



Finshore Management Services Limited

Our Company was originally incorporated with the Registrar of Companies, West Bengal on November 14, 2011 as Finshore Management Services Private Limited vide Certificate of Incorporation no. U52190WB2011PTC169377. Pursuant to a resolution passed at an Extra Ordinary General Meeting of our shareholders held on March 20, 2012, our Company was converted into Public Limited Company and the name was changed to Finshore Management Services Limited. A Fresh Certificate of Incorporation dated April 18, 2012 consequent to change of name was issued by the Registrar of Companies, West Bengal. Our Company has been allocated Corporate Identification Number U74900WB2011PLC169377. (For further details, in relation to change in the name of our Company, please refer to the chapter titled "History and Other Corporate Matters" beginning on page 83 of this Draft Prospectus)

Registered Office : Sikkim Commerce House, 5th Floor, Room No. 505, 4/1, Middleton Street, Kolkata 700 071. Tel: 033 4065 0291

Contact Person: Mr. Sunil Agarwal, Company Secretary and Compliance Officer

Email: ipo@finshoregroup.com; **Website:** www.finshoregroup.com

THE PROMOTERS OF OUR COMPANY ARE MR. LAKSHMAN SRINIVASAN AND MS. SIREEN SADHU

PUBLIC ISSUE OF 6,66,670 EQUITY SHARES OF ₹ 10 EACH OF FINSHORE MANAGEMENT SERVICES LIMITED ("FMSL" OR THE "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹ 60 PER EQUITY SHARE (INCLUDING SHARE PREMIUM OF ₹ 50 PER EQUITY SHARE) ("THE ISSUE PRICE") AGGREGATING ₹ 400 LAKHS (THE "ISSUE") OF WHICH 1,16,670 EQUITY SHARES OF ₹ 10 EACH WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKERS TO THE ISSUE (AS DEFINED IN THE SECTION "DEFINITIONS AND ABBREVIATIONS" (THE "MARKET MAKER RESERVATION PORTION"). THE ISSUE LESS THE MARKET MAKER RESERVATION PORTION i.e. ISSUE OF 5,50,000 EQUITY SHARES OF ₹ 10 EACH IS HEREINAFTER REFERRED TO AS THE "NET ISSUE". THE ISSUE AND THE NET ISSUE WOULD CONSTITUTE 30.42 % AND 25.10 % OF THE FULLY DILUTED POST ISSUE PAID – UP EQUITY CAPITAL OF OUR COMPANY.

This issue is being made in terms of chapter XB of the SEBI (ICDR) Regulations, 2009 as amended from time to time wherein minimum fifty percent of the Net Issue will be available for subscription to retail individual investors; and the remaining to individual applicants other than retail individual investors; and other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for. The unsubscribed portion in any of the categories specified may be allocated to the applicants in the other category. For further details see "Issue Related Information" beginning on page 146 of this Draft Prospectus.

All potential investors may participate in the Issue through and 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 No 152 of this Draft 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.

RISKS IN RELATION TO FIRST ISSUE

This being the first Issue of our Company, there has been no formal market for the securities of the Company. The face value of the Equity Shares is ₹ 10 and the Issue Price is 6 times of the face value. The Issue Price (as determined by our Company in consultation with the Lead Manager and as stated in the chapter titled on "Basis For Issue Price" beginning on page 45 of this Draft 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 shares of the Company or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this offering. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares offered in the Issue have not been recommended or approved by Securities and Exchange Board of India nor does Securities and Exchange Board of India guarantee the accuracy or adequacy of this Draft Prospectus. Specific attention of the investors is invited to the section titled "Risk Factors" beginning on page 10 of this Draft Prospectus.

ISSUER'S ABSOLUTE RESPONSIBILITY

The Issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Prospectus contains all information with regard to our Company and the Issue, which is material in the context of the Issue, that the information contained in this Draft Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Prospectus 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-principle listing approval for the shares being offered in this Issue. However, our Company has received an approval letter dated [●], 2012 from BSE Limited for using its name in this offer document for listing of our shares on the SME Platform of BSE. For the purpose of this Issue, the designated Stock Exchange will be the BSE Limited ("BSE").

LEAD MANAGER



LSI FINANCIAL SERVICES PRIVATE LIMITED

Sagar Trade Cube, 5th Floor,
104, S P Mukherjee Road,
Kolkata 700 026,
West Bengal, India.

Tel: 033 2486 3817

Fax: 033 2486 3815

Email: mbd@lsimails.com

Website: www.lsifinance.com

Contact Person: Mr. Partha Pratim Samaddar

SEBI Registration No: INM000011468

REGISTRAR TO THE ISSUE



KARVY COMPUTERSHARE PRIVATE LIMITED

Plot No. 17 to 24,
Vithalrao Nagar, Madhapur
Hyderabad – 500 081

Tel No.: 040 4465 5000

Fax No.: 040 2343 1551

Email: finshore.ipo@karvy.com

Website: www.karisma.karvy.com

Contact Person: Mr. M. Murali Krishna

SEBI Registration No.: INR000000221*

ISSUE PROGRAMME

ISSUE OPEN ON: [●]

ISSUE CLOSES ON: [●]

Table of Contents

SECTION I: GENERAL INFORMATION	2
DEFINITION AND ABBREVIATIONS	2
PRESENTATION OF FINANCIAL INFORMATION AND USE OF MARKET DATA.....	8
FORWARD LOOKING STATEMENTS	9
SECTION II: RISK FACTORS	10
RISK FACTORS	10
SECTION III: INTRODUCTION	20
SUMMARY OF INDUSTRY	20
SUMMARY OF BUSINESS	21
SUMMARY OF FINANCIAL STATEMENT	23
THE ISSUE.....	26
GENERAL INFORMATION	27
CAPITAL STRUCTURE.....	31
OBJECTS OF THE ISSUE	39
BASIS FOR ISSUE PRICE	45
STATEMENT OF POSSIBLE TAX BENEFITS	47
SECTION IV: ABOUT OUR COMPANY	57
INDUSTRY OVERVIEW.....	57
BUSINESS OVERVIEW.....	68
KEY INDUSTRY REGULATIONS AND POLICIES	80
HISTORY AND OTHER CORPORATE MATTERS.....	83
OUR MANAGEMENT.....	86
OUR PROMOTERS AND PROMOTERS GROUP.....	101
GROUP COMPANIES.....	104
RELATED PARTY TRANSACTIONS.....	112
DIVIDEND POLICY	113
SECTION V: FINANCIAL INFORMATION	114
FINANCIAL STATEMENTS	114
MANAGEMENT DISCUSSION & ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS	127
FINANCIAL INDEBTEDNESS.....	132
SECTION VI: LEGAL AND REGULATORY INFORMATION	133
OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS	133
GOVERNMENT AND OTHER APPROVALS	135
SECTION VII: OTHER REGULATORY AND STATUTORY DISCLOSURES	138
SECTION VIII: ISSUE RELATED INFORMATION	146
TERMS OF THE ISSUE.....	146
ISSUE STRUCTURE.....	150
ISSUE PROCEDURE	152
SECTION IX: MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION OF OUR COMPANY	169
SECTION X: OTHER INFORMATION	196
MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION.....	196

SECTION I: GENERAL INFORMATION

DEFINITION AND ABBREVIATIONS

In this Draft Prospectus, unless the context otherwise requires, the terms defined and abbreviations expanded herein below shall have the same meaning as stated in this Section.

DEFINITIONS

TERMS	DESCRIPTION
our Company, "the Company", "FMSL", "We", "us" or "the Issuer"	Finshore Management Services Limited, a public limited company incorporated under the Companies Act, 1956

CONVENTIONAL/GENERAL TERMS

TERMS	DESCRIPTION
AOA/Articles/ Articles of Association	Articles of Association of Finshore Management Services Limited
Bankers to our Company	Axis Bank Limited, Burrabazar Branch, 4A, Chaitan Sett Street, Kolkata – 700007 and State Bank Of India, Jeevan Deep Branch, 1, Middleton Street, Kolkata – 700071
Banker to the Issue	ICICI Bank Limited,30, Mumbai Sanchar Marg Fort, Mumbai – 400001 and Axis Bank Limited, SOLARIS C Wing, 9th Floor, Opp L& T Gate No.6,Saki Vihar Road, Powai, Mumbai-400072
Board of Directors / Board/Director(s)	The Board of Directors of Finshore Management Services Limited
Branch Office/Office	Branch office of the Company situated at Durgapur and other offices at various places as mentioned in “Objects of the Issue” which are proposed to be opened.
BSE	BSE Limited (the designated stock exchange)
Companies Act	The Companies Act, 1956, as amended from time to time
Depositories Act	The Depositories Act, 1996 as amended from time to time
CIN	Company Identification Number
DIN	Directors Identification Number
Depositories	NSDL and CDSL
FIPB	Foreign Investment Promotion Board
FVCI	Foreign Venture Capital Investor registered under the Securities and Exchange India (Foreign Venture Capital Investors) Regulations, 2000, as amended from time to time
Director(s)	Director(s) of Finshore Management Services Limited, unless otherwise specified
Equity Shares / Shares	Equity Shares of our Company of face value of ₹ 10 each unless otherwise specified in the context thereof
EPS	Earnings Per Share
GIR Number	General Index Registry Number
GoI / Government	Government of India
HUF	Hindu Undivided Family
Indian GAAP	Generally Accepted Accounting Principles in India
IPO	Initial Public Offering
Joint Auditor	M/s P.N.Ganguli & Company, Chartered Accountants
MOA/ Memorandum/Memorandum of Association	Memorandum of Association of Finshore Management Services Limited
Non Resident	A person resident outside India, as defined under FEMA
Non-Resident Indian/ NRI	A person resident outside India, who is a citizen of India or a Person of

TERMS	DESCRIPTION
	Indian Origin as defined under FEMA Regulations
Overseas Corporate Body /OCB	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 as defined under the Foreign Exchange Management (Deposit) Regulations, 2000. OCBs are not allowed to invest in this Issue.
Person or Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability partnership, limited liability company, joint venture, or trust or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires
Promoters	Promoters of the Company being Mr. Lakshman Srinivasan and Ms. Sireen Sadhu
Promoter Group Companies/Group Companies / Group Enterprises	Includes such persons and entities constituting our Promoter Group in terms of Regulation 2(zb) of the SEBI (ICDR) Regulations, 2009 and disclosed in the chapter titled “Our Promoters And Promoter Group” beginning on page 101 of this Draft Prospectus.
Registered office of our Company	Sikkim Commerce House, 5th Floor, Room No.505,4/1, Middleton Street,Kolkata-700 071, West Bengal, India
RoC	Nizam Palace, 2 nd MSO Building, 2 nd Floor, 234/4, A.J.C.Bose Road, Kolkata – 700020, West Bengal, India.
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI Regulation/ SEBI(ICDR) Regulations	The SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011, as amended
SICA	Sick Industrial Companies (Special Provisions) Act, 1985
SME Platform of BSE/Stock Exchange	The SME platform of BSE for listing of equity shares offered under Chapter X-B of the SEBI (ICDR) Regulations
Statutory Auditor	M/s. S K Sengupta & Associates, Chartered Accountants, the Statutory Auditors of our Company.
SWOT	Strengths, Weaknesses, Opportunities and Threats

ISSUE RELATED TERMS

TERMS	DESCRIPTION
Allotment/Allot	Issue of Equity Shares pursuant to the Issue to the successful applicants as the context requires.
Allottee	The successful applicant to whom the Equity Shares are being / have been issued
Applicant	Any prospective investor who makes an application for Equity Shares in terms of this Draft 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)	Means an application (whether physical or electronic) used by an applicant to make an application for subscribing to an issue containing an authorization to the SCSBs to block the application money in the specified bank account maintained with SCSB
ASBA Account	ASBA Account maintained with SCSBs which will be blocked by such SCSBs to the extent of the appropriate application Amount of the ASBA applicant, as specified in the ASBA Application Form
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

TERMS	DESCRIPTION
	mandatorily use the ASBA facility to submit their Applications.
ASBA Bidding Location(s)/Specified Cities	Location(s) at which ASBA Bids can be uploaded by the SCSBs, namely Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bangalore, Hyderabad, Pune, Baroda and Surat
ASBA Public Issue Account	An Account of the Company under Section 73 of the Act, where the funds shall be transferred by the SCSBs from the bank accounts of the ASBA Investors
Basis of Allotment	The basis on which Equity Shares will be allotted to the Investors under the Issue and which is described in "Issue Procedure–Basis of Allotment" on page 158 of the Draft Prospectus
Business Day	Any day on which commercial banks in Mumbai are open for the business
Demographic Details	The demographic details of the applicant such as their address, PAN, occupation and bank account details.
Depository	A depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 1996
Depository Act	The Depositories Act, 1996
Depository Participant	A depository participant as defined under the Depositories Act, 1956
Designated Branches	Such branches of the SCSBs which shall collect the ASBA Application Form used by the ASBA applicants and a list of which is available on http://www.sebi.gov.in/pmd/scsb.html
Escrow Account	Account opened/to be opened with the Escrow Collection Bank(s) and in whose favour the Applicant (excluding the ASBA Applicant) will issue cheques or drafts in respect of the Application Amount when submitting an Application
Escrow Agreement	Agreement entered / to be entered into amongst the Company, Lead Manager, the Registrar, the Escrow Collection Bank(s) for collection of the Application Amounts and for remitting refunds (if any) of the amounts collected to the Applicants (excluding the ASBA Applicants) on the terms and condition thereof
Escrow Bankers to the Issue /Escrow Collection Bank (s)	Being ICICI Bank Limited and Axis Bank Limited
Escrow Collection Bank(s)	The banks, which are clearing members and registered with SEBI as Bankers to the Issue at which bank the Escrow Account of our Company, will be opened
Issue/Issue size/ initial public issue/Initial Public Offer/Initial Public Offering	Public issue of 6,66,670 Equity Shares of ₹ 10/- each ("Equity Shares") of Finshore Management Services Limited ("FMSL" or the "Company" or the "Issuer") for cash at a price of ₹ 60/- per share (the "Issue Price"), aggregating to ₹ 400.00 lacs ("the Issue")
Issue Account / 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
Issue Closing date	The date on which the Issue closes for subscription
Issue Opening date	The date on which the Issue opens for subscription
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 this Draft Prospectus being ₹ 60/-
Lead Manager/LM	Lead Manager to the Issue being LSI Financial Services Pvt. Limited
Listing Agreement	Unless the context specifies otherwise, this means the Equity Listing Agreement to be signed between our Company and the SME Platform of BSE
LSI	LSI Financial Services Pvt. Ltd.
Market Maker	A market maker is a company, or an individual, that quotes both a buy and a sell price in a financial instrument or commodity held in inventory, hoping to make a profit on the bid-offer spread, or turn. Market makers are net sellers of an option to be adversely selected at a premium proportional to the trading range at which they are willing to

TERMS	DESCRIPTION
	provide liquidity.
Market Maker Reservation Portion	The Reserved portion of 1,16,670 Equity shares of ₹ 10/- each at ₹ 60 (including share premium of ₹ 50/-) per Equity Share aggregating to ₹ 70.00 Lacs (Rupees Seventy Lacs Only) for Designated Market Maker in the Initial Public Issue of FMSL
Memorandum of Understanding	The arrangement entered into on September 19, 2012 between our Company, and Lead Manager pursuant to which certain arrangements are agreed in relation to the Issue
Mutual Funds	A mutual Fund registered with SEBI under SEBI (Mutual Funds) Regulations, 1996
Net Issue	The Issue (excluding the Market Maker Reservation Portion) of 5,50,000 Equity Shares of ₹ 10/- each at ₹ 60/- (including share premium of ₹ 50/-) per Equity Share aggregating to ₹ 330.00 Lacs (Rupees Three Hundred Thirty Lacs Only) by Finshore Management Services Limited
Non – resident	A person resident outside India, as defined under FEMA including eligible NRIs and FIIs
Offer Document	Draft Prospectus / Prospectus
Prospectus	The Prospectus, filed with the RoC containing, inter alia, issue size, the Issue opening and closing dates and other information.
Qualified Institutional Buyers or QIBs	The term "Qualified Institutional Buyers" or "QIBs" shall have the meaning ascribed to such term under the SEBI ICDR Regulations and shall mean and include (i) a Mutual Fund, VCF and FVCI registered with SEBI; (ii) an FII and sub-account (other than a sub account which is a foreign corporate or foreign individual), registered with SEBI; (iii) a public financial institution as defined in Section 4A of the Companies Act; (iv) a scheduled commercial bank; (v) a multilateral and bilateral development financial institution; (vi) a state industrial development corporation; (vii) an insurance company registered with the Insurance Regulatory and Development Authority; (viii) a provident fund with minimum corpus of ₹ 250 million; (ix) a pension fund with minimum corpus of ₹ 250 million; (x) National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India; (xi) insurance funds set up and managed by army, navy or air force of the Union of India; and (xii) insurance funds set up and managed by the Department of Posts, India eligible for applying in this Issue.
Registrar/Registrar to the Issue	Registrar to the Issue being Karvy Computershare Private Limited, Plot No. 17 to 24, Vithalrao Nagar, Madhapur, Hyderabad – 500 081
Retail Individual Investor(s)	Individual investors (including HUFs, in the name of Karta and Eligible NRIs) who apply for the Equity Shares of a value of not more than ₹ 2,00,000
Refund Account	The account opened / to be opened with Escrow Collection Bank(s), from which refunds, if any, of the whole or part of application Amount (excluding to the ASBA Applicants) shall be made.
Refund bank	ICICI Bank Limited, 30, Mumbai Sanchar Marg Fort, Mumbai – 400001 and Axis Bank , SOIARIS C Wing, 9th Floor, Opp L& T Gate No.6,Saki Vihar Road, Powai, Mumbai-400072
Refunds through electronic transfer of funds	Refunds through NECS, Direct Credit, RTGS or the ASBA process, as applicable
RoC/Registrar of Companies	Nizam Palace, 2 nd MSO Building, 2 nd Floor, 234/4, A.J.C.Bose Road, Kolkata – 700020, West Bengal, India.
Self Certified Syndicate Banks or SCSBs	The banks which are registered with SEBI under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994 and offer services in relation to ASBA, including blocking of an ASBA Account in accordance with the SEBI Regulations and a list of which is available on www.sebi.gov.in/pmd/scsb.pdf or at such other website as may be prescribed by SEBI from time to time.
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI Regulation/	The SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended

TERMS	DESCRIPTION
SEBI (ICDR) Regulations	
Underwriters	[●]
Underwriting Agreement	The Agreement among the Underwriters and our Company to be entered into on or after the Pricing Date
Working Days	All days on which banks in Mumbai are open for business except Sunday and public holiday, provided however during the Application period a working day means all days on which banks in Mumbai are open for business and shall not include a Saturday, Sunday or a public holiday

ABBREVIATIONS

ABBREVIATION	FULL FORM
Act / Companies Act / the Act	The Companies Act, 1956 and amendments as notified from time to time
AGM	Annual General Meeting
ASBA	Application Supported by Blocked Amount
AS	Accounting Standards issued by the Institute of Chartered Accountants of India
A.Y.	Assessment Year
B.A	Bachelor of Arts
B.Com	Bachelor of Commerce
B.Sc.	Bachelor of Science
CAGR	Compounded Annual Growth Rate
C. A.	Chartered Accountant
CAIIB	Certified Associate of the Indian Institute of Bankers
CDSL	Central Depository Services (India) Limited
C.S.	Company Secretary
CTC	Cost to Company
DP	Depository Participant as defined under the Depositories Act, 1996
DPID	Depository Participants' Identity
EGM / EOGM	Extra Ordinary General Meeting of the shareholders
ESOP	Employee Stock Option Plan
EMD	Earnest Money Deposit
FCNR Account	Foreign Currency Non Resident Account
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999, as amended from time to time and the regulations issued there under.
FII	Foreign Institutional Investor (as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended from time to time) registered with SEBI under applicable laws in India.
FIs	Financial Institutions.
FY / Fiscal	The twelve months ended March 31 of that particular year
GDP	Gross Domestic Product
HUF	Hindu Undivided Family
INR / ₹ / Rupees	Indian Rupees, the legal currency of the Republic of India
KMP	Key Management Personnel
LTRO	Long Term Refinancing Operations
M.B.A.	Master of Business Administration
M. Com.	Master of Commerce
NAV	Net Asset Value
NECS	National Electronic Clearing System

ABBREVIATION	FULL FORM
No.	Number
NRI	Non Resident Indian, as defined under Foreign Exchange Management (Deposit) Regulations, 2000
NRO Account	Non Resident Ordinary Account
NSDL	National Securities Depository Limited
P / E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number
RBI	The Reserve Bank of India
RBI Act	The Reserve Bank of India Act, 1934, as amended from time to time
RONW	Return on Net Worth
SME	Small And Medium Enterprises
USD/ \$/ US\$	The United States Dollar, the legal currency of the United States of America
WEO	World Economic Outlook
YOY	Year on Year

Notwithstanding the foregoing:

- a. In the section titled “*Financial Information*” and the chapter titled “*Statement of Possible Tax Benefits*” beginning on pages 114 and 47 respectively of this Draft Prospectus, defined terms shall have the meaning given to such terms in that section.
- b. In the section titled “*Main Provisions of the Articles of Association of our Company*” beginning on page 169 of this Draft Prospectus, defined terms have the meaning given to such terms in the Articles of Association of our Company.

PRESENTATION OF FINANCIAL INFORMATION AND USE OF MARKET DATA

Unless stated otherwise, the financial data in this Draft Prospectus is extracted from the restated financial statement for the year ended March 31, 2012 prepared in accordance with the applicable provisions of the Companies Act and Indian GAAP and restated in accordance with SEBI (ICDR) Regulations, 2009, as stated in the report of our Statutory Auditors and the SEBI Regulations and set out in the section titled "Financial Information" on page 114. Our restated financial statements are derived from our audited financial statements prepared in accordance with Indian GAAP and the Companies Act, and have been restated in accordance with the SEBI Regulations. Our fiscal years commence on April 1 and end on March 31. In this Draft Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All decimals have been rounded off to two decimal points.

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

CURRENCY OF PRESENTATION

All references to "Rupees" or "₹" or "INR" are to Indian Rupees, the official currency of the Republic of India. All references to "\$", "US\$", "USD", "U.S.\$" or "U.S. Dollar(s)" are to United States Dollars, if any, the official currency of the United States of America. This Draft Prospectus contains translations of certain U.S. Dollar and other currency amounts into Indian Rupees (and certain Indian Rupee amounts into U.S. Dollars and other currency amounts). These have been presented solely to comply with the requirements of the SEBI Regulations. These translations should not be construed as a representation that such Indian Rupee or U.S. Dollar or other amounts could have been, or could be, converted into Indian Rupees, at any particular rate, or at all

In this Draft Prospectus, all figures have been expressed as absolute numbers to the extent possible. The word "Lacs", "Lac", "Lakhs" or "Lakh" means "One hundred thousand".

Any percentage amounts, as set forth in "Risk Factors", "Business Management", "Management's Discussion and Analysis of Financial Conditions and Results of Operation" and elsewhere in this Draft Prospectus, unless otherwise indicated, have been calculated based on our restated financial statement prepared in accordance with Indian GAAP.

INDUSTRY & MARKET DATA

Unless otherwise stated, Industry & Market data used throughout this Draft Prospectus has been obtained from internal Company reports and Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although we believe that industry data used in this Draft Prospectus is reliable, it has not been independently verified. Similarly, internal Company reports, while believed by us to be reliable, have not been verified by any independent sources.

The extent to which the market and industry data used in this Draft Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data.

FORWARD LOOKING STATEMENTS

Our Company has included statements in this Draft Prospectus, that contain words or phrases such as "will", "aim", "will likely result", "believe", "expect", "will continue", "anticipate", "estimate", "intend", "plan", "project", "shall", "contemplate", "seek to", "future", "objective", "goal", "project", "should", "will continue", "will pursue" and similar expressions or variations of such expressions that are "forward-looking statements". However, these words are not the exclusive means of identifying forward-looking statements. All statements regarding our Company objectives, plans or goals, expected financial condition and results of operations, business, plans and prospects are also forward-looking statements.

These forward-looking statements include statements as to business strategy, revenue and profitability, planned projects and other matters discussed in this Draft Prospectus regarding matters that are not historical fact. These forward-looking statements contained in this Draft Prospectus (whether made by us or any third party) involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

All forward-looking statements are subject to risks, uncertainties and assumptions that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results to differ materially from expectations include, among others:

- General economic conditions and demographics, consumer confidence in future economic conditions, political conditions, consumer debt, inflation etc. and business conditions in India and other countries.
- Our ability to successfully implement our strategy, growth and expansion.
- Our exposure to market risks that have an impact on our business activities or investments.
- The monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and Globally.
- Changes in foreign exchange rates or other rates or prices;
- Our failure to keep pace with rapid changes in the financial world;
- Our ability to protect our intellectual property rights and not infringing intellectual property rights of other parties;
- Changes in domestic and foreign laws, regulations and taxes and changes in competition in our industry.
- Changes in the value of the Rupee and other currencies.
- The occurrence of natural disasters or calamities.
- The outcome of legal or regulatory proceedings that we are or might become involved in;
- Government approvals;
- Our ability to compete effectively, particularly in new markets and businesses;
- Our dependence on our Key Management Personnel and Promoter
- Our ability to attract and retain qualified personnel
- Conflicts of interest with the Group Entities and other related parties;
- Other factors beyond our control; and
- Our ability to manage risks that arise from these factors.

For further discussion of factors that could cause Company's actual results to differ, see the section titled "Risk Factors" on page 10 of this Draft Prospectus. 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. Our Company, the Lead Manager, and their affiliates 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 SEBI requirements, our Company and the Lead Manager will ensure that investors in India are informed of material developments until such time as the grant of listing and trading permission by the Stock Exchange.

SECTION II: RISK FACTORS RISK FACTORS

An investment in equity involves a high degree of risk. Investors should carefully consider all the information in this Draft Prospectus, including the risks and uncertainties described below, before making an investment in our equity shares. Any of the following risks as well as other risks and uncertainties discussed in this Draft 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. In addition, the risks set out in this Draft Prospectus may not be exhaustive and additional risks and uncertainties, not presently known to us, or which we currently deem immaterial, may arise or become material in the future. Unless otherwise stated in the relevant risk factors set forth below, we are not in a position to specify or quantify the financial or other risks mentioned herein.

Materiality

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

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

Note:

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

INTERNAL RISK FACTORS

1. ***Any increase in or materialisation of our contingent liabilities aggregating to ₹ 80,00,000 as at March 31, 2012 could adversely affect our financial condition.***

Contingent liabilities not provided for as at March 31, 2012, are as under:

Sr. No.	Particulars	As at March 31, 2012
1	Estimated amount of contracts remaining to be executed on Capital account and not provided for in the books	80,00,000
	Total	80,00,000

Any increase in our contingent liabilities or if any of these contingent liabilities were to materialise, it may adversely affect our financial position, results of operations and cash flows. For further details please refer to the chapter titled "Financial Statements" beginning on page 114 of this Draft Prospectus.

2. ***Our Company had negative cash flows from investing activities in the last financial year. Any negative cash flow in the future could affect our operations and financial conditions***

As per our Restated Financial Statements, our cash flows for the financial year ended March 31, 2012 is as follows:

Particulars	For the year ended March 31 st 2012
Net cash generated from / (used in) operating activities	21,051
Net cash generated from / (used in) investing activities	(83,40,376)
Net cash generated from / (used in) financing activities	27,000,000
Net increase/(decrease) in cash and cash equivalent	18,680,675

Any negative cash flow in the future could affect our operations and financial conditions. For further details, please refer to the chapter titled “*Financial Statements*” beginning on page 114 of this Draft Prospectus.

3. *We are dependent on a few customers for our income from core operations. Three customers have contributed to the entire non investment income in FY 2012.*

We have earned core income of ₹ 19,75,000 from three customers in FY 2012. We believe that going forward for next couple of years we shall continue to derive a significant portion of our income from few customers.

As a result of our Company’s reliance on few customers, we may face certain issues including pressure to lower our fees or margins. The loss or significant decrease in the volume of business from one or more of our Company’s major customers for any reason may have an adverse effect on business, financial condition and results of operations. Any decline in our service quality standards and growing competition and any change in the demand for our services by these customers may adversely impair our ability to retain these customers. Moreover, if any of these customers were to experience liquidity problems or insolvency, our Company would face credit risk with respect to account receivables from such customer. Any of these events or any delay or default in payment by our Company’s customers for services provided by us may adversely affect our business, financial condition and results of operations.

4. *We derived significant income from Commodity Trading profits for the period for which we have been operational.*

We derived 57.76% of our income for the period ended March 31, 2012 from profits generated through trading in commodities. Commodity trading is not our core business and proposes not to continue with the present trend of trading in commodity in future as well. Since the commodity market is volatile in nature, we cannot be reasonably assured that we will be able to generate commensurate returns in future as well in case we choose to trade in commodities. Failure to maintain the present level of income from investments in commodity trading will have a material adverse effect on our results of operation.

5. *The revenues earned from our corporate advisory services is volatile by nature and may continue to be inconsistent due to the very nature of this business which is dependent on the overall volatility in the economy.*

We are engaged in the business of corporate advisory services wherein the fee is earned only on the successful closure of the transaction. Therefore, our income from such services is directly dependent on our ability to adequately perform under the overall macro economic conditions prevailing in the Indian economy and successfully close the transaction. Further, our income is also dependent on ability of our clients to cope up with the prevailing economic conditions. Depressed economic conditions can hamper our ability to close transactions. Thus, failure on our part to perform and close the transaction would have a material adverse effect on the success based income earned by us

6. *Our Agreement with the Education Advisory services client is for a period of five years.*

Our Agreement for Management Services for Education Advisory Services with Vivekananda College of Empowerment is for a period of five years only. Though the agreement provides our Company with a first right of refusal, there is no clause in the said Agreement which assures that the Agreement will be automatically extended beyond the present validity, or that, any extension if at all, would be as per terms which would be favorable to us. Inability on our part to renew the tenure of the existing agreement or renewal thereof on unfavorable terms might have a material adverse effect on our results of operation.

7. *Our Management Agreement with our Hotel Management Consultancy client initially slated to be operational in September 2012 has been put on hold.*

We have entered into a Management Agreement with one of our client for rendering Hotel Management Consultancy Services. The said Agreement was to be operational effective September, 2012. However the client company has put the said Agreement on hold till further notice. As a result the operations of our Hotel Management Consultancy services has been delayed too. There are no penal provisions in the said Agreement which protects us against delays in the implementation of the said Agreement. Inability on our part to secure our revenue from such delays in the commencement of the project or in extreme case, cancellation thereof, will have a material adverse effect on our results of operation.

8. *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 financial advisory services companies operating in the markets in which we are present. For further details, please refer to the paragraph titled “Competition”, as contained in the chapter titled “Business Overview”, beginning on page 68 of this Draft 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 ours in certain lines of businesses;
- Greater brand recognition among corporate;
- Larger customer bases in and outside India; or
- More diversified operations which allow profits from certain operations to support others with lower profitability.

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.

9. *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 strong client base and operational income growth. Our growth strategy is subject to and involves risks and difficulties which may be beyond our control. However, there could be a possibility that we will not be able to implement our growth strategy in toto or in part leading to a possibility that we may not grow at a comparable rate to our target growth rate 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.

10. *Our Promoters are first generation entrepreneurs.*

Our promoters Mr. Lakshman Srinivasan and Ms. Sireen Sadhu are first generation entrepreneurs with FMSL being their first entrepreneurial venture. Though they amongst themselves have extensive experience in the areas of our operations, they may lack the acumen required to run a business in difficult economic environment.

11. *We are a closely held company and even after this issue we will continue to be dependent on our senior management and promoter’s ability to implement our growth strategies.*

We are a closely held Public Limited Company and our day to day operations are being managed by our Promoter Directors Mr. Lakshman Srinivasan and Ms. Sireen Sadhu. Through this issue we propose to get listed on the SME Platform of BSE in order to access capital necessary to expand our operations. Though, we do have plans to increase our staff base and induct key managerial persons in the future, however, we will continue to be dependent on our promoters’ ability to effectively implement our growth strategies. If our Promoters disassociate from our company for any reason or in the event of them getting incapacitated to remain actively involved with the company in managing its affairs, our ability to maintain and grow our revenues could be adversely impacted. Financial impact of the aforesaid risk cannot be reasonably quantified.

12. *One of our Group Companies has objects similar to ours.*

The objects of one of our Group Company, Finshore Commodities Pvt. Ltd. as per their Memorandum of Association is similar to the objects of our Company. Presently, the business activity of the company is not similar to our activities, but, there could be a potential conflict of interest in future. However, we have entered into Non-Compete Agreements with Finshore Commodities Pvt. Ltd.. For details on these Non-Compete Agreements, please refer to the chapter titled “History and Other Corporate Matters” beginning on page 83 of this Draft Prospectus.

13. *We do not own our Registered Office from which we operate.*

We do not own the premises on which our Registered Office is situated. We have entered into Deed of License with M/s Greenol Laboratories Pvt. Ltd. for the said premises, a Company in which our

Managing Director is also a Director. The said Deed is valid until December 31, 2012, and can be renewed for a further period of eleven months from 1st January, 2013 on terms/conditions agreed upon mutually. We cannot assure you that we shall be able to secure renewal of the Agreement and continue to have the right to occupy these premises going forward, or that we shall be able to continue with the uninterrupted use of this property going forward. This may impair our ongoing operations and have material adverse effect on our results of operation.

14. *Our Office at Durgapur, as well as, our proposed offices shall not be owned by us*

Our existing office at Durgapur is not owned by us and has been taken on lease rental for a period of eleven months. Similarly, the premises for the offices, we intend to open in cities like Asansol, Ranchi, Patna, Bhubaneswar, Siliguri, Jamshedpur, Guwahati, Balasore, Raipur shall be taken on lease rental.

If the lease agreement for the premises at Durgapur and/or one or more of the cities mentioned above is terminated by the lessor, we may have to identify other premises to relocate our office which could disrupt our business operation and adversely affect our financial condition. For further details please refer to section titled "Business Overview" on page 68 of this Draft Prospectus.

15. *Our Group Companies share the same premises for their Registered Office.*

Our Company and our Group Companies operate from a common Registered Office, located at, Sikkim Commerce House, Room No. 5th Floor, 4/1 Middleton Street, Kolkata – 700071. There is no inter-se agreement between us and these companies with regard to sharing of expenses or bifurcation of office space, which could give rise to future conflicts.

16. *We have not identified any alternate source of financing the 'Objects of the Issue'. Any shortfall in raising / meeting the same could adversely affect our growth plans, operations and financial performance.*

As on date we have not identified any alternate source of funding and hence any failure or delay on our part to raise money from this issue or any shortfall in the issue proceeds may delay the implementation schedule and could adversely affect our growth plans. For further details please refer to the chapter titled "Objects of the Issue" beginning on page 39 of this Prospectus.

17. *Our Company is yet to identify sites where our offices would be located in new cities.*

We propose to set up offices in cities like Asansol, Ranchi, Patna, Bhubaneswar, Siliguri, Jamshedpur, Guwahati, Balasore, Raipur. We have not frozen on any location / site where these offices would be located in these cities. Any delay in finalising the locations of the office spaces at these cities, as well as, our ability to obtain offices in locations on best possible commercial terms shall have a material adverse effect on our business plans and consequently our operations.

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

The objects of the issue for which part of the fund are being raised have not been appraised by any bank, financial institution or independent agency. In the absence of such independent appraisal, the requirement of funds raised through this issue, as specified in the section titled "objects of the issue" are based on the company's estimates. Our estimates for the cost of the project has been based on various quotations received by us from different suppliers, based on current conditions and are subject to changes in circumstances and/ or costs. Any increase in cost, as originally envisaged may have an adverse impact on our business, financial condition & results of operations.

19. *We have in the last twelve months preceding the date of this Prospectus issued shares to our Promoters and others at a price lower than the Issue Price.*

We have, on varying dates during the last twelve months allotted equity shares to our Promoters and others at a price lower than the issue price. As such these shares have been allotted in the last one year prior to the date of this Draft Prospectus at a price lower than the issue price. Further, one of the promoter has acquired shares through transfer at a price lower than the issue price. For further details, please refer to the chapter titled "Capital Structure" beginning on page 31 of this Draft Prospectus.

20. *The deployment of funds in the project is solely at the discretion of our management and is not subject to monitoring by any independent agency.*

The deployment of the funds towards the Objects of the Issue is entirely at the discretion of our Board of Directors and is not subject to monitoring by external independent agency. The Audit Committee of the Company will monitor the utilization of funds raised through this public issue. Our Company shall on quarterly basis disclose to the Audit Committee the Applications of the proceeds of the Issue. On an annual basis, our Company shall prepare a statement of funds utilized for purposes other than stated in this Draft Prospectus and place it before the Audit Committee. Further, there is no assurance that the actual costs or schedule of implementation will not vary from the estimated costs or schedule of implementation, and such variance may be on account of one or more factors, some of which may be beyond our control.

The disclosures with respect to the fund deployment and the reasons of variation(s), if any will also be made available to BSE Ltd., the shareholders of the company in the annual reports, website of our Company..

21. *Delay in deposit of Income Tax and filing of return.*

There has been a delay on the part of our company in depositing the advance tax as required under the Income Tax Act, and the Service Tax, as well as filing of relevant returns with the concerned Tax Authorities. Our company has deposited the tax along with interest as stipulated under the relevant Acts. No penal action has been initiated against our Company till date.

