible sub-accounts, the investment on behalf of each eligible sub account shall not exceed 10% of the paid up capital, or 5% of the paid up capital in case such eligible sub-account is a foreign corporate or an individual. The total equity share holding of all FIIs in a company is subject to a cap of 24% of the paid up capital of the company. The 24% limit can be increased up to the applicable sectoral cap by passing a resolution by the board of the directors followed by passing a special resolution to that effect by the shareholders of the company. The Company has not obtained Board or the shareholders approval to increase the FII limit to more than 24%.

The individual and aggregate investment limits for Eligible QFIs in equity shares of a listed Indian company, under the FEMA regulations, are 5% and 10%, respectively, of the paid up capital. Further, wherever there are composite sectoral caps under the extant FDI policy, these limits for Eligible QFI investment in equity shares shall also be within such overall FDI sectoral caps.

In light of the notification of SEBI (Foreign Portfolio Investors) Regulations and the absence of any RBI notification on corresponding amendments to regulations under FEMA, FIIs and Eligible QFIs should consult their advisors regarding the investment limits applicable to them”.

Under the SEBI FPI Regulations and subject to compliance with all applicable Indian laws, FPIs may issue, subscribe or otherwise deal in offshore derivative instruments (defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it that are listed or proposed to be listed on any recognized stock exchange in India, as its underlying security), directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate foreign regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with ‘know your client’ norms. Further, Category II FPIs under the SEBI FPI Regulations which are unregulated broad based funds and Category III FPIs under the SEBI FPI Regulations shall not issue, subscribe or otherwise deal in such offshore derivative instruments directly or indirectly. In addition, FPIs are required to ensure that further issue or transfer of any offshore derivative instruments by or on behalf of it is made only to person regulated by an appropriate foreign regulatory authority.

Pursuant to a circular dated January 13, 2012, the RBI has permitted Eligible QFIs to invest in equity shares of Indian companies on a repatriation basis subject to certain terms and conditions. Eligible QFIs have been permitted to invest in equity shares of Indian companies which are offered to the public in India in accordance with the SEBI Regulations.

Eligible QFIs shall open a single non-interest bearing Rupee account with an AD category-I bank in India for routing the payment for transactions relating to purchase of equity shares (including investment in equity shares in public issues) subject to the conditions as may be prescribed by the RBI from time to time.

Eligible QFIs who wish to participate in the Offer are required to submit the Application Form for the Issue. Eligible QFIs are advised to use the Application Form meant for Non-Residents. Eligible QFIs are required to participate in the Issue through the ASBA process and are not permitted to issue off-shore derivative instruments or participatory notes.

Applications by SEBI registered Venture Capital Funds and Foreign Venture Capital Investors

As per the current regulations, the following restrictions are applicable for SEBI Registered Venture Capital Funds and Foreign Venture Capital Investors:

The SEBI (Venture Capital) Regulations, 1996 and the SEBI (Foreign Venture Capital Investor) Regulations, 2000 prescribe investment restrictions on venture capital funds and foreign venture capital investors registered with SEBI.

Accordingly, whilst the holding by any individual venture capital fund registered with SEBI in one Company should not exceed 25% of the corpus of the venture capital fund, a Foreign Venture Capital Investor can invest its entire funds committed for investments into India in one Company. Further, Venture Capital Funds and Foreign Venture Capital Investors can invest only up to 33.33% of the investible funds by way of subscription to an initial public offer.

Applications by Limited Liability Partnerships

In case of Applications made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, as amended (“LLP Act”) a certified copy of certificate of registration issued under the LLP Act must be attached to the Application Form. Failing this, our Company reserves the right to reject any Application without assigning any reason thereof.

Applications by Insurance Companies

In case of applications made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Application Form. Failing this, our Company reserves the right to reject any application, without assigning any reason thereof. The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment Scheme) (5th Amendment) Regulations, 2013, as amended (the "IRDA Investment Regulations"), are broadly set forth below:

- a) Investment of equity shares of a company: the least of 10% of the investee company’s subscribed capital (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;
- b) The entire group of the investee company: the least of 15% of the respective fund in case of a life insurer or a general insurer or reinsurer or 15% of investment assets in all companies belonging to the group.
- c) The industry sector in which the investee company operates: the least of 15% of the respective fund in case of a life insurer or a general insurer or reinsurer or 15% of investment assets.

In addition, the IRDA partially amended the exposure limits applicable to investments in public limited companies in the infrastructure and housing sectors, i.e. Dated February 16, 2008, providing, among other things, that the exposure of an insurer to an infrastructure company may be increased to not more than 20%. This limit of 20% would be combined for debt and equity taken together, without sub ceilings.

The exposure limit for financial and insurance activities (as per Section K of NIC classification-2008) shall stand at 25% of investment assets for all insurers.

Application by Provident Funds/ Pension Funds

In case of applications made by provident funds/ pension funds, subject to applicable laws, with minimum corpus of ₹2,500 lacs, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be attached to the Application Form. Failing this, our Company reserves the right to reject any application, without assigning any reason thereof.

Application under Power of Attorney

In case of applications made pursuant to a power of attorney by Limited Companies, Corporate Bodies, Registered Societies, Mutual Funds, Eligible QFIs, Insurance Companies and Provident Funds with minimum corpus of ₹25 crores (subject to applicable law) and pension funds with a minimum corpus of ₹25 crores a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged with the Application Form. Failing this, our Company reserves the right to accept or reject any application in whole or in part, in either case, without assigning any reason therefore.

In addition to the above, certain additional documents are required to be submitted by the following entities:

- a) With respect to applications by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject any application, in whole or in part, in either case without assigning any reasons thereof.
- b) With respect to applications by insurance companies registered with the Insurance Regulatory and Development Authority, in addition to the above, a certified copy of the certificate of registration issued by the Insurance Regulatory and Development Authority must be lodged with the Application Form as applicable. Failing this, our Company reserves the right to accept or reject any application, in whole or in part, in either case without assigning any reasons thereof.
- c) With respect to applications made by provident funds with minimum corpus of ₹25 crores (subject to applicable law) and pension funds with a minimum corpus of ₹25 crores, a certified copy of a certificate from a Chartered Accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject such application, in whole or in part, in either case without assigning any reasons thereof.

Our Company in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Application Form, subject to such terms and conditions that our Company, the lead manager may deem fit.

Our Company, in its absolute discretion, reserves the right to permit the holder of the power of attorney to request the Registrar to the Issue that, for the purpose of printing particulars on the refund order and mailing of the Allotment Advice / CANs / refund orders / letters notifying the unblocking of the bank accounts of ASBA applicants, the Demographic Details given on the Application Form should be used (and not those obtained from the Depository of the application). In such cases, the Registrar to the Issue shall use Demographic Details as given on the Application Form instead of those obtained from the Depositories.

The above information is given for the benefit of the Applicants. The Company and the LM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.

Maximum and Minimum Application Size

a) For Retail Individual Applicants

The Application must be for a minimum of 10,000 Equity Shares and in multiples of 10,000 Equity Shares thereafter, so as to ensure that the Application Price payable by the Applicant does not exceed ₹2,00,000. In case of revision of Applications, the Retail Individual Applicants have to ensure that the Application Price does not exceed ₹2,00,000.

b) For Other Applicants (Non-Institutional Applicants and QIBs):

The Application must be for a minimum of such number of Equity Shares such that the Application Amount exceeds ₹2,00,000 and in multiples of 10,000 Equity Shares thereafter. An Application cannot be submitted for more than the Issue Size. However, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws.

A QIB and a Non-Institutional Applicant cannot withdraw or lower the size of their Applications (both in terms of number of Equity Shares applied for and Application Amount) at any stage and are required to pay the entire Application Amount upon submission of the Application.

The identity of QIBs applying in the Net Issue under the QIB Portion shall not be made public during the subscription Period. In case of revision in Applications, the Non-Institutional Applicants, who are individuals, have to ensure that the Application Amount is greater than ₹2,00,000 for being considered for allocation in the Non-Institutional Portion.

Applicants are advised to ensure that any single Application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in the prospectus.