22. *Our success depends upon our senior management team and skilled personnel and our ability to attract and retain such persons. Any failure to attract and retain such personnel could have an adverse impact on our business, financial conditions and results of operations.*

Currently, we depend on our key management personnel to implement our business strategy. Our ability to sustain our growth depends in large part, on our ability to attract, train, motivate and retain skilled personnel. Our inability to hire and retain experienced and qualified personnel will impair our ability to continue to expand our business. If any of these individuals resigns or discontinues his or her service and is not adequately replaced, our business operations and our ability to successfully implement our business strategies could be materially and adversely affected.

Competition for management and industry experts is intense. Our future performance depends on our ability to identify, hire and retain qualified personnel. Failure to attract and retain such personnel could have a material adverse impact on our business, financial condition and results of operations.

23. *Our business is dependent on our continuing relationships with our customers; at present we do not have any long term contracts with our customers which may adversely affect our results of operations.*

We do not have long term arrangements with any of our customers for the bouquet of services we render. There is no assurance that we will be able to maintain historic levels of business from the existing customers or to retain the existing customers, or that we will be able to replace our customer base in a timely manner or at all, in the event our existing customers discontinue to avail our service. Such loss of customers may have an adverse effect on our revenues, cash flows and operations.

24. *Our Company's Promoters and Promoter Group will continue to retain significant control in our Company following the completion of the Issue, which will enable them to influence the outcome of matters submitted to shareholders for approval.*

The substantial majority of the issued and outstanding Equity Shares are currently beneficially owned by our Promoters and Promoter Group. Upon completion of the Issue, Promoters, together with the Promoter Group will own 1424950 Equity Shares, or 65.01 % of our Post-Issue Equity Share Capital. Accordingly, our Promoters will continue to exercise significant influence over our business policies and affairs and all matters requiring shareholders' approval, including the composition of our Board of Directors, the approval of mergers, strategic acquisitions or joint ventures or the sales of substantially all of our assets, and the policies for declaration of dividends, lending, investments and capital expenditures. This concentration of ownership may delay, defer or even prevent a change in control of our Company and may make some transactions more difficult or impossible without the support of these stakeholders. The interests of the Promoters as our Company's controlling shareholder could conflict with our Company's interests or the interests of other shareholders. We cannot assure you that the Promoters will act to resolve any conflicts of interest in our Company's or your favour.

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

We are required to obtain and maintain certain approvals, licenses and registrations in connection with the existing and proposed business and operations. Currently there are no material statutory clearances or approvals pending with any department. However, there can be no assurance that we will be able to obtain and maintain such approvals, licenses and registrations in the future. Our inability to obtain or maintain such registrations and licenses in a timely manner, or at all, and comply with the prescribed conditions in connection therewith may adversely affect our ability to carry on our business and operations, and consequently our results of operations and financial condition. For further details regarding the various statutory approvals required in our Business, please refer to the chapter titled “Government and other Key Approvals” beginning on page 135 of this Draft Prospectus.

26. ***The regulatory approvals for the offices proposed to be set up at different locations are yet to be applied for and any delay or non-receipt of such approvals may delay the proposed expansion plans.***

We intend to utilise the Issue proceeds amongst other things for setting up of offices in cities like Asansol, Ranchi, Patna, Bhubaneswar, Siliguri, Jamshedpur, Guwahati, Balasore, Raipur.. As on the date of filing Draft Prospectus, we have not applied for the necessary approvals in relation to the proposed Objects of the Issue . We cannot assure that we would be able to apply for these approvals/permissions in a timely manner, or that we would be granted such licenses/approvals/permissions in a timely manner or at all. Such grant may also be subject to restrictions and/or permissions which may not be acceptable to us, or which may prejudicially affect our operations, and would have a material adverse effect on our business, results of operations and financial condition. For further details pertaining to the licenses / approvals / permissions, please refer to the chapter titled ‘Government and other Statutory Approvals’ beginning on page 135 of this Draft Prospectus.

27. ***The cost of implementing new technologies could be significant and could adversely affect our results of operations.***

Our business requires us to keep pace with technological advances. Our future success will depend in part on our ability to respond to technological advances and emerging standards and practices on a cost-effective and timely basis. The cost of implementing new technologies could be significant and could adversely affect our financial condition and results of operations.

28. ***There could be likely conflicts of interest with our Directors and their related entities if they have interest in finance and financial services companies which could have a material adverse effect on our operations.***

Some of our Directors and their related entities have direct interest in financial advisory services which carry out activities similar to activities being carried out by us. Situations may arise where such persons or companies are presented with, or identify, opportunities that may be or are perceived to be in competition with us. There could also be conflict of interest with respect to decisions concerning our operations, financial structure or commercial transactions. In case these or other conflicts of interest are not resolved in an impartial manner, it could have a material adverse effect on our operations. For further details please refer to chapter titled “Our Management” and “Our Promoters and Promoters Group” beginning on pages 86 and 101 of this Draft Prospectus.

29. ***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 future we may issue additional equity shares for expanding our operations and other general corporate purposes, as well as, to our employees pursuant to the ESOP Scheme. 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.

30. ***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 dividend payments shall 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.

31. *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. While we believe that all such transactions have been conducted on an arms length basis, however it is difficult to ascertain whether more favorable terms would have been achieved had such transaction been entered into with unrelated parties. Further, it is likely that we may enter into related party transaction in future For further details, please refer to the chapters titled '*Business Overview*' and '*Our Promoters and Promoters Group*', beginning on pages 68 and 101, respectively and the section titled '*Related Party Transactions*' beginning on page 112 of this Draft Prospectus.

32. *Our trademark is not registered under the Trade Marks Act, 1999, and our ability to use the trademark may be impaired.*

Our Company's business may be affected due to our inability to protect our existing and future intellectual property rights. Currently, we do not have a registered trademark of our name and logo under the Trade Marks Act, 1999. Consequently we do not at present enjoy the statutory protections accorded to a trademark registered in India and cannot prohibit the use of such logo by anybody by means of statutory protection. Our Company has made application for registration of logo on April 11, 2012. However, we cannot guarantee that the same will be decided in favour of the Company. If our trademarks are not registered it can allow any person to use a deceptively similar mark and market its product which could be similar to the products offered by us which will hamper our business as prospective clients may go to such user of mark and our revenues may decrease, or we may need to change our logo. In the absence of the registration of our trademark, we may have a lesser recourse to legal proceedings to protect our trademark. For more details please refer to the paragraph titled "*Intellectual Property*" beginning on page 77 of this Draft Prospectus.

33. *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, services or products or enter into strategic partnerships with parties who can provide access to new areas, 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 be able to identify suitable acquisition, investment or strategic partnership, candidates, or if we do identify suitable candidates, we may not be able to complete those transactions on commercially acceptable terms or at all. If we are able to acquire another company, we may have difficulty in assimilating that company's personnel and operations. In addition, the key personnel of the acquired company may decide not to work for us. If we make other types of acquisitions, we may have difficulty in integrating the acquired services or technologies into our operations. These difficulties could disrupt our ongoing business, distract our management and employees and increase our expenses thereby having a material adverse effect on our operations.

34. *Our Company is yet to place orders for the Computers & Miscellaneous Fixed Asset (MFA). Any delay in placing the orders/ or supply the same may result in time and cost overruns, and may affect our profitability.*

We propose to acquire Computers and Miscellaneous Fixed Asset as mentioned in the Object of Issue to implement our proposed business plan.. We are yet to place orders for the same.

We cannot assure that we would be able to procure these MFA, or procure the same within budgeted costs and timelines. Delays in acquisition of the same could result in the cost and time overrun in the implementation of our business plan, which would have a material adverse affect on our business, results of operations and financial condition. For further details, please refer chapter titled '*Objects of the Issue*' beginning on page 39 of this Draft Prospectus.

35. *We do not have insurance coverage to protect us against certain hazards. In the event of the occurrence of any uninsured events, our Company need to bear financial losses associated with such risks which could have a material adverse effect on our business, financial condition and results of operation.*

The business operations of our Company are generally not subject to risks arising from natural disasters, damage to or destruction of property or risks to properties and personnel (like personal injury/loss of life) in the course of our business. However, we are subject to other standard risks like fire, theft and other standard perils. We have not obtained any insurance to cover such losses. If we suffer from an uninsured loss, our business, financial condition and results of operations may be materially and adversely affected.

EXTERNAL RISKS

- 36. *Global economic, political and social conditions may harm our ability to do business, may increase cost and negatively affect our stock price.***

Global economic and political factors that are beyond our control, influence forecasts and directly affect performance. These factors include interest rates, rates of economic growth, fiscal and monetary policies of governments, inflation, deflation, foreign exchange fluctuations, consumer credit availability, consumer debt levels, unemployment trends, terrorist threats and activities, worldwide military and domestic disturbances and conflicts, and other matters that influence client's confidence. Increasing volatility in financial markets may cause these factors to change with a greater degree of frequency and magnitude.

- 37. *Regional hostilities, terrorist attacks, civil disturbances or social unrest, regional conflicts could adversely affect the financial markets and the trading price of our Equity Shares could decrease.***

Certain events that are beyond our control such as terrorist attacks and other acts of violence or war, may adversely affect worldwide financial markets and could potentially lead to a severe economic recession, which could adversely affect our business, results of operations, financial condition and cash flows, and more generally, any of these events could lower confidence in India's economy. India has also experienced social unrest in some parts of the country. If such tensions occur in other parts of the country leading to overall political and economic instability, it could have a material adverse effect on our business, future financial performance, results of operations and the trading price of our Equity Shares.

- 38. *Natural calamities could have a negative impact on the Indian economy and cause our business to suffer.***

Our operations may be disrupted as a result of natural calamities such as earthquakes, a tsunami, floods heavy rainfall, epidemics, drought and other events such as protests, riots and labour unrest in the past few years. Such events may lead to the disruption of transportation systems and telecommunication services for sustained periods. Damage or destruction that interrupts our provision of services could adversely affect our reputation, our senior management team's ability to administer and supervise our business or it may cause us to incur substantial additional expenditure to repair or replace damaged infrastructure. Natural calamities could have a negative impact on the Indian economy and may cause suspension, delays or damage to our current business plans and operations, which may adversely affect our business and our results of operations.

- 39. *Any downgrading of India's debt rating by an international rating agency could have a negative impact on the trading price of our Equity Shares.***

Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely impact our ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing may be available. This could have an adverse effect on our business and future financial performance, its ability to raise finances for our clientele to meet their planned capital expenditures and the trading price of our Equity Shares.

- 40. *Third party statistical and financial data in this Draft Prospectus may be incomplete or unreliable.***

We have not independently verified data from industry publications and other sources and therefore cannot assure you that they are complete or reliable. Discussions of matters relating to India, its economy in this Draft Prospectus are subject to the caveat that the statistical and other data upon which such discussions are based may be incomplete or unreliable.

- 41. *The market price of our Equity Shares may fluctuate due to the volatility of the Indian securities market.***

The Indian securities markets are smaller than securities markets in more developed economies. Further, the regulation and monitoring of Indian securities markets and the activities of investors, brokers and other participants differ, in some cases significantly, from those in the US and Europe. In the past, Indian stock exchanges have experienced temporary exchange closures, broker defaults and settlement delays

which, if continuing or recurring, could affect the market price and liquidity of the securities of Indian companies, including the Equity Shares. A closure of, or trading stoppage on, the stock exchanges could adversely affect the trading price of the Equity Shares. In the past, the stock exchanges have experienced substantial fluctuations in the prices of listed securities. In addition, the governing bodies of the Indian stock exchanges have from time to time restricted securities from trading, limited price movements and restricted margin requirements. Further, from time to time, disputes have occurred between listed companies and the stock exchanges and other regulatory bodies that, in some cases, have had a negative effect on market sentiment. Similar problems could occur in the future and, if they do, they could harm the market price and liquidity of the Equity Shares.

- 42. *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.***

We will be subject to a daily “circuit breaker” imposed by stock exchanges in India, which does not allow transactions beyond specified increases or decreases in the price of the Equity Shares. This circuit breaker operates independent of the index-based market-wide circuit breakers generally imposed by the SEBI on Indian stock exchanges. The maximum movement allowed in the price of the Equity Shares before the circuit breaker is triggered is determined by the Stock Exchanges based on the historical volatility in the price and trading volume of the Equity Shares. The Stock Exchanges will not inform us of the triggering point 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 may 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.

- 43. *You may not be able to sell immediately on an Indian stock exchange any of the Equity Shares you purchase in the Issue until the Issue receives the appropriate trading approvals.***

Under the ICDR Regulations, the Company is permitted to list the Equity Shares within 12 working days of the Issue Closing Date. Consequently, the Equity Shares you purchase in the Issue may not be credited to your demat account with Depository Participants within 12 working days after the Issue Closing Date. You can start trading in the Equity Shares only after they have been credited to your demat account and final listing and trading approvals are received from the Stock Exchange. There can be no assurance that final listing and trading approval will be obtained from the Stock Exchanges on time or at all. Further, there can be no assurance that the Equity Shares allocated to you will be credited to your demat account, or that trading in the Equity Shares will commence within the specified time periods.

- 44. *Any future equity offerings or issue of options may lead to dilution of your shareholding in our Company.***

Investors in this Issue may experience dilution of their shareholding to the extent that our Company makes future equity or convertible offerings and to the extent that options may be granted under the employee stock option scheme. Further, any perception or belief that further issues might occur may adversely affect the trading price of our Equity Shares.

- 45. *After this Issue, the price of our Equity Shares may be highly volatile.***

The prices of our Company’s Equity Shares on the Indian stock exchanges may fluctuate after this Issue as a result of several factors, including:

- a) our profitability and performance;
- b) performance of our competitors in the industry and the perception in the market;
- c) significant developments in India’s fiscal, and other regulations;
- d) an assessment of our management, of our past and present operations, and the prospects for, and timing of, our future revenues and cost structures;
- e) the present state of execution of our business plans, etc

The Indian stock markets have witnessed significant volatility in the past and our Equity Share price may be volatile post listing. There can be no assurance that an active trading market for our Equity Shares will be sustained after this Issue.

PROMINENT NOTES:

1. Public Issue of 6,66,670 Equity Shares of Finshore Management Services Limited for cash at a price of ₹ 60 per Equity Share (including a share premium of ₹ 50 per Equity Share), aggregating ₹ 400 lakhs. The Face Value of the Equity Shares is ₹10 and the Issue Price is 6 times the Face Value. The Issue will constitute 30.42 %, of the post -Issue paid-up Equity Share capital of our Company.
2. The pre-issue Net worth of our Company as on March 31, 2012 is ₹ 2,88,21,126 as per the restated financial statements.
3. The average cost of acquisition of Equity Shares by each of our Promoters is as under: -

Sr. No.	Name of the Promoters	Average Cost per share (in ₹)
1.	Mr. Lakshman Srinivasan	20.43
2.	Ms. Sireen Sadhu	10.00

4. The Book Value per Equity Share of our Company as on March 31, 2012 is ₹ 20.23 as per the restated financial statements.
5. Our Company was originally incorporated as Finshore Management Services Private Limited on November 14, 2011 under the Companies Act, 1956 vide Certificate of Incorporation No. U52190WB2011PTC169377 issued by the Registrar of Companies, West Bengal at Kolkata. The name of our Company was changed to Finshore Management Services Limited vide fresh Certificate of Incorporation no. U74900WB2011PLC169377 dated April 18, 2012.
6. None of our Promoters, Directors or Key Managerial Personnel have any interest in our Company, except as disclosed in the chapter titled “*Capital Structure*”, “*Our Promoters And Promoter Group*”, “*Group Companies*” and “*Our Management*” beginning on pages 31,101,104 and 86 respectively of this Draft Prospectus.
7. None of the group companies have any business interest or any other interest in our Company, except as disclosed in the sections titled "Group Companies", “*History and Other Corporate Affairs*” beginning on page 104 and 83 respectively of this Draft Prospectus.
8. Investors may contact the LM or Compliance Officer for any complaints / information / clarification pertaining to this Issue.
9. Our Company and the LM shall make all information available 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.
10. Our Company and the LM will update the Prospectus in accordance with the Companies Act and the SEBI (ICDR) Regulations and our Company and the LMs will keep the public informed of any material changes relating to our Company till the listing of our shares on the Stock Exchanges.
11. There are no transactions in the securities of our Company during the period of six months immediately preceding the date of filing this Draft Prospectus which were financed directly or indirectly by the Promoters, Promoter Group, the directors of the Company which is a Promoters of our Company, Directors of our Company and their relatives, or by the entities directly or indirectly through other persons. However, for details of purchase / sale of shares of our company by Directors / Promoters / KMPs in the last six months please refer to the Chapter on “*Capital Structure*” beginning of on page 31 this Draft Prospectus.
12. For details of related party transactions entered into by our Company, please see the section titled “*Statement of Related Party Transaction*” appearing as Annexure of the section titled “*Financial Statements*” beginning on page 114 of this Draft Prospectus.

SECTION III: INTRODUCTION

SUMMARY OF INDUSTRY

Global growth increased to 3.6 percent (seasonally adjusted annual rate) in the first quarter of 2012, surprising on the upside by some ¼ percentage point compared with the forecasts presented in the April 2012 World Economic Outlook. The upward surprise was partly due to temporary factors, among them easing financial conditions and recovering confidence in response to the European Central Bank's (ECB's) longer-term refinancing operations (LTROs). Global trade rebounded in parallel with industrial production in the first quarter of 2012, which, in turn, benefited trade-oriented economies, notably Germany and those in Asia. For Asia, growth was also pulled up by a greater-than-anticipated rebound in industrial production, spurred by the restart of supply chains disrupted by the Thai floods in late 2011, and stronger-than-expected domestic demand in Japan. Developments during the second quarter, however, have been worse. Relatedly, job creation has been hampered, with unemployment remaining high in many advanced economies, especially among the young in the euro area periphery.

The euro area periphery has been at the epicenter of a further escalation in financial market stress, triggered by increased political and financial uncertainty in Greece, banking sector problems in Spain, and doubts about governments' ability to deliver on fiscal adjustment and reform as well as about the extent of partner countries' willingness to help. Escalating stress in periphery economies has manifested itself along lines familiar from earlier episodes, including capital outflows, a renewed surge in sovereign yields, adverse feedback loops between sovereign stresses and banking sector funding problems, increases in Target 2 liabilities of periphery central banks, further bank deleveraging, and contraction in credit to the private sector. The stabilizing effects of the ECB's LTROs in periphery financial markets have thus eroded. On the real side, leading economic indicators presage renewed contraction of activity in the euro area as a whole in the second quarter.

A financial system, which is inherently strong, functionally diverse and displays efficiency and flexibility, is critical to our national objectives of creating a market-driven, productive and competitive economy. A mature system supports higher levels of investment and promotes growth in the economy with its depth and coverage. The financial system in India comprises of financial institutions, financial markets, financial instruments and services. The Indian financial system is characterized by its two major segments - an organized sector and a traditional sector that is also known as informal credit market. Financial intermediation in the organized sector is conducted by a large number of financial institutions which business organizations are providing financial services to the community. Financial institutions whose activities may be either specialized or may overlap are further classified as banking and non-banking entities. The Reserve Bank of India (RBI) as the main regulator of credit is the apex institution in the financial system. Other important financial institutions are the commercial banks (in the public and private sector), cooperative banks, regional rural banks and development banks. Non-bank financial institutions include finance and leasing companies and other institutions like LIC, GIC, UTI, Mutual funds, Provident Funds, Post Office Banks etc. (Source – *Vision 2020 for India – The Financial Sector by Planning Commission*)

Indian financial markets are highly regulated with different authorities keeping an eye on every avenue of financial sub-segments viz. Stock markets, mutual funds, insurance and banking. Stock markets are regulated by Securities and Exchange Board of India (SEBI) while Insurance Regulatory and Development Authority (IRDA) keeps an eye on the insurance industry. Similarly, Reserve Bank of India (RBI) keeps a check on the Indian banking sector and Association of Mutual Funds in India (AMFI) takes care of the mutual fund segment. (Source: *ibef.org*)

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. MSMEs are complementary to large industries as ancillary units and this sector contributes enormously to the socio-economic development of the country. The sector contributes significantly to manufacturing output, employment and exports of the country. In terms of value, the sector accounts for about 45 per cent of the manufacturing output and 40 per cent of total exports of the country. It is estimated to employ about 60 million persons in over 26 million units throughout the country. 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 maximum opportunities for both self-employment and wage-employment, outside agriculture sector. MSME sector contributes not only to higher rate of economic growth but also in building an inclusive and sustainable society in innumerable ways through creation of non-farm livelihood at low cost, balanced regional development, gender & social balance, environmentally sustainable development and to top it all, recession proofing of economic growth, which the sector has proven time and again .

SUMMARY OF BUSINESS

Finshore Management Services Ltd (FMSL) is a financial service company offering varied financial services. FMSL was incorporated in November 2011 by Mr Lakshman Srinivasan and Ms.Sireen Sadhu as a Private Limited Company. Subsequently, in April 2012 the company was converted into a Public Limited Company.

Our Company is engaged in the business of providing financial, management and other corporate advisory services to corporates with specific focus on the Small and Medium Industries. Our Company offers specialized services in the area of raising funds in the form of debt and/or equity, financial restructuring, and various other advisory services which help our clients in effectively growing their businesses.

FMSL is currently offering its services to Small and Medium Enterprises (SME) which contributes around 8% to the GDP of India. We believe that there is immense potential in tapping this bottom of the pyramid opportunity, as the momentum of India growth story percolates down. Providing quality and timely service in an efficient and proactive manner could enable us to create a sustained business niche for our services. Our services are sector agnostic and aim to create sustained business growth options for the client.

Currently, FMSL is assisting small sized companies in recalibrating their vision, business strategy and teams to reach their growth aspirations. These companies are in sectors like Dairy, Hospitality, Education and various other sectors. As on August 31, 2012 FMSL has signed 7 mandates for raising debts from banks and / or Financial Institutions, 7 mandates for Advisory Services, and 1 mandates for Restructuring Advisory. Some of these mandates mentioned are combinations of more than 1 service.

We intend to continue to build a diversified business platform by identifying business opportunities with strong long term prospects for growth and profitability and offering products and services across a broad spectrum of financial services. We believe that this will enable us to maintain growth and profitability notwithstanding market cycles by limiting our dependence on any particular line of business.

Our Company's growth has largely been driven by our existing mandate based business model, scale of operations, quality of our services and focus on building a strong relationship with financial institutions. We intend to capitalize on these strengths and other business initiatives as detailed hereunder to drive our business growth to be among the leading financial services provider. The key elements of our strategy are described below:

Focus on Small and Medium Enterprises (SME)

We cater to the financial needs of the SME clients. We believe that SME segment needs much more attention and professional support than large enterprises. Our focus is to partner in the growth of a company from an SME to a large corporate over a period of time and backed with business performance.

Differentiating our Services

We would enable customers with an experience of strategic propelling of their business by providing customized and value-added services. We intend to meet the customers need in the most effective and efficient way by reaching out to their underlying needs and declogging their business perspectives. We achieve this by blending creativity and service at a reasonable cost vis-à-vis their growth aspirations.

Brand "FINSHORE"

We propose to increase the brand recognition vis-à-vis competition through various brand building efforts, communication and various promotional initiatives. The same would enhance the visibility of our brand and enhance our position and image in the industry.

Setting up offices at strategic locations

We plan to expand the operations of our Company into smaller cities and towns that we believe are under-served by financial services companies or where we believe we can develop our business. In the first phase of this expansion, we will expand our presence in eastern India.

In the second phase, we will expand our presence in northern and western India. As we do not have any operations in these regions, we believe that these regions offer opportunities for growth and expansion. We propose to expand by increasing the network of our channel partners. We also propose to continue our expansion in eastern India. We may also consider, from time to time, growth opportunities through the inorganic route. Whilst we propose to offer our range of products and services across our businesses through our expanded network, we also promote membership to our 'Finshore Club' in the coming years

As mentioned above the Company proposes setting up offices in strategic locations with huge market potential and targeted high value client base to carry its operations. In the first instance, such offices shall be set up cities

like Asansol, Ranchi, Patna, Bhubaneswar, Siliguri, Jamshedpur, Guwahati, Balasore, and Raipur. We believe that our proposed expansion complemented by our client-focused relationship management, will allow us to increase our client base and help us increase our market share.

Strengthen and continue to develop client relationships

We would continue to focus on nurturing long-term relationships with our corporate, institutional and high net-worth individual clients with an intent to increase our client base. In the case of our corporate clients, we focus on middle market companies and serving these companies throughout the course of their growth. We believe that this focus will enable us to form strong relationships with these corporate clients. In the case of institutional and high net-worth individual clients, we focus on client coverage and providing ongoing and innovative solutions. We believe that such focus would enable us to form strong relationships with these clients. We believe that these relationships provide us and will continue to provide us with an advantage in attracting deal flow and securing transactions and enable us to offer our clients diversified products and services and increase our revenues. Further, we expect the growth of small and medium enterprises to provide us an opportunity to offer our products and services to this class of clients.

Multi Product Portfolio

We continuously endeavour new initiatives to broad base our services portfolio. We intend to aggressively pursue new initiative to develop range of services which would help us foray into new areas and open newer business opportunities, besides ensuring control over the operational cost and effective check on the quality of our services. We intend to continue to grow our business from existing clientele by enhancing our existing relationships and increasing the scope of engagements with our clients by expanding the range of services being offered to them. Our capability to provide an enhanced range of services would enable us to deepen our relationships with the existing clients through cross selling opportunities, as they arise.

Business model based on multiple Revenue Stream

We have different lines of business activities which lead to different revenue stream. We intend to aggressively pursue opportunities emanating from other lines of services and increasing their share in the overall revenue of our company, thus de-risking our business model.

SUMMARY OF FINANCIAL STATEMENT
SUMMARY STATEMENT OF PROFITS AND LOSSES, AS RESTATED

Particulars		For the year ended 31st March, 2012 ₹
(A)	Income	
	<u>Net Turnover</u>	
	Corporate Advisory Fees	1,525,000
	Educational Advisory Fess	450,000
	Profit from commodity trading	2,700,776
	Other income	17,925
	Total Income	4,693,701
(B)	Expenditure	
	Payment to & Provision for Employees	1,059,282
	Manufacturing, Administrative & Other Expenses	552,450
	Depreciation/Amortization	8,673
	Preliminary Expenses Written off	64,434
	Total Expenditure	1,684,839
	Profit Before Tax (A - B)	3,008,862
	Less : <u>Provision for Tax</u>	
	Current	912,000
	Deferred Tax Asset / (Liability)	18,000
	Add : MAT Credit Entitlement	-
	Profit After Tax before Adjustments	2,078,862
	Adjustments	
	Current Tax Impact of Adjustments	-
	Deferred Tax Impact of Adjustments	-
	Total of Adjustments after Tax Impact	-
	Net Profit as restated	2,078,862
	Balance Brought Forward From Previous Year	-
	Balance available for Appropriations, as restated	2,078,862
	<u>Appropriations</u>	-
	Balance Carried Forwards Restated	2,078,862

SUMMARY STATEMENT OF ASSETS & LIABILITIES, AS RESTATED

Particulars		As at 31st March, 2012 ₹
(A)	Fixed assets	
(i)	Gross Block	340,376
	Less : Accumulated Depreciation	8,673
	Net Block	331,703
	Net Block After Adjustment	331,703
(B)	Current Assets, Loans and Advances	
(i)	Sundry Debtors	2,881,676
(ii)	Cash and Bank Balances	18,680,675
(iii)	Loans and Advances	8,800,000
	Total Current Assets	30,362,351
(C)	Less : Liabilities and Provisions	
(i)	Deferred Tax Liabilities (net)	18,000
(ii)	Current Liabilities	942,928
(iii)	Provisions (net)	912,000
	Total Liabilities and Provisions	1,872,928
Net Worth (A + B - C)		28,821,126
<u>Net Worth Represented By</u>		
(D)	Share Capital	14,250,000
(E)	Reserve and Surplus	14,828,862
(F)	Total (D + E)	29,078,862
(G)	Less : Miscellaneous Expenditure (to the extent not written off or adjusted)	257,736
Net Worth (F - G)		28,821,126

SUMMARY STATEMENT OF CASH FLOWS, AS RESTATED

Particulars		For the year ended 31st March 2012 ₹
(A)	<u>Cash Flow from Operating Activities</u>	
	Net Profit Before Tax & Extraordinary Items, as restated	3,008,862
	<u>Adjustments for:</u>	
	Depreciation/Amortisation	8,673
	Preliminary Expenses written off	64,434
	Operating Profit Before Working Capital Changes	3,081,969
	<u>Adjustments for:</u>	
	Preliminary Expenses incurred	(322,170)
	Increase / (Decrease) in Payable for Goods & other expenses	942,928
	(Increase) / Decrease in Advances & Receivables	(3,681,676)
	Cash Generated From Operations	21,051
	Net Cash from / (used in) Operating Activities	21,051
(B)	<u>Cash Flow from Investing Activities</u>	
	Additions to Fixed Assets/Capital Work In Progress	(8,340,376)
	Net Cash from / (used in) Investing Activities	(8,340,376)
(C)	<u>Cash Flow from Financing Activities</u>	
	Proceeds from issue of Equity Share Capital	27,000,000
	Net Cash from / (used in) Financing Activities	27,000,000
	Net Increase / (Decrease) in Cash & Cash Equivalents	18,680,675
	(A + B + C)	
	Opening Balance of Cash and Cash Equivalents	-
	Closing Balance of Cash and Cash Equivalents	18,680,675

THE ISSUE

Equity Shares Offered: Present Issue of Equity Shares by our Company	Issue of 6,66,670 Equity Shares of ₹ 10 each at a premium of ₹ 50 per share aggregating ₹ 400.00 Lacs
Issue Reserved for the Market Makers	1,16,670 Equity Shares of ₹ 10/-each at a premium of ₹ 50/- per Equity Share aggregating ₹ 40.00 Lacs
Net Issue to the Public	5,50,000 Equity Shares of ₹ 10/-each at a premium of ₹ 50/- per Equity Share aggregating ₹ 330.00.00 Lacs
Equity Shares outstanding prior to the Issue	15,25,000 Equity Shares of face value of ₹ 10 each
Equity Shares outstanding after the Issue	21,91,670 Equity Shares of face value of ₹ 10 each
Objects of the Issue	Please refer section titled “Objects of the Issue” on page 39 of this Prospectus

This Issue is being made in terms of Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time. For further details please refer to “Issue Structure” on page 150 of this Prospectus.

As per Regulation 43(4) of the SEBI (ICDR) Regulations, as amended, since ours is a fixed price issue ‘the allocation’ is the net offer to the public category shall be made as follows:

- a) Minimum fifty percent to retail individual investors; and*
- b) Remaining to*
 - i. Individual applicants other than retail individual investors; and*
 - ii. Other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for;*
- c) The unsubscribed portion in either of the categories specified in (a) or (b) above may be allocated to the applicants in the other category.*

GENERAL INFORMATION

Our Company was originally incorporated with the Registrar of Companies, West Bengal on November 14, 2011 as Finshore Management Services Private Limited. Pursuant to a resolution passed at an Extra Ordinary General Meeting of our shareholders held on March 20, 2012, our Company was converted into Public Limited Company and the name was changed to Finshore Management Services Limited. A Fresh Certificate of Incorporation consequent to such change of name was issued by the Registrar of Companies, West Bengal dated April 18, 2012.

Brief Company and Issue Information

Registered Office	Sikkim Commerce House, 5 th Floor, Room No. 505 4/1, Middleton Street, Kolkata 700 071
Date of Incorporation	14-Nov-2011
Company Identification No.	U74900WB2011PLC169377
Address of Registrar of Companies	Nizam Place, 2 nd MSO Building, 2 nd Floor 234/4, A.J.C.Bose Road, Kolkata – 700020 West Bengal, India
Designated Stock Exchange	BSE
Listing of shares offered in this Issue	SME Platform of BSE
Issue Programme	Issue Opens on : [●] Issue Closes on : [●]
Company Secretary & Compliance Officer	Mr. Sunil Agarwal Sikkim Commerce House, 5 th Floor, Room No. 505 4/1, Middleton Street, Kolkata 700 071 Tel: 033 4065 0291 Email: ipo@finshoregroup.com Website: www.finshoregroup.com

Note: Investors can contact the Compliance Officer in case of any Pre Issue or Post Issue related problems such as non-receipt of letter of allotment or share certificates, credit of securities in depositories' beneficiary account or dispatch of refund orders etc.

Board of Directors of the Company

Our Board of Directors consists of:

Name	DIN No.	Age (Years)	Address
Mr. Lakshman Srinivasan <i>Designation: Managing Director</i> <i>Occupation – Business</i>	01349322	46	9, Prince Golem Mohammed Shah Road, Golf Towers, Flat No 10C, Golf Green, Kolkata – 700095
Ms. Sireen Sadhu <i>Designation: Whole Time Director</i> <i>Occupation: Service</i>	02791089	34	115 Tarak Pramanick Road Kolkata 700 006
Mr. Suvabrata Ganguly <i>Designation: Independent Director</i> <i>Occupation: Business</i>	00003702	45	46, Sarat Bose Road Kolkata – 700 020
Mr. Kajal Bhanja Chaudhuri <i>Designation: Independent Director</i> <i>Occupation: Service</i>	05247420	58	AA-8/3, Deshbandhu Nagar, Baguihati, Kolkata – 700059
Mr. Uttam Munshi <i>Designation: Independent Director</i> <i>Occupation: Service</i>	05324227	47	2A/2 Alauddin Khan Bithi City Centre, Durgapur – 713 216 West Bengal

For further details pertaining to the education qualification and experience of our Directors, please refer to the Chapter titled “Our Management” beginning on page 86 of this Prospectus.

Details of Key Intermediaries pertaining to this Issue and Our Company

Lead Manager of the Issue	Registrar to the Issue
<p>LSI FINANCIAL SERVICES PRIVATE LIMITED Sagar Trade Cube, 5th Floor, 104, S P Mukherjee Road, Kolkata 700 026, West Bengal, India. Tel: 033 2486 3817 Fax: 033 2486 3815 Email: mbd@lsimails.com Website: www.lsinance.com Contact Person: Mr. Partha Pratim Samaddar SEBI Registration No: INM000011468</p>	<p>KARVY COMPUTERSHARE PRIVATE LIMITED Plot No. 17 to 24, Vithalrao Nagar, Madhapur Hyderabad – 500 081 Tel No.: 040 4465 5000 Fax No.: 040 2343 1551 Email: finshore.ipo@karvy.com Website: www.karisma.karvy.com Contact Person: Mr. M. Murali Krishna SEBI Registration No.: INR000000221** *Certificate Of Registration from SEBI was valid up to 31st July 2012. Application for renewal of registration has been submitted to Securities And Exchange Board of India on April 30,2012</p>
Bankers to the Company	Legal Advisor to the Issue
<p>AXIS BANK LIMITED Burrabazar Branch 4A, Chaitan Sett Street, Kolkata – 700007 Tel No.: 033 2268 1461 Fax No.: 033 2268 1459 Email: mainak.dasgupta@axisbank.com Burrabazar.branchhead@axisbank.com Website: www.axisbank.com Contact Person: Mr. Mainak Dasgupta</p> <p>STATE BANK OF INDIA Jeevan Deep Branch 1, Middleton Street Kolkata – 700071 Tel: 033 2281 7932 Fax: 033 2288 2351 Email: sbi.03762@sbi.co.in Website: www.sbi.co.in Contact : Mr. Shib Prasad Roy</p>	<p>ATTORNATUS Advocates & Solicitors 3rd Floor, 3, James Hickey Sarani, Esplanade (East), Kolkata - 700069 Tel No.: 033 4005 4951 Fax No.: 033 4005 4952 Email: : kolkata@attornatus.in nilandri@attornatus.in Contact Person: Mr. Niladri Bhattacharjee</p>
Statutory Auditor of the Company	Joint Auditor of the Company
<p>M/S S K SENGUPTA & ASSOCIATES CHARTERED ACCOUNTANTS Lokenath Appartment 3, Canal Street Kolkata – 700 014 West Bengal, India Membership No.: 056709 Tel. No.: 033 6533 1582 Email: sksengupta_associates@yahoo.co.in Contact Person: Mr. Sajal Kanti Sengupta</p>	<p>M/S P.N.GANGULI & COMPANY CHARTERED ACCOUNTANTS 7, Old Post Office Street 1st Floor, Room No. 11 Kolkata – 700 001 West Bengal, India Membership No.: 064453 Tel. No.: 033 2248 7768 Fax No.: 033 2210 0491 Email: pngangulico@gmail.com Contact Person: Mr. Saikat Sen</p>

Bankers to the Issue (Escrow Collection Banks)	Refund Banker to the Issue
<p>ICICI BANK LIMITED 30, Mumbai Sanchar Marg Fort Mumbai - 400001 Tel No.: 022 6631 0312/0322 Fax No.: 022 6631 0350/ 2261 1138 Email: viral.bharani@icicibank.com Website: www.icicibank.com Contact Person: Mr. Viral Bharani SEBI Registration No.: INBI00000004</p> <p>AXIS BANK LIMITED SOIAR IS C Wing, 9th Floor, Opp L& T Gate No.6, Saki Vihar Road, Powai, Mumbai-400072 Tel No.: 022 40754980 Fax No.: 022 40754996 Email: rashmi.saxena@axisbank.com Website: www.axisbank.com Contact Person: Ms. Rashmi Saxena SEBI Registration No.: INB100000017</p>	<p>ICICI BANK LIMITED 30, Mumbai Sanchar Marg Fort Mumbai - 400001 Tel No.: 022 6631 0312/0322 Fax No.: 022 6631 0350/ 2261 1138 Email: viral.bharani@icicibank.com Website: www.icicibank.com Contact Person: Mr. Viral Bharani SEBI Registration No.: INBI00000004</p> <p>AXIS BANK LIMITED SOIAR IS C Wing, 9th Floor, Opp L& T Gate No.6, Saki Vihar Road, Powai, Mumbai-400072 Tel No.: 022 40754980 Fax No.: 022 40754996 Email: rashmi.saxena@axisbank.com Website: www.axisbank.com Contact Person: Ms. Rashmi Saxena SEBI Registration No.: INB100000017</p>

Statement of inter se allocation of responsibilities

Since LSI Financial Services Private Limited is the sole Lead Manager to this Issue, a statement of inter se allocation responsibilities among Lead Managers is not required.

Self Certified Syndicate Banks (“SCSBs”)

The list of Designated Branches that have been notified by SEBI to act as SCSB for the ASBA process is provided on <http://www.sebi.gov.in/pmd/scsb.html>. For more information on the Designated Branches collecting ASBA Forms, see the above mentioned SEBI link.

Credit Rating / Trustees

As this is an issue of Equity Shares there is no requirement of credit rating or Trustees for this 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.

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 ₹ 500.00 Crore. Since the Issue size is only of ₹ 4.00 crores, our Company has not appointed any monitoring agency for this Issue. However, as per the Clause 52 of the SME Listing Agreement to be entered into with BSE upon listing of the equity shares and the Corporate Governance Requirements, the Audit Committee of our Company, would be monitoring the utilization of the proceeds of the Issue.

Details of the Appraising Authority

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

Underwriting

This issue is 100% Underwritten. The Underwriting Agreement is dated [●]. 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:

Name and Address of the Underwriter	Indicative Number of Equity Shares to be Underwritten	Amount Underwritten (₹ in Lacs)	% of the total issue size underwritten
[●]	[●]	[●]	[●]

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

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

Details of the Market Making Arrangement for this Issue

Our Company and the Lead Manager have entered into a tripartite agreement dated [●], 2012 with the following Market Maker to fulfil the obligations of Market Making:

Name	[●]
Address	[●]
Telephone No.	[●]
Fax No.	[●]
E-mail	[●]
Contact Person	[●]
SEBI Registration No.	[●]
Market Maker Reg No	[●]

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(s) (individually or jointly) 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(s) shall inform the exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker(s).
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(s) (individually or jointly) 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. Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker(s), for the quotes given by him.
4. There would be not more than five market makers for scrip at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors.
5. The Market Maker(s) shall have the right to terminate said arrangement by giving a six months notice or on mutually acceptable terms to the Merchant Banker, who shall then be responsible to appoint a replacement Market Maker(s).

In case of termination of the above mentioned Market Making arrangement 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 requirement of Regulation 106V of the SEBI (ICDR) Regulations, 2009. Further the Company and the Lead Manager reserve the right to appoint other Market Makers either as a replacement of the current Market Maker or as an additional Market Maker subject to the total number of Designated Market Makers does not exceed five or as specified by the relevant laws and regulations applicable at that particular point of time.

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

CAPITAL STRUCTURE

The capital Structure of the Company as on the date of filing of this Draft Prospectus with the stock exchange is as set forth below.

₹ in Lakhs except share data

	Particulars	Aggregate Nominal value	Aggregate Value at Issue Price
A	Authorized Share Capital		
	4,000,000 Equity Shares of face value of ₹10/- each	400.00	-
B	Issued, Subscribed & Paid-up Share Capital before the Issue		
	15,25,000 Equity Shares of face value of ₹10/- each	152.50	-
C	Present Issue in terms of this Prospectus* 6,66,670 Equity Shares of ₹10/- each at a premium of ₹ 50 per Equity Share	66.67	400.00
	Which Comprises		
(I)	1,16,670 Equity Shares of ₹10/- each at a premium of ₹ 50 per Equity Share reserved as Market Maker Portion	11.67	70.00
(II)	Net Issue to Public 5,50,000 Equity Shares of ₹10/- each at a premium of ₹50/- per Equity Share to the Public	55.00	330.00
	Of Which		
	2,75,000 Equity Shares of ₹10/- each at a premium of ₹ 50 per Equity Share will be available for allocation for Investors of up to ₹ 2 lacs	27.51	165.00
	2,75,000 Equity Shares of ₹10/- each at a premium of ₹ 50 per Equity Share will be available for allocation for Investors of above ₹ 2 lacs	27.51	165.00
D	Issued, Subscribed & Paid-up Share Capital after the Issue	219.17	-
E	Share Premium Account		
	Before the issue	157.50	
	After the Issue	490.84	

* The present issue of Equity Share in terms of this Draft Prospectus has been authorised by our Board of Directors at their meeting held on August 14, 2012 and a Special Resolution passed under Section 81(1A) of the Companies Act, 1956 at an Extra Ordinary General Meeting of our shareholders held on August 22, 2012 .

CLASSES OF SHARES

The Company has only one class of share capital i.e. Equity Shares of ₹ 10/- each only.

Changes in Authorized Share Capital since incorporation

Sr. No	Particulars of increase/change	Cumulative No. of Equity Shares	Face Value (₹)	Cumulative Authorized Share Capital (₹)	Date of holding shareholders' meeting	AGM/EGM
1	Incorporation	50,000	10	5,00,000	-	
2	Increased from ₹ 5 lacs to ₹ 250 lacs	25,00,000	10	250,00,000	December 5, 2011	EGM

Sr. No	Particulars of increase/change	Cumulative No. of Equity Shares	Face Value (₹)	Cumulative Authorized Share Capital (N)	Date of holding shareholders' meeting	AGM/EGM
3	Increased from ₹ 250 lacs to ₹ 400 lacs	40,00,000	10	400,00,000	March 20, 2012	EGM

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. Our Company has not made any allotment of preference shares. The following is the Equity share capital build-up of our Company:

Date of Allotment of fully Paid-up Shares	Number of Equity Shares Allotted	Face Value (N)	Issue Price (N)	Nature of Allotment	Nature of Consideration	Cumulative No. of Shares Allotted	Cumulative Paid Up Share Capital (N)	Cumulative Share Premium (N)
November 11, 2011	10,000	10	10	Subscription to MoA	Cash	10,000	100,000	-
March 1, 2012	990,000	10	10	Allotment to Promoters	Cash	1,000,000	100,00,000	-
March 17, 2012	425000 ⁽ⁱ⁾	10	40	Allotment to Promoter & Others	Cash	1,425,000	142,50,000	12,750,000
July 24, 2012	100000 ⁽ⁱⁱ⁾	10	40	Allotment to Others	Cash	1,525,000	152,50,000	15,750,000

(i) Preferential Allotment of ₹ 4,25,000 Equity Shares to the following:

Name of Allottee	No. of Shares
Lakshman Srinivasan	3,24,950
Subrata Das	1,00,000
S.Ramakrishna Iyengar	10
Sunil Agarwal	10
Komal Daga	10
Parvathy Rajesh	10
Kaustav Dasgupta	10

(ii) Preferential Allotment of ₹ 1,00,000 Equity Shares to the following

Name of Allottee	No. of Shares
Kaushik Majumder	65,000
Aparna Majumder	35,000

b) History & Share Capital Build-up of our Promoters

The following is the Equity share capital build-up of our Promoters:

Date of Allotment / Transfer	Allotment / Transfer	Consideration	No. of Shares	Face Value (₹)	Issue/ Acquisition Price (₹)	% of Pre-Issue Paid Up Capital	% of Post-Issue Paid Up Capital
(i) Mr. Lakshman Srinivasan							

Date of Allotment / Transfer	Allotment / Transfer	Consideration	No. of Shares	Face Value (₹)	Issue/ Acquisition Price (₹)	% of Pre-Issue Paid Up Capital	% of Post-Issue Paid Up Capital
11-Nov-11	Subscription to MOA	Cash	5,000	10	10	0.33	0.23
1-Mar-12	Allotment	Cash	792,000	10	10	51.93	36.13
17-Mar-12	Allotment	Cash	324950	10	40	21.31	14.83
30-June-12	Transfer	Cash	100000	10	40	6.56	4.56
Sub-Total (i)			1,221,950			80.13%	55.75%
(ii) Ms. Sireen Sadhu							
11-Nov-11	Subscription to MOA	Cash	5,000	10	10	0.33	0.23
1-Mar-12	Allotment	Cash	198,000	10	10	12.98	9.03
Sub-Total (ii)			203,000			13.31%	9.26%
Grand Total (i + ii)			1,424,950			93.44%	65.01%

Notes:

- None of the shares belonging to our promoters have been pledged till date.
- All the promoters' shares shall be subject to lock-in from the date of listing of the equity shares issued through this Draft Prospectus for periods as applicable under Regulation 36 of the SEBI (ICDR) Regulations. For details please refer to the Note No. 2 given below.

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 Regulations, an aggregate 20% of the Post-Issue Equity Share capital of our Company shall be locked up by our Promoters for a period of three years from the date of allotment of Equity Shares in this Issue.

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

Name of Promoter	No. of Shares	As a % of Post Issue Share Capital
Lakshman Srinivasan	360000	17.25
Sireen Sadhu	60000	2.76

Our Promoters have acquired shares during the one year preceding the date of this Draft Prospectus at a price lower than the price at which Equity Shares are being offered to the public in this issue. In accordance with the requirement of the SEBI (ICDR) Regulations for such number of shares to be eligible for computation as promoters contribution the promoters shall bring in the difference between the price at which specified securities are offered in the initial public offer and the price at which the specified securities had been acquired and the said amount shall be brought in at least one day prior to the date of opening of the issue and the said amount shall be kept in an escrow account with a scheduled commercial bank and shall be released to the issuer along with the release of the issue proceeds.

Excepting as disclosed above, 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 held by the Promoters pledged with any creditor.
- 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 issued to our promoters on conversion of partnership firms during preceding one year.

The lock in period shall commence from the date of allotment of Equity Shares in the proposed public issue as per the applicable SEBI Regulations.

Our Promoters have given their written undertaking for inclusion of the aforesaid Equity Shares as a part of Promoter's contribution which is subject to lock-in for a period of 3 years from the date of Allotment of Equity Shares in the proposed Issue.

In terms of undertaking executed by our Promoter, Equity Shares forming part of Promoter's contribution subject to lock-in will not be disposed/ sold/ transferred by our Promoters during the period starting from the date of filing of this Prospectus with BSE till the date of commencement of lock in period as stated in this Draft Prospectus.

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

In terms of Regulation 36 of the SEBI (ICDR) Regulations, in addition to the lock-in of 20% of the post issue capital of the promoters for three years, as specified above, the balance pre-issue equity shares held by our promoters in the capital of our Company will be locked-in for a period one year from the date of allotment in the Issue.

- Pursuant to Regulation 37 of the SEBI 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 this Draft Prospectus, none of the Equity Shares held by our Promoter have been pledged to any person, including banks and financial institutions.
- Pursuant to Regulation 40 of the SEBI Regulations, Equity Shares held by the Promoters, which are locked in as per Regulation 36 of the SEBI Regulations, may be transferred to and amongst the Promoters/ Promoter Group or to a new promoter or persons in control of the Company subject to continuation of the lock-in in the hands of the transferees for the remaining period and in 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 Regulations, Equity Shares held by shareholders other than the Promoters, which are locked-in as per Regulation 37 of the SEBI 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 in compliance with Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011 as applicable.

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

The shareholding of our Promoters and Promoter's Group as on the date of filing of this Draft Prospectus with the Stock Exchange is as follows:

Sr. No.	Name of Shareholder	Pre-Issue	
		No. of Equity Shares	as a % of Issued Equity
A	Promoters		
	Lakshman Srinivasan	1,221,950	80.13%
	Sireen Sadhu	2,03,000	13.31%
	Total (A)	1,424,950	93.44%
B	Promoter Group		
	Nil	Nil	Nil
	Total (B)	Nil	Nil
	Total (A+B)	1,424,950	93.44%

4. Except the shares issued to the Key Managerial Personnel as detailed below, none of the employees have any shareholding in the Company:

Name of Key Managerial Personnel	Total Shareholding
Sunil Agarwal	10
Komal Daga	10
Parvathy Rajesh	10
Soumen Ghosh	10
S Ramakrishna Iyengar	10
Total	50

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

- a. The top ten shareholders of our Company as on the date of this Draft Prospectus are mentioned below:

Sr. No.	Particulars	No. of Shares	% of Shares to Pre – Issue Share Capital
1.	Lakshman Srinivasan	1,221,950	80.13%
2.	Sireen Sadhu	203,000	13.31%
3.	Kaushik Majumder	65000	4.26%
4.	Aparna Majumder	35000	2.30%
5.	Sunil Agarwal	10	-
6.	Komal Daga	10	-
7.	Parvathy Rajesh	10	-
8.	Soumen Ghosh	10	-
9.	S. Ramakrishna Iyenger	10	-
	Total	15,25,000	100%

- b. The top ten Shareholders of our Company ten (10) days prior to date of this Draft Prospectus are:

Sr. No.	Particulars	No. of Shares	% of Shares to Pre – Issue Share Capital
1.	Lakshman Srinivasan	1,221,950	80.13%
2.	Sireen Sadhu	203,000	13.31%
3.	Kaushik Majumder	65000	4.26%

Sr. No.	Particulars	No. of Shares	% of Shares to Pre – Issue Share Capital
4.	Aparna Majumder	35000	2.30%
5.	S. Ramakrishna Iyenger	10	-
6.	Sunil Agarwal	10	-
7.	Komal Daga	10	-
8.	Parvathy Rajesh	10	-
9.	Soumen Ghosh	10	-
Total		15,25,000	100.00

- c. The top ten Shareholders of our Company two (2) years prior to date of this Draft Prospectus: Not Applicable
6. An over-subscription to the extent of 10% of the Issue can be retained for the purpose of rounding off to the minimum allotment lot 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 Promoter and subject to lock- in shall be suitably increased; so as to ensure that 20% of the post Issue paid-up capital is locked in.
 7. In the case of over-subscription in all categories the allocation in the issue shall be as per the requirements of Regulation 43(4) of SEBI (ICDR) Regulations, 2009 and its amendments from time to time.
 8. 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.
 9. 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.
 10. Since the entire application money is being called on application, all successful applications, shall be issued fully paid up shares only. Also, as on the date of filing of this Draft Prospectus the entire pre-issue share capital of the Company has been made fully paid up.
 11. The 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 otherwise. Further, we may allot further shares to our employees pursuant to exercise of option granted under the ESOP Scheme from time to time.
 12. We have not issued any Equity Shares out of revaluation reserves. We have not issued any Equity Shares for consideration other than cash except as stated in this Draft Prospectus.
 13. Our Company shall ensure that transactions in the Equity Shares by our Promoters and our Promoter Group between the date of this Draft Prospectus and the Issue Closing Date shall be reported to the Stock Exchange within twenty-four hours of such transaction.
 14. The Lead Manager and its associates do not directly or indirectly hold any shares of the Company as on the date of filing this Draft Prospectus.
 15. As on the date of this Draft Prospectus, the total number of holders of the Equity Shares is 9.
 16. Our Company has not made any public issue or rights issue since its incorporation.
 17. Shareholding Pattern of the Company

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

Category code	Category of Shareholder	No of Shareholders	Total no of shares	No of shares held in dematerialized form	Total shareholding as a % of total no of shares		Shares Pledged or otherwise encumbered	
					As a % of(A+B)	As a % of (A+B+C)	No of shares	As a %
(A)	Shareholding of Promoter and Promoter Group							
1	Indian							
(a)	Individuals/ Hindu Undivided Family [@]	2	1,424,950	93.44%	93.44%	93.44%	0	0
(b)	Central Government/ State Government(s)	0	0	0	0	0	0	0
(c)	Bodies Corporate	0	0	0	0	0	0	0
(d)	Financial Institutions/ Banks	0	0	0	0	0	0	0
(e)	Any Others(Specify)	0	0	0	0	0	0	0
	Sub Total(A)(1)	2	1,424,950	93.44%	93.44%	93.44%	0	0
2	Foreign							
A	Individuals (Non-Residents Individuals/ Foreign Individuals)	0	0	0	0	0	0	0
B	Bodies Corporate	0	0	0	0	0	0	0
C	Institutions	0	0	0	0	0	0	0
D	Any Others(Specify)	0	0	0	0	0	0	0
	Sub Total(A)(2)	0	0	0	0	0	0	0
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	2	1,424,950	93.44%	93.44%	93.44%	0	0
(B)	Public shareholding							
1	Institutions							
(a)	Mutual Funds/ UTI	0	0	0	0	0	0	0
(b)	Financial Institutions / Banks	0	0	0	0	0	0	0
(c)	Central Government/ State Government(s)	0	0	0	0	0	0	0
(d)	Venture Capital Funds	0	0	0	0	0	0	0
(e)	Insurance Companies	0	0	0	0	0	0	0
(f)	Foreign Institutional Investors	0	0	0	0	0	0	0
(g)	Foreign Venture Capital Investors	0	0	0	0	0	0	0
(h)	Any Other (specify)	0	0	0	0	0	0	0
	Sub-Total (B)(1)	0	0	0	0	0	0	0
B 2	Non-institutions							
(a)	Bodies Corporate	0	0	0	0	0	0	0
(b)	Individuals	0	0	0	0	0	0	0
I	Individuals -i. Individual shareholders holding nominal share capital up to ₹ 1 lakh	0	0	0	0	0	0	0
II	ii. Individual shareholders holding nominal share capital in excess of ₹ 1 lakh.	0	0	0	0	0	0	0
(c)	Any Other (specify)	0	0	0	0	0	0	0
(c-i)	Employees	5	50	50	0.003%	0.003%	0	0
(c-ii)	Others	2	100000	100000	6.56%	6.56%	0	0
	Sub-Total (B)(2)	7	100050	100050	6.56%	6.56%	0	0
(B)	Total Public Shareholding (B)= (B)(1)+(B)(2)	7	100050	100050	6.56%	6.56%	0	0
	TOTAL (A)+(B)	9	1525000	1525000	100.00%	100.00%	0	0
(C)	Shares held by Custodians and against which Depository Receipts have been issued							
	GRAND TOTAL (A)+(B)+(C)	9	1525000	1525000	100.00%	100.00%	0	0

[@] Shares have been sent for dematerialization through the concerned Depository participants.

18. The Equity Shares, which are subjected to lock-in, shall carry the inscription “non-transferable” along with the specified duration and in respect of demat shares, the non transferability details shall be informed to the depository. The details of lock-in shall also be provided to the Stock Exchange before the listing of the Equity Shares.
19. Our Company, our Promoters, Promoter Group, our Directors and the LM have not entered into any buy back or standby or similar arrangements for the purchase of Equity Shares being offered through the Issue from any person.
20. Except as stated below, there are no transactions in our Equity Shares, which have been purchased/ (sold) by our Promoters, persons in Promoter group and their immediate relatives (as defined under sub-clause ii of clause (zc) sub-regulation (1) Regulation 2 of the SEBI (ICDR) Regulations, 2009) or the Directors of our Company during the six months preceding the date of filing Draft Prospectus with Stock Exchange

Transferor	Transferee	Date of Transfer	Number of Shares	Price per share (₹)
Subrata Das	Lakshman Srinivasan	30-June 12	100000	40
Kaustav Dasgupta	Soumen Ghosh	30-June 12	10	40

None of the persons/entities comprising our Promoter Group, or our Directors or their relatives have financed the purchase by any other person of securities of our Company during the period of six months immediately preceding the date of filing of this Draft Prospectus with Stock Exchange.

21. Our Company has an ESOS scheme for our employees and we do not intend to allot any Equity Shares to our employees under ESOS scheme from the proposed Issue. As and when, options are granted to our employees under the Employee Stock Option Scheme, our Company shall comply with the SEBI (Employee Stock Option Scheme and Employees Stock Purchase Plan) Guidelines 1999.
22. As on date of filing of this Draft Prospectus except as detailed below there are no outstanding warrants, options or rights to convert debentures loans or other financial instruments which would entitle the Promoters or shareholder or any other person any option to acquire our Equity Shares:

Pursuant to the ESOP Scheme of the company, 2,46,000 options shall be granted by our company to the employees eligible under the scheme. No options have been granted as on the date of this Draft Prospectus. For details of the ESOP scheme, please refer to the Section titled “*Business Overview*” starting on page 68.
23. An applicant cannot apply for more than the number of Equity Shares offered to the public through the Issue, subject to maximum limit of investment prescribed under relevant laws applicable to each category of investors.
24. Our Company has not raised any bridge loan against the proceeds of this issue.
25. No payment, direct or indirect, in the nature of discount, allowance, commission or otherwise, shall be made either by us or our Promoters to the persons who receives Allotments, if any, in the Issue.
26. Our LM and their associates do not hold any Equity Shares in our Company as on the date of filing this Draft Prospectus

OBJECTS OF THE ISSUE

The Objects of the Issue are to finance our growth plan and to achieve the benefits of listing on Stock Exchange. Our company believes that listing of equity shares on the SME Platform of the Bombay Stock Exchange will enhance the corporate image and brand name.

The Objects of the Issue are as follows:

- Brand Building
- Setting up of new offices
- Renovation/Interior Work of new premises at AJC Bose Road, Kolkata
- Capital Expenditure on Information System Upgradation
- Investment in Subsidiary.
- To meet Issue Expenses

The main objects clause of our Memorandum enables our Company to undertake the activities for which funds are being raised in the Issue. The existing activities of our Company are within the objects clause of our Memorandum.

Fund Requirements

The funds raised from this Issue shall be utilized for the following purposes:

Sr. No.	Particulars	Amount (₹ in Lacs)
1	Brand Building	150.00
2	Setting Up of New Offices	112.00
3	Renovation/Interior Work of new premises at AJC Bose Road, Kolkata	25.90
4	Capital Expenditure on Information System upgradation	64.70
6	Investment in Subsidiary	30.00
7	Issue Expenses	60.00
Total		442.60

Means of Finance

Sr. No.	Particulars	Amount (₹ in Lacs)
1.	Internal Accrual	30.60
2.	Unsecured Loan from Promoters*	12.00
3.	Public Issue Proceeds	400.00
Total		442.60

*The promoter, Mr. Lakshman Srinivasan, has brought in ₹ 12 Lacs as Unsecured Loan as on the date of this Draft Prospectus. The Statutory Auditor of the company M/s S. K. Sengupta & Associates have confirmed receipt of the same vide their certificate dated September 25, 2012. Mr. Lakshman Srinivasan has further undertaken that the said unsecured loan shall not be withdrawn at any point of time and shall be applied in meeting the stated 'Objects of Issue'.

We confirm that arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount proposed to be raised from the issue have been made.

The fund requirements and the intended use of the proceeds of this issue have been estimated internally by the company's management and have not been appraised by any bank or financial institution. We may have to revise our funding requirements and utilization schedules depending on variety of factors including but not limited to the overall economic environment, capital markets scenarios and stability, changes in strategy, financial condition and the overall management perception of risk in the market.

In case of any shortfall in raising the requisite amount of capital from this issue, the extent of shortfall will be met by internal accruals of the company. Likewise, in case of any excess of funds, we may use such surplus towards general corporate purposes which would be in accordance with the policies of the Board made from time to time.

In case of delay in raising the funds requirement from this issue, we may complete our expansion plans and funding requirements through unsecured loans and then, the proceeds of the issue shall be utilized to repay such unsecured loans taken.

No part of the issue proceeds will be paid as consideration to Promoter, Promoter Group, Group Entities, directors, Key Managerial Personnel and associates.

No second-hand equipment and instruments are proposed to be purchased from the Net Proceeds.

DETAILS OF THE PROJECT

Our Company is planning to expand its operations in the Eastern Region in order to expand the client base. The total project cost for expansion and promotion is ₹ 442.60 lacs including issue expenses.

Brand Building and Promotion are important marketing strategy for which the company will be investing ₹ 150 lacs. Our Company is in the process of acquiring an Office Space having an area of around 2083 sq. ft. at Anandalok, 2nd Floor, 227 A.J.C. Bose Road, Kolkata – 700020. The Company proposes to incur ₹ 25.90 lacs for the interiors of this office space and Furniture and Fixtures. The company proposes to spend ₹112 lacs for setting up new offices. Technological upgradation will cost ₹ 64.70 lacs. The Company proposes to make an investment of ₹ 30.00 lacs in our Subsidiary company, Finshore Securities Pvt. Ltd., who shall be applying for BSE Membership.

Detailed Breakup of Cost of Project

A. Brand Building:

Financial services are driven by trust, value addition and credibility. Our business requires extensive and continues efforts on creating awareness of our company, the service offerings and ability to distinguish ourselves from the competitors. We are a young and growing company, so it becomes all the more important to ensure that our potential clients, employees and other indirect stakeholders appreciate our offerings and support our business activities. It is also critical to showcase our successfully delivered assignments to future customers. All these aspects result into our company providing paramount focus into making our business into a lasting valuable enterprise

Further, increase in our points of presence would provide us an ideal platform to launch our services at these places which would require us to undertake efforts to increase our visibility by undertaking proactive promotion efforts through various media like television, print and direct promotion.

The estimated cost for brand building is ₹ 150 lacs and the details of the cost is given below:

Particulars	Vendor Name	Date of Quotation	Valid Till	Estimated Cost (₹ in lakhs)
News Channels	Astha Vigyapan Agency	12 April, 2012	N.A	89.82
Hoardings				24.56
Brochures	Everest Trading	2 May, 2012	N.A	2.80
Pamphlets				1.80
Advertisement in Newspapers	Wings Advertising	23 April, 2012	N.A	31.02
Total				150.00

B. Setting Up of new Offices:

Consistent with our strategy to expand our domestic operations and network of offices, we propose to establish 9 branches out of the Net Proceeds. We intend to set up these branches in different cities in the eastern part of India. As a result of the investment, our Company expects to be able to expand its geographical presence and be able to cross-sell its services to clients.

The estimated cost for establishment of the offices primarily comprises advance rent and deposit for lease/license arrangements, expenditures on furniture and fixtures, installation of computers, network connectivity etc. Since the required equipments are standard in nature, the estimated costs remain largely the

same for similar sized offices, irrespective of the location of the office. The rents and deposits for lease/license arrangements are likely to vary based on location, size and several other factors.

The Company proposes to set up new offices in Durgapur, Asansol, Ranchi, Patna, Bhubaneswar, Siliguri, Jamshedpur, Guwahati, Balasore, Raipur in FY 2012-13 and FY 2013-14. The cost to be incurred for this purpose is as follows:

Particulars	Rate (₹)	Supplier	Date of Quotation	Valid Till	Quantity per Office	No. of Branches	Estimated Amount (₹ in lakhs)
Desktop	31990	Compnet Technologies	25 September, 2012	NA	2	9	5.76
Laptop	34500				4	9	12.42
Printer	6100				1	9	0.55
Colour Printer	14000				1	9	1.26
Photocopier	50500	Somatronics	14 September, 2012		1	9	4.55
Networking	113281	Compnet Technologies	7 September, 2012	NA		9	10.20
HD TV	78000	Great Eastern Appliances	23 September, 2012	NA	1	10	7.80
Air Conditioner (1.5 Ton)	35200				1	9	3.17
Air Conditioner (1 Ton)	30000				3	9	8.10
Furniture & Interiors	536420	Himaloy Greenex	10 September, 2012	NA		9	48.28
Security Deposit		MM Realtors	15, September, 2012				9.93
Total							112.00

The time taken to set up a new office may be between 90-120 days from the date of identification of the location of the prospective branch. As the time required in setting up a new office is relatively short, currently we have not made any prior arrangements for setting up of any of these offices. We expect to incur a total cost of ₹ 112 lacs towards setting up of our 9 offices.

The proposed number of offices over the years is as follows:

No. of Offices	2012-13	2013-14
		3

The cost to be incurred is as follows:

Particulars	2012-13	2013-14	Total ₹ in lacs
Computers	10.06	20.12	30.18
Photocopier machine	1.52	3.03	4.55
HD TV	2.60	5.20	7.80
Air Conditioners	3.76	7.51	11.27
Furniture & Interiors	16.09	32.19	48.28
Security Deposit	3.31	6.62	9.93
Total	37.37	75.13	112.00

C. Renovation/Interior Work of new premises at AJC Bose Road, Kolkata

Our Company is in the process of acquiring an Office Space admeasuring around 2083 sq. ft. at Anandalok, 2nd Floor, 227 A.J.C. Bose Road, Kolkata – 700020. The new office premises will augment our current office premises and will house our employees across various teams. The Company has entered into an Agreement For Sale dated 17th August, 2011 for purchase of this office premise which is located in the business district of Kolkata. The cost of acquisition of the property is ₹ 172.96 lacs, the same has been partly financed through equity already raised and the balance shall be paid out of internal accruals/Unsecured loan from the Promoters. The Company has already paid ₹ 100.00 lacs for the said property.

For details on the Property please refer to the section Business Overview beginning on page 68.

Strategic reasons for acquiring the premises are mentioned below

- Owned premises would help our company in having a firm base for its operations and also help in stabilizing our business.
- Our board feels that it is imperative for the company to shift into an own office premises as it is good for continued existence of our business.
- Said premises is strategically located in the business district of Kolkata with proximity to other
- Financial Services Business Intermediates; Banks; Institutions and Corporates
- Mobility and convenience would help in furthering our business interests

The Company proposes to renovate the said premises and incur ₹ 25.90 Lakhs on the interiors and on Furniture and Fixtures.

The breakup of cost to be incurred is as follows:

Particulars	Supplier's Name	Date of Quotation	Valid Till	Estimated Cost (₹ in lakhs)
Office Furniture	Multifarious Projects Work	28 March, 2012	N.A	9.92
Office Interior Decoration Work				15.98
Total				25.90

D. Investment in Subsidiary:

The Company proposes to make an investment of ₹ 30.00 lacs in the subsidiary company, Finshore Securities Pvt. Ltd. (FSL), for broking operation. FSL will apply for BSE membership. The following cost will be incurred:

Particulars	Amount (₹ in lacs)
Membership Deposit	10.00
Base Minimum Capital	10.00
Trade Guarantee Fund	10.00
Total	30.00

E. Capital Expenditure on Information System Upgradation

In order to further improve our service offering and to meet our technological needs due to expansion in our lines of business as well as adding new geographies, we are required to spend on our technology platforms and systems. The expenditure in technology will be towards acquisition of additional infrastructure, hardware/ software, server etc. This is expected to ensure availability of platforms at our all locations and will include back office support, and customer service. We have projected a capital expenditure of ₹ 64.70 lacs based on our future requirements as estimated by the management. The details of the equipment that we intend to purchase and their estimated costs, including the costs of associated spares, attachments and other accessories, are specified in the following capital expenditure plan:

The cost to be incurred is as follows:

Particulars	Quantity	Supplier's Name	Date of Quotation	Valid Till	Estimated Cost (₹ in lakhs)
Video Conferencing		Gurusons Communications Pvt. Ltd.	3 September, 2012	3 October, 2012	25.63
Lenovo Desktop PC Model	12	Compnet Technologies	17 May, 2012	N.A	2.59
Dell Vostro Laptop	13				4.02
HP Laserjet Printer	3				0.18
HP Scanner	2				0.18
UPS	12				0.25
IBM Server with UPS	1				2.57
Other Accessories					1.02
Subscription & Equipment Pricing		Bloomberg Professional Service			6 September, 2012
Dual Flat Panel Display 19" (with Bloomberg PC)			1.98		
Installation			0.21		
Total					64.70

F. To Meet the Issue Expenses

The expenses for this Issue include issue management fees, printing and distribution expenses, legal fees, advertisement expenses, depository charges and listing fees to the Stock Exchange, among others. The total expenses for this Issue are estimated not to exceed ₹ 60 Lakhs.

A broad breakup of the same is as under:

No.	Particulars	Amount (₹ In Lakhs)
1	Issue management fees including fees and reimbursements of Market Making fees, selling commissions, brokerages, payment to other intermediaries such as Legal Advisors, Registrars and other out of pocket expenses.	45.00
2	Printing & Stationery, Distribution, Postage, etc	8.00
3	Advertisement & Marketing Expenses	5.00
4	Regulatory & other expenses	2.00
Total		60.00

Schedule of Implementation

The funds raised from this Issue shall be utilized for the specified objectives prior to March 31, 2014.

Year wise break up of proceeds to be used

The overall cost of the proposed Project and the proposed quarter wise break up of deployment of funds are as follows:

Particulars	Total Fund Required (₹ in lacs)	Deployment in FY 2013 (₹ in lacs)				Deployment in FY 2014 (₹ in lacs)				
		Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total
Brand Building	150.00		29.73	23.96	53.69	23.96	23.96	24.19	24.19	96.31
Opening of new offices	112.00	-	-	37.72	37.72	37.14	37.14	-	-	74.28
Renovation/Interi or Work	25.90	-	-	25.90	25.90	-	-	-	-	-
Capex on Information Systems	64.70	-	-	64.70	64.70	-	-	-	-	-
Investment in Subsidiary	30.00	-	-	30.00	30.00	-	-	-	-	-
Issue Expenses	60.00	5.05	54.95	-	60.00	-	-	-	-	-
Total	442.60	5.05	84.68	182.28	272.01	61.10	61.10	24.19	24.19	170.59

DEPLOYMENT OF FUNDS

We have incurred the following expenditure on the Objects of Issue till September 21, 2012. The same has been certified by our Statutory Auditors, M/s S. K. Sengupta & Associates, Chartered Accountants and our Joint Auditors, M/s P.N. Ganguli & Associates, Chartered Accounts vide certificates dated September 21, 2012 and September 24, 2012 respectively.

(₹ in lacs)

Sr. No	Particulars	Amount
1.	Issue Expenses	5.05
	Total	5.05

The said amount has been paid out of internal accruals

INTERIM USE OF FUNDS

Our management, in accordance with the policies established by our Board from time to time, will have flexibility in deploying the Issue Proceeds. Pending utilisation for the purposes described above, we intend to invest the funds in high quality interest bearing liquid instruments including money market mutual funds, deposits with banks, for the necessary duration. Such investments will be approved by the Board or its committee from time to time, in accordance with its investment policies

APPRAISAL

The Fund requirements and Means of finance presented above are not appraised by Bank or Financial Institution and are based purely on Company 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 Audit Committee of the Company will monitor the utilization of funds raised through this public issue. Pursuant to Clause 52 of the SME Listing Agreement, our Company shall on quarterly basis disclose to the Audit Committee the Applications of the proceeds of the Issue. On an annual basis, our Company shall prepare a statement of funds utilized for purposes other than stated in this Prospectus and place it before the Audit Committee. Such disclosures shall be made only until such time that all the proceeds of the Issue have been utilized in full. The statement will be certified by the Statutory Auditors of our Company.

BASIS FOR ISSUE PRICE

Investors should read the following basis along with the chapters titled “Risk Factors”, “Business Overview” and its “Financial Statements” beginning on page 10 page 68 & 114 respectively of the Draft Prospectus to get a more informed view before making any investment decisions.

QUALITATIVE FACTORS

Some of the qualitative factors which form the basis for computing the Issue Price are:

Integrated business model

We intend to operate as one stop shop providing various financial services to our clientele. Our integrated service platform would allow us to leverage relationships across lines of business and industry and product knowledge, by providing multi-channel delivery systems to our client base, thereby increasing our ability to cross-sell our services.

Wide range of services in the Financial Domain

Our Company offers a range of services in the Financial Domain ranging from accounts advisory on one hand to Mergers and Acquisitions advisory on the other. Going forward we intend to increase the scope of our services by offering a wider range of services to enable us to cater to majority of financial advisory need of a Company, thereby positioning us in an advantageous position vis-à-vis competition, especially for the Small and Medium enterprises.

Existing Corporate Relationships

We believe that continued focus on nurturing long-term relationships with companies and servicing these companies through the course of their development, by providing ongoing and innovative solutions has enabled us and would continue to enable us to establish lasting relationships with these clients, thereby leading to repeat business. We intend to focus on SMEs and serve these companies throughout the course of their growth. These SMEs would gradually evolve into larger enterprises thereby enabling us offer them a larger bouquet of services including complex structured products viz. mergers and acquisitions (including cross border), international fund raising etc. We believe that these relationships would provide us with an edge in sourcing and executing more deals for a growing clientele.

Diversified range of services for de-risking of business

In addition to the Financial Advisory Services, we offer Education Support Services and going forward would offer Hotel Management Services. As a result, we would not depend on any particular business segment for generating revenues thereby having a de-risked business model.

Scalable Business Model

Our business thrives on the in depth knowledge of the subject, as well as, relationships and is not capital intensive. The ever evolving developments in the financial markets from time to time in terms of structuring etc provides us an opportunity to capitalise on it by gaining domain knowledge & expertise on the new products on the horizon. We believe we can encash on the opportunity and scale up our operations. With an increase in referrals from our existing clients coupled with increased marketing outreach, we can look forward to cater to a diversified client base, both in terms of business diversity as well as geographical diversity.

QUANTITATIVE FACTORS

Information presented in this section is derived from our restated financial statements certified by the Statutory Auditors of the Company.