Information for the Applicants

- a) Our Company will file the Prospectus with the RoC at least 3 (three) days before the Issue Opening Date.
- b) The LM will circulate copies of the Prospectus along with the Application Form to potential investors.
- c) Any investor (who is eligible to invest in our Equity Shares) who would like to obtain the Prospectus and/or the Application Form can obtain the same from our Registered Office or from the Corporate Office of the LM.
- d) Applicants who are interested in subscribing for the Equity Shares should approach the LM or their authorized agent(s) to register their Applications.
- e) Applications made in the name of Minors and/or their nominees shall not be accepted.
- f) Applicants are requested to mention the application form number on the reverse of the instrument to avoid misuse of instrument submitted along with the application for shares. Applicants are advised in their own interest, to indicate the name of the bank and the savings or current a/c no in the application form. In case of refund, the refund order will indicate these details after the name of the payee. The refund order will be sent directly to the payee's address.

ISSUE PROCEDURE FOR ASBA (APPLICATION SUPPORTED BY BLOCKED ACCOUNT) APPLICANTS

This section is for the information of investors proposing to subscribe to the Issue through the ASBA process. Our Company and the LM are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of the prospectus. ASBA Applicants are advised to make their independent investigations and to ensure that the ASBA Application Form is correctly filled up, as described in this section.

The lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on <http://www.sebi.gov.in/pmd/scsb.pdf>. For details on designated branches of SCSB collecting the Application Form, please refer the above mentioned SEBI link.

ASBA Process

A Resident Retail Individual Investor shall submit his Application through an Application Form, either in physical or electronic mode, to the SCSB with whom the bank account of the ASBA Applicant or bank account utilized by the ASBA Applicant (“ASBA Account”) is maintained. The Application Form shall bear the stamp of the SCSBs and if not, the same shall be rejected.

The SCSB shall block an amount equal to the Application Amount in the bank account specified in the ASBA Application Form, physical or electronic, on the basis of an authorization to this effect given by the account holder at the time of submitting the Application. The Application Amount shall remain blocked in the

aforesaid ASBA Account until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount against the allocated shares to the ASBA Public Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the ASBA Application, as the case may be. The ASBA data shall thereafter be uploaded by the SCSB in the electronic IPO system of the Stock Exchange. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the Controlling Branch of the SCSB for unblocking the relevant bank accounts and for transferring the amount allocable to the successful ASBA Applicants to the ASBA Public Issue Account.

In case of withdrawal/failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the LM. ASBA Applicants are required to submit their Applications, either in physical or electronic mode. In case of application in physical mode, the ASBA Applicant shall submit the ASBA Application Form at the Designated Branch of the SCSB. In case of application in electronic form, the ASBA Applicant shall submit the Application Form either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for applying and blocking funds in the ASBA account held with SCSB, and accordingly registering such Applications.

Who can apply?

In accordance with the SEBI (ICDR) Regulations, 2009 in public issues w.e.f. May 1, 2010 all the investors can apply through ASBA process and w.e.f May 02, 2011, the Non-Institutional applicants and the QIB Applicants have to compulsorily apply through the ASBA Process.

Mode of Payment

Upon submission of an Application Form with the SCSB, whether in physical or electronic mode, each ASBA Applicant shall be deemed to have agreed to block the entire Application Amount and authorize the Designated Branch of the SCSB to block the Application Amount, in the bank account maintained with the SCSB. Application Amount paid in cash, by money order or by postal order or by stock invest, or ASBA Application Form accompanied by cash, draft, money order, postal order or any mode of payment other than blocked amounts in the SCSB bank accounts, shall not be accepted. After verifying that sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Application Amount mentioned in the ASBA Application Form till the Designated Date. On the Designated Date, the SCSBs shall transfer the amounts allocable to the ASBA Applicants from the respective ASBA Account, in terms of the SEBI Regulations, into the ASBA Public Issue Account. The balance amount, if any against the said Application in the ASBA Accounts shall then be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the Issue.

The entire Application Amount, as per the Application Form submitted by the respective ASBA Applicants, would be required to be blocked in the respective ASBA Accounts until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount against allocated shares to the ASBA Public Issue Account, or until withdrawal/failure of the Issue or until rejection of the ASBA Application, as the case may be.

Unblocking of ASBA Account

On the basis of instructions from the Registrar to the Issue, the SCSBs shall transfer the requisite amount against each successful ASBA Applicant to the ASBA Public Issue Account and shall unblock excess amount, if any in the ASBA Account. However, the Application Amount may be unblocked in the ASBA Account prior to receipt of intimation from the Registrar to the Issue by the Controlling Branch of the SCSB regarding finalization of the Basis of Allotment in the Issue, in the event of withdrawal/failure of the Issue or rejection of the ASBA Application, as the case may be.

ESCROW MECHANISM

For details of the escrow mechanism and payment instructions, see chapter titled “*Issue Procedure – Payment Instructions*” on page 200 of the prospectus.

ELECTRONIC REGISTRATION OF APPLICATIONS

1. The Broker / Sub Broker and SCSBs will register the Applications using the on-line facilities of the Stock Exchanges. There will be at least one on-line connectivity facility in each city, where a stock exchange is located in India and where Applications are being accepted. The Lead Manager, our Company and the Registrar are not responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the Applications accepted by the Brokers and the SCSBs, (ii) the Applications uploaded by the Brokers and the SCSBs, (iii) the Applications accepted but not uploaded by the Brokers and the SCSBs or (iv) with respect to ASBA Applications, Applications accepted and uploaded without blocking funds in the ASBA Accounts.
2. The SCSBs shall be responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the Applications accepted by the SCSBs, (ii) the Applications uploaded by the SCSBs, (iii) the Applications accepted but not uploaded by the SCSBs and (iv) with respect to Applications by ASBA Applicants, Applications accepted and uploaded without blocking funds in the ASBA Accounts. It shall be presumed that for Applications uploaded by the SCSBs, the full Application Amount has been blocked in the relevant ASBA Account.
3. In case of apparent data entry error either by the Broker / Sub Broker or the collecting bank in entering the Application Form number in their respective schedules other things remaining unchanged, the Application Form may be considered as valid and such exceptions may be recorded in minutes of the meeting submitted to Stock Exchange(s).
4. The Brokers / Sub Brokers and SCSBs will undertake modification of selected fields in the Application details already uploaded within one Working Day from the Issue Closing Date.
5. The Stock Exchanges will offer an electronic facility for registering Applications for the Issue. This facility will be available with the Brokers and the SCSBs during the Issue Period. The Brokers / Sub Brokers and the Designated Branches can also set up facilities for off-line electronic registration of Applications subject to the condition that they will subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis. On the Issue Closing Date, the Brokers and the Designated Branches shall upload the Applications till such time as may be permitted by the Stock Exchanges. This information will be available with the Brokers / Sub Brokers on a regular basis. Applicants are cautioned that a high inflow of high volumes on the last day of the Issue Period may lead to some Applications received on the last day not being uploaded and such Applications will not be considered for allocation.
6. At the time of registering each Application and each ASBA Application submitted by an ASBA Applicant, the Brokers and the Designated Branches shall enter the following details of the investor in the on-line system, as applicable:
 - Name of the Applicant;
 - IPO Name;
 - Application Form number;
 - Investor Category;
 - PAN (of First Applicant, if more than one Applicant);
 - DP ID of the demat account of the Applicant;
 - Client Identification Number of the demat account of the Applicant;

- Numbers of Equity Shares Applied for;
- Cheque Details in case of Applications other than ASBA Application and Bank Account details in case of ASBA Applicants;
- Location of the Banker to the Issue or Designated Branch, as applicable, and bank code of the SCSB branch where the ASBA Account is maintained; and
- Bank account number.

In case of submission of the Application by an ASBA Applicant through the Electronic Mode, the ASBA Applicant shall complete the above-mentioned details and mention the bank account number, except the Electronic ASBA Application Form number which shall be system generated.

7. A system generated TRS will be given to the Applicant as a proof of the registration of the application. It is the Applicant's responsibility to obtain the TRS from the Brokers / Sub Brokers or the Designated Branches. The registration of the Application by the Brokers / Sub Brokers or the Designated Branches does not guarantee that the Equity Shares shall be allocated / allotted either by our Company.
8. Such TRS will be non-negotiable and by itself will not create any obligation of any kind.
9. In case of QIB Applicants, the Lead Manager has the right to accept the Application or reject it. However, the rejection should be made at the time of receiving the Application and only after assigning a reason for such rejection in writing. In case on Non-Institutional Applicants and Retail Individual Applicants, Applications would be rejected on the technical grounds.
10. The permission given by the Stock Exchanges to use their network and software of the Online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company 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 of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, 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 the prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.
11. Only Applications that are uploaded on the online IPO system of the Stock Exchanges shall be considered for allocation/Allotment. The Brokers / Sub Brokers will be given up to one day after the Issue Closing Date to verify the DP ID and Client ID uploaded in the online IPO system during the Issue Period, after which the Registrar will receive this data from the Stock Exchanges and will validate the electronic Application details with depository's records. In case no corresponding record is available with depositories, which matches the three parameters, namely DP ID, Beneficiary Account Number and PAN, then such Applications are liable to be rejected.