1. Basic Earning Per Equity Share (EPS) (on ₹ 10 per share)

Year	Earnings per Share (₹)	Weight
FY 2011-12	7.71	1

- EPS Calculations have been done in accordance with Accounting Standard 20-“Earning per Share” issued by the Institute of Chartered Accountants of India.
- Basic earnings per share are calculated by dividing the net profit after tax by the weighted average number of Equity Shares outstanding during the period. Weighted Average number of Equity Shares is the number of Equity Shares outstanding at the beginning of the year/period adjusted by the number of Equity Shares issued during year/period multiplied by the time weighting factor. The time weighting factor is the number

of days for which the specific shares are outstanding as a proportion of total number of days during the year.

- The weighted average number of Equity Shares outstanding during the period is adjusted for events of bonus issue.
- For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares except where the results are anti-dilutive.

2. Price / Earnings Ratio (P/E) in relation to the Issue Price ₹ 60.00

- Based on fiscal year as on 31st March, 2012; at EPS of ₹ 7.71 as per Restated Financial Statements, the P/E ratio is 7.78.
- Industry PE: 11.80 (Source: Capital Market Aug 20-Sept 02, 2012)

3. Return on Net Worth

Year	RONW (%)	Weight
FY 2011-12	7.21	1

- Minimum return on post Issue Net Worth to maintain the Pre-issue annualized EPS at 31st March, 2012 is 23.12%.

5. Net Asset Value per Equity Share

Sr. No.	Particulars	(₹)
a)	As on 31st March, 2012	20.23
c)	After Issue	33.34
d)	Issue Price	60.00

6. Peer Group Comparison of Accounting Ratios

For Industry PEs Companies in Finance & Investment Segment have been considered. There are no strict comparables of Companies rendering all the services being undertaken by us. However, for the purpose of comparison, we have tried to draw up a peer set which is drawn from the broad sectoral definition.

Particulars	Face Value	EPS	P/E Ratio	RONW*	NAV**
Microsec	10	3.30	7.80	5.20%	67.52
LKP Finance Ltd.	10	3.40	14.30	3.20%	118.71
Muthoot Finance Ltd.	10	23.30	5.20	41.90%	78.71

(Source: Capital Market Aug 20-Sept 02, 2012 and NAV figures are taken from Moneycontrol.com)

* RONW: $\frac{\text{Profit After Tax and prior period adjustments}}{\text{Net Worth}}$

** NAV: $\frac{\text{Share Capital + Reserves - Revaluation Reserves - Miscellaneous Expenditure}}{\text{No. of shares at the end of the year}}$

- The face value of our shares is ₹ 10/- per share and the Issue Price is of ₹ 60 per share is 6 (six) times of the face value.
- The Company in consultation with the Lead Manager believes that the Issue Price of ₹ 60.00 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 profitability and return ratios, as set out in the Auditors' Report in the Draft Prospectus to have more informed view about the investment proposition.

STATEMENT OF POSSIBLE TAX BENEFITS

To,

The Board of Directors
Finshore Management Services Limited
Sikkim Commerce House
5th Floor, Room No.505
4/1, Middleton Street,
Kolkata-700 071

Dear Sirs,

Statement of Possible Tax Benefits available to the Company and its shareholders

We hereby report that the enclosed statement states the possible tax benefits available to the Company under the Income-Tax Act, 1961 amended by Finance Bill 2011, presently in force in India and to the shareholders of the Company under the Income Tax Act, 1961, 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 fulfilling such conditions, which based on business imperatives the Company faces in the future, the Company may or may not choose to fulfill.

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

- i) 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 our understanding of the business activities and operations of the Company.

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

This certificate is provided solely for the purpose of assisting the addressee Company in discharging its responsibilities under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.

M/s P.N.Ganguli & Company

Chartered Accountants

FRN: 302203E

**Sd/-
(Saikat Sen)
Partner**

Membership No.: 064453

**Place: Kolkata
Date : 22.08.2012**

M/s S K Sengupta & Associates

Chartered Accountants

FRN: 32550E

**Sd/-
(Sajal Kanti Sengupta)
Partner**

Membership No.: 056709

**Place: Kolkata
Date : 22.08.2012**

STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO FINSHORE MANAGEMENT SERVICES LIMITED (“THE COMPANY”) AND ITS SHAREHOLDERS

I. GENERAL TAX BENEFITS AVAILABLE TO FINSHORE MANAGEMENT SERVICES LIMITED AND ITS SHAREHOLDERS

A. BENEFITS AVAILABLE TO THE COMPANY UNDER THE INCOME TAX ACT, 1961

1. Dividend exempt under Section 10(34)

Under Section 10(34) to be read with Section 115(O) of the Act, dividend income (whether interim or final) in the hands of the company as distributed or paid by any other Company on or after April 1, 2004 is exempt completely from tax in the hands of the Company.

2. Exemption of Long Term Capital Gain under section 10(38)

As per the provisions of section 10(38), long term capital gain arising from the sale of Equity Shares in any company through a recognised stock exchange or from the sale of units of an equity oriented mutual fund shall be exempt from Income Tax if such sale takes place after October 1, 2004 and such sale is subject to Securities Transaction Tax.

However, income by way of long-term capital gain of a company shall be taken into account in computing the book profit and income-tax payable under section 115JB.

3. Lower Tax Rate under Section 112 on Long Term Capital Gains

As per the provisions of Section 112 of the Act, long-term gains that are not exempt under section 10(38) of the Act would be subject to tax at a rate of 20 percent (plus applicable surcharge and education cess). However, as per the provision to Section 112(1), if the tax on long term capital gains resulting on transfer of listed securities or units, calculated at the rate of 20 percent with indexation benefit exceeds the tax on long term gains computed at the rate of 10 percent without indexation benefit, then such gains are chargeable to tax at a concessional rate of 10 percent (plus applicable surcharge and education cess).

4. Lower Tax Rate under Section 111A on Short Term Capital Gains

As per the provisions of section 111A, Short Term capital gains arising from the transfer of Equity Shares in any company through a recognised stock exchange or from the sale of units of equity oriented mutual fund shall be subject to tax at the rate of 15 percent provided such a transaction is entered into after October 1, 2004 and the transaction is subject to Securities Transaction Tax.

5. Deduction of donation under section 80G

As per the provisions of section 80G of the Act, deduction will be available in respect of the amounts contributed as donations to various charitable institutions and funds covered under that section subject to fulfillment of conditions specified therein.

6. Exemption of Long Term Capital Gain under Section 54EC

In accordance with and subject to the conditions and to the extent specified in Section 54EC of the Act, the company would be entitled to exemption from tax on long term capital gains not covered by section 10(38) arising on transfer of their shares in the Company if such capital gain is invested in any of the long term specified assets in the manner prescribed in the said section. The long-term specified assets for the purpose of investment made on or after April 1, 2007 are bonds of:

- a. National Highways Authority of India (“NHAI”) constituted under section 3 of National Highways Authority of India Act, 1988 and notified by the Central Government in the Official Gazette for the purpose of this section; or
- b. Rural Electrification Corporation Ltd. (“RECL”); a company formed and registered under the Companies Act and notified by the Central Government in the Official Gazette for the purpose of this section;

As per the proviso to section 54EC (1), bonds will be issued to a person, up to a maximum limit of ₹ 50 Lakhs during any financial year.

Where the long term specified asset is transferred or converted into money at any time within a period of three years from the date of its acquisition, the amount of capital gains exempted earlier would

become chargeable to tax as long term capital gains in the year in which the specified asset is transferred or converted into money.

7. Deduction under Section 35D

In accordance with section 35D, the company is eligible for deduction in respect of specified preliminary expenditure incurred by the company in connection with extension of its undertaking or in connection with setting up a new unit for an amount equal to 1/5th of such expenses for each of the five successive previous years beginning with the previous year in which the extension of the undertaking is completed or the new unit commences production or operation, subject to conditions and limits specified in that section.

8. Deduction under Section 35DD

In accordance with section 35DD, the company is eligible for deduction in respect any expenditure incurred wholly and exclusively for the purposes of amalgamation or demerger of an undertaking for an amount equal to 1/5th of such expenses for each of the five successive previous years beginning with the previous year in which the amalgamation or demerger takes place, subject to conditions and limits specified in that section.

9. Deduction under Section 35DDA

In accordance with section 35DDA, the company is eligible for deduction in respect of payments made to its employees in connection with their voluntary retirement for an amount equal to 1/5th of the amount so paid for that previous year, and the balance in four equal instalments for each of the succeeding previous years subject to conditions specified in that section.

10. MAT Credit under Section 115 JAA (1A)

Under Section 115 JAA (1A) of the Act, tax credit shall be allowed of any tax paid (MAT) under Section 115JB of the Act. Credit eligible for carry forward is the difference between MAT paid and the tax computed as per the normal provisions of the Act. Such MAT credit shall not be available for carry forward beyond ten years succeeding the year in which the MAT becomes allowable.

11. In case of loss under the head "Profit and Gains from Business or Profession", it can be set-off with other income under section 71 and the excess loss, if any can be carried forward and set-off against future business income of the next eight assessment years under section 72 of the Act.
12. The unabsorbed depreciation, if any, can be adjusted against any other income and can be carried forward indefinitely for set-off with the income of future years.
13. As per the provision of section 71, if there is a loss under the head "Capital Gains", it cannot be set-off with 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 and long term capital loss can be carried forward for next eight assessment years and can be set off against the respective capital gains in subsequent years.

B. BENEFITS AVAILABLE TO RESIDENT SHAREHOLDERS UNDER THE INCOME TAX ACT, 1961

1. Dividend Exempt under Section 10(34)

Under Section 10(34) to be read with Section 115O of the Act, dividend (whether interim or final) declared, distributed or paid by the Company on or after April 1, 2004 is completely exempt from tax in the hands of the shareholders of the Company.

2. Exemption of Long Term Capital Gain under section 10(38)

As per the provisions of section 10(38), long term capital gain arising from the sale of Equity Shares in any company through a recognised stock exchange or from the sale of units of an equity oriented mutual fund shall be exempt from Income Tax if such sale takes place after October 1, 2004 and such sale is subject to Securities Transaction tax.

3. Lower Tax Rate under Section 112 on Long Term Capital Gains

As per the provisions of Section 112 of the Act, long-term gains that are not exempt under section 10(38) of the Act would be subject to tax at a rate of 20 percent (plus applicable surcharge and education cess). However, as per the proviso to Section 112(1), if the tax on long term capital gains resulting on transfer of listed securities or units, calculated at the rate of 20 percent with indexation

benefit exceeds the tax on long term gains computed at the rate of 10 percent without indexation benefit, then such gains are chargeable to tax at concessional rate of 10 percent (plus applicable surcharge and education cess).

4. Lower Tax rate under Section 111A on Short Term Capital Gains

As per the provisions of section 111A, Short Term capital gains arising from the transfer of Equity Shares in any company through a recognised stock exchange or from the sale of units of equity oriented mutual fund shall be subject to tax at the rate of 15 percent provided such a transaction is entered into after October 1, 2004 and the transaction is subject to Securities Transaction Tax.

5. Exemption of Long Term Capital Gain under Section 54EC

In accordance with and subject to the conditions and to the extent specified in Section 54EC of the Act, the shareholders would be entitled to exemption from tax on long term capital gains not covered by section 10(38) arising on transfer of their shares in the Company if such capital gain is invested in any of the long term specified assets in the manner prescribed in the said section. The long-term specified assets for the purpose of investment made on or after April 1, 2007 are bonds of:

- a. National Highways Authority of India (“NHAI”) constituted under section 3 of National Highways Authority of India Act, 1988 and notified by the Central Government in the Official Gazette for the purpose of this section; or
- b. Rural Electrification Corporation Ltd. (“RECL”); a company formed and registered under the Companies Act and notified by the Central Government in the Official Gazette for the purpose of this section;

As per the proviso to section 54EC (1), bonds will be issued to a person, up to a maximum limit of ₹ 50 Lakhs during any financial year.

Where the long term specified asset is transferred or converted into money at any time within a period of three years from the date of its acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which the specified asset is transferred or converted into money.

6. Deduction of Security Transaction Tax under section 36(1)(xv)

Under section 36(1)(xv) of the Act, the amount of Security Transaction Tax paid by an assessee in respect of taxable securities transactions offered to tax as “Profits and gains of Business or Profession” shall be allowable as a deduction against such Business Income.

7. Exemption under section 54F

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 STT 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 or Hindu Undivided Family-

- a. owns more than one residential house, other than the new residential house, on the date of transfer of the shares ; or
- b. purchases another residential house within a period of one year after the date of transfer of the shares; or
- c. constructs another residential house within a period of three years after the date of transfer of the shares; and
- d. 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”.

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.

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.

8. As per the provision of section 71, if there is a loss under the head “Capital Gains”, it cannot be set-off with 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 and long term capital loss can be carried forward for next eight assessment years and can be set off against the respective capital gains in subsequent years.

C. BENEFITS AVAILABLE TO NON-RESIDENT INDIAN SHAREHOLDERS

1. Dividend Exempt under Section 10(34)

Under Section 10(34) to be read with Section 115O of the Act, dividend (whether interim or final) declared, distributed or paid by the Company on or after April 1, 2004 is completely exempt from tax in the hands of the shareholders of the Company.

2. Exemption of Long Term Capital Gain under section 10(38)

As per the provisions of section 10(38), long term capital gain arising from the sale of Equity Shares in any company through a recognised stock exchange or from the sale of units of an equity oriented mutual fund shall be exempt from Income Tax if such sale takes place after October 1, 2004 and such sale is subject to Securities Transaction tax

3. Lower Tax Rate under Section 112 on Long Term Capital Gains

As per the provisions of Section 112 of the Act, long term capital gains that are not exempt under section 10(38) of the Act would be subject to tax at a rate of 20 percent (plus applicable surcharge and education cess). However, as per the proviso to Section 112(1), if the tax on long term capital gains resulting on transfer of listed securities or units, calculated at the rate of 20 percent with indexation benefit exceeds the tax on long term gains computed at the rate of 10 percent without indexation benefit, then such gains are chargeable to tax at a concessional rate of 10 percent (plus applicable surcharge and education cess).

4. Lower Tax rate under Section 111A on Short Term Capital Gains

As per the provisions of section 111A, Short Term capital gains arising from the transfer of Equity Shares in any company through a recognised stock exchange or from the sale of units of equity oriented mutual fund shall be subject to tax at the rate of 15 percent provided such a transaction is entered into after October 1, 2004 and the transaction is subject to Securities Transaction Tax.

5. Options available under the Act

Where shares have been subscribed to in convertible foreign exchange - Option of taxation under Chapter XII – A of the Act:

Non-Resident Indians [as defined in Section 115C (e) of the Act], being shareholders of an Indian Company, have the option of being governed by the provisions of Chapter XII – A of the Act, which inter alia entitles them to the following benefits in respect of income from shares of and Indian company acquired, purchased or subscribed to in convertible foreign exchange:

- a. According to the provisions of section 115D read with Section 115E of the Act and subject to the conditions specified therein, long term capital gains arising on transfer of an Indian company’s shares, will be subject to tax at the rate of 10 percent (plus applicable surcharge and education cess), without indexation benefit.
- b. According to the provisions of section 115F of the Act and subject to the conditions specified therein, gains arising on transfer of a long term capital asset being shares in an Indian company shall not be chargeable to tax if the entire net consideration received on such transfer is invested within the prescribed period of six months in any specified asset or savings certificates referred to in section 10(4B) of the Act. If part of such net consideration is invested within the prescribed period of six months in any specified asset or savings certificates referred to in Section 10(4B) of the Act then such gains would not be chargeable to tax on a proportionate basis. For this purpose, net consideration means full value of the consideration received or accruing as a result of the transfer of the capital asset as reduced by any expenditure incurred wholly and exclusively in connection with such transfer. Further, if the specified asset or savings certificate in which the investment has been made is transferred

within a period of three years from the date of investment, the amount of capital gains tax exempted earlier would become chargeable to tax as long term capital gains in the year in which such specified asset or savings certificate are transferred.

- c. As per the provisions of Section 115G of the Act, Non- Resident Indians are not obliged to file a return of income under Section 139(1) of the Act, if their only source of income is income from investments or long term capital gains earned on transfer of such investments or both, provided tax has been deducted at source from such income as per the provisions of Chapter XVII-B of the Act.
- d. Under Section 115H of the Act where the Non-Resident Indian becomes assessable as a resident in India, he may furnish a declaration in writing to the Assessing Officer, along with his return of income for that year under Section 139 of the Act to the effect that the provisions of the Chapter XII-A shall continue to apply to him in relation to such investment income derived from the specified assets for that year and subsequent assessment years until such assets are converted into money.
- e. As per the provisions of Section 115I of the Act, a Non- Resident Indian may elect not to be governed by the provisions of Chapter XII-A for any assessment year by furnishing his return of income for that assessment year under Section 139 of the Act, declaring therein that the provisions of Chapter XII-A shall not apply to him for that assessment year and accordingly his total income for that assessment year will be computed in accordance with the other provisions of the Act.

6. Exemption of Long Term Capital Gain under Section 54EC

In accordance with and subject to the conditions and to the extent specified in Section 54EC of the Act, the shareholders would be entitled to exemption from tax on long term capital gains not covered by section 10(38) arising on transfer of their shares in the Company if such capital gain is invested in any of the long term specified assets in the manner prescribed in the said section. The long-term specified assets for the purpose of investment made on or after April 1, 2007 are bonds of:

- a. National Highways Authority of India (“NHAI”) constituted under section 3 of National Highways Authority of India Act, 1988 and notified by the Central Government in the Official Gazette for the purpose of this section; or
- b. Rural Electrification Corporation Ltd. (“RECL”); a company formed and registered under the Companies Act and notified by the Central Government in the Official Gazette for the purpose of this section;

As per the proviso to section 54EC (1), bonds will be issued to a person, up to a maximum limit of ₹ 50 Lakhs during any financial year.

Where the long term specified asset is transferred or converted into money at any time within a period of three years from the date of its acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which the specified asset is transferred or converted into money.

7. Exemption under section 54F

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 STT 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 or Hindu Undivided Family-

- a. owns more than one residential house, other than the new residential house, on the date of transfer of the shares ; or
- b. purchases another residential house within a period of one year after the date of transfer of the shares; or
- c. constructs another residential house within a period of three years after the date of transfer of the shares; and

- d. 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”.

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.

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.

8. Tax Treaty Benefits

As per the provisions of Section 90(2) of the Act, the provisions of the Act would prevail over the provisions of the tax treaty to the extent they are more beneficial to the Non-Resident.

9. As per the provision of section 71, if there is a loss under the head “Capital Gains”, it cannot be set-off with 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 and long term capital loss can be carried forward for next eight assessment years and can be set off against the respective capital gains in subsequent years

D. BENEFITS AVAILABLE TO OTHER NON-RESIDENTS

1. Dividend Exempt under Section 10(34)

Under Section 10(34) to be read with Section 115O of the Act, dividend (whether interim or final) declared, distributed or paid by the Company on or after April 1, 2004 is completely exempt from tax in the hands of the shareholders of the Company.

2. Exemption of Long Term Capital Gain under Section 10(38)

As per the provisions of section 10(38), long term capital gain arising from the sale of Equity Shares in any company through a recognised stock exchange or from the sale of units of an equity oriented mutual fund shall be exempt from Income Tax if such sale takes place after October 1, 2004 and such sale is subject to Securities Transaction Tax.

3. Lower Tax Rate under Section 112 on Long Term Capital Gains

As per the provisions of Section 112 of the Act, long-term gains that are not exempt under section 10(38) of the Act would be subject to tax at a rate of 20 percent (plus applicable surcharge and education cess). However, as per the provision to Section 112(1), if the tax on Long term capital gains resulting on transfer of listed securities or units, calculated at the rate of 20 percent with indexation benefit exceeds the tax on long term gains computed at the rate of 10 percent without indexation benefit, then such gains are chargeable to tax at a concessional rate of 10 percent (plus applicable surcharge and education cess).

4. Lower Tax Rate Under Section 111A on Short Term Capital Gains

As per the provisions of Section 111A, Short Term Capital gains arising from the transfer of Equity Shares in any company through a recognised stock exchange or from the sale of units of equity oriented mutual fund shall be subject to tax at the rate of 15 percent provided such a transaction is entered into after the October 1, 2004 and the transaction is subject to Securities Transaction Tax.

5. Exemption of Long Term Capital Gain under Section 54EC

In accordance with and subject to the conditions and to the extent specified in Section 54EC of the Act, the shareholders would be entitled to exemption from tax on long term capital gains not covered by section 10(38) arising on transfer of their shares in the Company if such capital gain is invested in any of the long term specified assets in the manner prescribed in the said section. The long-term specified assets for the purpose of investment made on or after April 1, 2007 are bonds of:

- a. National Highways Authority of India (“NHAI”) constituted under section 3 of National Highways Authority of India Act, 1988 and notified by the Central Government in the Official Gazette for the purpose of this section; or

- b. Rural Electrification Corporation Ltd. (“RECL”); a company formed and registered under the Companies Act and notified by the Central Government in the Official Gazette for the purpose of this section;

As per the proviso to section 54EC (1), bonds will be issued to a person, up to a maximum limit of ₹ 50 Lakhs during any financial year.

Where the long term specified asset is transferred or converted into money at any time within a period of three years from the date of its acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which the specified asset is transferred or converted into money.

6. Exemption under section 54F

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 STT 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 or Hindu Undivided Family-

- a. owns more than one residential house, other than the new residential house, on the date of transfer of the shares ; or
- b. purchases another residential house within a period of one year after the date of transfer of the shares; or
- c. constructs another residential house within a period of three years after the date of transfer of the shares; and
- d. 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”.

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.

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.

7. Tax Treaty Benefits

As per the provisions of Section 90(2) of the Act, the provisions of the Act would prevail over the provisions of the tax treaty to the extent they are more beneficial to the Non-Resident.

8. As per the provision of section 71, if there is a loss under the head “Capital Gains”, it cannot be set-off with 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 and long term capital loss can be carried forward for next eight assessment years and can be set off against the respective capital gains in subsequent years.

E. BENEFITS AVAILABLE TO FOREIGN INSTITUTIONAL INVESTORS (‘FII’)

1. Dividend Exempt Under Section 10(34)

Under Section 10(34) to be read with Section 115O of the Act, dividend (whether interim or final) declared, distributed or paid by the company on or after April 1, 2004 is completely exempt from tax in the hands of the shareholders of the Company.

2. Exemption of Long Term Capital Gain under Section 10(38)

As per the provisions of section 10(38), long term capital gain arising from the sale of Equity Shares in any company through a recognised stock exchange or from the sale of units of an equity oriented mutual fund shall be exempt from Income Tax if such sale takes place after October 1, 2004 and such sale is subject to Securities Transaction Tax.

3. Benefits of taxability of Capital Gain

In case of a shareholder being a Foreign Institutional Investor (FII), in accordance with and subject to the conditions and to the extent specified in Section 115AD of the Act, tax on long term capital gain not covered by sections 10(38) will be 10 percent and on short term capital gain will be 30 percent as increased by surcharge and education cess at an appropriate rate on the tax so computed in either case. However short term capital gains on sale of Equity Shares of a company through a recognized stock exchange or a unit of an equity oriented mutual fund effected on or affect October 1, 2004 and subject to Securities Transaction Tax shall be taxed at the rate of 15 percent as per the provisions of Section 111A. It is to be noted that the benefits of Indexation and foreign currency fluctuation protection as provided by Section 48 of the Act are not available to FII.

4. Exemption of Long Term Capital Gain under Section 54EC

In accordance with and subject to the conditions and to the extent specified in Section 54EC of the Act, the shareholders would be entitled to exemption from tax on long term capital gains not covered by section 10(38) arising on transfer of their shares in the Company if such capital gain is invested in any of the long term specified assets in the manner prescribed in the said section. The long-term specified assets for the purpose of investment made on or after April 1, 2007 are bonds of:

- a. National Highways Authority of India (“NHAI”) constituted under section 3 of National Highways Authority of India Act, 1988 and notified by the Central Government in the Official Gazette for the purpose of this section; or
- b. Rural Electrification Corporation Ltd. (“RECL”); a company formed and registered under the Companies Act and notified by the Central Government in the Official Gazette for the purpose of this section;

As per the proviso to section 54EC (1), bonds will be issued to a person, up to a maximum limit of ₹ 50 Lakhs during any financial year.

Where the long term specified asset is transferred or converted into money at any time within a period of three years from the date of its acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which the specified asset is transferred or converted into money.

5. Tax Treaty Benefits

As per the provisions of Section 90(2) of the Act, the provisions of the Act would prevail over the provisions of the tax treaty to the extent they are more beneficial to the Non-Resident.

F. BENEFITS AVAILABLE TO MUTUAL FUNDS

In case of a shareholder being a Mutual fund, as per the provisions of Section 10(23D) of the Act, any income of mutual Funds registered under the Securities and Exchange Board of Indian Act, 1992 or Regulations made there under, Mutual Funds set up by public sector banks or public financial institutions and Mutual funds authorised by the Reserve Bank of India would be exempt from Income Tax, subject to the conditions as the Central Government may by notification in the Official Gazette specify in this behalf.

G. BENEFITS AVAILABLE TO VENTURE CAPITAL COMPANIES / FUNDS

In case of a shareholder being a Venture Capital Company / Fund, as per the provisions of Section 10(23FB) of the Act, any income of Venture Capital Companies / Funds registered with the Securities and Exchange Board of India, would exempt from Income Tax, subject to the conditions specified.

H. BENEFITS AVAILABLE UNDER THE WEALTH TAX ACT, 1957

Asset as defined under Section 2(EA) of the Wealth Tax Act, 1957 does not include shares in companies and hence, shares are not liable to wealth tax.

I. BENEFITS AVAILABLE UNDER THE GIFT – TAX ACT, 1958

Gift Tax is not leviable in respect of any gifts made on or after October 1, 1998. Therefore, any gift of shares will not attract gift tax.

Notes:

- a. The above Statement of Possible Direct Tax Benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of equity shares;
- b. The above Statement of Possible Direct Tax Benefits sets out the possible tax benefits available to the Company and its shareholders under the current tax laws as amended by the Finance Act, 2011 presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws;
- c. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, 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;
- d. In respect of non-residents, the tax rates and the consequent taxation mentioned above shall be further subject to any benefits available under the Double Taxation Avoidance Agreement, if any, between India and the country in which the non-resident has fiscal domicile; and
- e. The stated benefits will be available only to the sole/first named holder in case the shares are held by joint shareholders.
- f. 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 participation in the issue.

SECTION IV: ABOUT OUR COMPANY

INDUSTRY OVERVIEW

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

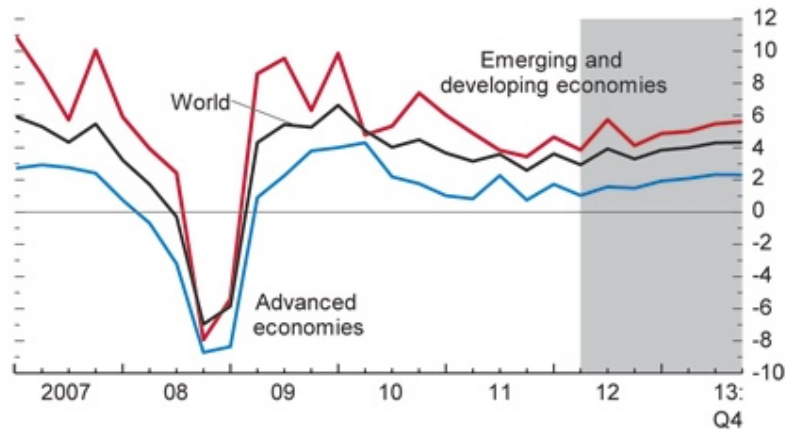
Overview of the Global and Indian Economy

Global Scenario:

Global growth increased to 3.6 percent (seasonally adjusted annual rate) in the first quarter of 2012, surprising on the upside by some ¼ percentage point compared with the forecasts presented in the April 2012 World Economic Outlook. The upward surprise was partly due to temporary factors, among them easing financial conditions and recovering confidence in response to the European Central Bank's (ECB's) longer-term refinancing operations (LTROs). Global trade rebounded in parallel with industrial production in the first quarter of 2012, which, in turn, benefited trade-oriented economies, notably Germany and those in Asia. For Asia, growth was also pulled up by a greater-than-anticipated rebound in industrial production, spurred by the restart of supply chains disrupted by the Thai floods in late 2011, and stronger-than-expected domestic demand in Japan.

Global GDP Growth

Percent; quarter over quarter, annualised



Source: IMF staff estimates.

Developments during the second quarter, however, have been worse. Relatedly, job creation has been hampered, with unemployment remaining high in many advanced economies, especially among the young in the euro area periphery.

The euro area periphery has been at the epicenter of a further escalation in financial market stress, triggered by increased political and financial uncertainty in Greece, banking sector problems in Spain, and doubts about governments' ability to deliver on fiscal adjustment and reform as well as about the extent of partner countries' willingness to help. Escalating stress in periphery economies has manifested itself along lines familiar from earlier episodes, including capital outflows, a renewed surge in sovereign yields, adverse feedback loops between sovereign stresses and banking sector funding problems, increases in Target 2 liabilities of periphery central banks, further bank deleveraging, and contraction in credit to the private sector. The stabilizing effects of the ECB's LTROs in periphery financial markets have thus eroded. On the real side, leading economic indicators presage renewed contraction of activity in the euro area as a whole in the second quarter.

Incoming data for the United States also suggest less robust growth than forecast in April. While distortions to seasonal adjustment and payback from the unusually mild winter explain some of the softening, there also seems to be an underlying loss of momentum. Negative spillovers from the euro area, limited so far, have been partially offset by falling long-term yields due to safe haven flows. Growth momentum has also slowed in various emerging market economies, notably Brazil, China, and India. This partly reflects a weaker external environment, but domestic demand has also decelerated sharply in response to capacity constraints and policy tightening over the past year. Many emerging market economies have also been hit by increases in investor risk aversion and perceived growth uncertainty, which have led not only to equity price declines, but also to capital outflows and currency depreciation. In global financial markets, prices of risky assets declined during much of the second quarter, notably equity prices, while yields on safe haven bonds (Germany, Japan, Switzerland, and the United States) retreated to multi-decade lows. With some of the capital flows into perceived safe assets occurring within the euro area, the weakening of the euro has been limited. However, sovereign debt markets in the euro area periphery remain unsettled.

Commodity prices have also fallen. Among major commodities, prices of crude oil declined the most in the second quarter—at about \$86 a barrel, they are some 25 percent below their mid-March highs—given the combined effects of weaker global demand prospects, easing concerns about Iran-related geopolitical oil supply risks, and continued above-quota production by the Organization of Petroleum Exporting Countries (OPEC) members.

Global growth weak through 2012

The baseline projections in this WEO Update incorporate weaker growth through much of the second half of 2012 in both advanced and key emerging market economies, reflecting the setbacks to the global recovery discussed above. The near-term forecasts are based on the usual assumption of current policies, with two important qualifications:

- The projections assume that financial conditions in the euro area periphery will gradually ease through 2013 from the levels reached in June this year, predicated on the assumption that policymakers will follow up on the positive decisions agreed upon at the June EU leaders' summit and will take action as needed if conditions deteriorate further.
- The projections also assume that current legislation in the United States, which implies a mandatory sharp reduction in the federal budget deficit—the so-called fiscal cliff—will be modified so as to avoid a large fiscal contraction in the near term.

Overall, global growth is projected to moderate to 3.5 percent in 2012 and 3.9 percent in 2013, some 0.1 and 0.2 percentage point, respectively, lower than forecast in the April 2012 WEO. In view of a stronger-than-expected first quarter outcome, weaker global growth in the second half of 2012 will primarily affect annual growth in 2013 through base effects.

Growth in advanced economies is projected to expand by 1.4 percent in 2012 and 1.9 percent in 2013, a downward revision of 0.2 percentage point for 2013 relative to the April 2012 World Economic Outlook (WEO). The downward revision mostly reflects weaker activity in the euro area, especially in the periphery economies, where the dampening effects from uncertainty and tighter financial conditions will be strongest. Owing mainly to negative spillovers, including from uncertainty, growth in most other advanced economies will also be slightly weaker, although lower oil prices will likely dampen these adverse effects.

Growth in emerging and developing economies will moderate to 5.6 percent in 2012 before picking up to 5.9 percent in 2013, a downward revision of 0.1 and 0.2 percentage point in 2012 and 2013, respectively, relative to the April 2012 WEO. In the near term, activity in many emerging market economies is expected to be supported by the policy easing that began in late 2011 or early 2012 and, in net fuel importers, by lower oil prices, depending on the extent of the pass-through to domestic retail prices (which is often incomplete).

Growth is projected to remain relatively weaker than in 2011 in regions connected more closely with the euro area (Central and Eastern Europe in particular). In contrast with the broad trends, growth in the Middle East and North Africa will be stronger in 2012–13 relative to last year, as key oil exporters continue to boost oil production and domestic demand while activity in Libya is rebounding rapidly after the unrest in 2011. Similarly, growth in sub-Saharan Africa is expected to remain robust in 2012–13, helped by the region's relative insulation from external financial shocks, and revisions to the growth outlook since the April 2012 WEO are modest.

Global consumer price inflation is projected to ease as demand softens and commodity prices recede. Overall, headline inflation is expected to slip from 4½ percent in the last quarter of 2011 to 3–3½ percent in 2012–13.

The global recovery remains at risk

Downside risks to this weaker global outlook continue to loom large. The most immediate risk is still that delayed or insufficient policy action will further escalate the euro area crisis. In this regard, agreements reached at the EU leaders' summit are steps in the right direction. But further steps are needed, notwithstanding high implementation hurdles, as underscored by the very recent deterioration in sovereign debt markets. The situation in the euro area crisis economies will likely remain precarious until all policy action needed for a resolution of the crisis has been taken. Other downside risks relate to fiscal policy in other advanced economies:

- In the short term, the main risk relates to the possibility of excessive fiscal tightening in the United States, given recent political gridlock. In the extreme, if policymakers fail to reach consensus on extending some temporary tax cuts and reversing deep automatic spending cuts, the U.S. structural fiscal deficit could decline by more than 4 percentage points of GDP in 2013. U.S. growth would then stall next year, with significant spillovers to the rest of the world. Moreover, delays in raising the federal debt ceiling could increase risks of financial market disruptions and a loss in consumer and business confidence.
- Another risk arises from insufficient progress in developing credible plans for medium-term fiscal consolidation in the United States and Japan—the flight to safety in global bond markets currently mitigates this risk. In the absence of policy action, medium-term public debt ratios would continue to move along unsustainable trajectories. As the global recovery advances, a lack of progress could trigger sharply higher sovereign borrowing costs in the United States and Japan as well as turbulence in the global bond and currency markets.

Downside risks to growth in emerging market and developing economies seem primarily related to external factors in the near term. The slowdown in emerging market growth since mid-2011 has been partly the result of policy tightening in response to signs of overheating. But policies have been eased since, and this easing should gain traction in the second half of 2012.

Nevertheless, concerns remain that potential growth in emerging market economies might be lower than expected. Growth in these economies has been above historical trends over the past decade or so, supported in part by financial deepening and rapid credit growth, which may well have generated overly optimistic expectations about potential growth. As a result, growth in emerging market economies could be lower than expected over the medium term, with a correspondingly smaller contribution to global growth. Also of concern are risks to financial stability after years of rapid credit growth in the current environment of weaker global growth, elevated risk aversion, and some signs of domestic strain. Among low-income countries, those dependent on aid face risks of lower-than-expected budget support from advanced economies, while commodity exporters are vulnerable to further erosion of commodity prices. In the medium term, there are tail risks of a hard landing in China, where investment spending could slow more sharply given overcapacity in a number of sectors.

On the positive side, oil price risks have abated in recent months, reflecting the interaction of changes in prospective market conditions and perceived geopolitical risks. Supply conditions have improved due to increased production in Saudi Arabia and other key exporters, while demand prospects have weakened and are subject to downside risks. With geopolitical risks to oil supply widely perceived to have declined, risks to oil price projections appear more evenly balanced now, while those around prices of non-oil commodities tilt downward.

(Source: World Economic Outlook Update, International Monetary Fund, July 16, 2012)

Indian Scenario

The Indian economy continued to be a key driver of the global growth process with a GDP growth of 8.5 per cent in 2010-11. Even in the current fiscal year, which has been a relatively difficult one, with the growth rate slowing down to 7.3 per cent in the first half, India is still among the global frontrunners. The slowdown is mainly on account of the sluggishness in industrial sector, which registered a growth rate of 4.2 per cent in the first half of the current financial year compared to 8.1 per cent in the corresponding period of the last year. The growth in agriculture was 3.6 per cent which is approximately the same as in the corresponding period of the previous year. With growth just short of double digit, the services sector continues to be the mainstay of the economy and a key driver of the nation's overall growth. *(Source: Ministry of Finance – Annual Report 2011-12)*

Growth

Economic activity picked up modestly in Q1 of 2012-13 in relation to the preceding quarter; but the sluggish momentum of value added in Q1 was evident across all sectors of the economy, and particularly in industry. Lead indicators point to slack activity in Q2 as well. Industrial production rose by just 0.1 per cent in July. In August, the manufacturing PMI fell to its lowest level during 2012 so far, as a result of output disruptions due to power shortages and declining export orders. The services PMI, however, picked up in August on growth in new orders and employment. With the progressive reduction in the rainfall deficit, kharif sowing, though still below normal, has improved. Reassuringly, the late rains have augmented storage in reservoirs which should improve prospects for the rabi crop, mitigating to some extent the concerns about agricultural prospects.