Signing of Underwriting Agreement

Vide an Underwriting agreement dated March 03, 2014 this issue is 100% Underwritten.

Filing of the Prospectus with the RoC

The Company will file a copy of the Prospectus with the RoC at 4th Floor, IFCI Tower, 61, Nehru Palace, New Delhi – 110 019.

Pre-Issue Advertisement

Subject to Section 30 of the Companies Act, 2013, the Company shall, after registering the Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in one widely

circulated English language national daily newspaper and one widely circulated Hindi language national daily newspaper.

ISSUANCE OF A CONFIRMATION OF ALLOCATION NOTE (“CAN”)

1. Upon approval of the basis of allotment by the Designated Stock Exchange, the Lead Manager or Registrar to the Issue shall send to the Brokers 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.

DESIGNATED DATE AND ALLOTMENT OF EQUITY SHARES

1. Our Company will ensure that (i) the Allotment of Equity Shares; and (ii) credit to the successful Applicant’s depository account will be completed within 12 Working Days of the Issue Closing Date. After the funds are transferred from the Escrow Account to the Public Issue Account on the Designated Date, our Company will ensure the credit to the successful Applicant’s depository account is completed within two Working Days from the date of Allotment.
2. In accordance with section 29(1) of the Companies Act, 2013, Equity Shares will be issued and Allotment shall be made only in the dematerialised form to the Allottees.
3. Allottees will have the option to re-materialise the Equity Shares so allotted as per the provisions of the Companies Act and the Depositories Act.

Investors are advised to instruct their Depository Participant to accept the Equity Shares that may be credited to their depository account pursuant to this Issue.

GENERAL INSTRUCTIONS

Do’s:

- Check if you are eligible to apply;
- Read all the instructions carefully and complete the applicable Application Form;
- Ensure that the details about Depository Participant and Beneficiary Account are correct as Allotment of Equity Shares will be in the dematerialized form only;
- Each of the Applicants should mention their Permanent Account Number (PAN) allotted under the Income Tax Act, 1961;
- Ensure that the Demographic Details (as defined herein below) are updated, true and correct in all respects;
- Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant.

Don’ts:

- Do not apply for lower than the minimum Application size;
- Do not apply at a Price different from the Price Mentioned herein or in the Application Form
- Do not apply on another Application Form after you have submitted an Application to the Bankers of the Issue
- Do not pay the Application Price in cash, by money order or by postal order or by stock invest;
- Do not send Application Forms by post; instead submit the same to the Selected Branches / Offices of the Banker to the Issue.

- Do not fill up the Application Form such that the Equity Shares applied for exceeds the Issue Size and/ or investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;
- Do not submit the GIR number instead of the PAN as the Application is liable to be rejected on this ground.

Instructions for Completing the Application Form

The Applications should be submitted on the prescribed Application Form and in BLOCK LETTERS in ENGLISH only in accordance with the instructions contained herein and in the Application Form. Applications not so made are liable to be rejected. ASBA Application Forms should bear the stamp of the SCSBs. ASBA Application Forms, which do not bear the stamp of the SCSB, will be rejected. Applicants residing at places where the designated branches of the Bankers to the Issue are not located may submit/mail their applications at their sole risk along with Demand Draft payable at Mumbai.

Applicant's Depository Account and Bank Details

Please note that, providing bank account details in the space provided in the application form is mandatory and applications that do not contain such details are liable to be rejected.

Applicants should note that on the basis of name of the Applicants, Depository Participant's name, Depository Participant Identification number and Beneficiary Account Number provided by them in the Application Form, the Registrar to the Issue will obtain from the Depository the demographic details including address, Applicant's Bank Account details, MICR code and occupation (hereinafter referred to as 'Demographic Details'). These Bank Account details would be used for giving refunds to the Applicants. Hence, Applicants are advised to immediately update their Bank Account details as appearing on the records of the depository participant. Please note that failure to do so could result in delays in dispatch/ credit of refunds to Applicants at the Applicants sole risk and neither the LM or the Registrar or the Escrow Collection Banks or the SCSB nor the Company shall have any responsibility and undertake any liability for the same. Hence, Applicants should carefully fill in their Depository Account details in the Application Form.

These Demographic Details would be used for all correspondence with the Applicants including mailing of the CANs / Allocation Advice and printing of Bank particulars on the refund orders or for refunds through electronic transfer of funds, as applicable. The Demographic Details given by Applicants in the Application Form would not be used for any other purpose by the Registrar to the Issue. By signing the Application Form, the Applicant would be deemed to have authorized the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

Applications by Non-Residents including Eligible NRIs, FIIs and Foreign Venture Capital Funds on a repatriation basis

Applications and revision to Applications must be made in the following manner:

1. On the Application Form or the Revision Form, as applicable (Blue in colour), and completed in full in BLOCK LETTERS in ENGLISH in accordance with the instructions contained overleaf.
2. In a single name or joint names (not more than three and in the same order as their Depository Participant Details).
3. Applications on a repatriation basis shall be in the names of individuals, or in the name of FIIs but not in the names of persons not competent to contract under the Indian Contract Act, 1872, as amended, OCBs, firms or partnerships, foreign nationals (excluding NRIs) or their nominees.

Applications by Eligible NRIs for an amount of up to ₹200,000 would be considered under the Retail Portion for the purposes of allocation and Applications for an amount of more than ₹200,000 would be considered under Non-Institutional Portion for the purposes of allocation.

Refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and / or commission. In case of Applicants who remit money through Indian Rupee drafts purchased abroad, such payments in Indian Rupees will be converted into US Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and will be dispatched by registered post or if the Applicants so desire, will be credited to their NRE accounts, details of which should be furnished in the space provided for this purpose in the Application Form. Our Company will not be responsible for loss, if any, incurred by the Applicant on account of conversion of foreign currency.

As per the existing policy of the Government of India, OCBs are not permitted to participate in the Issue.

There is no reservation for Eligible NRIs and FIIs and all Applicants will be treated on the same basis with other categories for the purpose of allocation.

PAYMENT INSTRUCTIONS

Escrow Mechanism for Applicants other than ASBA Applicants

Our Company shall open Escrow Accounts with one or more Escrow Collection Bank(s) in whose favour the Applicants (other than ASBA Applicants) shall make out the cheque or demand draft in respect of his or her Application and/or revision of the Application. Cheques or demand drafts received for the full Application Amount from Applicants in a certain category would be deposited in the Escrow Account.

The Escrow Collection Banks will act in terms of the Prospectus and the Escrow Agreement. The Escrow Collection Bank(s) for and on behalf of the Applicants shall maintain the monies in the Escrow Account. The Escrow Collection Bank(s) shall not exercise any lien whatsoever over the monies deposited therein and shall hold the monies therein in trust for the Applicants. On the Designated Date, the Escrow Collection Bank(s) shall transfer the funds represented by allocation of Equity Shares (other than ASBA funds with the SCSBs) from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account opened with the Public Issue Account Bank. The balance amount after transfer to the Public Issue Account shall be transferred to the Refund Account. Payments of refund to the Applicants shall also be made from the Refund Account as per the terms of the Escrow Agreement and the Prospectus.

The Applicants should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Escrow Collection Bank(s) and the Registrar to the Issue to facilitate collections from the Applicants.

Terms of Payment / Payment Instructions

The entire Issue Price of ₹10 per share is payable on application. In case of allotment of lesser number of Equity shares than the number applied, the Company shall refund the excess amount paid on Application to the Applicants.

Payments should be made by cheque, or demand draft drawn on any Bank (including a Co operative Bank), which is situated at, and is a member of or sub member of the bankers' clearing house located at the centre where the Application Form is submitted. Outstation cheques/ bank drafts drawn on banks not participating in the clearing process will not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected.

Cash/ Stock invest/ Money Orders/ Postal orders will not be accepted.

A separate Cheque or Bank Draft should accompany each Application Form. Applicants should write the Share Application Number on the back of the Cheque /Draft. Outstation Cheques will not be accepted and applications accompanied by such cheques drawn on outstation banks are liable for rejection. Money Orders / Postal Notes will not be accepted.

Each Applicant shall draw a cheque or demand draft for the amount payable on the Application and/ or on allocation/ Allotment as per the following terms:

- 1) The payment instruments for payment into the Escrow Account should be drawn in favour of:
 - Indian Public including eligible NRIs applying on non-repatriation basis: "Escrow Account – Dhanuka Commercial Limited - R".
 - In case of Non-Resident Retail Applicants applying on repatriation basis: "Escrow Account – Dhanuka Commercial Limited - NR"
- 2) In case of Application by NRIs applying on repatriation basis, the payments must be made through Indian Rupee drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in Non-Resident External (NRE) Accounts or Foreign Currency Non Resident (FCNR) Accounts, maintained with banks authorized to deal in foreign exchange in India, along with documentary evidence in support of the remittance. Payment will not be accepted out of Non-Resident Ordinary (NRO) Account of Non-Resident Applicant applying on a repatriation basis. Payment by drafts should be accompanied by bank certificate confirming that the draft has been issued by debiting to NRE Account or FCNR Account.
- 3) Where an Applicant has been allocated a lesser number of Equity Shares than the Applicant has applied for, the excess amount, if any, paid on Application, after adjustment towards the balance amount payable by the Pay-In Date on the Equity Shares allocated will be refunded to the Applicant from the Refund Account.
- 4) On the Designated Date and no later than 12 Working days from the Issue Closing Date, the Escrow Collection Bank shall also refund all amounts payable to unsuccessful Applicants and also the excess amount paid on Application, if any, after adjusting for allocation / Allotment to the Applicants.

Payment by Stock Invest

In terms of the RBI Circular No.DBOD No. FSC BC 42/ 24.47.00/ 2003 04 dated November 5, 2003; the option to use the stock invest instrument in lieu of cheques or bank drafts for payment of Application money has been withdrawn. Hence, payment through stock invest would not be accepted in this Issue.

SUBMISSION OF APPLICATION FORM

All Application Forms or Revision Forms duly completed and accompanied by account payee cheques or drafts shall be submitted to the Brokers / Sub Brokers at the time of submission of the Application. With regard to submission of Application Forms, please refer to the sub-section on “Issue Procedure - Application Form” on page 187 of the prospectus.

Kindly note that the Brokers / Sub Brokers at the Collection Centers may not accept the Application if there is no branch of the Escrow Collection Banks at that location.

No separate receipts shall be issued for the money payable on the submission of Application Form or Revision Form. However, the collection centre of the Brokers / Sub Brokers will acknowledge the receipt of the

Application Forms or Revision Forms by stamping and returning to the Applicant the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Application Form for the records of the Applicant. In case of ASBA Applications, an acknowledgement from the Designated Branch or concerned Brokers / Sub Brokers, as the case may be, for submission of the Application Form may be provided.

Other Instructions

Joint Applications in the case of Individuals

Applications may be made in single or joint names (not more than three). In the case of joint Applications, all payments will be made out in favour of the Applicant whose name appears first in the Application Form or Revision Form. All communications will be addressed to the First Applicant and will be dispatched to his or her address as per the Demographic Details received from the Depository.

Multiple Applications

An Applicant should submit only one Application (and not more than one) for the total number of Equity Shares required. Two or more Applications will be deemed to be multiple Applications if the sole or First Applicant is one and the same.

In this regard, the procedures which would be followed by the Registrar to the Issue to detect multiple applications are given below:

- a. All applications are electronically strung on first name, address (1st line) and applicant's status. Further, these applications are electronically matched for common first name and address and if matched, these are checked manually for age, signature and father/ husband's name to determine if they are multiple applications
- b. Applications which do not qualify as multiple applications as per above procedure are further checked for common DP ID/ beneficiary ID. In case of applications with common DP ID/ beneficiary ID, are manually checked to eliminate possibility of data entry error to determine if they are multiple applications.
- c. Applications which do not qualify as multiple applications as per above procedure are further checked for common PAN. All such matched applications with common PAN are manually checked to eliminate possibility of data capture error to determine if they are multiple applications.

In case of a mutual fund, a separate Application can be made in respect of each scheme of the mutual fund registered with SEBI and such Applications in respect of more than one scheme of the mutual fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

In cases where there are more than 20 valid applications having a common address, such shares will be kept in abeyance, post allotment and released on confirmation of "know your client" norms by the depositories. The Company reserves the right to reject, in our absolute discretion, all or any multiple Applications in any or all categories.

Permanent Account Number or PAN

Pursuant to the circular MRD/DoP/Circ 05/2007 dated April 27, 2007, SEBI has mandated Permanent Account Number ("PAN") to be the sole identification number for all participants transacting in the securities market, irrespective of the amount of the transaction w.e.f. July 2, 2007. Each of the Applicants should mention his/her PAN allotted under the IT Act. Applications without this information will be considered incomplete and are liable to be rejected. It is to be specifically noted that Applicants should not submit the GIR number instead of the PAN, as the Application is liable to be rejected on this ground.

Right to Reject Applications

In case of QIB Applicants, the Company in consultation with the LM may reject Applications provided that the reasons for rejecting the same shall be provided to such Applicant in writing. In case of Non Institutional Applicants and Retail Individual Applicants who applied, the Company has a right to reject Applications based on technical grounds.

Grounds for Rejections

Applicants are advised to note that Applications are liable to be rejected inter alia on the following technical grounds:

1. Amount paid does not tally with the amount payable for the highest value of Equity Shares applied for;
2. In case of Partnership Firms, Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply;
3. Application by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane persons;
4. PAN not mentioned in the Application Form;
5. GIR number furnished instead of PAN;
6. Applications for lower number of Equity Shares than specified for that category of investors;
7. Applications at a price other than the Fixed Price of the Issue;
8. Applications for number of Equity Shares which are not in multiples of 10,000;
9. Category not ticked;
10. Multiple Applications as defined in the prospectus;
11. In case of Application under power of attorney or by limited companies, corporate, trust etc., where relevant documents are not submitted;
12. Applications accompanied by Stock invest/ money order/ postal order/ cash;
13. Signature of sole Applicant is missing;
14. Application Forms are not delivered by the Applicant within the time prescribed as per the Application Forms, Issue Opening Date advertisement and the Prospectus and as per the instructions in the Prospectus and the Application Forms;
15. In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Applicants (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's account number;
16. Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;
17. Applications where clear funds are not available in the Escrow Account as per the final certificate from the Escrow Collection Bank(s);

18. Applications by OCBs;
19. Applications by US persons other than in reliance on Regulation S or “qualified institutional buyers” as defined in Rule 144A under the Securities Act;
20. Applications not duly signed;
21. Applications by any persons outside India if not in compliance with applicable foreign and Indian laws;
22. Applications that do not comply with the securities laws of their respective jurisdictions are liable to be rejected;
23. Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
24. Applications by persons who are not eligible to acquire Equity Shares of the Company in terms of all applicable laws, rules, regulations, guidelines, and approvals;
25. Applications or revisions thereof by QIB Applicants, Non Institutional Applicants where the Application Amount is in excess of ₹2,00,000 received after 5.00 pm on the Issue Closing Date;

APPLICANTS SHOULD NOTE THAT IN CASE THE PAN, THE DP ID AND CLIENT ID MENTIONED IN THE APPLICATION FORM AND ENTERED INTO THE ELECTRONIC APPLICATION SYSTEM OF THE STOCK EXCHANGES BY THE BROKERS DO NOT MATCH WITH PAN, THE DP ID AND CLIENT ID AVAILABLE IN THE DEPOSITORY DATABASE, THE APPLICATION FORM IS LIABLE TO BE REJECTED.

Equity Shares in Dematerialised Form with NSDL or CDSL

As per the provisions of Section 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, two agreements have been signed among the Company, the respective Depositories and the Registrar to the Issue:

1. Agreement dated March 14, 2014 with NSDL, the Company and the Registrar to the Issue;
2. Agreement dated April 04, 2014 with CDSL, the Company and the Registrar to the Issue.