Inflation

Headline WPI inflation (y-o-y) has remained sticky at around 7.5 per cent throughout the current financial year so far. At the disaggregated level, within primary food articles, the easing of vegetable prices in July-August was to a large extent offset by the surge in prices of cereals and pulses. Demand-supply imbalances in respect of protein-rich items persist. Fuel price inflation picked up in August, largely reflecting the upward revision in electricity prices. As welcome as the recent hike in diesel prices/rationalisation of LPG subsidy has been, the pass-through to administered prices remains incomplete. International crude prices are vulnerable to being driven up further by global liquidity. Core inflation pressures remained firm with non-food manufactured products inflation inching up from 5.1 per cent in April to 5.6 per cent in August and the momentum indicator remaining elevated. Even as demand pressures moderate, supply constraints and rupee depreciation are imparting pressures on prices, rendering them sticky.

In terms of the new CPI, inflation (y-o-y) remained broadly unchanged in July from June at close to 10 per cent, held up by rising prices of food items. Notwithstanding some easing in July, core CPI inflation (CPI excluding food

While the recent upward revision in diesel prices and rationalisation of subsidy for LPG is a significant achievement, in the short-term, there will be pressures on headline inflation. Over the medium-term, however, it will strengthen macroeconomic fundamentals. It is important to note that these revisions were anticipated at the time of the April policy when a front-loaded repo rate reduction was undertaken. Over the longer run, holding down subsidies to under 2 per cent of GDP as indicated in the Union Budget for 2012-13 is crucial to manage demand-side pressures on inflation. Containing inflationary pressures and lowering inflation expectations warrant maintaining the momentum of recent policy actions to step up investment, alleviate supply constraints, and improve productivity.

Liquidity Conditions

Money supply (M3), bank credit and deposits have moderated in relation to their indicative trajectories, reflecting the slowing down of economic activity. Against this backdrop, liquidity conditions have remained comfortable since the FQR. However, going forward, the wedge between deposit growth and credit growth could widen on the back of the seasonal pick-up in credit demand in the second half of the year. This, combined with outflows on account of advance tax payments and the onset of festival-related currency demand, could accentuate pressures on liquidity over the next few weeks. In these conditions, appropriate liquidity management assumes importance in order to ensure that drawals under the Liquidity Adjustment Facility (LAF) broadly remain within the indicative target of +/- 1 percent of NDTL, thereby facilitating monetary policy transmission and enabling adequate flow of credit to the productive sectors of the economy.

External sector

While the trade deficit narrowed in the first five months of 2012-13, the relatively large fall of exports in July-August is indicative of risks to the current account from the worsening global outlook. As regards external financing, the moderation in FDI inflows was partly compensated by a surge in non-resident deposits and a renewal of FIIs flows in recent months. Consequently, the rupee has been trading in a narrow range since the FQR. Looking ahead, a moderation in the trade deficit combined with increased inflows in response to domestic policy developments could ease pressures on the balance of payments. However, risks from global factors, in terms of both capital movements and oil prices will persist. Given these external risks, holding down the CAD to sustainable levels will depend on durable fiscal consolidation and, in particular, switching public expenditure from subsidies to capital outlay that crowds in private investment, thus preparing the ground for a revival of growth.

(Source: Reserve Bank of India, Mid-Quarter Monetary Policy Review: September 2012)

Financial Markets:

Global spillovers and macroeconomic deterioration resulted in pressures on equity and currency markets. The sharp depreciation of the rupee during August-December 2011 contributed to the drying up of foreign equity inflows and in turn, further weakened the rupee. The sudden stop of equity financing also impacted investment financing. The impact was compounded by poor resource mobilization in the primary capital market. The stress in the financial markets was mitigated by policy measures that included infusion of rupee and dollar liquidity. As a result, call money rates largely remained within the interest rate corridor and the spikes were effectively contained. (Source – RBI's Macroeconomic and Global Developments – Third Quarter Review 2011-12)

Overview of Indian Financial Services Sector:

A financial system, which is inherently strong, functionally diverse and displays efficiency and flexibility, is critical to our national objectives of creating a market-driven, productive and competitive economy. A mature system supports higher levels of investment and promotes growth in the economy with its depth and coverage. The financial system in India comprises of financial institutions, financial markets, financial instruments and services. The Indian financial system is characterized by its two major segments - an organized sector and a traditional sector that is also known as informal credit market. Financial intermediation in the organized sector is conducted by a large number of financial institutions which business organizations are providing financial services to the community. Financial institutions whose activities may be either specialized or may overlap are further classified as banking and non-banking entities. The Reserve Bank of India (RBI) as the main regulator of credit is the apex institution in the financial system. Other important financial institutions are the commercial banks (in the public and private sector), cooperative banks, regional rural banks and development banks. Non-bank financial institutions include finance and leasing companies and other institutions like LIC, GIC, UTI, Mutual funds, Provident Funds, Post Office Banks etc. (Source – Vision 2020 for India – The Financial Sector by Planning Commission)

Indian financial markets are highly regulated with different authorities keeping an eye on every avenue of financial sub-segments viz. Stock markets, mutual funds, insurance and banking. Stock markets are regulated by Securities and Exchange Board of India (SEBI) while Insurance Regulatory and Development Authority (IRDA) keeps an eye on the insurance industry. Similarly, Reserve Bank of India (RBI) keeps a check on the Indian banking sector and Association of Mutual Funds in India (AMFI) takes care of the mutual fund segment. (Source: *ibef.org*)

Trends in Indian Securities Market in 2010-11

The securities market has essentially three categories of participants—the issuer of the securities, the investors in the securities, and the intermediaries. The issuers are the borrowers or deficit savers, who issue securities to raise funds. The investors, who are surplus savers, deploy their savings by subscribing to these securities. The intermediaries are the agents who match the needs of the users and the suppliers of funds for a commission. These intermediaries function to help both the issuers and the investors to achieve their respective goals. There are a large variety and number of intermediaries providing various services in the Indian securities market (Table 1-1). This process of mobilizing the resources is carried out under the supervision and overview of the regulators. The regulators develop fair market practices and regulate the conduct of the issuers of securities and the intermediaries. They are also in charge of protecting the interests of the investors. The regulator ensures a high service standard from the intermediaries, as well as the supply of quality securities and non-manipulated demand for them in the market.

Table 1-1: Market Participants in the Indian Securities Market

Market Participants	FY 2010	FY 2011	As on Sep 30, 2011
Securities Appellate Tribunal (SAT)	1	1	1
Regulators*	4	4	4
Depositories	2	2	2
Stock Exchanges			
With Equities Trading	19	19	19
With Debt Market Segment	2	2	2
With Derivative Trading	2	2	2
With Currency Derivatives	4	4	4
Brokers (Cash Segment) **	9,772	10,203	10,248

Market Participants	FY 2010	FY 2011	As on Sep 30, 2011
Corporate Brokers (Cash Segment)	4,197	4,774	4,833
Brokers (Equity Derivatives)	1,705	2,111	2,240
Brokers (Currency Derivatives)	1,459	2,008	2,083
Sub-brokers	75,378	83,808	79,797
FIIIs	1,713	1,722	1,745
Portfolio Managers	243	267	248
Custodians	17	17	19
Registrars to an issue & Share Transfer Agents	74	73	73
Primary Dealers	20	21	21
Merchant Bankers	164	192	192
Bankers to an Issue	48	55	56
Debenture Trustees	30	29	30
Underwriters	5	3	3
Venture Capital Funds	158	184	197
Foreign Venture Capital Investors	143	153	164
Mutual Funds	47	51	51
Collective Investment Schemes	1	1	1

* DCA, DEA, RBI, and SEBI

**Including brokers on Mangalore SE (58), HSE (303), Magadh SE (197), and SKSE (410) Source: SEBI, RBI

Note: As on October 31, 2011, there are eight standalone PDs and 13 banks authorized to undertake PD business departmentally

(Source: NSE ISMR Volume XIV 2011)

Market Segments

The securities market has two interdependent and inseparable segments, namely, the new issues (primary) market and the stock (secondary) market. The primary market provides the channel for the creation and sale of new securities, while the secondary market deals in the securities that were issued previously. The securities issued in the primary market are issued by public limited companies or by government agencies. The resources in this kind of market are mobilized either through a public issue or through a private placement route. If anybody can subscribe for the issue, it is a public issue; if the issue is made available only to a select group of people, it is known as private placement. There are two major types of issuers of securities—corporate entities, who issue mainly debt and equity instruments, and the government (central as well as state), which issues debt securities (dated securities and treasury bills). The secondary market enables participants who hold securities to adjust their holdings in response to changes in their assessment of risks and returns. Once new securities are issued in the primary market, they are traded in the stock (secondary) market. The secondary market operates through two mediums, namely, the over-the-counter (OTC) market and the exchange-traded market. The OTC markets are informal markets where trades are negotiated. Most of the trades in government securities take place in the OTC market. All the spot trades where securities are traded for immediate delivery and payment occur in the OTC market. The other option is to trade using the infrastructure provided by the stock exchanges. The exchanges in India follow a systematic settlement period. All the trades taking place over a trading cycle (day = T) are settled together after a certain time (T + 2 day). The trades executed on exchanges are cleared and settled by a clearing corporation. The clearing corporation acts as a counterparty and guarantees settlement. A variant of the secondary market is the forward market, where securities are traded for future delivery and payment. A variant of the forward market is the Futures and Options market. Presently, only two exchanges in India—the National Stock Exchange of India Ltd. (NSE) and the Bombay Stock Exchange (BSE)—provide trading in Futures and Options. (Source: NSE ISMR Volume XIV 2011)

Primary Market

The primary market enables the government as well corporates in raising the capital that is required to meet their requirements of capital expenditure and/or discharge of other obligations such as exit opportunities for venture capitalist/ PE firms. The most common primary mechanism for raising capital is an Initial Public Offer

(IPO), under which shares are offered to the public as a precursor to trading in the secondary market of an exchange. The price at which the shares are to be issued is decided with the help of the book building mechanism; in the case of oversubscription, the shares are allotted on a pro rata basis. When securities are offered exclusively to the existing shareholders of company, as opposed to the general public, it is known as Rights Issue. Another mechanism whereby a listed company can issue equity shares, as well as fully and partly convertible debentures that can be later converted into equity shares, to a Qualified Institutional Buyer (QIB) is termed as Qualified Institutional Placement. In addition to raising capital in the domestic market, companies can also issue securities in the international market through the ADR/GDR/ECB route to raise capital.

Trends

The issuers mobilize resources through public issues and private placements. The resources that are raised by corporates and the government from domestic as well as international markets are presented in Table 2-1. The total resources mobilized through corporate and government securities in 2010–2011 decreased by 15 percent compared to the figures for the previous year. The resources mobilized in 2010–2011 amounted to ₹ 8,561,863 million (US \$ 191,755 million) as against ₹ 10,083,446 million (US \$ 223,382 million) in 2009–2010.

Table 2-1: Resource Mobilization by Government and Corporate Sector

Issues	₹ mn.)			(US \$ mn.)		
	2008-09	2009-10	2010-11	2008-09	2009-10	2010-11
Corporate Securities	2,235,161	3,847,256	2,726,653	43,870	85,229	61,067
Domestic Issues	2,187,281	3,687,586	2,632,243	42,930	81,692	58,953
Public Issues	146,710	254,790	248,300	2,879	5,644	5,561
Private Placement	2,040,571	3,432,796	2,383,943	40,050	76,048	53,392
Euro Issues	47,880	159,670	94,410	940	3,537	2,114
Government Securities	4,366,880	6,236,190	5,835,210	85,709	138,152	130,688
Central Government	3,185,500	4,924,970	4,794,820	62,522	109,104	107,387
State Governments	1,181,380	1,311,220	1,040,390	23,187	29,048	23,301
Total	6,602,041	10,083,446	8,561,863	129,579	223,382	191,755

(Source: NSE ISMR Volume XIV 2011)

Corporate Securities

The primary market for corporate securities witnessed a sudden dip in 2010–2011 due to the 30.55 percent drop in capital raised through private placements. The resources raised through public issues witnessed a dip of 2.55 percent from ₹ 254,790 million (US \$ 5,644 million) in 2009–2010 to ₹ 248,300 million (US \$ 5,561 million) in 2010–2011. This accounted for a mere 2.90 percent of the total resources mobilized domestically. The resources raised by Indian corporates from the international capital market through the issuance of FCCBs, GDR, and ADR also witnessed a decrease of 40.87 percent in 2010–2011, raising ₹ 94,410 million (US \$ 2,114 million) as against ₹ 159,670 million (US \$ 3,537 million) in the previous year; this accounted for just 1.10 percent of the total resources mobilized by the government and the corporate sector.

Public and Rights Issues

The year 2010–2011 witnessed an upsurge in the primary market activity of public issues of listed companies. In 2010–2011, the resources mobilized from public and rights issues increased by 17.47 percent to ₹ 676,080 million (US \$ 15,142 million) compared to ₹ 575,552 million (US \$ 12,750 million) in 2009–2010. Resource mobilization by way of IPOs leaped to ₹ 355,590 million in 2010–2011 from ₹ 246,961 million in 2009–2010. Compared to the 76 total schemes in 2009–2010, there were 91 issues in this year (Table 2-2). Though the total number of FPOs in 2010–2011 remained flat at five, there was a drastic drop in resource mobilization, from ₹ 220,405 million in 2009–2010 to ₹ 130,950 million in 2010–2011. The share of equity public issues in the total resources mobilized witnessed a slight decrease from 81.20 percent in 2009–2010 to 71.97 percent in 2010–2011. The mobilization of resources through right issues recorded a rise in 2010–2011. It witnessed a jump from ₹ 83,186 in 2009–2010 to ₹ 95,030 in 2010–2011. By numbers, the last year witnessed only 23 companies using the rights route, compared to the previous year that had seen 29 issues.

Table 2-2: Resource Mobilization from Public and Rights Issues

	2009-10			2010-11			(Apr - Sep'11)		
	Number	Amount (₹ mn)	Amount (US \$ mn)	Number	Amount (₹ mn)	Amount (US \$ mn)	Number	Amount (₹ mn)	Amount (US \$ mn)
1. Public Issues (i) +(ii)	47	492,366	10,908	68	581,050	13,013	36	142,540	2,913
i. Public Issues	44	467,366	10,354	58	486,540	10,897	30	95,590	1,954
Public Issues (IPO)	39	246,961	5,471	53	355,590	7,964	29	49,810	1,018
Public Issues (FPO)	5	220,405	4,883	5	130,950	2,933	1	45,780	936
ii. Public Issues (Bond/NCD)	3	25,000	554	10	94,510	2,117	6	46,950	960
2. Rights Issues	29	83,186	1,843	23	95,030	2,128	10	20,880	427
Total (1+2)	76	575,552	12,750	91	676,080	15,142	46	163,420	3,340

(Source: NSE ISMR Volume XIV 2011)

Secondary Market

The secondary market is where securities are traded after being initially offered to the public in the primary market and/or being listed on the stock exchange. The stock exchanges along with a host of other intermediaries provide the necessary platform for trading in the secondary market, and also for clearing and settlement. The securities are traded, cleared, and settled within the regulatory framework prescribed by the exchanges and the SEBI. With the increased application of information technology, the trading platforms of the stock exchanges are accessible from anywhere in the country through their trading terminals. The trading platforms are also accessible through the Internet. In a geographically widespread country like India, this has significantly expanded the reach of the exchanges. The secondary market is composed of equity markets and the debt markets. The transactions in the secondary market pass through three distinct phases—trading, clearing, and settlement. While the stock exchanges provide the platform for trading, the clearing corporation determines the funds and the securities obligations of the trading members, and ensures that the trade is settled through the exchange of obligations. The clearing banks and the depositories provide the necessary interface between the custodians/clearing members for the settlement of the funds and securities obligations of the trading members. Several entities, such as the Clearing Corporation, clearing members, custodians, clearing banks, and depositories are involved in the process of clearing.

The exchanges in the country offer screen-based trading system. There were 10,203 trading members registered with SEBI at the end of March 2011. The market capitalization has grown over the period, indicating that more companies are using the trading platform of the stock exchange. The market capitalization across India was around ₹ 68,430,493 million (US \$ 1,532,598 million) at the end of March 2011. Market capitalization ratio is defined as the market capitalization of stocks divided by the GDP. It is used as a measure that denotes the importance of equity markets relative to the GDP. It is of economic significance since the market is positively correlated with the ability to mobilize capital and diversify risk. The all-India market capitalization ratio decreased to 86.89 percent in 2010–2011 from 94.2 percent in 2009–2010. The trading volumes on the stock exchanges have been witnessing phenomenal growth over the past few years. Trading volume, which peaked at ₹ 55,168,330 million (US \$ 1,222,161 million) in 2009–2010, posted a fall of 15.12 percent to ₹ 46,824,370 million (US \$ 1,048,698 million) in 2010–2011. The trading volumes had picked up from 2002–2003 onwards. It stood at ₹ 9,689,098 million (US \$ 203,981 million) in 2002–2003, and witnessed a year-on-year increase of 67.29 percent in 2003–2004, standing at ₹ 16,209,326 million (US \$ 373,573 million). The upsurge continued for the next few years, and in 2006–2007, the turnover showed an increase of 21.40 percent, reaching ₹ 29,014,715 million (US \$ 665,628 million) from ₹ 23,901,030 million (US \$ 535,777 million) in 2005–20.

(Source: NSE ISMR Volume XIV 2011)

Debt Market

The debt market in India consists of mainly two categories—the government securities or the G-Sec markets comprising central government and state government securities, and the corporate bond market. In order to finance its fiscal deficit, the government floats fixed income instruments and borrows money by issuing G-Secs that are sovereign securities issued by the Reserve Bank of India (RBI) on behalf of the Government of India. The corporate bond market (also known as the non-Gsec market) consists of financial institutions (FI) bonds, public sector units (PSU) bonds, and corporate bonds/debentures. The G-secs are the most dominant category of debt markets and form a major part of the market in terms of outstanding issues, market capitalization, and

trading value. It sets a benchmark for the rest of the market. The market for debt derivatives have not yet developed appreciably, although a market for OTC derivatives in interest rate products exists. The exchange-traded interest rate derivatives that were introduced recently are debt instruments; this market is currently small, and would gradually pick up in the years to come.

Trends

In 2010–2011, the government and the corporate sector collectively mobilized ₹ 7,851,973 million (US \$ 175,856 million) from the primary debt market, a decrease of 3.73 percent compared to the preceding year's numbers (Table 5-1). About 74.32 percent of the resources were raised by the government (the central and the state governments), while the balance was mobilized by the corporate sector through public and private placement issues. The turnover in the secondary debt market in 2010–2011 aggregated ₹ 72,274,164 million (US \$ 1,618,682 million), 14.82 percent lower than that in the previous fiscal year.

Table 5-1: Debt Market—Selected Indicators Amount raised form Turnover in Secondary

	Amount raised form Primary Market		Turnover in Secondary Market		Amount raised form Primary Market		Turnover in Secondary Market	
	(₹ mn.)		(₹ mn.)		(US \$ mn.)		(US \$ mn.)	
	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11
Government	6,236,190	5,835,210	84,337,567	70,682,541*	138,152	130,688	1,868,355	1,583,036
Corporate/Non Government	1,919,902	2,016,763	1,442,484	1,591,623	42,532	45,168	31,956	35,647
Total	8,156,092	7,851,973	85,780,050	72,274,164	180,684	175,856	1,900,311	1,618,682

* includes NDS-OM turnover

(Source: NSE ISMR Volume XIV 2011)

Overview of SME Sector in India

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. MSMEs are complementary to large industries as ancillary units and this sector contributes enormously to the socio-economic development of the country. The sector contributes significantly to manufacturing output, employment and exports of the country. In terms of value, the sector accounts for about 45 per cent of the manufacturing output and 40 per cent of total exports of the country. It is estimated to employ about 60 million persons in over 26 million units throughout the country. 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 maximum opportunities for both self-employment and wage-employment, outside agriculture sector. MSME sector contributes not only to higher rate of economic growth but also in building an inclusive and sustainable society in innumerable ways through creation of non-farm livelihood at low cost, balanced regional development, gender & social balance, environmentally sustainable development and to top it all, recession proofing of economic growth, which the sector has proven time and again .

During the first 4 years of XI Plan, MSME Sector exhibited a growth rate of 13% on an average, an impressive performance compared to most of the other sectors. (Source Report of the Working Group on MSMEs growth for 12th Five Year Plan)

Performance of MSME:

The time series data in respect of the sector on various economic parameters is given in the following Table

Year	Total MSMEs (Nos. in lakh)	Fixed Investment (₹ Crore)	Production (₹ Crore) at Current Prices	Employment (Lakh persons)	Export (₹ Crore)
2000-01	101.01	146845	261297	238.73	69797
2001-02	105.21	154349	282270	249.33	71244
2002-03	109.49	162317	314850	260.21	86013
2003-04	113.95	170219	364547	271.42	97644

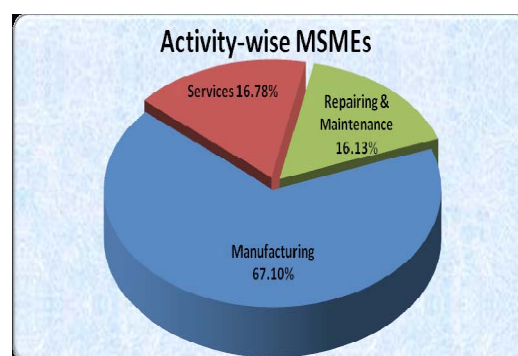
Year	Total MSMEs (Nos. in lakh)	Fixed Investment (₹ Crore)	Production (₹ Crore) at Current Prices	Employment (Lakh persons)	Export (₹ Crore)
2004-05	118.59	178699	429796	282.57	124417
2005-06	123.42	188113	497842	294.91	150242
2006-07	261.01	500758	709398	594.61	182538
2007-08	272.79	558190	790768	626.34	202017
2008-09	285.16	621753	880805	659.35	NA
2009-10	298.08	693835	982919	695.38	NA
2010-11	311.52	732.17	773487	1095758	N. A.

(Source: Ministry of MSME Annual Report 2011-12)

Size of the registered MSMEs sector

The size of the registered MSMEs sector is estimated to be 15.64 lakh. Of the total working enterprises, the proportion of micro, small and medium enterprises were 94.94%, 4.89% and 0.17% respectively. This comprises of 67.10% manufacturing enterprises and 32.90% services enterprises. About 45.23% of the enterprises were located in rural areas.

(Source: Ministry of MSME Annual Report 2011-12)



Number of Enterprises in MSMEs Sector



* Projected data for the year 2009-10 to 2010-11.

(Source: Ministry of MSME Annual Report 2011-12)

The 12th Five Year Plan focuses on the following key issues related to MSMEs.

1. Improving the availability of finance by way of facilitating access to bank credit, opening alternate routes for equity funding through angel funding, venture capital, private equity etc. as well as facilitating entry to capital markets through IPOs and specialized exchanges for SMEs.
2. Improving marketing and procurement facilities through preferential treatment for MSEs in public procurement, development of B2B portals and establishing cluster based marketing networks.
3. Improving the skill level of work force through harmonization of training programmes under the Ministry with the mission of the Prime Minister's National Council for Skill Development.
4. Improving infrastructure for the MSME sector by ensuring availability of work places, common facility centres and specialized growth centres for start ups.

5. Improving technology and innovation through continuation of National Manufacturing Competitiveness Programme (NMCP), facilitating technology transfer and creation of intellectual properties and wide spreading adoption of information and communication technologies.
6. Facilitating entry of young/first generation entrepreneurs through entrepreneurial support, access to venture/equity funding, ensuring collateral free credit, providing ready-to-move workplaces, enabling entrepreneur friendly policy environment and finally ensuring access to market.
7. Developing an institutional framework for handholding of the Micro & Small entrepreneurs to move up the value chain and facilitating global competitiveness of the small & medium enterprises.
8. Projecting Khadi as eco-friendly and heritage product and leveraging KVI sector to achieve 11% growth in khadi, 13.7% growth in V.I. production and 12% growth in the flagship scheme PMEGP.
9. Acquiring new dimensions for Coir Sector through diversification of products and market as also technological interventions to enhance quality and competitiveness so as to double the exports from present level of ₹800 crore within 5 years.

The vertical wise proposed plan allocation for 12th Five Year Plan is as follows:

Sl No.	Vertical	Projected BE for 12th Plan (₹ in cr.)
1	Credit & Finance	19450
2	Technology Upgradation	9500
3	Infrastructure Development	11360
4	Marketing & Procurement	2110
5	Skill Development & Training	3600
6	Institutional Structure	3100
7	Khadi & Village Industries Sector	14800
8	Coir Sector	870
Total		64790

(Source: Report of the Working Group on Micro, Small & Medium Enterprises (MSMEs) for 12th Five Year Plan (2012-17))

BUSINESS OVERVIEW

Finshore Management Services Ltd (FMSL) is a financial service company offering varied financial services. FMSL was incorporated in November 2011 by Mr Lakshman Srinivasan and Ms.Sireen Sadhu as a Private Limited Company. Subsequently, in April 2012 the company was converted into a Public Limited Company.

Our Company is engaged in the business of providing financial, management and other corporate advisory services to corporates with specific focus on the Small and Medium Industries. Our Company offers specialized services in the area of raising funds in the form of debt and/or equity, financial restructuring, and various other advisory services which help our clients in effectively growing their businesses.

FMSL is currently offering its services to Small and Medium Enterprises (SME) which contributes around 8% to the GDP of India. We believe that there is immense potential in tapping this bottom of the pyramid opportunity, as the momentum of India growth story percolates down. Providing quality and timely service in an efficient and proactive manner could enable us to create a sustained business niche for our services. Our services are sector agnostic and aim to create sustained business growth options for the client.

Currently, FMSL is assisting small sized companies in recalibrating their vision, business strategy and teams to reach their growth aspirations. These companies are in sectors like Dairy, Hospitality, Education and various other sectors. As on August 31, 2012 FMSL has signed 7 mandates for raising debts from banks and / or Financial Institutions, 7 mandates for Advisory Services, and 1 mandates for Restructuring Advisory. Some of these mandates mentioned are combinations of more than 1 service.

Our Business

Our Company is presently rendering services in the following areas:

i. Corporate Finance and Advisory Services –

Our Company offers financial and advisory services to micro, small and mid-corporate companies and business entities in areas of:

- **Debt Syndication**

We assist companies in preparing project reports which are acceptable to banks and further help these companies in accessing both long term and short term debts from various banks at an optimum cost. In consideration of our services, we earn a fee which is a fixed percentage of the quantum of debt arranged.

- **Mergers & Acquisition**

We provide clients with strategic and financial advice to aid them in achieving their objectives through mergers, acquisitions, takeovers, tender offers, divestments, spin-offs, restructuring, joint ventures and strategic alliances, and de-mergers. Our services encompass strategy formulation, identification of buyers or targets, valuation, negotiations and bidding, capital structuring, transaction structuring and execution. We typically earn a fee as a percentage of the value of the transaction, with the fee being dependent on the successful closing of the transactions.

- **Valuation Services**

We use a variety of business valuation methods depending on the models applicable to determine a fair price for the business. A realistic valuation after thorough analysis needs to be determined before approaching the potential investors.

- **Restructuring Advisory**

We render restructuring advisory services to companies and its stakeholders that is lenders, investors, etc. in underperforming companies and / or companies experiencing liquidity problems. We provide a strategic review of the situation and then develop and implement a tailor made strategy to help turn around business performance.

In addition to the above mentioned services, we propose to offer the following services:

- **Private Equity Advisory**

We will be assisting in arranging growth financing from private equity funds for companies in various industries.

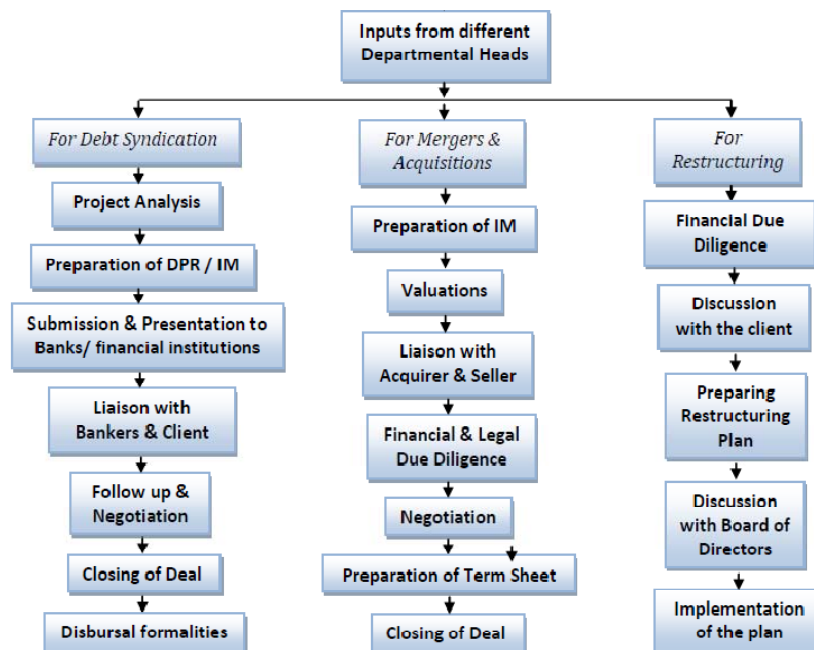
- **Business Sales & Disposals**

We will be advising on the sale process strategy after detailed analysis depending on our client’s objective. We shall assist in identifying and approaching potential buyers in a targeted manner and thereafter advise clients on the content of information to be shown to interested parties at various stages throughout the process. We undertake independent assessments of the quality of offers received taking into account price, deliverability and other agreed criteria.

- **Structured Finance**

We will be assisting in arranging a wide range of innovative structured solutions, including acquisition financing and promoter financing. Our role in these transactions would include advising, structuring and placement

The flow chart below depicts the broad activities performed by us in some of the transaction undertaken by us:



Our Company advises the clients by analyzing strategic options. Thereafter, we assist in assessing values, structuring the deals, managing the transaction process, negotiating and helping clients to secure optimal terms for closing a deal. We are associated right from analyzing the options to its structuring and funding, if warranted. The Company is involved in providing advice and structuring of acquisition finance for different types of corporate transactions including mergers and acquisitions. Advisory services are also offered to clients on the structure of new debts and refinancing of existing obligations. The clients are given assistance in reorganization of corporate structure by evaluating and analyzing their core and non-core assets. The Company also provides other services like evaluation of Joint Venture relationships and advising clients on entry and exit assessments, valuation analysis and detailed report on the same.

We provide broad range of services from transaction structuring to service advisory and possess extensive knowledge and execution capability. We advice our clientele on arranging finances through various sources of financing at competitive terms, making strategies for client for interest rate optimization and other advisory services related to debt.

Our corporate advisory business is primarily driven by the strength of our corporate relationships backed by understanding of the growth oriented mid market companies, which we leverage for origination of new assignments.

ii. Education Management Consultancy –

Our Company offers a host of Management Services to educational institutions, termed as Education Support Services. Our Education Support Services include advising the clients on the following:

- a) With regard to operation, management of Colleges so as to enhance the effectiveness and efficiencies of education delivery mechanism with a high level of professionalism and skill, which inter-alia include the following:

- **Project Planning**

Carrying out detailed survey of the location, other educational institutes in the nearby vicinity, population, accessibility and other relevant parameters. Based on the surveys conducted, assist in introduction of various academic and vocational courses from time to time.

- **Affiliation formalities**

Assist in ascertaining the pre-requisites for introduction of various courses including the affiliation procedure to meet the norms of affiliation to various institutions like AICTE, AIMA, NIFT, UGC, PTU and such other organizations and assist in complying with the same.

- **Financial Planning**

Assist in preparation of cash flow and budget covering aspects like capital expenditure, maintenance, renovation and repairs and estimate of overall income and expenditure before the commencement of each financial year for approval by the management. We further advise the Management in structuring the academic fees applicable for the education provided by the College and additional fees for providing boarding and lodging to the students.

- **Administration**

Advising in the overall administrative responsibilities of the College i.e., assisting in formulating the entire administration guidelines and policies, laying down systems and procedures for all departments, including purchasing, operating supplies, accounting, credit management, sales promotion, public relations, maintenance and personnel.

- **Promotion, branding & marketing**

Assist in planning, preparation and formulation of advertising and promotional program for the educational institute, public relations and marketing strategies.

- **Faculty Recruitment**

We assist in recruitment of the faculty and other staff for the institute, fixation of emoluments of faculty and other staff including welfare schemes within the policy guidelines as laid down.

At present, our Company provides Management Services to Vivekananda College of Empowerment (The Trust), a Public Educational, Cultural and Charitable Trust having its registered office at 14B Royd Street, Kolkata – 700016, West Bengal which currently runs the college by the name of Vivekananda College of Empowerment, situated at Premises No. 3, Barrackpore Trunk Road, Agarpara under the jurisdiction of Khardah Police Station, Post Office – Kamarhati, District North 24 Parganas, Kolkata – 700058, where business management courses like MBA, BBA along with vocational and job oriented courses like Banking & Finance, Fire and Safety, Film and Media are being offered to students. As per the Management Services Agreement executed on the First Day of December, Two Thousand and Eleven between our Company and the aforementioned Trust, our Company has been appointed as the exclusive Management Service Provider to provide Education Support Services. The commencement date of the Agreement is 01-12-2011. The scope of the Agreement as per the said Agreement as modified vide the Supplementary Agreement dated 30th August, 2012 is as under:

FMSL will designate its representative who shall have the responsibility of interacting with appropriate Departmental and Administration Heads and shall advise on the following matters:

1. Structuring the academic fees applicable for the education provided by the College.
2. Salary structure in respect of teachers, administrative staff and other personnel, based on the level of qualification experience and the work assigned to each individual.
3. Selection of teachers, staff and other personnel
4. Co-curricular activities for the students.

5. Collection and deposit of academic fees
6. Admission criteria and process
7. Administration of the College
8. Appropriate Human Resource Policies
9. Overall level of discipline in the College is maintained by the students
10. Acquisition by the Trust and the College of all furniture, laboratory equipment, sports equipment, etc. as may be required.
11. Payment of utility bills, Taxes and all other outgoings in connection with the administration and running of the College and the maintenance of the College's Properties.
12. Branding the College and Promoting it.
13. Regulatory and other approvals and licenses as may be required for the administration and running of the College and the maintenance of the College's property etc.
14. Day-to-day maintenance of the College Premises
15. College's supplies, canteen facilities etc; and
16. Entering into appropriate contracts for the aforesaid purposes.

In terms of the agreement, the role of FMSL would be confined to advising the Institution in respect of all the matters specified in the Agreement entered between the parties and FMSL shall not get at any point of time in day to day operations.

In consideration of the services to be provided, the Company draws an Annual Services Consideration of fixed compensation of 10% (Ten Percent) of the Annual Gross Revenues of the particular Academic Year. In addition to the Annual Services Consideration, the Company also will be paid Fixed Monthly Service Consideration, to be paid by the 7th day of the month following the month for which services have been provided in the following manner:-

- 1st year – ₹ 1, 50,000 per month
- 2nd year – ₹ 2, 00,000 per month
- 3rd year – ₹ 2, 50,000 per month
- 4th year – ₹ 2, 50,000 per month
- 5th year – ₹ 2, 50,000 per month

The Agreement is valid for a period of 5 years Effective December 01, 2011. Further, the Agreement provides that in the event The Trust going forward is desirous of entering into an agreement for services which are similar to the Education Support Services being provided by us in terms of this Agreement, in respect of any other College or educational institution, it shall provide our Company a right of first refusal to provide the Education Support Services on such terms and condition as maybe mutually agreed upon.

iii. Hotel Management Consultancy –

The Company would provide Hotel Management Consultancy in areas of:

- **Project Planning and Implementation**
Assist the client in conceptual planning and overall development of the Hotel Project as mandated to us. Our team in consultation with the client will evolve the business plan suitable to the Project and review the implementation of the business in conjunction with the client to ensure timely completion to avoid cost and time overrun.
- **Financial Planning**
Assist in preparation of cash flows and budget covering overall operations including capital expenditure, Rooms, Food & Beverages, Housekeeping, Banquets etc. We would also render advice on laying down the policies on Human Resources, Credit Sales, Promotions for the hotel.

- **Administration**
Assist and advise on laying down systems and procedures for all departments, including purchasing, operating supplies, accounting, credit management, sales promotion, public relations, engineering and maintenance, personnel, etc.
- **Promotion, branding & marketing**
Advise on planning, preparation and execution of advertising and promotional program for the Hotel, public relations and marketing strategies. We would also assist in tie-ups with electronic & print media and other activities for promotion and branding of the hotel.
- **Human Resource Management.**
Advise on laying down policies on recruitment, training and assignment of duties of all personnel, fixation of emoluments including fringe benefits and welfare schemes within the laid down policy guidelines and formulation and administration of personnel policies

At present, our Company has entered into a Management Agreement with Eris Hotel & Resorts Private Limited vide which we have been appointed as the Operator to manage and supervise the operation and management of the Hotel being the sole provider of management services to Eris Hotel & Resorts Private Limited with respect to its Hotel property located at Kurseong subject to the Terms and Conditions set forth in the Agreement. The Agreement was scheduled to be effective from First day of September, 2012 and valid for a period of five years. However, owing to organizational issues, the client has put the execution of the same on hold till further notice. We are optimistic that the said agreement shall become operational soon.

SWOT Analysis of our Company

Competitive Strengths

We believe that the following are our competitive strengths which shall be driving our growth.

Integrated business model

We intend to operate as one stop shop providing various financial services to our clientele. Our integrated service platform would allow us to leverage relationships across lines of business and industry and product knowledge, by providing multi-channel delivery systems to our client base, thereby increasing our ability to cross-sell our services.