All Applicants can seek allotment only in dematerialised mode. Applications from any Applicant without relevant details of his or her depository account are liable to be rejected.

1. An Applicant applying for Equity Shares must have at least one beneficiary account with either of the Depository Participants of either NSDL or CDSL prior to making the Application.
2. The Applicant must necessarily fill in the details (including the Beneficiary Account Number and Depository Participant’s identification number) appearing in the Application Form or Revision Form.
3. Allotment to a successful Applicant will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Applicant.

4. Names in the Application Form or Revision Form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the Depository.
5. If incomplete or incorrect details are given under the heading 'Applicants Depository Account Details' in the Application Form or Revision Form, it is liable to be rejected.
6. The Applicant is responsible for the correctness of his or her Demographic Details given in the Application Form vis-à-vis those with his or her Depository Participant.
7. Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. All the Stock Exchanges where our Equity Shares are proposed to be listed have electronic connectivity with CDSL and NSDL.
8. The trading of the Equity Shares of our Company would be in dematerialised form only for all investors in the demat segment of the respective Stock Exchanges.
9. Non-transferable allotment advice or refund orders will be directly sent to the Applicants by the Registrar to the Issue.

Communications

All future communications in connection with the Applications made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Applicant, Application Form number, Applicants Depository Account Details, number of Equity Shares applied for, date of Application form, name and address of the Banker to the Issue where the Application was submitted and cheque or draft number and issuing bank thereof and a copy of the acknowledgement slip.

Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre Issue or post Issue related problems such as non receipt of letters of allotment, credit of allotted shares in the respective beneficiary accounts, refund orders etc.

DISPOSAL OF APPLICATIONS AND APPLICATION MONEYS AND INTEREST IN CASE OF DELAY

The Company shall ensure the dispatch of Allotment advice, refund orders (except for Applicants who receive refunds through electronic transfer of funds) and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchange within two working days of date of Allotment of Equity Shares.

In case of applicants who receive refunds through ECS, Direct Credit or RTGS, the refund instructions will be given to the clearing system within 12 working days from the Issue Closing Date. A suitable communication shall be sent to the Applicants receiving refunds through this mode within 12 working days of Issue Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund.

The Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at SME Platform of BSE where the Equity Shares are proposed to be listed are taken within 12 working days of closure of the issue.

In accordance with the Companies Act, the requirements of the Stock Exchange and the SEBI Regulations, the Company further undertakes that:

- 1) Allotment of Equity Shares shall be made within 12 (twelve) working days of the Issue Closing Date;
- 2) Dispatch of refund orders or in a case where the refund or portion thereof is made in electronic manner, the refund instructions are given to the clearing system within 12 (twelve) working days of the Issue Closing Date would be ensured; and

The Company shall pay interest at 15% p.a. for any delay beyond the 12 (twelve) working days time period as mentioned above, if Allotment is not made and refund orders are not dispatched or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner and/ or demat credits are not made to investors within the 12 (twelve) working days time.

IMPERSONATION

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

“Any person who:

- a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
- b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
- c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,

shall be liable for action under section 447 of the Companies Act, 2013.”

BASIS OF ALLOTMENT

Allotment will be made in consultation with BSE Limited (The Designated Stock Exchange). In the event of oversubscription, the allotment will be made on a proportionate basis in marketable lots as set forth here:

- 1) The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of Shares applied for in that category multiplied by the inverse of the over subscription ratio (number of applicants in the category x number of Shares applied for).
- 2) The number of Shares to be allocated to the successful applicants will be arrived at on a proportionate basis in marketable lots (i.e. Total number of Shares applied for into the inverse of the over subscription ratio).
- 3) For applications where the proportionate allotment works out to less than 10,000 equity shares the allotment will be made as follows:
 - a) Each successful applicant shall be allotted 10,000 equity shares; and
 - b) The successful applicants out of the total applicants for that category shall be determined by the drawal of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (2) above.

- 4) If the proportionate allotment to an applicant works out to a number that is not a multiple of 10,000 equity shares, the applicant would be allotted Shares by rounding off to the lower nearest multiple of 10,000 equity shares subject to a minimum allotment of 10,000 equity shares.
- 5) If the Shares allotted on a proportionate basis to any category is more than the Shares allotted to the applicants in that category, the balance available Shares for allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful applicants in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising of applicants applying for the minimum number of Shares. If as a result of the process of rounding off to the lower nearest multiple of 10,000 equity shares, results in the actual allotment being higher than the shares offered, the final allotment may be higher at the sole discretion of the Board of Directors, up to 110% of the size of the offer specified under the Capital Structure mentioned in the prospectus.
- 6) The above proportionate allotment of shares in an Issue that is oversubscribed shall be subject to the reservation for small individual applicants as described below:
 - a) A minimum of 50% of the net offer of shares to the Public shall initially be made available for allotment to retail individual investors as the case may be.
 - b) The balance net offer of shares to the public shall be made available for allotment to (i) individual applicants other than retails individual investors and (ii) other investors, including Corporate Bodies/ Institutions irrespective of number of shares applied for.
 - c) The unsubscribed portion of the net offer to any one of the categories specified in (i) or (ii) shall/may be made available for allocation to applicants in the other category, if so required.

If the retail individual investor category is entitled to more than fifty percent on proportionate basis, the retail individual investors shall be allocated that higher percentage.

'Retail Individual Investor' means an investor who applies for shares of value of not more than ₹2,00,000. Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with BSE.

The Executive Director / Managing Director of BSE - the Designated Stock Exchange in addition to the Lead Manager and the Registrar to this Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations, 2009.

PROCEDURE AND TIME SCHEDULE FOR TRANSFER OF EQUITY SHARES

The Issue will be conducted through the "Fixed Price Method" pursuant to which the Brokers / Sub-Brokers and SCSBs will accept Applications for the Equity Shares during the Issue Period. The Issue Period will commence on May 22, 2014 and expire on May 28, 2014. Following the expiration of the Issue Period, our Company, in consultation with the Lead Manager, will determine the basis of allotment and entitlement to allotment based on the applications received and subject to the confirmation by the Stock Exchanges. Successful Applicants will be provided with a confirmation of their allocation and will be required to pay unpaid amount, if any, for the Equity Shares within a prescribed time. The Prospectus will be filed with SEBI and the Registrar of Companies and will be made available to investors. The SEBI (ICDR) Regulations, 2009 require our Company to complete the allotment to successful Applicants within 12 days of the expiration of the Issue Period. The Equity Shares will then be credited and allotted to the investors' demat accounts maintained with the relevant depository participant. Upon approval by the Stock Exchanges, the Equity Shares will be listed and trading will commence.

LETTERS OF ALLOTMENT OR REFUND ORDERS OR INSTRUCTIONS TO THE SCSBs

The Registrar to the Issue shall give instructions for credit of the Allotted Equity Shares to the beneficiary account with depository participants within 12 Working Days from the Issue Closing Date. Applicants residing at the centers where clearing houses are managed by the RBI will get refunds through NECS only except where applicant is otherwise disclosed as eligible to get refunds through direct credit, RTGS and NEFT. Our Company shall ensure dispatch of refund orders, if any, by registered post or speed post at the sole or First Applicant's sole risk within 12 Working Days of the Issue Closing Date. Applicants to whom refunds are made through electronic transfer of funds will be sent a letter through ordinary post, intimating them about the mode of credit of refund within 12 Working Days of closure of Issue Closing Date. In case of ASBA Applicants, the Registrar shall instruct the relevant SCSBs to, on the receipt of such instructions from the Registrar, unblock the funds in the relevant ASBA Account to the extent of the Application Amount specified in the Application Forms for withdrawn, rejected or unsuccessful or partially successful ASBA Applications within 12 Working Days of the Issue Closing Date.

REFUNDS

In case of Applicants receiving refunds through electronic transfer of funds, delivery of refund orders/ allocation advice/ CANs may get delayed if the same once sent to the address obtained from the depositories are returned undelivered. In such an event, the address and other details given by the Applicant in the Application Form would be used only to ensure dispatch of refund orders. Please note that any such delay shall be at the Applicants sole risk and neither the Company, the Registrar, Escrow Collection Bank(s) nor the Lead Manager shall be liable to compensate the Applicant for any losses caused to the Applicant due to any such delay or liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories, which matches three parameters, namely, names of the Applicants (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the Beneficiary's Identity, then such Applications are liable to be rejected.

The Company in its absolute discretion, reserves the right to permit the holder of the power of attorney to request the Registrar that for the purpose of printing particulars on the refund order and mailing of the refund order/ CANs/ allocation advice/ refunds through electronic transfer of funds, the Demographic Details given on the Application Form should be used (and not those obtained from the Depository of the Applicant). In such cases, the Registrar shall use Demographic Details as given in the Application Form instead of those obtained from the depositories.

Refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and/ or commission. In case of Applicants who remit money through Indian Rupee drafts purchased abroad, such payments in Indian Rupees will be converted into US Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and will be dispatched by registered post or if the Applicants so desire, will be credited to their NRE accounts, details of which should be furnished in the space provided for this purpose in the Application Form. The Company will not be responsible for loss, if any, incurred by the Applicant on account of conversion of foreign currency.

Payment of Refund

Applicants must note that on the basis of name of the Applicants, Depository Participant's name, DP ID, Beneficiary Account number provided by them in the Application Form, the Registrar will obtain, from the Depositories, the Applicants' bank account details, including the nine digit Magnetic Ink Character Recognition ("MICR") code as appearing on a cheque leaf. Hence Applicants are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in dispatch of refund order or refunds through electronic transfer of funds, as applicable, and any such delay shall be at the Applicants' sole risk and neither the Company, the

Registrar, Escrow Collection Bank(s), Bankers to the Issue nor the Lead Manager shall be liable to compensate the Applicants for any losses caused to the Applicant due to any such delay or liable to pay any interest for such delay.

MODE OF MAKING REFUNDS

The payment of refund, if any, would be done through various modes as given hereunder:

- 1) **ECS (Electronic Clearing System)** - Payment of refund would be done through ECS for applicants having an account at any of the centres where such facility has been made available specified by the RBI. This mode of payment of refunds would be subject to availability of complete bank account details including the MICR code from the Depositories.
- 2) **Direct Credit** - Applicants having bank accounts with the Refund Banker(s), as mentioned in the Application Form, shall be eligible to receive refunds through direct credit. Charges, if any, levied by the Refund Bank(s) for the same would be borne by the Company.
- 3) **NEFT (National Electronic Fund Transfer)** - Payment of refund shall be undertaken through NEFT wherever the applicants' bank has been assigned the Indian Financial System Code (IFSC), which can be linked to a Magnetic Ink Character Recognition (MICR), if any, available to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the applicants have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the applicants through this method. The process flow in respect of refunds by way of NEFT is at an evolving stage and hence use of NEFT is subject to operational feasibility, cost and process efficiency.
- 4) For all other applicants, including those who have not updated their bank particulars with the MICR code, the refund orders will be through Speed Post/ Registered Post. Such refunds will be made by cheques, pay orders or demand drafts drawn on the Escrow Collection Banks and payable at par at places where Applications are received. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centres will be payable by the Applicants.

INTEREST IN CASE OF DELAY IN DISPATCH OF ALLOTMENT LETTERS OR REFUND ORDERS/ INSTRUCTION TO THE SCBS BY THE REGISTRAR

The issuer agrees that as far as possible allotment of securities offered to the public shall be made within twelve (12) days of the closure of public issue. The issuer further agrees that it shall pay interest at the rate of fifteen (15) per cent per annum if the allotment letters or refund orders have not been despatched to the applicants or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner within fifteen days from the date of the closure of the issue. However applications received after the closure of issue in fulfilment of underwriting obligations to meet the minimum subscription requirement, shall not be entitled for the said interest.

UNDERTAKINGS BY OUR COMPANY

The Company undertakes the following:

- 1) That the complaints received in respect of this Issue shall be attended to by us expeditiously;

- 2) That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchange where the Equity Shares are proposed to be listed within 12 (twelve) working days of closure of the Issue;
- 3) That funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by us;
- 4) That where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 12 (twelve) working days of the Issue Closing Date, as the case may be, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- 5) That the letter of allotment/ refund orders to the non resident Indians shall be dispatched within specified time; and
- 6) That no further issue of Equity Shares shall be made till the Equity Shares offered through the prospectus are listed or until the Application monies are refunded on account of non listing, under subscription etc.
- 7) That adequate arrangements shall be made till the securities offered through the prospectus are listed or till the application moneys are refunded on account of non-listing, under subscription, etc.;
- 8) 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.
- 9) That the promoters' contribution in full, wherever required, shall be brought in advance before the Issue opens for public subscription and the balance, if any, shall be brought in pro rata basis before the calls are made on public;
- 10) That adequate arrangement shall be made to collect all Bid cum Application Forms under the ASBA process and to consider them similar to non-ASBA Bids while finalising the Basis of Allotment

UTILIZATION OF ISSUE PROCEEDS

Our Board certifies that:

- 1) All monies received out of the Issue shall be credited/ transferred to a separate bank account other than the bank account referred to in sub section (3) of Section 40 of the Companies Act, 2013;
- 2) Details of all monies utilized out of the Issue shall be disclosed under an appropriate head in our balance sheet indicating the purpose for which such monies have been utilized;
- 3) Details of all unutilized monies out of the Issue, if any shall be disclosed under the appropriate head in the balance sheet indicating the form in which such unutilized monies have been invested and
- 4) Our Company shall comply with the requirements of Clause 52 of the SME Listing Agreement in relation to the disclosure and monitoring of the utilization of the proceeds of the Issue.
- 5) Our Company shall not have recourse to the Issue Proceeds until the approval for listing and trading of the Equity Shares from the Stock Exchange where listing is sought has been received.

WITHDRAWAL OF THE ISSUE

The Company, in consultation with the Lead Manager, reserves the right not to proceed with the Issue at any time before the Issue Opening Date, without assigning any reason thereof. Notwithstanding the foregoing, the Issue is also subject to obtaining the final listing and trading approvals of BSE for listing of Equity Shares offered through this issue on its SME Platform, which the Company shall apply for after Allotment.

In case, the Company wishes to withdraw the Issue after Issue Opening but before allotment, the Company will give public notice giving reasons for withdrawal of Issue. The public notice will appear in two widely circulated national newspapers (one each in English and Hindi). The Stock Exchanges where the Equity Shares are proposed to be listed shall also be informed promptly.

If the Company withdraws the Issue after the Application Closing Date, the Company will be required to file a fresh Draft Offer Document with the Stock Exchange.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. Foreign investment is allowed up to 100% under automatic route in our Company.

India's current Foreign Direct Investment ("FDI") Policy issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, GOI ("DIPP") by circular 1 of 2014, with effect from April 17, 2014 ("Circular 1 of 2014"), 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 2014 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.

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 the 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 VIII – MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION OF OUR
COMPANY**

SHARE CAPITAL AND VARIATION OF RIGHTS

4. Subject to the provisions of the Act and these Articles, the shares in the capital of the company shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit.
5. (i) Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after incorporation, in case of subscribers to the memorandum or after allotment or within one month after the application for the registration of transfer or transmission or within such other period as the conditions of issue shall be provided:—
 - (a) one certificate for all his shares without payment of any charges; or
 - (b) several certificates, each for one or more of his shares, upon payment of twenty rupees for each certificate after the first.(ii) Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.
 - (iii) In respect of any share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.
6. (i) If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of twenty rupees for each certificate.
 - (ii) The company may issue new share certificates pursuant to consolidation or sub-division of share certificate(s) upon written request received from shareholder together with production and surrender of respective original share certificate(s). Every certificate under this Article shall be issued on payment of twenty rupees for each certificate.
 - (iii) The provisions of Articles (5) and (6) shall mutatis mutandis apply to debentures of the company.
7. Except as required by law, no person shall be recognised by the company as holding any share upon any trust, and the company shall not be bound by, or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.
8. (i) The company may exercise the powers of paying commissions conferred by sub-section (6) of section 40, provided that the rate per cent. or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rules made thereunder.
 - (ii) The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under sub-section (6) of section 40.

- (iii) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.
9. (i) If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of section 106 & 107 of Companies Act, 1956, and whether or not the company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.
- (ii) To every such separate meeting, the provisions of these regulations relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question.
10. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking pari passu therewith.
11. Subject to the provisions of section 55, any preference shares may, with the sanction of an ordinary resolution, be issued on the terms that they are to be redeemed on such terms and in such manner as the company before the issue of the shares may, by special resolution, determine.