Wide range of services in the Financial Domain

Our Company offers a range of services in the Financial Domain ranging from accounts advisory on one hand to Mergers and Acquisitions advisory on the other. Going forward we intend to increase the scope of our services by offering a wider range of services to enable us to cater to majority of financial advisory need of a Company, thereby positioning us in an advantageous position vis-à-vis competition, especially for the Small and Medium enterprises.

Existing Corporate Relationships

We believe that continued focus on nurturing long-term relationships with companies and servicing these companies through the course of their development, by providing ongoing and innovative solutions has enabled us and would continue to enable us to establish lasting relationships with these clients, thereby leading to repeat business. We intend to focus on SMEs and serve these companies throughout the course of their growth. These SMEs would gradually evolve into larger enterprises thereby enabling us offer them a larger bouquet of services including complex structured products viz. mergers and acquisitions (including cross border), international fund raising etc. We believe that these relationships would provide us with an edge in sourcing and executing more deals for a growing clientele.

Diversified range of services for de-risking of business

In addition to the Financial Advisory Services, we offer Education Support Services and going forward would offer Hotel Management Services. As a result, we would not depend on any particular business segment for generating revenues thereby having a de-risked business model.

Experience and vision of our key Promoter

Our key promoter Mr. Lakshman Srinivasan has been in the field of Corporate Finance, Investment Banking and Management for a long time and is responsible for providing leadership to our business. He is also actively involved in the day to day activities of our Company and his experience in the financial field enables our team

to understand the knitty-gritty of the business and suggest a tailor made solution to the client. We believe that his professional acumen will have a positive impact in driving our business and consequently our financial performance.

Scalable Business Model

Our business thrives on the in depth knowledge of the subject, as well as, relationships and is not capital intensive. The ever evolving developments in the financial markets from time to time in terms of structuring etc provides us an opportunity to capitalise on it by gaining domain knowledge & expertise on the new products on the horizon. We believe we can encash on the opportunity and scale up our operations. With an increase in referrals from our existing clients coupled with increased marketing outreach, we can look forward to cater to a diversified client base, both in terms of business diversity as well as geographical diversity.

Experienced and efficient service delivery team

Our service delivery team comprises of experienced personnel who are adept at providing tailor made financial solutions for the Company. We believe that employing and retaining professionals with the desired qualifications and experience will enable us to capitalise on their collective expertise in understanding the business and ensuring the growth.

Client Satisfaction

We believe that the quality of services rendered is of paramount importance in all the business segments we operate in. Therefore, we constantly strive to maintain a consistent quality in the services we render resulting in client satisfaction.

Weakness

Financial Constraints:

To achieve aggressive growth in business, infrastructure needs to be ramped up and upgraded at regular intervals. Setting up the same along with up gradation thereof entails expenditure. We are unable to expand aggressively due to financial constraints.

In nascent stage

Our Company is in its initial stages. As such we are yet to develop a brand identity of our own. It will take considerable time to develop the brand identity that is needed to sustain and grow in the long term in the financial services industry.

Competition with bigger and more established players

We compete against bigger and more established players who may have advantage over us in terms of greater financial resources, longer operating history and great brand recognition.

Opportunities

Growth in financial services

Growth in Indian Economy will have the percolating effect on the country's financial services sector which is expected to witness strong growth in the coming years. The growth in the Indian Economy would increase the economic activity both in the industrial and service sector. Growth would primarily be driven by rising personal incomes, corporate restructuring, financial sector liberalization and the growth of a more consumer-oriented, credit-oriented culture.

Need for cost effective financial solutions to the MSME Sector

MSME sector has been amongst the key drivers for the industrial development and will continue to be so. The role of MSME sector in the growth of the economy cannot be undermined. The Government of India too has recognized the contribution of this sector and is giving all possible encouragement to provide impetus to its growth. Majority of businesses in the MSME space cannot afford the services of large Management Consulting Firms, leaving ample room for the smaller domestic players like us to bridge the supply gap, by providing a viable value proposition in terms of service and fees.

Threats

Downturn in the economy is likely to hamper the growth in credit off take

Downturn in the economic activities for a longer duration would slow down the projected growth as the companies would put on hold their expansion plans. Our business is highly dependent on our clients' ability to

cope with the general economic conditions prevailing in the country and outside. Any changes in the economic condition which might impact our clients' / target clients' business is likely to have a material adverse effect on our business as well.

Significant regulatory changes might affect our revenue streams

Significant regulatory changes affecting our clients would adversely impact their ability to pursue fund raising activities which will have an impact on our operations. Similarly, some of the activities carried out/proposed to be carried out by our company would be regulated by SEBI, IRDA, RBI and other regulatory authorities and require prior registration in some of the cases. The operations are regulated and are subject to periodic review/inspection from regulatory agencies. Any significant changes in the regulatory environment may affect the revenues and profitability of the Company.

Existing players and possible new entrants may augment their client outreach thereby increasing competition

Since we are in the Services segment of the economy which does not have any major barriers to entry, new entrants into the segment may engage in price war to win away our present clients. At the same time, existing competition may also augment their service outreach and win away our present clients. In either case, our revenues and profitability is likely to be affected.

Growth Strategy

We intend to continue to build a diversified business platform by identifying business opportunities with strong long term prospects for growth and profitability and offering products and services across a broad spectrum of financial services. We believe that this will enable us to maintain growth and profitability notwithstanding market cycles by limiting our dependence on any particular line of business.

Our Company's growth has largely been driven by our existing mandate based business model, scale of operations, quality of our services and focus on building a strong relationship with financial institutions. We intend to capitalize on these strengths and other business initiatives as detailed hereunder to drive our business growth to be among the leading financial services provider. The key elements of our strategy are described below:

Focus on Small and Medium Enterprises (SME)

We cater to the financial needs of the SME clients. We believe that SME segment needs much more attention and professional support than large enterprises. Our focus is to partner in the growth of a company from an SME to a large corporate over a period of time backed with business performance.

Differentiating our Services

We would enable customers with an experience of strategic propelling of their business by providing customized and value-added services. We intend to meet the customers need in the most effective and efficient way by reaching out to their underlying needs and declogging their business perspectives. We achieve this by blending creativity and service at a reasonable cost vis-à-vis their growth aspirations.

Brand "FINSHORE"

We propose to increase the brand recognition vis-à-vis competition through various brand building efforts, communication and various promotional initiatives. The same would enhance the visibility of our brand and enhance our position and image in the industry.

Setting up offices at strategic locations

We plan to expand the operations of our Company into smaller cities and towns that we believe are under-served by financial services companies or where we believe we can develop our business. In the first phase of this expansion, we will expand our presence in eastern India.

In the second phase, we will expand our presence in northern and western India. As we do not have any operations in these regions, we believe that these regions offer opportunities for growth and expansion. We propose to expand by increasing the network of our channel partners. We also propose to continue our expansion in eastern India. We may also consider, from time to time, growth opportunities through the inorganic route. Whilst we propose to offer our range of products and services across our businesses through our expanded network, we also promote membership to our 'Finshore Club' in the coming years

As mentioned above the Company proposes setting up offices in strategic locations with huge market potential and targeted high value client base to carry its operations. In the first instance, such offices shall be set up cities

like Asansol, Ranchi, Patna, Bhubaneswar, Siliguri, Jamshedpur, Guwahati, Balasore, and Raipur. We believe that our proposed expansion complemented by our client-focused relationship management, will allow us to increase our client base and help us increase our market share.

Strengthen and continue to develop client relationships

We would continue to focus on nurturing long-term relationships with our corporate, institutional and high net-worth individual clients with an intent to increase our client base. In the case of our corporate clients, we focus on middle market companies and serving these companies throughout the course of their growth. We believe that this focus will enable us to form strong relationships with these corporate clients. In the case of institutional and high net-worth individual clients, we focus on client coverage and providing ongoing and innovative solutions. We believe that such focus would enable us to form strong relationships with these clients. We believe that these relationships provide us and will continue to provide us with an advantage in attracting deal flow and securing transactions and enable us to offer our clients diversified products and services and increase our revenues. Further, we expect the growth of small and medium enterprises to provide us an opportunity to offer our services to this class of clients.

Multi Product Portfolio

We continuously endeavour new initiatives to broad base our services portfolio. We intend to aggressively pursue new initiative to develop range of services which would help us foray into new areas and open newer business opportunities, besides ensuring control over the operational cost and effective check on the quality of our services. We intend to continue to grow our business from existing clientele by enhancing our existing relationships and increasing the scope of engagements with our clients by expanding the range of services being offered to them. Our capability to provide an enhanced range of services would enable us to deepen our relationships with the existing clients through cross selling opportunities, as they arise.

Business model based on multiple Revenue Stream

We have different lines of business activities which lead to different revenue stream. We intend to aggressively pursue opportunities emanating from other lines of services and increasing their share in the overall revenue of our company, thus de-risking our business model.

Finshore Club

To enhance our visibility and as a brand building exercise, the Board of Directors of our company decided to introduce the concept of “Finshore Club”.

The following services are proposed to be offered through the Finshore Club:

1. Financial Planning Advisory Services
2. Tax Planning Advisory Services
3. Advisory services regarding investment in fixed return generating instruments
4. Access to online Research Reports on stock and commodities which will include market information, market trends, and sector wise analysis on various companies
5. Online portal to offer various planners for the benefit of our members
6. PAN card processing, TAN Processing, Service Tax Processing, VAT application and other RoC Services
7. Advisory services on home loans, business loan
8. Advice for making informed decision regarding investment in IPO
9. Soft Skills Training for members.

Business Process

Standardization of business process is a pre-requisite to ensure the rapid implementation of processes, to meet Speed-to-Market, Service Quality and Compliance Requirements. Standardization of processes becomes more important. We follow an integrated business process flow allowing us to define our processes and systems in such a way that we are able to meet the customer requirement with a low turnaround times.

- Identification of Industry with growth potential
- Source assignment through network and business channels

- Work on the valuation
- Sign Mandate with client
- Preparation of Document
- Obtaining regulatory approvals, if required
- Initial pitch to potential investors for valuation cross confirmations
- Soliciting Final Investments
- Completing post investment formalities with regulatory agencies and the clients

Sourcing

- Direct Client Acquisitions
- Through Referrals
- Walk in

Execution

Success in financial services business lies in the quality of service and responsiveness to change. All these characteristics can only be achieved if one can have a proper execution model. Therefore, process execution is the most important part of the process. Please refer to section titled “Business Process” as explained above that cites our execution process.

Mandate book Size as on August 31, 2012

Our Company has fund raising mandates amounting to approximately ₹ 500 cr. as on August 31, 2012. The mandates in our mandate book are subject to cancellation and modification provisions contained in mandates and other relevant documentation.

Marketing and the Proposed Marketing Setup

The Marketing Team of the Company comprises of sales personnel and telecallers. The telecallers contact MSMEs from their database over the phone and the sales personnel visit various corporate houses to procure new clients. The existing customers also provide leads to new clients. After discussion with the client about their requirements, a mandate is signed.

Client acquisition is also done through a network of advisors, consultants and professionals. On successful closing of a deal, the satisfied clients also provide references of their businesses associates and friends.



Our Company proposes to strengthen the marketing set up and invest in service delivery network. Our management is in the process of finalising marketing strategies to be pursued going forward as well as strengthening our marketing set up. Our marketing efforts are directed:

- To create market awareness for our Company’s services in the domestic market;
- To advertise and promote through sponsorships, direct marketing and communicate to the corporates.

To increase our portfolio of customers, we identify the prospective clients, understand their requirements, explain them our services and value addition we can offer.

We strictly adhere to the expectations of the customers and at times take inputs from them which help us in improving our service quality and thus enable us to match up to their expected standards.

Competition

We face significant competition from players in the organised as well as in the unorganised sector, consultancy firms, investment banks, and public and private sector commercial banks operating in the markets in which we operate. In recent years, international banks have also entered these markets. Some of these firms have greater resources, a longer operating history (than in case of our business) and / or a more widely recognised brand than us, which may give them a competitive advantage. Our ability to grow our revenues will depend on demand for our products and services in preference to those of our competitors. We can always differentiate ourselves favourably from our competitors only on our unique customer segmentation, product capabilities and our service conditions to clients.

Some of our competitors include Sumedha Financial Services, Microsec, VC Corporate Advisors, Muthoot Finance etc to name a few.

Collaborations

We have not entered into any collaboration as on date.

Human Resources

As on August 31st, 2012, our Company has 9 permanent employees:

Sr. No	Particulars	No. of Employees
1.	Whole Time Directors	2
2.	Company Secretary	1
3.	Departmental Head	1
4.	Managers	4
5.	Office Assistants	1

Our Company has not experienced any strike or go slow since inception. We do not have any Unions.

The manpower requirement for the proposed offices at Siliguri, Jalpaiguri, Durgapur, Asansol, Patna, Ranchi, Siliguri will be approximately 50 people. We intend to recruit them locally.

Intellectual Property

We have intellectual property rights that we seek to protect to the fullest extent practicable. We believe that we are not dependent on any of our intellectual property rights individually, although, they may collectively be of material significance to our business.

We have applied for registration of the logo of our Company under Class 35 for advertising, business management, business administration and office function. For details of registration of our logo and other details, please refer chapter titled “Government And Other Approvals” beginning on page 135of this Draft Prospectus.

Our Properties

We operate our businesses from leased and rental properties. Our registered office is also located on leased property.

The following table sets forth our immovable and leasehold properties as on the date of the Draft Prospectus.

Immovable Properties

A. Agreement for Sale for Property at “Anandalok”

By an Agreement executed on 17th August, 2011 M/s. T’Classic Darjeeling Private Limited, the Owner agreed to sell a unit being an office space comprising an area of 2083 Sq.ft. at the middle portion of the Second Floor of the South – East Block situated in the building “Anandalok” at Premises No. 227, A. J. C. Bose Road (formerly known as 227, Lower Circular Road), in Division 6, Sub- division ‘O’ Holding No. 3 in Mouza - Chakraberia of the town of Kolkata to M/s. Finshore Corporate Advisory Services Private Limited at or for a total consideration of ₹ 1,60,00,000/-.

Subsequently by an Agreement for Nomination executed on 1st March, 2012, M/s. Finshore Corporate Advisory Services Private Limited irrevocably nominated M/s Finshore Management Services Limited to acquire the aforesaid office space in the building “Anandalok” in its place. M/s. Finshore Corporate

Advisory Services Private Limited intimated M/s. T'Classic Darjeeling Private Limited about the said nomination on 02.03.2012. The Company by virtue of this Nomination Agreement shall be entitled to obtain possession of the aforesaid property and have the Deed of Conveyance executed and registered directly in its favour from the Owner and the Nominator shall have no objection to the same. In terms of the Nomination Agreement, M/s Finshore Management Services Limited repaid the earnest money to M/s. Finshore Corporate Advisory Services Private Limited, which it had paid at the time of entering into the Agreement for Sale. Since March 03,2012 our Company has paid part consideration amounting to ₹1,00,00,000/- to the Owner, M/s. T'Classic Darjeeling Private Limited.

By a letter dated 27.03.2012 our Company requested the Owner to extend the validity of the original Agreement for Sale to 31st October, 2012 which the Owner has agreed to and confirmed receipt of part consideration for a sum of ₹1,00,00,000/-. In terms of the said letter by the Owner, the letter should be treated as a part of the original Agreement for Sale.

As on date, our company does not have the ownership / title rights of the aforesaid property.

B. Details of Property taken on Rent by the Company

Sr. No	Purpose of Lease	Details of Property	Document executed	Name of Lessor	Valid up to
1	Registered Office	Office premises of area approximately 1200 square feet (super built up area) situated at Unit No. 505, 5 th Floor, 4/1 Middleton Street, Kolkata 700071	Deed of License dated 20 th March, 2012	M/s Greenol Laboratories Pvt. Ltd.*	31-12-2012
2	Office in Durgapur	Ground floor measuring about 150 square feet (approx) of the building situated at Plot No 3601, Behind Durgapur Cinema Hall opposite Bengal Ambuja Township, City Centre, Mouza Faridpur, Dugapur Municipal Corporation, Durgapur 713 216	Agreement dated 1 st day of August, 2012	Mrs. Meena Chattaraj	30 th June, 2013

* Our Managing Director is one of the Directors of this Company.

Major Clientele

Our major clients include:

1. Sree Metaliks Limited
2. Wellman Carbo Metalicks India Limited
3. Shree Lakshmi Cotsyn
4. Tannex Power Generation Limited
5. Makaibari Tea & Trading Co Private Limited
6. Bengal D C Paul Housing Limited
7. Paulson Hotel & Resorts Private Limited
8. Euro Advance Building Technology System Private Limited
9. Freedom Gases Limited
10. Dhanoa Food & Hospitality Private Limited
11. Vivekananda College of Empowerment
12. Suraksha Industries India Limited
13. Eris Dairy and Food Products Limited
14. Subh Commodities Pvt. Ltd.

15. Meghna Group

16. Ashokenagar Kalyangarh Educational & Research Society

Insurance

Our company currently does not maintain any insurance cover on its assets like electronic equipments, computers, server, printers etc as well as on furniture and fixtures. In the absence of any insurance policy, our company is exposed to risk of loss or damage to its property arising from various perils.

KEY INDUSTRY REGULATIONS AND POLICIES

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

INDUSTRIAL LAWS

1. The Minimum Wages Act, 1948 ("Minimum Wages Act")

Minimum Wages Act was enacted to provide for minimum wages in certain employments. Under this Act, the Central and the State Governments are the authorities to stipulate the scheduled employment and to fix minimum wages. The Act contains list of Agricultural and Non Agricultural employment where the prescribed minimum rate of wages is to be paid to the workers. The minimum wages are calculated and fixed based on the basic requirement of food, clothing, housing required by an average Indian adult. All the employees of the Company are paid salary much above the minimum wages. The minimum gross salary drawn by any one employee is ₹ 12,000 /- per month.

2. The Workmen Compensation Act, 1923

The Workmen Compensation Act, 1923 ("WCA") has been enacted with the objective of providing for the payment of compensation to workmen by employers for injuries by accident arising out of and in the course of employment, and for occupational diseases resulting in death or disablement. The WCA makes every employer liable to pay compensation in accordance with the WCA if a personal injury/disablement/loss of life is caused to a workman (including those employed through a contractor) by accident arising out of and in the course of his employment.

In case the employer fails to pay compensation due under the WCA within one month from the date it falls due, the commissioner appointed under the WCA may direct the employer to pay the compensation amount along with interest and may also impose a penalty.

3. Payment of Gratuity Act, 1972

The provisions of the Act are applicable on all the establishments in which ten or more employees were employed on any day of the preceding twelve months and as notified by the government from time to time. The Act provides that within 30 days of opening of the establishment, it has to notify the controlling authority in Form A thereafter whenever there is any change in the name, address or in the change in the nature of the business of the establishment a notice in Form B has to be filed with authority. Further, every employer has to obtain insurance for his liability towards gratuity payment to be made under payment of Gratuity Act 1972, with Life Insurance Corporation or any other approved insurance fund. This Act is not applicable to this Company as yet, since, the number of employees employed in the Company is less than ten.

4. Payment of Bonus Act, 1965

The Payment of Bonus Act, 1965 is applicable on every establishment employing 20 or more employees. The said act provides for payment of the minimum bonus to the employees specified under the Act. It further requires for the maintenance of certain books and registers and submission of Annual Return within 30 days of payment of the bonus to the Inspector. This Act is not applicable to this Company as yet, since, the number of employees employed in the Company is less than twenty.

5. Employees' Provident Funds and Miscellaneous Provisions Act, 1952

This act was introduced with the object to institute provident fund for the benefit of employees in factories and other establishments. It empowers the Central Government to frame the "Employee's Provident Fund Scheme", "Employee's Deposit linked Insurance Scheme" and the "Employees' Family Pension Scheme" for the establishment of provident funds under the EPFA for the employees. It also prescribes that contributions to the provident fund are to be made by the employer and the employee. This Act is not applicable to this Company as yet, since, the number of employees employed in the Company is less than ten.

6. Industrial Disputes Act, 1947

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

7. West Bengal Shops and Establishments Act, 1963

The Act has provisions for compulsory registration of all Shops & Establishments, issuance of appointment letters to the employees, regular payment of wages to the employees along with statutory leave, holidays, and specific working hours, prescribed opening and closing hours of the Shops & Establishments, and recovery of unpaid or illegally deducted wages.

8. Employees State Insurance Act, 1948

The Employees State Insurance Act, 1948 ("ESIA") aims to provide benefits for employees or their beneficiaries in case of sickness, maternity, disablement and employment injury and to make provision for the same. It applies to, inter alia, seasonal power using factories employing ten or more persons and non-power using factories employing 20 or more persons. Every factory or establishment to which the ESIA applies is required to be registered in the manner prescribed in the ESIA. In respect of such employees, both the employer and the employee must make certain contributions to the Employee State Insurance Corporation. This Act is not applicable to this Company as yet, since, the number of employees employed in the Company is less than ten.

9. Payment of Wages Act 1936

The Payment of Wages Act 1936 ("PWA") makes provisions regarding the date by which wages are to be paid, when it will be paid and what deductions can be made from the wages of the workers.

TAX RELATED LEGISLATIONS

1. Income Tax Act, 1961

Income Tax Act, 1961 is applicable to every Domestic /Foreign Company whose income is taxable under the provisions of this Act or Rules made there under depending upon its "Residential Status" and "Type of Income" involved. U/s 139(1) every Company is required to file its Income tax Return for every Previous Year by 30th September of the Assessment Year .Other compliances like those relating to Tax Deduction at Source, Fringe Benefit Tax, Advance Tax, Minimum Alternative Tax and like are also required to be complied by every Company.

2. Service Tax

Service tax is charged on taxable services as defined in Chapter V of Finance Act, 1994, which requires a service provider of taxable services to collect service tax from a service recipient and pay such tax to the Government. In accordance with Rule 6 of Service tax Rules the assessee is required to pay Service tax in TR 6 challan by fifth of the month immediately following the month to which it relates. Further under Rule 7 (1) of Service Tax Rules, the company is required to file a half yearly return in Form ST 3 by twenty fifth of the month immediately following the half year to which the return relates.

INTELLECTUAL PROPERTY RIGHTS

Intellectual Property in India enjoys protection under both common law and statute. Under statute, India provides for the protection of patent protection under the Patents Act, 1970, copyright protection under the Copyright Act, 1957 and trademark protection under the Trade Marks Act, 1999. The above enactments provide for protection of intellectual property by imposing civil and criminal liability for infringement.

REGULATIONS REGARDING FOREIGN INVESTMENT

Foreign investment in India is governed primarily by the provisions of the FEMA, and the rules, regulations and notifications hereunder, as issued by the Reserve Bank of India from time to time, and the policy prescribed by the Department of Industrial Policy and Promotion, which provides for whether or not approval of the FIPB is required for activities to be carried out by foreigners in India. The RBI, in exercise of its power under the FEMA, has notified the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 ("FEMA Regulations") to prohibit, restrict or regulate transfer by or issue security to a person resident outside India. As laid down by the FEMA Regulations, no prior consents and approvals are required from the RBI, for Foreign Direct Investment ("FDI") under the automatic route within the specified sectoral caps. In respect of all industries not specified as FDI under the automatic route, and in respect of investment in excess of the specified sectoral limits under the automatic route, approval may be required from the FIPB and/or the RBI.

The DIPP had issued Circular 1 of 2010 which with effect from April 1, 2010, consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DIPP that were in force and effect as of March 31, 2010. The GoI propose to update the consolidated circular on FDI policy once every six months and therefore, Circular 1 of 2010 expired on September 30, 2010 the next Circular 2 of 2010 (effective from

01/10/2010) released by DIPP also expired on March 31, 2011. Further, Circular 1 of 2011 (effective from April 1, 2011) has also expired on September 30, 2011. Now, Circular 2 of 2011 has been released by the DIPP, which is effective from October 01, 2011.

As per DIPP Circular 2 of 2011, clause 6.2.5.1., there is no restriction in FDI in manufacturing sector i.e. 100% FDI is permitted under automatic route, except in respect of Companies manufacturing items reserved for small and medium enterprises. The company is not manufacturing any of those 20 items reserved for MSEs as per Gazette Notification issued by Development Commissioner (MSME), Ministry of Micro, Small & Medium Enterprises on July 30, 2010. As per clause 6.2 of the said circular in sectors/activities not listed therein, FDI is permitted upto 100% on the Automatic Route. Accordingly 100% FDI is allowed under automatic route in the Power Sector with the exception of investment in Atomic Energy which is not open to private sector investment.

Investment by Qualified Foreign Investors (“QFIs”)

RBI has vide its circular number A.P.(DIR Series) circular No. 66 dated January 13, 2012 allowed QFIs to purchase on repatriation basis equity shares of Indian companies subject to the following conditions:

- **Eligible instruments and transactions:** QFIs shall be allowed to invest through SEBI registered Qualified Depository Participant (DP) in equity shares of listed companies as well such companies whose shares are offered to public.
- **Mode of payment:** The DP will maintain a separate single rupee pool account with an AD Category –I bank in India, in which the sale proceeds of equity shares will be received. Dividend payments to QFIs could either be received in this single rupee pool account or directly in the designated overseas bank account.
- **Demat accounts:** QFIs would be allowed to open a dedicated demat account with a DP in India. However, opening a bank account in India is not allowed.
- **Limits:** The individual and aggregate investment limit for QFIs are 5% and 10% respectively of the paid up capital of Indian company. These limits are over and above the FII and NRI investment ceilings prescribed under the PIS route for foreign investment in India.
- **Eligibility:** Only QFIs from jurisdiction which is compliant with Financial Action Task Force (FATF) standards and that is a signatory to International Organization of Securities Commission's (IOSCO's) Multilateral Memorandum of Understanding (MMOU).
- **KYC:** DP will ensure the KYC of QFI as per SEBI KYC norms.
- **Permissible currencies:** QFIs shall remit money through normal banking channel in any permitted currency (freely convertible) directly to the single rupee pool bank account of the DP maintained with a designated AD category - I bank. Upon receipt of instructions from QFI, DP shall carry out the transactions (purchase/sale of equity).
- **Pricing:** As per SEBI Regulation.
- **Reporting:** DP will ensure reporting to RBI, in the prescribed manner.

SEBI has issued the circular bearing reference number CIR / IMD/FII&C/3/2012 dated 13 January 2012 allowing QFIs to invest in equity shares of listed Indian companies and in equity shares offered to public. The circular sets out the eligible transactions for QFIs, the requirements for becoming a qualified depository participant, provisions relating to account opening and manner of operation by QFI, investment restrictions and monitoring of investment limits, process flow – purchase, sale, dividend etc.

HISTORY AND OTHER CORPORATE MATTERS

Brief history of the Company

Our Company was originally incorporated with the Registrar of Companies, West Bengal on November 14, 2011 as Finshore Management Services Private Limited. Pursuant to a resolution passed at an Extra Ordinary General Meeting of our shareholders held on March 20, 2012, our Company was converted into Public Limited Company and the name was changed to Finshore Management Services Limited. A Fresh Certificate of Incorporation consequent to such change of name was issued by the Registrar of Companies, West Bengal dated April 18, 2012. Our Company has been allocated Corporate Identification Number U74900WB2011PLC169377.

The promoters of our Company are Mr. Lakshman Srinivasan and Ms. Sireen Sadhu.

Our Company is engaged in the business of providing financial, management and other corporate advisory services to corporates with specific focus on the Small and Medium Industries. Finshore offers specialized services in the area of raising funds in the form of debt and/or equity, financial restructuring, and various other advisory services which help our clients in effectively growing their businesses. For details of the business being carried out by our Company please refer to the section titled "Business Overview" beginning on page 68 of this Prospectus.

Changes in the Registered Office of the Company

The Registered Office of our Company is situated Sikkim House, 5th Floor, Room No. 505, 4/1, Middleton Street, Kolkata 700 071. The changes in the registered office of our Company since inception are as follows:

Date of Change	Change from	Changed to	Reason for change
March 18, 2012	225, N.S.C. Bose Road Tolly Apartment, Block B, Flat No. 304 Kolkata – 700 047 West Bengal, India	Sikkim House, 5th Floor, Room No. 505, 4/1, Middleton Street, Kolkata 700 071	Administrative Convenience

Except as mentioned above, there has not been any change in our Registered Office since inception till date of this Draft Prospectus.

Capital raising (Debt / Equity)

For details of the equity capital raising of our Company, please refer to the section titled "Capital Structure" on page 31 of this Draft Prospectus.

Our Company has not availed by any debt nor issued any capital in the form of equity or debt save as disclosed in "Capital Structure" beginning on page 31 of the Draft Prospectus.

For details on the activities being pursued by the Company, please refer to the Chapter titled "Business Overview", "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on page 68 and 127 of this Draft Prospectus.

Main objects of the Company

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

1. To carry on the business of the portfolio management, portfolio manager, portfolio Advisory Services, Corporate Advisory Services including Wealth Management Services and rendering such other services which can be provided by Portfolio Manager or Portfolio Management Company, Underwriter, Issue Management in accordance with the Securities and Exchange Board of India (SEBI) Rules and Regulations and such other applicable regulations and laws as may be in force from time to time and to do all such activities and deeds which can be taken up in any one or more of the above capacities.
2. To establish and carry on the business of Investment Banking, Merchant Banking, Corporate Finance, Mergers & Acquisition, Portfolio Management and Other Financial and Advisory Service activities and to provide Custodial and Depository Services for all kind of Securities.
3. To provide Education Management Consultancy, Hotel Management Consultancy, Financial Consultancy Services, Investment Advisory Services, Research Activities on the internet or otherwise, provide Financial Consultancy in the area of Personal or Corporate Finance.
4. To carry out the business of Mutual Fund Distribution, IPO Marketing, Global Advisory Services, Equity or Debt instrument Research or any other activities related to Debt and/or Equity Instruments.

5. To carry out all activities related to initiatives taken in the area of Art business including Advisory, Marketing and Distribution and Promotional activities. It would include activities such as providing services related to Valuations, Authentications, Collection setting up and running Art running Galleries, Auctions, Procurement and Disposal of Artworks. To participate in Art fairs and events locally as well as internationally.
6. To acquire and hold one or more memberships in stocks/security exchanges, trade associations, commodity exchange, clearing houses or association or otherwise in India or any part of the world, to secure membership privileges there from and to acquire and hold membership in any association of banker, merchant bankers, insurance companies, brokers, security dealers or commodity dealers or any other association, membership of which will or is likely in any way to facilitate the conduct of the Company's business
7. Proprietary investments into artworks
8. To carry out Advisory and Marketing of structured products.

Changes in the Memorandum of Association of the Company

The following changes have been made to the Memorandum of Association of the Company since its Incorporation:

Date of Shareholders Approval	Nature of Change
5 th December, 2011	Change in Objects Clause: Replacement of Main Objects of the Company in Memorandum of Association with 8 new Object clauses Change in Capital Clause: Increase in Authorized Capital from ₹ 500000 divided into 50000 shares of ₹ 10/- each to ₹ 25000000 divided into 2500000 shares of ₹ 10/- each.
20 th March , 2012	Change in Name Clause: The company was converted from a Private Limited Company to a Public Limited Company. Change in Capital Clause: Increase in Authorized Capital from ₹ 25000000 divided into 2500000 shares of ₹ 10/- each to ₹ 40000000 divided into 4000000 shares of ₹ 10/- each.

Key events and milestones of Our Company

Year	Milestone
November, 2011	Incorporation as “ Finshore Management Services Private Limited”
December, 2011	Entered into a Management Agreement with Vivekananda College of Empowerment for management of college at Agarpara, Kolkata.
April, 2012	Conversion of the Company into a Public Limited Company
May, 2012	Entered into a Management Agreement with Eris Hotel and & Resorts Pvt. Ltd. for management of its proposed Hotel at Kurseong, Darjeeling.
July, 2012	Launched the concept of “Finshore Club” for providing advisory and tax planning services to its members.

Shareholders agreement

There are no shareholders' agreements currently subsisting where the Company is a party.

Technology arrangements

Our company has no technology arrangement. For the nature of our business, please refer to the section titled "*Business Overview*" beginning on page 68 of this Draft Prospectus.

Acquisition of business/undertakings

We have not acquired any business/undertakings till date.

Defaults or rescheduling of borrowing

The Company has not defaulted or rescheduled its borrowing. Furthermore, none of the Company's loans have been converted into equity in the past.

Injunctions or restraining orders

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

Strategic and financial partners

We have no strategic or financial partners as on the date of this Draft Prospectus.

Holding Company

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

Joint Ventures

Our Company has not entered into any joint venture arrangement as on the date of this Draft Prospectus.

Company's subsidiaries

Finshore Securities Pvt. Ltd. is the wholly - owned subsidiary of our Company.

Other Agreements

There are no other material agreements or contracts which have been entered into from the date of incorporation to the date of this Draft Prospectus except as given below:

Non – Compete Agreement

Our Company has entered into Non Compete Agreement dated August 16, 2012 with M/s Finshore Commodities Pvt. Ltd. being group company whereby they have agreed not to engage in any of the activities similar to the activities our company is engaged into at present or in future. Presently, the business activities of the company is not similar to our activities but since the Memorandum of Association of this company entitles them to undertake business similar to ours. Hence, a Non Compete agreement has been entered into to avoid potential conflict of interest in future.

OUR MANAGEMENT

Board of Directors:

The company functions under the control of the Board of Directors. At present, the Company has 5 (five) directors on the board, of which 2 (two) are Executive Directors and 3 (three) are Non Executive Directors. The day to day operations of the Company are looked after by Mr. Lakshman Srinivasan and Ms. Sireen Sadhu under the direct control and superintendence of the Board of Directors.

The following table sets forth the details of the Board of Directors as on the date of this Draft Prospectus:

Sr. No	Name, Father's Name & Address	Date of Appointment & Term of Office	Other Directorships
1	<p>Mr. Lakshman Srinivasan S/o: Lt. Narayan Srinivasan Iyengar Managing Director 9 Prince Golan Mohammed.Shah Road Flat 10-C, Golf Green Kolkata – 700 095 West Bengal, India Age – 46 years Occupation – Business DIN - 01349322 Nationality – Indian</p>	<p>Appointed as Director since incorporation</p> <p>Appointed as Managing Director on April 1, 2012</p> <p>Term: 5 years w.e.f April 1, 2012</p>	<ul style="list-style-type: none"> • Finshore Commodities Pvt. Ltd. • Finshore Green Energy Pvt. Ltd. • Biomax Traders Pvt. Ltd. • Revati Commercial Pvt. Ltd. • Freedom Logistics Pvt. Ltd. • Freedom Gases Ltd. • Wellman Carbo Metallicks India Limited • Sarita Nupur Vyappar Pvt. Ltd. • Greenol Laboratories Pvt. Ltd. • Asian Tea & Exports Limited
2	<p>Ms. Sireen Sadhu D/o: Lt. Samir Nath Sadhu Whole Time Director 115 Tarak Pramanick Road Kolkata 700 006 West Bengal, India Age – 34 years Occupation – Employment DIN – 02791089 Nationality – Indian</p>	<p>Appointed as Director since incorporation</p> <p>Appointed as Whole Time Director on April 1, 2012</p> <p>Term: 5 years w.e.f April 1, 2012</p>	<ul style="list-style-type: none"> • Finshore Commodities Pvt. Ltd. • Aishani Commercials Pvt Ltd. • B B Media Ventures Pvt. Ltd.
3	<p>Mr. Suvabrata Ganguly S/o: Rabindra Nath Ganguly 46, Sarat Bose Road Kolkata – 700 020 West Bengal , India Age – 45 years Occupation – Business DIN – 00003702 Nationality – Indian</p>	<p>Date of Appointment : Appointed as Director on April 25, 2012</p> <p>Term: Liable to retire by rotation</p>	<ul style="list-style-type: none"> • Paragon Finance Limited • Core Sector Journal Private Limited
4	<p>Mr. Kajal Bhanja Chaudhuri S/o: Shyamsundar Bhanja Chaudhuri AA-8/3, Deshbandhu Nagar Baguihati, Kolkata - 700059 West Bengal , India Age – 58 years Occupation – Service DIN – 05247420 Nationality – Indian</p>	<p>Date of Appointment : Appointed as Director on April 25, 2012</p> <p>Term: Liable to retire by rotation</p>	-

Sr. No	Name, Father's Name & Address	Date of Appointment & Term of Office	Other Directorships
5	Mr. Uttam Munshi S/o: Ram Chandra Munshi 2A/2 Alauddin Khan Bithi City Centre, Durgapur – 713 216 West Bengal, India Age – 47 years Occupation – Service DIN – 05324227 Nationality – Indian	Date of Appointment: Appointed as Additional Director on August 7, 2012 Term: Till next Annual General Meeting	NIL.

Note:

None of the above mentioned Directors are on the RBI List of willful defaulters as on the date of Draft Prospectus

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

None of the Promoters, Directors or persons in control of our Company, have been or is involved as a Promoter, Director or Person in control of any other Company, which is debarred from accessing the capital market under any order or directions made by SEBI

Brief Profile of Our Directors

Mr. Lakshman Srinivasan, aged 46years, is the Managing Director of our Company and is one of the Core Promoters of the Company. He holds a Master of Commerce degree from University of Himachal Pradesh. He has an experience of over two decades in Fund Management and Investment Banking. Prior to joining our Company, he was associated with GIC Mutual Fund, IDBI Capital Market, Bajaj Allianz General Insurance and Religare Capital Market. He spearheads the business management of our Company. He is also on the board of some companies. His experience in the field of financial services enables him to understand the knitty gritty of business transactions, comprehend the problem and suggest a solution.