LIEN

12. (i) The company shall have a first and paramount lien—
- (a) on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and
- (b) on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the company:
- Provided that the Board of directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause.
- (ii) The company's lien, if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares.
13. The company may sell, in such manner as the Board thinks fit, any shares on which the company has a lien:
- Provided that no sale shall be made—
- (a) unless a sum in respect of which the lien exists is presently payable; or
- (b) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.
14. (i) To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.
- (ii) The purchaser shall be registered as the holder of the shares comprised in any such transfer.

(iii) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

15. (i) The proceeds of the sale shall be received by the company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.
- (ii) The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.

CALLS ON SHARES

16. (i) The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times:

Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call.

(ii) Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the company, at the time or times and place so specified, the amount called on his shares.

(iii) A call may be revoked or postponed at the discretion of the Board.

(iv) Company may delegate power to make calls on shares subject to approval of the shareholders in a general meeting of the company.

17. A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by instalments

18. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

19. (i) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent. per annum or at such lower rate, if any, as the Board may determine.

(ii) The Board shall be at liberty to waive payment of any such interest wholly or in part.

20. (i) Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.

(ii) In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

21. The Board—

(a) may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and

(b) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the company in general meeting shall otherwise direct, twelve per cent. per annum, as may be agreed upon between the Board and the member paying the sum in advance but shall not confer a right to dividend or to participate in profits.

TRANSFER OF SHARES

22. (i) The instrument of transfer of any share in the company shall be executed by or on behalf of both the transferor and transferee.
- (ii) The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.
23. The Board may, subject to the right of appeal conferred by section 58 decline to register—
- (a) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or
- (b) any transfer of shares on which the company has a lien.
24. The Board may decline to recognise any instrument of transfer unless—
- (a) the instrument of transfer is in the form as prescribed in rules made under sub-section (1) of section 56;
- (b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and
- (c) the instrument of transfer is in respect of only one class of shares.
25. On giving not less than seven days' previous notice in accordance with section 91 and rules made there under, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:

Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.

26. Subject to the provisions of Section 59 of Companies Act, 2013, the Board may decline to register any transfer of Shares on such grounds as it think fit in the benefit of the company (notwithstanding that the proposed transferee be already a Member), but in such case it shall, within two (2) months from the date the instrument of transfer was lodged with the Company, send to the transferee and the transferor notice of the refusal to register such transfer giving reasons for such refusal. Provided that registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company.

TRANSMISSION OF SHARES

27. (i) On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the company as having any title to his interest in the shares.
- (ii) Nothing in clause (i) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.

28. (i) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either—
- (a) to be registered himself as holder of the share; or
 - (b) to make such transfer of the share as the deceased or insolvent member could have made.
- (ii) The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.
29. (i) If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the company a notice in writing signed by him stating that he so elects.
- (ii) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.
- (iii) All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.
30. A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the company:
- Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.

FORFEITURE OF SHARES

31. If a member fails to pay any call, or instalment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.
32. The notice aforesaid shall—
- (a) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and
 - (b) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.
33. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.

34. (i) A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.
- (ii) At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.
35. (i) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the company all monies which, at the date of forfeiture, were presently payable by him to the company in respect of the shares.
- (ii) The liability of such person shall cease if and when the company shall have received payment in full of all such monies in respect of the shares.
36. (i) A duly verified declaration in writing that the declarant is a director, the manager or the secretary, of the company, and that a share in the company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share.
- (ii) The company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of.
- (iii) The transferee shall thereupon be registered as the holder of the share
- (iv) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.
37. The provisions of these regulations as to forfeiture shall apply in the case of nonpayment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

ALTERATION OF CAPITAL

38. The company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution.
39. Subject to the provisions of section 61, the company may, by ordinary resolution,—
- (a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
- (b) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;
- (c) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;
- (d) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.
40. Where shares are converted into stock,—

(a) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:

Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.

(b) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.

(c) such of the regulations of the company as are applicable to paid-up shares shall apply to stock and the words “share” and “shareholder” in those regulations shall include “stock” and “stock-holder” respectively.

41. The company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law,—

- (a) its share capital;
- (b) any capital redemption reserve account; or
- (c) any share premium account.

CAPITALISATION OF PROFITS

42. (i) The company in general meeting may, upon the recommendation of the Board, resolve—

- (a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the company’s reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and
- (b) that such sum be accordingly set free for distribution in the manner specified in clause (ii) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.

(ii) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (iii), either in or towards—

- (a) paying up any amounts for the time being unpaid on any shares held by such members respectively;
- (b) paying up in full, unissued shares of the company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;
- (c) partly in the way specified in sub-clause (A) and partly in that specified in sub-clause (B);
- (d) A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the company as fully paid bonus shares;

- (e) The Board shall give effect to the resolution passed by the company in pursuance of this regulation.
43. (i) Whenever such a resolution as aforesaid shall have been passed, the Board shall—
- (a) make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares if any; and
- (b) generally do all acts and things required to give effect thereto.
- (ii) The Board shall have power—
- (a) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable infractions; and
- (b) to authorize any person to enter, on behalf of all the members entitled thereto, into an agreement with the company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalization, or as the case may require, for the payment by the company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalized, of the amount or any part of the amounts remaining unpaid on their existing shares;
- (iii) Any agreement made under such authority shall be effective and binding on such members.

DEMATERIALIZATION OF SECURITIES

44. (i) For the purpose of this Article:-
- “Beneficial Owner”**: Beneficial Owner shall have the meaning assigned thereto in section 2(1)(a) of the Depositories Act, 1996.
- “Depositories Act”**: Depositories Act shall mean the Depositories Act, 1996 and includes any statutory modification or re-enactment thereof for the time being in force.
- “Depository”**: Depository shall mean a Depository as defined in section 2(1)(e) of the Depositories Act, 1996.
- "Member"**: Member shall mean a duly registered holder from time to time of the security of the company and includes every person whose name is entered as beneficial owner in the records of the Depository.
- "Security"**: Security shall mean such security as may be specified by SEBI.
- (ii) **"Dematerialisation of Securities"**: Notwithstanding anything on the contrary contained in this Article, the company shall be entitled to dematerialise its securities and to offer securities in a dematerialised form and further to rematerialise the securities held on depository pursuant to the Depositories Act, 1996 or any amendment thereof.
- (iii) **"Option to hold securities in physical form or with depository"**: Every person holding securities of the company through allotment or otherwise shall have the option to receive and hold the same in the dematerialised form with a depository.
- (iv) **"Beneficial Owner may opt out of a Depository"**: Every person holding securities of the company with a depository, being the beneficial owner thereof, may at any time opt out of the depository in the manner provided under the provisions of the Depositories Act and the Rules, if any,

prescribed there under and on fulfilment of the conditions prescribed by the company from time to time, company shall issue the relevant security certificates to the beneficial owner thereof.

(v) "**Securities in Depositories to be in fungible form**": All securities held by a depository shall be dematerialised and shall be in fungible form. Nothing contained in Sections 153, 153A, 153B, 187B, 187C and 372A of the Companies Act, shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners.

(vi) "**Rights of depository and beneficial owners**": A depository shall be deemed to be the registered owner for the purposes of affecting the transfer of ownership of securities on behalf of the beneficial owners and shall not have any voting rights or any other rights in respect of the securities held by it.

(vii) Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of securities shall be entitled to all rights and benefits and be subject to all the liabilities in respect of his/her securities, which are held by a depository.

(viii) "**Transfer of securities**": Transfer of security held in a depository will be governed by the provisions of the Depository Act, 1996. Nothing contained in Section 108, of the Companies Act, 1956 or these Articles shall apply to a transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository.

(ix) "**Register and Index of beneficial owners**": The Register and Index of beneficial owners maintained by a depository under the Depositories Act, 1996 shall be deemed to be the Register and Index of Members and Security holders for the purpose of these Articles.

(x) "**Other matters**": Notwithstanding anything contained in these Articles, the provision of Depositories Act, 1996 relating to dematerialisation of securities including any modification(s) or re-enactment thereof and Rules/Regulations made there under shall prevail accordingly.

(xi) Notwithstanding anything contained in the Act or the Articles, where securities are held in a depository, the records of the beneficial ownership may be served by such depository on the company by means of electronic mode or by delivery of floppies or disks.

NOMINATION

45. Notwithstanding anything contained in Articles, every holder of shares(s) or debenture(s) of the Company may, at any time, nominate, in the prescribed manner, a person to whom these share(s) shall vest in the event of his death and the provisions of Section 109A and Section 109B of the Companies Act, 1956 shall apply in respect of such nomination.

The provisions of this Article shall apply mutatis mutandis to a depository of money with the Company as per the provisions of Section 58A of the Act.

BUY-BACK OF SHARES

46. Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the company may purchase its own shares or other specified securities.

GENERAL MEETINGS

47. All general meetings other than annual general meeting shall be called extraordinary general meeting.
48. (i) The Board may, whenever it thinks fit, call an extraordinary general meeting.
- (ii) If at any time directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any two members of the company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.

PROCEEDINGS AT GENERAL MEETINGS

49. (i) No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.
- (ii) Save as otherwise provided herein, the quorum for the general meetings shall be as provided in section 103.
50. The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the company.
51. If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the directors present shall elect one of their members to be Chairperson of the meeting.
52. If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their members to be Chairperson of the meeting.

ADJOURNMENT OF MEETING

53. (i) The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.
- (ii) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
- (iii) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.
- (iv) Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

VOTING RIGHTS

54. Subject to any rights or restrictions for the time being attached to any class or classes of shares,—
- (a) on a show of hands, every member present in person shall have one vote; and
- (b) on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company.

55. A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.
56. (i) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.
- (ii) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.
57. A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.
58. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.
59. No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the company have been paid.
60. (i) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.
- (ii) Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.

PROXY

61. The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.
62. An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.
63. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given:

Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

BOARD OF DIRECTORS

64. The number of the directors and the names of the first directors shall be determined in writing by the subscribers of the memorandum or a majority of them.
65. (i) The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.

- (ii) In addition to the remuneration payable to them in pursuance of the Act, the directors may be paid all travelling, hotel and other expenses properly incurred by them—
- (a) in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the company; or
- (b) in connection with the business of the company.
- 66.** The Board may pay all expenses incurred in getting up and registering the company.
- 67.** The company may exercise the powers conferred on it by section 88 with regard to the keeping of a foreign register; and the Board may (subject to the provisions of that section) make and vary such regulations as it may think fit respecting the keeping of any such register.
- 68.** All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.
- 69.** Every director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose.
- 70.** (i) Subject to the provisions of section 149, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the articles.
- (ii) Such person shall hold office only up to the date of the next annual general meeting of the company but shall be eligible for appointment by the company as a director at that meeting subject to the provisions of the Act.

PROCEEDINGS OF THE BOARD

- 71.** (i) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.
- (ii) A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.
- 72.** (i) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.
- (ii) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.
- 73.** The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the company, but for no other purpose.
- 74.** (i) The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.

- (ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the directors present may choose one of their number to be Chairperson of the meeting.
75. (i) The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or members of its body as it thinks fit.
- (ii) Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.
76. (i) A committee may elect a Chairperson of its meetings.
- (ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.
77. (i) A committee may meet and adjourn as it thinks fit.
- (ii) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.
78. All acts done in any meeting of the Board or of a committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.
79. Save as otherwise expressly provided in the Act, a resolution in writing, signed by all the members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held.

CHIEF EXECUTIVE OFFICER, MANAGER, COMPANY SECRETARY OR CHIEF FINANCIAL OFFICER

80. Subject to the provisions of the Act,—
- (i) A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;
- (ii) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.
81. A provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.

THE SEAL

82. (i) The Board shall provide for the safe custody of the seal.
- (ii) The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorised by it in that behalf, and except in the presence of at least two directors and of the secretary or such other person as the Board may appoint for the purpose; and those two directors and the secretary or other person aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.

DIVIDENDS AND RESERVE

83. The company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.
84. Subject to the provisions of section 123, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the company.
85. (i) The Board may, before recommending any dividend, set aside out of the profits of the company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the company) as the Board may, from time to time, think fit.
- (ii) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.
86. (i) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the company, dividends may be declared and paid according to the amounts of the shares.
- (ii) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.
- (iii) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.
87. The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the company on account of calls or otherwise in relation to the shares of the company.
88. (i) Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.
- (ii) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.
89. Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.

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90. Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.
91. No dividend shall bear interest against the company.
92. No unclaimed Dividend shall be forfeited, and unclaimed Dividends shall be dealt with in accordance with the applicable provisions of the Act

ACCOUNTS

93. (i) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the company, or any of them, shall be open to the inspection of members not being directors.
- (ii) No member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorised by the Board or by the company in general meeting.

WINDING UP

94. If the Company shall be wound-up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Act, divide amongst the members in specie or in kind, the whole or, any part of the assets of the Company, whether they consist of property of the same kind or not.
95. For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members of different classes of members.
96. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories as the liquidator shall think fit but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

INDEMNITY

97. Every officer of the company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the Tribunal.

SECTION IX – OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been entered 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 the 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 the Registered Office between 10 a.m. and 5 p.m. on all Working Days from Application/Issue Opening Date until the Application/Issue Closing Date.

A. Material Contracts

1. Memorandum of Understanding dated March 03, 2014 between our Company and the LM.
2. Memorandum of Understanding dated March 04, 2014 between our Company and the Registrar to the Issue.
3. Escrow Agreement dated April 29, 2014 between our Company, the LM, Escrow Collection Bank(s), Refund bank and the Registrar to the Issue.
4. Market Making Agreement dated March 03, 2014 between our Company, the LM and the Market Maker.
5. Underwriting Agreement dated March 03, 2014 between our Company and the LM and the Market Maker.
6. Tripartite agreement between the NSDL, our Company and the Registrar dated March 14, 2014.
7. Tripartite agreement between the CDSL, our Company and the Registrar dated April 04, 2014.

Material Documents

1. Certified true copies of the Memorandum and Articles of Association of our Company, as amended from time to time.
2. Original Certificate of Incorporation.
3. Fresh Certificate of Incorporation consequent to change of name on conversion of Company from private to public limited company.
4. Resolution of the Board of Directors meeting dated February 14, 2014, authorizing the Issue.
5. Shareholders' resolution passed at the Extra Ordinary General Meeting dated February 17, 2014, authorizing the Issue.
6. Consent from the Auditors for inclusion of their reports on the restated accounts in the prospectus.
7. Auditor's report for Restated Financials dated March 03, 2014 included in the prospectus.

8. The Statement of Tax Benefits dated March 03, 2014 from our Statutory Auditors.
9. Consent of our Directors, Company Secretary and Compliance Officer, LM, Legal Advisor to the Issue, Registrar to the Issue, Bankers to our Company, Market Maker, Underwriters, Escrow Collection Bank(s) and Refund Bank as referred to in their specific capacities.
10. Memorandum of Understanding dated February 06, 2014 between our Company and Mr. Gopal Krishan Bansal, the Karta of M/s. Gopal Bansal & Sons HUF to take on lease office in Delhi.
11. Due Diligence Certificate(s) dated May 10, 2014 of the Lead Manager to be submitted to SEBI along with the filing of the prospectus.
12. Approval from BSE vide letter dated April 17, 2014 to use the name of BSE in the prospectus for listing of Equity Shares on the SME Platform of the BSE.

Any of the contracts or documents mentioned in the prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

We, the Directors of the Company, hereby declare that, all the relevant provisions of the Companies Act, 1956, Companies Act, 2013 (to the extent notified) and the guidelines issued by the Government of India or the regulations or guidelines issued by the Securities and Exchange Board of India, as the case may be, have been complied with and no statement made in the Prospectus is contrary to the provisions of the Companies Act, 1956, Companies Act, 2013 (to the extent notified), the Securities and Exchange Board of India Act, 1992, each as amended or rules made there under or guidelines / regulations issued, as the case may be. We further certify that all the disclosures and statements made in the Prospectus are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY:

Mr. Sanjeev Mittal
(Chairman & Non-Executive Director)

Mr. Mahesh Kumar Dhanuka
(Managing Director)

Mr. Gopal Krishan Bansal
(Executive Director)

Mr. Mukesh Bansal
(Non-Executive Independent Director)

Mr. Sandeep Kumar Aggarwal
(Non-Executive Independent Director)

Mr. Surinder Kumar Bangia
(Non-Executive Independent Director)

Mrs. Rajni Garg
(Non-Executive Independent Director)

Mr. Vinod Kumar Aggarwal
(Chief Financial Officer)

Mr. Sunil Jain
(Company Secretary & Compliance Officer)

Date: May 10, 2014

Place: Delhi