Ms. Sireen Sadhu, aged 34 years, is the Whole Time Director of our Company. She is also one of the Promoters of the Company. She holds a Master of Commerce degree from University of Calcutta. She is a Fellow Member of Institute of Chartered Accountants of India. She has ten years of experience in Equity Research, Corporate Finance and Investment Banking. Prior to joining our Company, she was associated with Religare Securities Limited, IDBI Capital Market Services Limited and ICRA Online Ltd. She oversees the finance activities, operations, marketing as well as administration, of our Company.

Mr. Suvobrata Ganguly, aged 45 years, is the Independent Director of our Company. He holds a Bachelor of Commerce degree from University of Calcutta. Presently, he is associated as an editor of Core Sector Communique and as director in Paragon Finance Limited. He has around 20 years of experience in the Media industry.

Mr. Kajal Bhanja Chaudhuri, aged 58 years, is the Independent Director of our Company. He holds a Master of Commerce degree from University of Calcutta and also a Diploma in Management from Indira Gandhi National Open University. He is also a CAIIB in Banking, Licentiate in Insurance and MF Advisor from AMFI. He has more than 25 years of industry experience and 5 years of teaching experience. He was associated with UCO Bank as a Senior Manager and was also engaged as a faculty of International School of Business and Institute of Engineering & Management, Kolkata.

Mr. Uttam Munshi, aged 47 years, is the Independent Director of our Company. He holds a Bachelor of Commerce degree from the University of Calcutta. He has experience of almost fifteen years in the financial industry. Currently he is associated with Star Health and Allied Insurance Company Limited as Senior Branch Manager, Durgapur branch.

Relationship between the Directors & Key Managerial Personnel

None of the directors are related to each other in any manner.

Important Notes regarding the Board of Directors

There is no arrangement or understanding with any shareholders, customers, suppliers or others, pursuant to which of the directors of our Company are appointed as a Director.

- Except the Agreement entered into with the Managing Director, no service contracts have been entered into by the Directors with our Company.
- None of our Directors have been or are presently directors on the boards of listed companies whose shares have been / were suspended from being traded on the Stock Exchanges during the last five years preceding the date of this Draft Prospectus.
- None of our Directors have been or are presently directors on the boards of listed companies whose shares have been delisted from the Stock Exchange(s)

Borrowing Powers of the Board of Directors

Our Company at its Extra Ordinary General Meeting held on August 22, 2012 passed a resolution authorizing Board of Directors pursuant to the provisions of section 293(1) (d) for borrowing from time to time any sum or sums of money from any person(s) or bodies corporate (including holding Company) or any other entity, whether incorporated or not, on such terms and conditions as the Board of Directors may deems fit for the purpose of the Company's business. The monies so borrowed together with the monies already borrowed by our Company (apart from temporary loans obtained from the banks in the ordinary course of business) may exceed the aggregate of the paid up share capital of our Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total amount of such borrowings together with the amount already borrowed and outstanding shall not, at any time, exceed ₹ 300 crores (Rupees Three Hundred Crores only).

Compensation of Executive Directors

Sr. No.	Name of Executive Director	Current Compensation Term Period	Basic Salary	Perquisites and Other Benefits
1	Mr. Lakshman Srinivasan	5 years w.e.f April 1, 2012.	₹1 lac per month	a) Salary Basic ₹ 100000 PM b) Conveyance on actuals up to a limit of ₹ 2000 PM c) House Rent ₹ 50000 PM d) Medical Allowance ₹ 28000 PM e) LTA ₹ 20000 PM In the absence of inadequacy of profits, the aforesaid remuneration will be paid as the minimum remuneration.
2	Ms. Sireen Sadhu	5 years w.e.f April 1, 2012	₹ 50,000 per month	a) Salary Basic ₹ 50000 PM b) Conveyance on actuals up to a limit of ₹ 1000 PM c) House Rent ₹ 25000 PM d) Medical Allowance ₹ 14000 PM e) LTA ₹ 10000 PM In the absence of inadequacy of profits, the aforesaid remuneration will be paid as the minimum remuneration.

The company has entered into an agreement with the Managing Director dated April 1, 2012 wherein the duties and obligations of the Managing Director have been laid down. Further, in terms of the said agreement, the same can be terminated by either party giving to the other party an advance notice of three months.

Compensation of Non-Executive Directors

Non Executive and Independent Directors of our Company will receive only sitting fees for attending Board and Committee Meeting, The amount of sitting fees per meeting will be decided in the board meeting.

Compensation paid to Directors for the last completed financial year (i.e. Year ended March 31, 2012)

Name of the Director	Designation	Amount (₹ in lakhs)
Mr. Lakshman Srinivasan	Director	6.00
Ms. Sireen Sadhu	Director	3.00

Interest of the Directors

Our Company has been promoted by Mr. Lakshman Srinivasan and Ms. Sireen Sadhu. 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 remuneration 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. The Non Promoter Directors of our Company can apply in the Issue and as such may be regarded as interested in our Company to the extent of Equity Shares that may be subscribed by or allotted to them pursuant to the Issue. 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 otherwise in this Draft Prospectus, the Company has not entered into any Contract, Agreements or Arrangements during the preceding six months from the date of this Draft Prospectus in which the Directors are interested directly or indirectly and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be entered into with them.

Further except as stated otherwise in this Draft Prospectus, the Directors do not have any other interest in the business of our Company.

Shareholding of the Directors

Pursuant to our Articles of Association, our Directors are not required to hold any Equity Shares in our Company to qualify for the office of Directors of our Company.

The following table details the shareholding of the Directors in their personal capacity and either as sole or first holder, as on the date of this Draft Prospectus:

Name of Director	No. of Shares held	Holding in Percentage
Lakshman Srinivasan	12,21,950	80.13
Sireen Sadhu	2,03,000	13.31
TOTAL	1424950	93.44

Changes in the Board of Directors during the last three years:

Following are the changes in our Board of Directors since the date of incorporation

Sr. No.	Name of Director	Date of Appointment	Date of Cessation	Reason for change
1.	Lakshman Srinivasan	Appointed as Director since incorporation	-	Incorporation
2.	Sireen Sadhu	Appointed as Director since incorporation	-	Incorporation
3.	Dipak Kumar Modi	Appointed as Additional Director on March 18, 2012	Resigned on August 14, 2012	Personal Reason
4.	Suvabrata Ganguly	Appointed as Director on April 25, 2012	-	Broad base the Board

Sr. No.	Name of Director	Date of Appointment	Date of Cessation	Reason for change
5.	Kajal Bhanja Chowdhury	Appointed as Director on April 25, 2012	-	Broad base the Board
6.	Arijit Bhattacharya	Appointed as Director on July 30, 2012	Resigned on August 7, 2012	Personal Reason
7.	Uttam Munshi	Appointed as Additional Director on August 7, 2012		Broad base the Board

Corporate Governance

Our Company stands committed to good corporate governance practices based on the principles such as accountability, transparency in dealing with our stakeholders, emphasis on communication and transparent reporting. Corporate Governance framework is based on an effective independent board, separation of Board's supervisory role from executive management team and constitution of the committees of the board as stipulated under the law.

The provisions of the SME Equity Listing Agreement to be entered into with the Stock Exchange relating to corporate governance and SEBI ICDR Regulations in respect of corporate governance will be applicable to our Company immediately upon the listing of its Equity Shares on the Stock Exchange. However, our company has complied with the corporate governance code in accordance with Clause 52 of the SME Equity Listing Agreement to be entered into with the Stock Exchange, particularly, in relation to appointment of independent directors on our Board and constitution of an audit committee, a remuneration committee and a shareholders' grievance committee. Our Board functions either on its own or through committees constituted thereof, to oversee specific operational areas.

Board Composition

We have a Board constituted in compliance with the Companies Act and the SME Listing Agreement in accordance with the best practices in Corporate Governance. The Board functions either as a full board or through committees constituted to oversee specific operational areas. As on date the Board of Directors is comprises of total 5 directors, which includes 1 Managing Director, 1 Whole Time Director and 3 Independent Directors.

Sr. No	Name of Director	Nature of Directorship
1	Mr. Lakshman Srinivasan	Managing Director
2	Ms. Sireen Sadhu	Whole Time Director
3	Mr. Suvabrata Ganguly	Independent Director
4	Mr. Kajal Bhanja Chaudhuri	Independent Director
5	Mr. Uttam Munshi	Independent Director

Various Committees of Directors

1. Audit Committee

The Audit Committee was constituted by our Board vide resolution passed at its meeting held on August 14, 2012 pursuant to section 292A of the Companies Act. The Audit Committee comprises of:

Name of the Member	Nature of Directorship	Designation in committee
Mr. Kajal Bhanja Chaudhuri	Independent Director	Chairman
Mr. Suvabrata Ganguly	Independent Director	Member
Ms. Sireen Sadhu	Whole Time Director	Member

The Company Secretary of the Company will act as the Secretary to the Audit Committee.

The terms of reference of the Audit Committee include:

1. Overseeing our Company'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. Appointment, removal and terms of remuneration of internal auditors
5. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
 - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of Clause (2AA) of Section 217 of the Companies Act 1956;
 - Changes, if any, in accounting policies and practices and reasons for the same;
 - Major accounting entries involving estimates based on the exercise of judgment by management;
 - Significant adjustments made in the financial statements arising out of audit findings;
 - Compliance with listing and other legal requirements relating to the financial statements;
 - Disclosure of any related party transactions;
 - Qualifications in the draft audit report;
6. Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;
7. 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 Draft Prospectus/Draft Prospectus/notice and the report submitted by the monitoring agency, if any 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;
8. Monitoring the use of the proceeds of the proposed initial public offering of our Company.
9. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems;
10. 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;
11. Reviewing management letters / letters of internal control weaknesses issued by the Statutory Auditors;
12. Discussion with internal and Statutory Auditors on any significant findings and follow up there on;
13. 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;
14. Discussion with the 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;
15. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of nonpayment of declared dividends) and creditors;
16. To review the functioning of the Whistle Blower mechanism, when the same is adopted by our Company and is existing;
17. Carrying out any other function as may be statutorily required to be carried out by the Audit Committee;
18. The Audit Committee shall mandatory review the following information:
 - Management discussion and analysis of financial condition and results of operations;
 - Statement of significant related party transactions (as defined by the audit committee), submitted by management;

- Management letters / letters of internal control weaknesses issued by the Statutory Auditors;
- Internal audit reports relating to internal control weaknesses; and

The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

The Audit Committee is entrusted with the following powers:

- To invite such of the executives as it considers appropriate (and particularly the head of finance function) to be present at the meetings of the committee
- To investigate any activity within its terms of reference
- To seek information from any employee
- To obtain outside legal or other professional advice and
- To secure attendance of outsiders with relevant experience, if considered necessary

The recommendation of the Audit Committee on any matter relating to the 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 minuted in the Board Meeting and the same be communicated to the shareholders. The chairman of the committee has to attend the Annual General Meetings of the Company to provide clarifications on the matter relating to the audit.

2. Shareholders Grievance Committee

The Shareholder and Investor Grievance Committee was constituted by our Board vide resolution passed at its meeting held on August 14, 2012. The Shareholder/Investor Grievance Committee comprises of:

Name of the Member	Nature of Directorship	Designation in committee
Mr. Kajal Bhanja Chaudhuri	Independent Director	Chairman
Mr. Uttam Munshi	Independent Director	Member
Ms. Sireen Sadhu	Whole Time Director	Member

The Company Secretary of the company will act as the Secretary of the Shareholders/Investors Grievance Committee.

This committee has been constituted to specifically look into redressing all grievances of shareholders/investors in compliance with the provisions of the SME Listing Agreement to be entered into with the Stock Exchange.

The terms of reference of the Shareholders/Investors Grievance Committee include:

1. Efficient transfer of Equity Shares; including review of cases for refusal of transfer / transmission of shares and debentures;
2. Redressing of shareholders and investor complaints such as non-receipt of declared dividend, annual report, transfer of Equity Shares and issue of duplicate/split/consolidated share certificates;
3. Monitoring transfers, transmissions, dematerialization, re-materialization, splitting and consolidation of Equity Shares and other securities issued by our Company, including review of cases for refusal of transfer/ transmission of shares and debentures;
4. Allotment and listing of shares in future;
5. Review of cases for refusal of transfer / transmission of shares and debentures;
6. Reference to statutory and regulatory authorities regarding investor grievances;
7. Ensure proper and timely attendance and redressal of investor queries and grievances;
8. To do all such acts, things or deeds as may be necessary or incidental to the exercise of the above powers;
9. To review from time to time the secretarial department;
10. Investor relations and redressal of shareholders grievances in general and relating to non receipt of declared dividends, interest, non- receipt of balance sheet etc.;

Such other matters as may from time to time be required by any statutory, contractual or other regulatory requirements to be attended to by such committee.

3. Remuneration Committee

The Remuneration Committee was constituted by our Board vide resolution passed at its meeting held on August 14, 2012 and was subsequently reconstituted on [•]. The Remuneration Committee currently comprises of:

Name of the Member	Nature of Directorship	Designation in committee
Mr. Suvobrata Ganguly	Independent Director	Chairman
Mr. Kajal Bhanja Chaudhuri	Independent Director	Member
Mr. Uttam Munshi	Independent Director	Member

The Company Secretary of the Company will act as the Secretary of the Remuneration Committee.

The Remuneration Committee shall carry out its function as contained in Scheduled XIII of the Companies Act, 1956 and shall enjoy necessary powers and authority commensurate with its functions.

The terms of reference of the Remuneration Committee include:

1. Framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India, including:
 - The Securities and Exchange Board of India (Insider Trading) Regulations, 1992; or
 - The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 1995.
2. To recommend to the Board, the remuneration packages of our Company's Managing/Joint Managing/ Deputy Managing/Whole time / Executive Directors, including all elements of remuneration package (i.e. salary, benefits, bonuses, perquisites, commission, incentives, stock options, pension, retirement benefits, details of fixed component and performance linked incentives along with the performance criteria, service contracts, notice period, severance fees etc.);
3. To be authorized at its duly constituted meeting to determine on behalf of the Board of Directors and on behalf of the shareholders with agreed terms of reference, our Company's policy on specific remuneration packages for Company's Managing/Joint Managing/ Deputy Managing/ Whole Time/ Executive Directors, including pension rights and any compensation payment;
4. Perform such functions as are required to be performed by the Remuneration Committee under the ESOP Guidelines, in particular, those stated in Clause 5 of the ESOP Guidelines; and
5. To implement, supervise and administer any share or stock option scheme of our Company
6. To attend to any other responsibility as may be entrusted by the Board within the terms of reference.

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

4. IPO Committee

The IPO Committee was constituted by our Board vide resolution passed at its meeting held on August 14, 2012. The IPO Committee currently comprises of:

Name of the Member	Nature of Directorship	Designation in committee
Ms. Sireen Sadhu	Whole Time Director	Chairman
Mr. Kajal Bhanja Chaudhuri	Independent Director	Member
Mr. Uttam Munshi	Independent Director	Member

The Company Secretary of the Company will act as the Secretary of the IPO Committee.

The terms of reference of the IPO include:

1. To decide on the actual size of the IPO, including any offer for sale by promoters/shareholders, green shoe option, any pre-IPO placement, promoter's contribution and/or reservation for employees or shareholders of promoting companies or shareholders of group companies and/or any other reservations or firm allotments as may be permitted, timing, pricing and all the terms and conditions of the issue of the Equity Shares, and to accept, implement, negotiate, carry out and decide any amendments, modifications, variations or alterations thereto;
2. To appoint and enter into arrangements with the book running lead managers, co-managers to the Issue, underwriters to the Issue, bankers to our Company, syndicate members to the Issue, advisors to the Issue, stabilizing agent, brokers to the Issue, escrow collection bankers, accountants, auditors, depositories, trustees, custodians, Registrar to the Issue, legal advisors as to Indian and overseas jurisdictions to our Company, advertising and/or promotion or public relations agencies and any other agencies, persons or other intermediaries as may be involved with the IPO, including any successors or replacements thereof;
3. To finalize, approve, execute and deliver or arrange the delivery of the offering documents (including the draft Draft Prospectus, the Draft Prospectus, the final Draft Prospectus (including the preliminary international wrap and the final international wrap, if required, for marketing of the Issue in jurisdictions outside India)), the statement-in-lieu of the Draft Prospectus, syndicate agreement, underwriting agreement, escrow agreement, stabilization agreement and all other documents, deeds, agreements and instruments and any amendments, supplements, notices or corrigenda thereto, together with any summaries thereto, as may be required or desirable in connection with the issue of the Equity Shares or the IPO by our Company;
4. To open one or more separate current account(s) in such name and style as may be decided, with a scheduled bank to receive applications along with application monies in respect of the issue of the Equity Shares of our Company;
5. To open one or more bank account(s) of our Company in such name and style as may be decided for the handling of refunds for the Issue;
6. To open any other bank account(s), share/securities account, escrow or custodian accounts, in India or abroad, in rupees or in any other currency, in accordance with applicable laws, rules, regulations, approvals and guidelines;
7. To make applications for listing of the Equity Shares of our Company in one or more stock exchange(s) and to execute and to deliver or arrange the delivery of the listing agreement(s), or equivalent documentation to the concerned stock exchange(s) and to take all such actions as may be necessary in connection with obtaining the listing of the Equity Shares of our Company;
8. To make and approve amendments to the memorandum of association and the articles of association of our Company;
9. To approve all actions required to dematerialize the Equity Shares of our Company;
10. To approve codes of conduct as may be considered necessary by the Board or the IPO Committee or as required under applicable laws, regulations or guidelines for the Board, officers of our Company and other employees of our Company;
11. To approve a suitable policy on insider trading as required under applicable laws, regulations and guidelines;
12. To approve any corporate governance requirement that may be considered necessary by the Board or the IPO Committee or as may be required under applicable laws, regulations or guidelines in connection with the IPO;
13. To take all action as may be necessary or authorized in connection with any offer for sale;
14. To remunerate all book running lead managers / lead managers, co-managers to the Issue, underwriters to the Issue, bankers to our Company, syndicate members to the Issue, advisors to the Issue, stabilizing agent, brokers to the Issue, escrow collection bankers, accountants, auditors, depositories, trustees, custodians, Registrar to the Issue, legal advisors as to Indian and overseas jurisdictions to our Company, advertising and/or promotion or public relations agencies and any other agencies, persons or other intermediaries as may be involved with the IPO, by way of commission, brokerage, fees or the like;
15. To seek the admission of our Company's Equity Shares into the Central Depository Services (India)

Limited and the National Securities Depository Limited and take any further action as may be necessary or required for the dematerialization of our Company's Equity Shares;

16. To seek, if required, the consent of our Company's lenders, parties with whom our Company has entered into various commercial and other agreements, all concerned government and regulatory authorities in India or outside India, and any other consents that may be required in connection with the IPO;
17. To determine the price band for the purpose of bidding, any revision to the price band and the final IPO price after bid closure. In case the Issue is a fixed price issue, determine the price in consultation with the Lead Manager(s);
18. To determine the bid opening and closing dates;
19. To finalize the allocation/allotment/transfer of Equity Shares to retail investors/non-institutional investors/qualified institutional buyers in consultation with the book running lead managers, the stock exchanges and/or any other entity;
20. To allocate/issue/allot/transfer the Equity Shares in accordance with the terms of the IPO, and all such Equity Shares shall rank pari passu with the existing Equity Shares of our Company in all respects, except as may be provided under the terms of the Issue and any IPO document;
21. To authorize and empower Mr. Sunil Agarwal, Compliance Officer & Company Secretary and Mrs. Parvathy Rajesh (Investment Analyst), officers of our Company (each, an "Authorized Officer"), for and on behalf of our Company, to execute and deliver, on a several basis, any agreements and arrangements as well as amendments or supplements thereto that the Authorized Officer considers necessary, desirable or advisable, in connection with the IPO, including, without limitation, engagement letter(s), the listing agreements, the registrar's agreement and memorandum of understanding, the depositories agreements, the memorandum of understanding with the book running lead managers (and other entities as appropriate), the underwriting agreement, the syndicate agreement, the stabilization agreement, the escrow agreement, confirmation of allocation notes, and any agreement or document in connection with the pre-IPO placement (including any placement agreement, escrow agreement and offering documentation), with the book running lead managers, co-managers to the Issue, underwriters to the Issue, bankers to our Company, syndicate members to the Issue, advisors to the Issue, stabilizing agent, brokers to the Issue, escrow collection bankers, accountants, auditors, depositories, trustees, custodians, Registrar to the Issue, legal advisors as to Indian and overseas jurisdictions to our Company, advertising and/or promotion or public relations agencies and any other agencies, persons or other intermediaries as may be involved with the IPO, and any such agreements or documents so executed and delivered and acts and things done by any such Authorized Officer shall be conclusive evidence of the authority of the Authorized Officer and our Company in so doing;
22. To severally authorize each of the Authorized Officers to enter into and execute all other arrangements, letters, agreements, deeds, and powers of attorney with the placement agents, book running lead managers, co-managers to the Issue, underwriters to the Issue, bankers to our Company, syndicate members to the Issue, advisors to the Issue, stabilizing agent, brokers to the Issue, escrow collection bankers, accountants, auditors, depositories, trustees, custodians, Registrar to the Issue, legal advisors as to Indian and overseas jurisdictions to our Company, advertising and/or promotion or public relations agencies and any other agencies, persons or other intermediaries as may be involved with the IPO, with such changes, additions and insertions thereto as any Authorized Officer may deem necessary, appropriate or advisable, and to make payments to or remunerate the book running lead managers, co-managers to the Issue, underwriters to the Issue, bankers to our Company, syndicate members to the Issue, advisors to the Issue, stabilizing agent, brokers to the Issue, escrow collection bankers, accountants, auditors, depositories, trustees, custodians, Registrar to the Issue, legal advisors as to Indian and overseas jurisdictions to our Company, advertising and/or promotion or public relations agencies and any other agencies, persons or other intermediaries as may be involved with the IPO, by way of fees, commission, brokerage or the like; and any such documents so executed and delivered or acts and things done or caused to be done by any Authorized Officer shall be conclusive evidence of the authority of such Authorized Officer and our Company in so doing and any document so executed and delivered or acts and things done or caused to be done by any such Authorized Officer prior to the date hereof are hereby ratified, confirmed and approved as the acts and deeds of the Authorized Officer and Company;
23. To make or to authorize an Authorized Officer to make any application and take any and all action in connection with obtaining approvals or entering into any arrangement, in respect thereof from the

Foreign Investment Promotion Board of India, the Reserve Bank of India, the shareholders of our Company, the Government of India, the Securities and Exchange Board of India, the Registrar of Companies and such other authorities, as may be required, for the purpose of issue of the Equity Shares by our Company in the IPO, including the issue of the Equity Shares to non-resident investors, including but not limited to NRIs, FIIs, FVCIs and other non-residents;

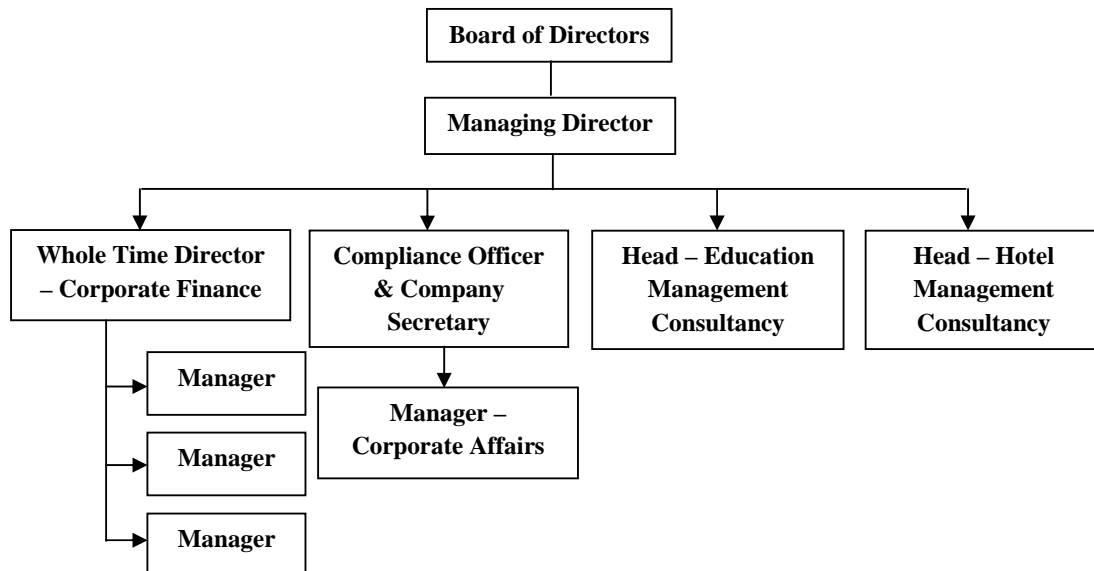
24. To severally authorize and empower each Authorized Officer, for and on behalf of our Company, to execute and deliver any and all other documents, papers or instruments and to do or cause to be done any and all acts or things as any such Authorized Officer may deem necessary, appropriate or advisable in order to carry out the purposes and intent of the foregoing resolutions for the IPO; and any such documents so executed and delivered or acts and things done or caused to be done by any such Authorized Officer shall be conclusive evidence of the authority of such Authorized Officer and our Company in so doing and any such document so executed and delivered or acts and things done or caused to be done by any such Authorized Officer prior to the date hereof are hereby ratified, confirmed and approved as the act and deed of the Authorized Officer and our Company, as the case may be;
25. To settle all questions, difficulties or doubts that may arise in regard to the Issue or allotment of Equity Shares as the IPO Committee may, in its absolute discretion, deem fit; and
26. To sign, execute, and deliver all such documents or instruments and do all such acts, deeds, matters and things as the IPO Committee may, in its absolute discretion, deem necessary or desirable in order to carry out the purposes and intent of the foregoing, or otherwise in relation to the Issue or any matter incidental or ancillary in relation to the Issue, including without limitation, allocation and allotment of the Equity Shares as permissible in law and issue of share certificates in accordance with the relevant rules, and any documents or instruments so executed and delivered or acts and things done or caused to be done by the IPO Committee shall be conclusive evidence of the authority of the IPO Committee in so doing.

Policy on Disclosures & Internal procedure for prevention of Insider Trading

We will comply with the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 1992 after listing of our Company’s Equity Shares on the Stock Exchange platform i.e. BSE SME platform.

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

Organizational Chart of the Company



Key Management Personnel (KMP)

As on the date of filing of the Draft Prospectus, the details of the Key Managerial Personnel of the company are as follows::

Name & Designation	Designation	Qualification	Experience (In Years)	C.T.C p.a. (₹ in lacs)	Appointment Date	Details Of Previous Employment
Mr. S.Ramakrishna Iyengar	Head – Education Consultancy	B.Com(H)	11	₹ 12.00	14/11/2011	<ul style="list-style-type: none"> National Stock Exchange of India
Mr. Sunil Agarwal	Compliance Officer & Company Secretary	B.Com(H), CS	2	₹ 3.00	20/03/2012	<ul style="list-style-type: none"> M/s Gautam Dugar
Ms.Komal Daga	Manager – Corporate Finance	MBA (Finance) CFA (Level II) (USA)	2	₹ 4.20	14/11/2011	<ul style="list-style-type: none"> Abira Management Services Limited Fort Share Broking Pvt. Ltd
Ms. Parvathy Rajesh	Manager – Corporate Finance	B.Com(H), CA	2	₹ 3.00	14/11/2011	<ul style="list-style-type: none"> Abira Management Services Limited Excide Industries Ltd.
Mr. Subir Kumar Dasgupta	Manager – Finance & Accounts	B.Com(H)	24	₹ 2.40	21/05/2012	<ul style="list-style-type: none"> M/s LCI (India) Ltd. M/s G & K Shipping Pvt. Ltd.
Mr. Soumen Ghosh	Manager – Corporate Affairs	B.Com(H)	11	₹ 1.80	01/11/2011	<ul style="list-style-type: none"> Abira Management Services Limited Karvy Stock Broking Limited GIC Asset Management Co. Ltd.

Brief Biographies of our Key Managerial Personnel are set out below:

Mr. S.Ramakrishna Iyengar, aged 36 years, is the Head of the Education Consultancy Division. He has been associated with our Company since inception. He holds a Bachelor of Commerce Degree from University of Calcutta. He has eleven years of experience in Education Management, Stock Exchange Operations, Relationship Management. Prior joining to our Company, he was associated with National Stock Exchange. His CTC is ₹ 12.00 lacs inclusive of perquisites and other benefits.

Mr. Sunil Agarwal, aged 27 years, is the Manager - Company Secretary & Compliance Officer. He has been associated with our Company since March 20, 2012 and oversees the secretarial compliance of our Company. He holds a Bachelor of Commerce Degree from University of Calcutta. He is an Associate Member of Institute of Company Secretaries of India. He has two years of experience in secretarial matters. Prior joining to our Company, he was associated with M/S Gautam Dugar. His CTC is ₹ 3.00 lacs inclusive of perquisites and other benefits.

Ms. Komal Daga, aged 27 years, is the Manager in Corporate Finance Division. She has been associated with our Company since inception. She holds an MBA degree in Finance & Banking from Icfai Business School, Hyderabad. She has two years of experience as a Financial Analyst. Prior joining to our Company, she was associated with Abira Management Services as well as Fort Share Broking Private Ltd. Her CTC is ₹ 4.20 lacs inclusive of perquisites and other benefits.

Ms. Parvathy Rajesh, aged 29 years, is the Manager in Corporate Finance Division. She has been associated with our Company since inception. She holds a Bachelor of Commerce Degree from University of Calcutta. She is an Associate Member of Institute of Chartered Accountants of India. She has two years of experience as a

Financial Analyst. Prior joining to our Company, she was associated with Exide Industries Ltd. Her CTC is ₹ 3.00 lacs inclusive of perquisites and other benefits.

Mr. Subir Kumar Dasgupta, aged 52 years, is the Manager – Finance & Accounts Division. He has been associated with our Company since May 21, 2012. He holds a Bachelor of Commerce Degree from University of Calcutta. He has twenty four years of experience in Accounts Prior joining to our Company. Prior joining to our Company he was associated with M/s LCI India Ltd., M/s G & K Shipping Pvt. Ltd. & M/s Kalyani Impex Pvt. Ltd. His CTC is ₹ 2.40 lacs inclusive of perquisites and other benefits.

Mr. Soumen Ghosh, aged 34 years, is the Manager – Corporate Affairs Division. He has been associated with our Company since inception. He holds a Bachelor of Commerce Degree from University of Burdwan. He has eleven years of experience in Accounts and Administration. Prior joining to our Company, he was associated with Abira Management Services Ltd, Karvy Stock Broking Limited and GIC Asset Management Co. Ltd. His CTC is ₹ 1.80 lacs inclusive of perquisites and other benefits.

Employees

Our Company has seven full time employees as on August 31, 2012

Important Notes regarding our KMP

All our KMP as disclosed above are permanent employees of the Company. Except Mr. S.Ramakrishna Iyengar, brother of our Managing Director Mr. Lakshman Srinivasan, none of the KMP is related to any of the directors/promoters of our Company .There is no arrangement or understanding with major shareholders, customers, suppliers or others, pursuant to which any of the KMP of our Company have been appointed. The Key Managerial Personnel as discussed above are not Key Managerial Personnel as defined under Accounting Standards 18.

Shareholding of the Key Management Personnel

Except as mentioned in the table below none of the Key Managerial Personnel are holding any shares of the Company as on the date of this Draft Prospectus. The details of shares issued to the KMP's are as follows:

Key Managerial Personnel	Total Shareholding
Sunil Agarwal	10
Komal Daga	10
Parvathy Rajesh	10
Soumen Ghosh	10
S Ramakrishna Iyengar	10

Bonus or Profit Sharing Plan of the Key Management Personnel

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

Interest of Key Management Personnel

Except to the extent of options that may be granted to our KMPs under the ESOP scheme, none of our KMPs have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business and to the extent of their shareholding, if any in the Company. Further, all the employees may also be deemed to be interested to the extent of Equity Shares held by them and/or to the extent of shares subscribed for and allotted to them out of the present issue. They will be deemed to be interested to the extent of their shareholding and/or dividends paid or payable on the same.

Payment or Benefits to the Officers of the Company

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

Changes in the Key Management Personnel during the last three (3) years:

Sr. No.	Name of Employee	Nature of Change	Date of Appointment	Designation
1	Mr. Sunil Agarwal	Appointment	20/03/2012	Compliance Officer & Company Secretary
2	Mr. S.Ramakrishna Iyengar	Appointment	14/11/2011	Head – Education Consultancy
3	Ms. Komal Daga	Appointment	14/11/2011	Manager – Corporate Finance
4	Ms. Parvathy Rajesh	Appointment	14/11/2011	Manager – Corporate Finance
5	Mr. Soumen Ghosh	Appointment	14/11/2011	Manager – Corporate Affairs
6.	Mr. Subir Kumar Dasgupta	Appointment	21/05/2012	Manager – Finance & Accounts

Employee Stock Option Scheme/ Employees Stock Purchase Scheme to Employees

Our company has felt that in the long term interest of the Company, its shareholders and employees, it is necessary to adopt pro-active measures to reward, retain and motivate qualified, talented and competent personnel, so as to create value for stakeholders. With this objective, the Board of Directors decided to have an ESOP Scheme for its employees and to offer and grant options to eligible employees and directors, excluding promoter directors under the Finshore Management Services Limited Employee Stock Option Scheme (hereinafter referred to as the “Scheme”)

Approval of ESOP by Compensation Committee

The compensation committee vide their Board constituted by the Resolution dated April 13, 2012 approved the draft Finshore Employee Stock Option Scheme 2012 where 2,46,000 share options, each option conferring on the employee a right to get one equity share of ₹ 10/- each of the Company will be offered to eligible employees, including whole-time directors of the Company but excluding any employee who is a promoter or belongs to the promoter group, on basis of the eligibility as determined by the Committee from time to time.

A director or employee who either himself or through his relatives or through anybody corporate, directly or indirectly holds more than 10% of the outstanding equity shares of the Company shall also not be eligible to participate in the Scheme.

The issue and allotment of shares under the Employee Stock Option Scheme [ESOP scheme] shall be in accordance with the provisions of the applicable laws and the guidelines issued by Securities and Exchange Board of India [SEBI], as made from time to time and shall be subject to the limits as prescribed by law. The Company shall comply with the disclosure and accounting policies specified in the SEBI regulations with respect to employee stock options.

The salient features of the Scheme, as required to be disclosed as per the provisions of clause 6.2 of SEBI (ESOP and ESPS) Guidelines 1999 are as follows:

1. The Total number of options to be granted.

The total no. of options to be granted shall not exceed 2, 46,000 nos..

2. Identification of classes of employees entitled to participate in the ESOS

Permanent employees of the Company including Directors (excluding the Promoter Directors) as may be decided by the Compensation Committee

However, if any Director, either by himself, or through his relatives or through anybody corporate, directly or indirectly, is or becomes holder of, more than 10% of the outstanding equity shares of the Company, he will cease to be eligible to participate in this Scheme.

3. Requirements of vesting and period of vesting

The options shall vest in the employee if and only if the employee is in the service of the Company on the date of vesting.

Vesting shall commence on expiry of a period of one year from the date of grant. The Vesting may occur in tranches subject to the terms and conditions of vesting as may be stipulated by the Compensation Committee.

4. Maximum period within which the option shall vest

The maximum period within which the option shall be vested shall not exceed 36th month reckoned from the date they are granted.

5. Exercise price / Pricing formulae

The exercise price of the Initial Option will be at Par and any further Option (hereinafter referred to a "Subsequent Option") shall be the average daily closing market price of the Company' share during the preceding 15 days prior to the date of grant on the Stock Exchange it is traded most]less a discount @ 25% thereon.

6. Exercise period and process of exercise

The employees may exercise their options within a period of three years from their vesting. However, employees disassociating from the Company, other than by way of death, disability or retirement shall be required to exercise all vested options immediately, prior to disassociating with the Company.

The options remaining unexercised at the end of the exercise period shall lapse.

The exercise of options shall be by payment to the Company of the exercise price within the time as may be fixed by the Compensation Committee.

7. Appraisal Process for determination of the eligibility of employees

The no. of options granted to each participant shall be determined by the Compensation Committee based on the following

- Level
- Performance
- Criticality of Skills

The Compensation Committee shall have the sole discretion in determining the quantum of options to be granted to the eligible employees and the appraisal process for determining the eligibility of the employees will be in accordance with the guidelines framed by the Compensation Committee.

8. Maximum number of options to be issued per employee and in aggregate

The number of options to be granted under the Scheme would be determined by the Compensation Committee from time to time within the aggregate limit of 2,46,000 options. The maximum no. of options to be issued per employee shall not exceed 15000 per annum unless otherwise approved by the Company in general meeting.

9. Compliance with Accounting Policies

The Company shall comply with the accounting policies specified in the SEBI (ESOP & ESPS) Guidelines and any other applicable regulations.

10. Method for valuation of options

The company shall value the options based on their - *fair value / intrinsic value*

11. Disclosure in Directors Report

In case the company calculates the employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options, shall be disclosed in the Directors report and also the impact of this difference on profits and on EPS of the company shall also be disclosed in the Director's report.

Loans to Directors/Key Managerial Personnel

There are no loans outstanding to any of the Directors and Key Managerial Personnel


OUR PROMOTERS AND PROMOTERS GROUP

OUR PROMOTERS


Mr. Lakshman Srinivasan & Ms. Sireen Sadhu are the Promoters of our Company.

Following are the certain key details regarding our promoters:

Mr. Lakshman Srinivasan

	<p>Mr. Lakshman Srinivasan, aged 46 years, Managing Director</p> <p>Please refer to the chapter titled “<i>Our Management</i>” beginning on page 86 for a brief profile of Mr. Lakshman Srinivasan</p> <p>Voter Identification No. : LFB3395472 Driving License : N.A Passport No. : K0508008 PAN No. : ASWPS3099P Address : 9 Prince Golam Md. Shah Road Golf Tower, Flat 10-C, Golf Green Kolkata – 700 095 West Bengal, India</p> <p>Other Directorship:</p> <ul style="list-style-type: none">• Biomax Traders Pvt. Ltd.• Finshore Commodities Pvt. Ltd.• Revati Commercial Pvt. Ltd.• Finshore Green Energy Pvt. Ltd.• Freedom Logistics Pvt. Ltd.• Freedom Gases Ltd.• Wellman Carbo Metallicks India Limited• Sarita Nupur Vyappar Pvt. Ltd.• Greenol Laboratories Pvt. Ltd.• Asian Tea & Exports Limited
---	---

Ms. Sireen Sadhu

	<p>Ms. Sireen Sadhu, aged 34 years, Whole Time Director</p> <p>Please refer to the chapter titled “<i>Our Management</i>” beginning on page 86 for a brief profile of Ms. Sireen Sadhu</p> <p>Voter Identification No. : HCH1813591 Driving License : N.A Passport No. : E4017128 PAN No. : ARKPS2141K Address : 115 Tarak Pramanick Road Kolkata 700 006 West Bengal, India</p> <p>Other Directorship:</p> <ul style="list-style-type: none">• Finshore Commodities Pvt. Ltd.• Aishani Commercials Pvt Ltd.• B B Media Ventures Pvt. Ltd.
---	--

Declaration

We confirm that the personal details of our Promoter viz., Permanent Account Number, Bank Account Details and Passport Number have been submitted to the Stock Exchange, at the time of filing of the Draft Prospectus / Prospectus.

Our Promoters have confirmed that they have not been identified as willful defaulters by the RBI or any other governmental authority. Neither (i) the Promoters, the members of the Promoter Group and the Group Companies; nor (ii) the companies with which the Promoters are or were associated as a Promoter, Director or person in control, are debarred or prohibited from accessing the capital market for any reason by the SEBI or any other authority or refused listing of any of the securities issued by such entity by any stock exchange. There are no violations of securities laws committed by our Promoters and the Group Companies in the past or currently pending against them.

Our Promoters are the original promoters of the company and there has not been any change in control of the company since incorporation.

For a detailed profile and information regarding the other directorships held, work experience in our line of business of our promoters please refer to “Our Management” beginning on page 86 of this Prospectus.

Promoter Group Matrix

Relationship with Promoter	Mr. Lakshman Srinivasan	Ms. Sireen Sadhu
Father	Lt. Narayan Srinivasan Iyengar	Lt. Samir Nath Sadhu
Mother	Leela Srinivasan Iyengar	Nirmala Sadhu
Spouse	Hema Lakshman	NA
Brother	Ramakrishna Srinivasan Iyengar, Srinivasan Murali	NA
Sister	NA	NA
Son	NA	NA
Daughter	Revathi Lakshman	NA
Spouse's Father	Lt. Seraphim Bajju	NA
Spouse's Mother	Mary Bajju	NA
Spouse's Brother	Anthony Bajju	NA
Spouse's Sister	Pushpa Bajju	NA

Nature of Relationship	Entity
Any body corporate in which 10% or more of the equity share capital is held by the Promoter or an immediate relative of the promoter or a firm or Hindu Undivided Family in which the Promoter or any one or more of his immediate relative is a member.	<ul style="list-style-type: none">• Finshore Commodities Pvt. Ltd.• Biomax Traders Pvt. Ltd.• Revati Commercial Pvt. Ltd.• Revati Entertainment Pvt. Ltd.• Aishani Commercial Pvt. Ltd• Finshore Green Energy Pvt. Ltd.
Any body corporate in which a body corporate as mentioned above holds 10% or more, of the equity share capital.	Nil
Any HUF or firm in which the aggregate shareholding of the promoter and his immediate relatives is equal to or more than 10% and Trust	Nil

Interest of Promoters in our Company

Our Company is promoted by Mr. Lakshman Srinivasan and Ms. Sireen Sadhu and hold 1,424,950 Equity Shares of our Company. Our promoters may be deemed to be interested in the promotion of our Company and are also interested to the extent of shares held by them as well as the dividend declared if any, thereon and also to the extent of shares held by their relatives and group companies. They may also be deemed to be interested in the transactions entered into by our Company and the ventures. They are interested as promoters, directors or otherwise Further, our promoters namely Lakshman Srinivasan and Sireen Sadhu may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of our Board or Committees

constituted thereof, as well as, to the extent of remuneration and/or reimbursement of expenses payable to them for services rendered in accordance with the provisions of the Companies Act, 1956

Further, save and except as stated otherwise in the chapters titled 'Business Overview', 'Our Management' and the section titled 'Financial Statements' beginning on pages on page 68 , on page 86 and on page 114 respectively, of this Prospectus, and to the extent of Equity Shares held by them, our Promoters do not have any other interests in our Company as on the date of this Prospectus.

Payment or benefits to our Promoter during the last two years

We have not entered into any contract, agreement or arrangement during the preceding two years from the date of Draft Prospectus in which the Promoters are directly or indirectly interested and no payment has been made to them in respect of these contracts, agreements, arrangements which are proposed to be made by them. Except as stated in the chapter "Financial Statement" beginning on page on page 114 and Related Party Transaction beginning on page 112 of this Draft Prospectus, there has been no payment benefits to our Promoters during the last two years from the date of filing of this Draft Prospectus.

Interest in the property of our Company

Except as stated in this chapter and in the chapter titled "Business Overview" and "Financial Statements-Related Party Transaction" beginning on page 68 and page 125 respectively of this Draft Prospectus. Our promoters do not have any interest in any property acquired by our Company within two years preceding the date of this Prospectus or proposed to be acquired by our Company.

PROMOTER GROUP

We hereby declare that, apart from the Promoters - Mr. Lakshman Srinivasan and Ms. Sireen Sadhu, no other persons / entities holding shares of the company, exercise management control or are in concert with our promoters form part of our Promoter Group.

Common Pursuits

Our Promoters do not have any common pursuits and not engaged in the business similar to those carried out by our Company, except as mentioned in the chapter titled 'Group Companies" beginning 104 of this Draft Prospectus

Disassociation by the Promoters in the last six months

Our Promoters have not disassociated themselves from any of the companies, firms or entities during the last six months preceding the date of this Draft Prospectus.

GROUP COMPANIES

The following companies, firms and ventures have been promoted by the Promoter of the Company and are referred to in this Prospectus as the Group Companies. The Group Companies are companies, firms and ventures in which the Promoter (i) exercises control; or (ii) has been named as promoters by such entity in any filing with the stock exchanges in India. We define control as the (a) ownership directly or indirectly of 50% or more of the equity share capital or voting interest of the entity; or (b) power to appoint the majority of the directors or similar governing body of such entity; or (c) power to control the management or policy decisions of the entity, directly or indirectly, including through the exercise of shareholding or management or similar rights or voting arrangements or in any other manner.

Based on the above, the companies forming part of Group Companies are as follows:

Wholly Owned Subsidiaries

- Finshore Securities Pvt. Ltd.

Group Companies

- Finshore Commodities Pvt. Ltd.
- Biomax Traders Pvt. Ltd.
- Revati Commercial Pvt. Ltd.
- Revati Entertainment Pvt. Ltd.
- Aishani Commercial Pvt. Ltd.
- Finshore Green Energy Pvt. Ltd.

Unless otherwise specifically stated, none of the Group Companies as described below (i) is listed on any stock exchange; (ii) has completed any public or rights issue since the date of its incorporation; (iii) has been declared as a sick company under the SICA; (iv) is under winding-up; or (v) had a negative net worth as of the date of its last audited financial statements. No application has been made in respect of any of the Group Companies to the relevant Registrar of Companies in whose jurisdiction such Group Company is registered, for striking off its name. Brief details of the Group Companies are as under:

A. Wholly Owned Subsidiary

Finshore Securities Pvt. Ltd.

The company was originally incorporated as Finshore Corporate Advisory Services Pvt. Ltd. on 17th September 2009. The name of the company was later on changed to Finshore Securities Pvt. Ltd. and fresh Certificate of Incorporation bearing number U93000WB2009PTC138492 was issued by RoC. It became the Wholly Owned Subsidiary of Finshore Management Services Limited through transfer of shares on September 24, 2012. The company has its Registered Office at 225, N.S.C. Bose Road, Tolly Apartment, 3rd Floor, Block B, Kolkata 700047.

The main objects of Finshore Securities Pvt. Ltd. are as follows:

- To carry on and engage in the business of share and stock broking as a member of any recognized stock exchange under Securities Contracts (Regulation) Act, 1956, to become and act as member of cash, forward (derivatives) and Debt Segment of such exchanges, to become sub-broker of a member of any such exchange, to engage and act as brokers and / or underwriters, to primary issue of shares, bonds, securities, units of mutual funds or financial instrument of any other kind and description, subject to rules, regulations, by laws, sanctions and permissions of such recognized stock exchanges, Securities and Exchange Board of India and other government authorities for the time being competent to regulate the functioning of the capital market.
- To carry on and engage in the business of Depository participant subject to necessary approvals from the Securities and Exchange Board of India or any other government authorities, if any.
- To provide services, advice and facilities of every description all those capable of being provided by portfolio manager of investment and retirement benefit funds and advisors, promoters and managers of other investment media, subject to necessary approvals from the Securities and Exchange Board of India or any other government authorities, if any.

- iv. To carry on the business of Merchant Banking subject to approval of Securities and Exchange Board of India under Securities and Exchange Board of India (Merchant Bankers) Rules, 1992 and regulations made thereunder and such other approvals as may be required from other authorities in this regard but not to carry on all or any part of banking business as contemplated by the Reserve Bank of India/ Banking Regulation Act, 1949.

The Company presently has an authorized capital of ₹ 1000000 (Rupees Ten Lacs Only) divided into 100000 (One Lac) Equity Shares of ₹ 10 (Rupees Ten Only) each.

Board of Directors:

Name	Designation	DIN
Hema Lakshman	Director	01349269
Soumen Ghosh	Director	05190925
Srinivasan Ramakrishna Iyengar	Director	05255039

Shareholding Pattern

The shareholding pattern of Finshore Securities Pvt. Ltd. as on date of this Prospectus is as follows:

Name of Shareholder	No. of Equity Shares Held	Shareholding (%)
Finshore Management Services Pvt. Ltd.	9999	99.99%
Laksman Srinivasan	1	0.01%
Total	10000	100%

Financial Performance:

As on March 31, 2012, the Company has not started any commercial operation and has not filed any Annual Report with the Registrar of Companies, West Bengal.

There are no defaults in meeting any statutory / bank / institutional dues. No proceedings have been initiated for economic offences against the company.

B. Group Companies

1. Finshore Commodities Pvt. Ltd.

Finshore Commodities Pvt. Ltd. was incorporated as a Private Limited Company on 14th March 2012 with its Registered Office at Sikkim Commerce House, 4/1, Middleton Street, Kolkata-700 071. The Corporate Identification Number is U74999WB2012PTC175761.

The main object of Finshore Commodities Pvt. Ltd. is to become members and participate in trading, settlement and other activities of commodity exchange/s (including National Multi – Commodity Exchange/s) facilitating, for itself or for clients trade and clearing/ settlement of trade in spot, in futures and in derivatives of all the above commodities permitted under the laws of India.

The Company presently has an authorized capital of ₹500000 (Rupees Five Lacs Only) divided into 50,000 (Fifty Thousands) Equity Shares of ₹10 (Rupees Ten) each.

The Company proposes to become a member of National Spot Exchange and participate in trading, settlement and other activities of commodity exchanges for itself and on the behalf of its clients.

Board of Directors:

Name	Designation	DIN
Lakshman Srinivasan	Director	01349322
Sireen Sadhu	Director	02791089

Shareholding Pattern

The shareholding Pattern of **Finshore Commodities Pvt. Ltd.** as on date of this Prospectus is as follows:

Name of Shareholder	No. of Equity Shares Held	Shareholding (%)
Lakshman Srinivasan	40000	80%

Name of Shareholder	No. of Equity Shares Held	Shareholding (%)
Sireen Sadhu	10000	20%
Total	50000	100%

Financial Performance:

As on March 31, 2012, the Company has not started any commercial operation and has not filed any Annual Report with the Registrar of Companies, West Bengal.

There are no defaults in meeting any statutory / bank / institutional dues. No proceedings have been initiated for economic offences against the company.

2. Biomax Traders Pvt. Ltd

Biomax Traders Private Ltd was incorporated as a Private Limited Company on 16th April 2004. The Registered Office of the Company is situated at Sikkim Commerce House, 4/1, Middleton Street, Kolkata-700 071. The Corporate Identification Number is U74900WB2004PTC098339. The main objects of the Company are as follows:

- To carry on the business of buying, selling, reselling, importing, exporting, transporting, storing, developing, promoting, marketing or supplying, trading, dealing in any manner whatsoever in all types of goods on retail as well as on wholesale basis in India or elsewhere.
- To carry on the business as exhibitors of various goods, services and merchandise and to undertake the necessary activities to promote sales of goods, services and merchandise manufactured/dealt with/provided by the company.
- To act as broker, trader, agent, C&F agent, shipper, commission agent, distributor, terminal market centre, agro sector machinery cold chain, representative, franchiser, consultant, collaborator, stockiest, liasioner, job worker, export house of goods, merchandise and service of all grades, specifications, descriptions, applications, modalities, fashions, including by-products, spares or accessories thereof, on retail as well as on wholesale basis.

The Company presently has an authorized capital of ₹ 200000 (Rupees Two Lacs Only) divided into 20,000 (Twenty Thousands) Equity Shares of ₹ 10 (Rupees Ten) each.

The company is mainly engaged in the trading and export of finished leather and leather products. The Company procures raw leather, processes it through job workers and exports the finished products. The Company also procures seasonal fruits and vegetables from farmers, stores them in the Cold storage and sells them in the domestic market. The Company has a rented cold storage go down at Gobindapur, Hooghly, where it stores fruits and vegetables like carrots, beetroots, apples and oranges.

Board of Directors:

Name	Designation	DIN
Lakshman Srinivasan	Director	01349322
Soumen Ghosh	Director	05190925

Shareholding Pattern

The shareholding Pattern of Biomax Traders Private Ltd as on date of this Prospectus is as follows:

Name of Shareholder	No. of Equity Shares Held	Shareholding (%)
Lakshman Srinivasan	5000	50%
Hema Lakshman	5000	50%
Total	10000	100%

Financial Performance:

The audited financial results for the Financial Year March 31, 2012, 2011, 2010 are as follows:

₹ in Lacs

Particulars	March 31,2012	March 31,2011	March 31, 2010
-------------	---------------	---------------	----------------

Particulars	March 31,2012	March 31,2011	March 31, 2010
Equity Share Capital	1.00	1.00	1.00
Reserves (excluding Revaluation Reserves)	1.84	0.54	-
Net Worth	2.84	1.54	1.00
Total Income	58.14	16.42	-
Profit/Loss After Tax	1.30	0.54	-
Earnings Per Share of face value of ₹10 (in ₹)	13.03	5.37	-
Book Value Per Equity Share of face value of ₹ 10 (in ₹)	28.40	15.37	10
Face Value (Per Equity Shares)	10	10	10

There are no defaults in meeting any statutory / bank / institutional dues. No proceedings have been initiated for economic offences against the company.

3. Revati Commercial Pvt. Ltd.

Revati Commercial Pvt. Ltd. was incorporated as a Private Limited Company on 10th August 2011 with its Registered Office at Sikkim Commerce House, 5th Floor, 4/1 Middleton Street, Kolkata 700071. The Corporate Identification Number is U52190WB2011PTC166243.

The main object of Revati Commercial Pvt. Ltd. is to carry on the business as buyer, seller, trader, distributors, marketing, multilevel marketing, network marketing, agents and insurance corporate agents, dealers, stockiest, commission agent, broker and sub –broker, merchant of consumer goods particularly in cosmetics, perfumes, soap, essence, lotions, creams, powers, tooth paste, deodorants and also act as a indenters, distributors, packers of all kinds of computer, computer stationery, rubberized cloth, paper and pulp, food grains, dairy products, soap detergents and detergents chemical, confectioners, surgical, diagnostic medical pulses, leather and leather goods, iron and steel, ferrous and non ferrous metals, developers and construction materials, tea merchants, jute and jute products, textile cotton, synthetic fibre, silk ready made garments, hosiery design materials, wood and wood products, timber, cosmetic stationery tools and hardware, plastics, grain, rubber, rubber products, fertilizers, agriculture, fruit products, industrial products, computer data materials paints, alcohol, liquor, edible and non-edible oils and fats, drugs, plant and machinery, engineering goods, office equipments, hospital equipments medicines, automobile parts, electric and electronic components, toys, consumer products and all other kinds of goods and merchandise, mediators and article of consumption of all kinds setting up of departmental stores.

The Company presently has an authorized capital of ₹ 75,00,000 (Rupees Seventy Five Lac Only) divided into 7,50,000 (Seven Lacs and Fifty Thousands) Equity Shares of ₹ 10 (Rupees Ten Only) each.

The Company proposes to be engaged in the trading of commodities like FMCG goods, electronic goods, equipments, metals, textiles, agro products, etc.

Board of Directors:

Name	Designation	DIN
Lakshman Srinivasan	Director	01349322
Hema Lakshman	Director	01349269
Soumen Ghosh	Director	05190925
Srinivasan Ramakrishna Iyengar	Director	05255039

Shareholding Pattern

The shareholding Pattern of **Revati Commercial Pvt. Ltd.** as on date of this Prospectus is as follows:

Name of Shareholder	No. of Equity Shares Held	Shareholding (%)
Lakshman Srinivasan	5000	50%
Hema Lakshman	5000	50%
Total	10000	100%

Financial Performance:

As on March 31, 2012, the Company has not started any commercial operation and has not filed any Annual Report with the Registrar of Companies, West Bengal.

There are no defaults in meeting any statutory / bank / institutional dues. No proceedings have been initiated for economic offences against the company.

4. Revati Entertainment Pvt. Ltd.

Revati Entertainment Pvt. Ltd. was incorporated as a Private Limited Company on 22nd April 2008 with its Registered Office at Sikkim Commerce House, 4/1 Middleton Street, 5th Floor, Kolkata - 700071. The Corporate Identification Number is U92100WB2008PTC125066.

The main objects of Revati Commercial Pvt. Ltd. are as follows:

- i. To carry on the business to produce, treat, process, prepare, alter, develop, expose, edit, exhibit, make, remake, display, print, reprint, convert, duplicate, finish, buy, sell, run, import, export cine films, TV serials, advertising films, telefilms, documentary films, song remix, any sort of audio, video, visual programmes and to provide color tunes, ring tones, sms, logos, pictures of the above and to act as agent, broker, distributor, proprietor, owners of copy rights, audio rights, theaters, cinema halls, dubbing rights, cinema studio and film processing labs owners and to do all other incidental acts for the attainment of the afore said objects of the company.
- ii. To erect, purchase by contract, take on hire or lease, or otherwise to acquire and maintain the necessary studio or studios, theatres, picture houses for the purpose of the company and also to give the above on hire and to buy, take on hire or give on hire or otherwise acquire all or any machinery, cameras, instruments, apparatus, chemical and other necessary materials for sets, decorations or ornaments furniture and fixture and other articles and things as deemed necessary in connection with the business of the company.

The company presently has an authorized capital of ₹ 1000000 (Rupees Ten Lacs Only) divided into 100000 (One Lac) Equity Shares of ₹10 (Rupees Ten Only) each.

Board of Directors:

Name	Designation	DIN
Hema Lakshman	Director	01349269
Soumen Ghosh	Director	05190925

Shareholding Pattern

The shareholding Pattern of **Revati Entertainment Pvt. Ltd.** as on date of this Prospectus is as follows:

Name of Shareholder	No. of Equity Shares Held	Shareholding (%)
Hema Lakshman	5000	50%
Lakshman Srinivasan	5000	50%
Total	10000	100%

Financial Performance:

The audited financial results for the Financial Year March 31, 2012, 2011, 2010 are as follows:

Particulars	₹ in Lacs		
	March 31,2012	March 31, 2011	March 31, 2010
Equity Share Capital	1.00	1.00	1.00
Reserves (excluding Revaluation Reserves)	1.49	1.09	0.68
Net Worth	2.49	2.09	1.68
Total Income	2.75	16.35	36.99
Profit/Loss After Tax	0.43	0.34	0.68
Earning Per Share of face value of ₹10 (in ₹)	4.28	3.45	6.75
Book Value Per Equity Share of face value of ₹ 10 (in ₹)	24.95	20.96	16.80
Face Value (Per Equity Shares)	10.00	10.00	10.00

There are no defaults in meeting any statutory / bank / institutional dues. No proceedings have been initiated for economic offences against the company.

5. Aishani Commercial Pvt. Ltd.

Aishani Commercial Pvt. Ltd. was incorporated as a Private Limited Company on 6th May 2011 with its Registered Office at Sikkim Commerce House, 5th Floor, 4/1 Middleton Street, Kolkata 700071. The Corporate Identification Number is U52190WB2011PTC162342.

The main object of Aishani Commercial Pvt. Ltd. is to carry on all or any of business as buyers, sellers, traders, distributors, merchants, agents, brokers, sub-brokers, stockiest, commission agents, franchisee dealers, C & F agents, various types of agencies, marketing, chain marketing, network marketing and marketing associates of household goods, cosmetics, stationeries, medical, ayurvedic goods, consumerable durable items, general goods, industrial goods of all kinds of rubberised cloth, food grains, diary products, soap, detergents, biscuits, surgical, diagnostic, medical, pulses leather and finished leather goods, leather garments, leather products, all related item in leather, electric and electronics components, all kind of oils including petroleum and petrochemical products and its by products and waste including lubricants, waxes, gels, edible, and non edible oils, industrial cooking and other gases, iron and steel including stainless steel, granite, marble and related items in stones and gems, mining, drilling & cutting tools including cemented carbide and diamond tools, all types of minerals including mica & mica products, ferrous and non ferrous metal including tungsten ore and its products, iron ore, pellets, ingots, billets, channels, sheets, wires, cobalt, copper, brass, aluminum, silver, gold, brazing alloys, timber, wood, wood products, all types of organic and inorganic chemicals, including mould flux, casting powder, acid, fertilizers etc, medicines, drugs including bulk drugs, coal, coal products, including coke and coal tar, building plans and designs, building and construction materials including cement sand etc, wood, wood products, jute and jute products, plastic and plastic products including plastic raw materials, rubber and rubber products, food grain, food and food products including spices, pickles, sugarcane, sugar, biscuits, tea, coffee, fruits, fruits products, cold drinks, juices, pulses, milk, glucose and dairy products, all types of stationeries, alcohol and liquors etc. Machineries & equipments, engineering goods, office equipments, hospitals, surgical, diagnostics medical equipments, house equipments, sports goods, sports and fitness equipment, fishing and marine products, automobile parts, railway accessories, rubber and rubber products including tyres and belts, leather and leather products shoes, synthetic fiber, yarn, silk yarn, nylon yarn, polyester yarn, cotton yarns, readymade garments, wool and wool products including fur and fur products, all types of textile and textile products, all types of paper, books, magazine and paper products including waste paper and pulps, jewellery including imitation jewellery, dry flowers and plants, industrial and other paints, consumer products including consumer durables, electric and electronic components, parts and products, computer and printers including peripherals, computer software and hardware, transportation including, road, rail, air and sea, ship breaking and all kinds of consumerable durable items, general goods, industrial goods, goods, services, merchandise, commodities and articles of consumption of all kinds in India and elsewhere.

The Company presently has an authorized capital of ₹ 500000 (Rupees Five Lacs Only) divided into 50000 (Fifty Thousand) Equity Shares of ₹10 (Rupees Ten) each.

Board of Directors:

Name	Designation	DIN
Sireen Sadhu	Director	02791089
Nirmala Sadhu	Director	03458748

Shareholding Pattern

The shareholding Pattern of **Revati Commercial Pvt. Ltd.** as on date of this Prospectus is as follows:

Name of Shareholder	No. of Equity Shares Held	Shareholding (%)
Sireen Sadhu	15000	50%
Nirmala Sadhu	15000	50%
Total	30000	100%

Financial Performance:

As on March 31, 2012, the Company has not started any commercial operation and has not filed any Annual Report with the Registrar of Companies, West Bengal.

There are no defaults in meeting any statutory / bank / institutional dues. No proceedings have been initiated for economic offences against the company.

6. Finshore Green Energy Pvt. Ltd.

Finshore Green Energy Pvt. Ltd. was incorporated as a Private Limited Company on 15th March 2012 with its Registered Office at Sikkim Commerce House, 5th Floor, 4/1 Middleton Street, Kolkata - 700071. The Corporate Identification Number is U11202WB2012PTC175762.

The main objects of Finshore Green Energy Pvt. Ltd are as under:

- i. To carry on business as manufacturers, buyers, sellers, importers, exporters, contractors, dealers, suppliers, repairers, service providers and agents for all kinds of solar equipment, solar power equipment, solar power generation equipment for industrial business, household institutional applications and to produce, store or otherwise deal in solar energy and to manufacture, produce, make import, export, trade, buy, sell, store, repair, convert solar lanterns, solar panel, solar home lightening systems, solar LED light manufacturing and other all types of solar and other renewable energy products.
- ii. To carry on business as manufacturers, buyers, sellers, importers, exporters, contractors, dealers, suppliers, repairers, service providers and agents for all kinds of Power Equipments including Power Generation Equipments, Transmission & Distribution Equipments & Systems.
- iii. To carry on the business of generation of electrical power by conventional, non conventional methods including Thermal, Nuclear, Hydel, Wind, Solar Power in India or elsewhere, to generate, receive, produce, improve, buy, sell, resell, acquire, use, transmit, accumulate, employ, distribute, develop, handle, protect, supply and to act as agent, broker, representative, consultant, collaborator, or otherwise to deal in electric power in all its branches of such place or places as may be permitted by appropriate authorities by establishments of thermal power plants, hydraulic power plants, atomic power plants, wind power plants, solar power plants and other power plants based on any source of energy as may be developed or invented in future.

The company presently has an authorized capital of ₹500000 (Rupees Five Lacs Only) divided into 50000 (Fifty Thousand) Equity Shares of ₹10 (Rupees Ten Only) each.

Board of Directors:

Name	Designation	DIN
Lakshman Srinivasan	Director	01349322
Soumen Ghosh	Director	05190925

Shareholding Pattern

The shareholding Pattern of Revati Commercial Pvt. Ltd. as on date of this Prospectus is as follows:

Name of Shareholder	No. of Equity Shares Held	Shareholding (%)
Mritunjay Mondal	16000	80%
Kaushik Chatterjee	4000	20%
Total	20000	100%

Financial Performance:

As on March 31, 2012, the Company has not started any commercial operation and has not filed any Annual Report with the Registrar of Companies, West Bengal.

There are no defaults in meeting any statutory / bank / institutional dues. No proceedings have been initiated for economic offences against the company.

Litigation

For details relating to Litigations involving the Promoters and Our Group Companies Entities please refer to “Outstanding Litigations and Material Developments” on page 133 of this Prospectus.

Nature and extent of Interest of Group Companies

Except as disclosed under “Financial Statement” under the heading “Related Party Transactions” beginning on page 112 of this Draft Prospectus, there are no business interests of any of the group companies in our Company.

Dissociation with Companies / Firms by the Promoters of our Company during the preceding three years

There are no Companies / Firms with which the Promoters of our Company have disassociated themselves during the preceding three (3) years.

Common Pursuits

Other than as disclosed below, there are no common pursuits among Group Companies and our company

- Finshore Commodities Pvt. Ltd.

Presently, the Objects Clause of the Memorandum of Association of the above mentioned companies enables them to engage in activities similar to the activities of our Company. Though these companies are currently not carrying out any business activities but going forward there could be a potential conflict of interest. Our company has entered into non – compete agreements with the above mentioned companies to avoid any conflict of interest in the foreseeable future.

Related business transactions within the Group and significance on financial performance

There are no business transactions between our Company and our Promoter Group Companies except as stated on page 112 under section titled “Related Party Transaction”

Sales or Purchases between our Company and our Promoter Group Companies

There are no sales or purchase transactions between our Company and any Company in the Promoter Group exceeding 10% of the sales or purchases of our Company.

Confirmation

Our Promoters and persons forming part of the Promoter Group have confirmed that they have not been declared as willful defaulter by the RBI or any other governmental authority and there are no violations of securities laws committed by them in the past and no proceedings pertaining to such penalties are pending against them. Further, none of the Promoters and persons forming part of the Promoter Group has been restrained from accessing the Capital markets for any reasons by SEBI or any other authority. None of the Promoter or Group Companies have a negative net worth as of the date of the respective last audited financial statement statements.

RELATED PARTY TRANSACTIONS

Related Party Transactions

For details on Related Party Transactions of our Company, please refer to Annexure XIII of Restated Financial Statement under the section titled “*Financial Information*” on page 114 of the Draft Prospectus.

DIVIDEND POLICY

The declaration and payment of dividends to be paid to the members of our Company will be recommended by the Board of Directors and approved by the shareholders of our Company, at their discretion, and will depend on a number of factors, including but not limited to the earnings, capital requirements and overall financial condition. The Board may also from time to time pay interim dividend.

Our Company has not declared any dividend since inception.

SECTION V: FINANCIAL INFORMATION FINANCIAL STATEMENTS

To,

The Board of Directors
Finshore Management Services Ltd.
Sikkim Commerce House,
5th Floor, Room No. 505
4/1, Middleton Street,
Kolkata 700 071

Dear Sirs,

We have examined the financial information of **Finshore Management Services Limited**, annexed hereto with this report for the purpose of inclusion in the Draft Prospectus (“DP”). The financial information has been prepared in accordance with Paragraph B(1) of Part II of Schedule - II of the Companies Act, 1956 (“the Act”), the Securities and Exchange Board of India (“SEBI”) – Issue of Capital and Disclosure Requirements Regulations 2009 (SEBI (ICDR) regulations), the Guidance Note on Reports in Company Prospectus (Revised) issued by the Institute of Chartered Accountants of India (“ICAI”) and term of engagement agreed upon by us with the Company. The information has been prepared by the Company and approved by the Board of Directors.

A. Financial Information as per Audited Financial Statements

We report that:

- i. The attached “Summary Statement of Profit & Loss, as restated” for the financial year ended 31st March, 2012; (**Annexure - I**).
- ii. The attached “Summary Statement of Assets and Liabilities, as restated” for the financial year ended 31st March, 2012. (**Annexure - II**).

together referred to as the “Summary Statements”, have been extracted from the financial statements of the respective years audited by us and approved by the Board of Directors/Members.

Based on our examination of these Summary Statements, we further state that

- The restated profits, assets and liabilities have been arrived at after making such adjustments and the regrouping which in our opinion are appropriate in the year to which they relate, as shown in **Annexure - III** to this report.
- The summary statements of the company have been restated wherever required with retrospective effect to reflect the significant accounting policies and notes on accounts adopted by the company as at 31st March, 2012 as given in **Annexure - IV** to this report.

B. Other Financial Information:

We have also examined the following financial information relating to the Company, which is proposed to be enclosed in the offer document as approved by the Board of Directors of the company.

1. Summary Statement of Cash Flows as Restated - Annexure-V
2. Statement of Accounting Ratios - Annexure-VI
3. Statement of Sundry Debtors - Annexure-VII
4. Statement of Loans and Advances - Annexure -VIII
5. Statement of Capitalisation - Annexure - IX
6. Statement of Tax Shelter- Annexure - X
7. Statement of Other Income - Annexure - XI
8. Statement of Reserves & Surplus- Annexure -XII
9. Statement of Related Party Transactions - Annexure - XIII
10. There were no changes in significant accounting policies in the last five years.

In our opinion, the financial information of the Company attached to this report, as mentioned in paragraph A and B above, read with notes (Annexure-III) and significant accounting policies and notes on accounts (Annexure IV) to this report and after making adjustments and regrouping as considered appropriate has been prepared in accordance with Part II of Schedule II of the Companies Act and the Regulations issued by SEBI.

We confirm that all notes to accounts as well as significant accounting policies have been incorporated and further there are no material notes to our report which may have material effect on the financial status of the company.

This report should not in any way be construed as a re-issuance or re-dating of any of the previous audit report nor this be construed as a new opinion on any of the financial statements referred to herein.

This report is intended solely for your information and for inclusion in the Offer Document in connection with the proposed public offering of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

M/s P.N.Ganguli & Company
Chartered Accountants
FRN: 302203E

Sd/-
(Saikat Sen)
Partner
Membership No.: 064453

Place: Kolkata
Date : 22.08.2012

M/s S K Sengupta & Associates
Chartered Accountants
FRN: 32550E

Sd/-
(Sajal Kanti Sengupta)
Partner
Membership No.: 056709

Place: Kolkata
Date : 22.08.2012

ANNEXURE I

SUMMARY STATEMENT OF PROFITS AND LOSSES, AS RESTATED

Particulars		For the year ended 31st March, 2012 ₹
(A)	Income	
	<u>Net Turnover</u>	
	Corporate Advisory Fees	1,525,000
	Educational Advisory Fess	450,000
	Profit from commodity trading	2,700,776
	Other income	17,925
	Total Income	4,693,701
(B)	Expenditure	
	Payment to & Provision for Employees	1,059,282
	Manufacturing, Administrative & Other Expenses	552,450
	Depreciation/Amortization	8,673
	Preliminary Expenses Written off	64,434
	Total Expenditure	1,684,839
	Profit Before Tax (A - B)	3,008,862
	Less : <u>Provision for Tax</u>	
	Current	912,000
	Deferred Tax Asset / (Liability)	18,000
	Add : MAT Credit Entitlement	-
	Profit After Tax before Adjustments	2,078,862
	Adjustments	
	Current Tax Impact of Adjustments	-
	Deferred Tax Impact of Adjustments	-
	Total of Adjustments after Tax Impact	-
	Net Profit as restated	2,078,862
	Balance Brought Forward From Previous Year	-
	Balance available for Appropriations, as restated	2,078,862
	<u>Appropriations</u>	-
	Balance Carried Forwards Restated	2,078,862

ANNEXURE II

SUMMARY STATEMENT OF ASSETS & LIABILITIES, AS RESTATED

Particulars		As at 31st March 2012 ₹
(A)	Fixed assets	
(i)	Gross Block	340,376
	Less : Accumulated Depreciation	8,673
	Net Block	331,703
	Net Block After Adjustment	331,703
(B)	Current Assets, Loans and Advances	
(i)	Sundry Debtors	2,881,676
(ii)	Cash and Bank Balances	18,680,675
(iii)	Loans and Advances	8,800,000
	Total Current Assets	30,362,351
(C)	Less : Liabilities and Provisions	
(i)	Deferred Tax Liabilities (net)	18,000
(ii)	Current Liabilities	942,928
(iii)	Provisions (net)	912,000
	Total Liabilities and Provisions	1,872,928
	Net Worth (A + B - C)	28,821,126
	Net Worth Represented By	
(D)	Share Capital	14,250,000
(E)	Reserve and Surplus	14,828,862
(F)	Total (D + E)	29,078,862
(G)	Less : Miscellaneous Expenditure (to the extent not written off or adjusted)	257,736
	Net Worth (F - G)	28,821,126

ANNEXURE III

STATEMENT OF ADJUSTMENTS TO AUDITED PROFIT & LOSS ACCOUNTS

Particulars	For the year ended 31st March 2012 ₹
Profit after tax as per audited Financial Account	2,078,862
<u>Adjustments to Profit & Loss Account</u>	
Income Tax related to earlier years	-
Fringe Benefit Tax related to earlier years	-
Gross Effect on Profit & Loss Account	-
Net Profit as per Restated Profit & Loss Account	2,078,862

ANNEXURE IV

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

A **SIGNIFICANT ACCOUNTING POLICIES**

a) **Basis of Accounting**

The Company maintains its accounts on accrual basis following the historical cost convention in accordance with generally accepted accounting principles, in compliance with the provisions of the Companies Act, 1956 and the Accounting Standards as specified in the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The preparation of financial statements in conformity with generally accepted accounting principles requires that the management of the Company makes estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities for the reporting period..

b) **Use of Estimates**

The preparation of the Financial Statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent assets and liabilities as at the date of the financial statements and reported amount of income and expenses during the period. Examples of such estimates includes future obligation with respect to employees benefits, income taxes, useful lives of fixed assets etc. Difference between the actual results and estimates are recognised in the period in which the results are known/materialised.

c) **Revenue Recognition**

Income and Expenditure are recognised and accounted for on accrual basis.

Financial Derivative transactions are accounted on the date of their settlement and realised gain/loss in respect of settled contracts are recognised in the profit & loss account.

d) **Fixed Assets & Depreciation**

Tangible Assets

Own Assets

Tangible assets are stated at their cost of acquisition net of receivable CENVAT and VAT Credits. All costs, direct or indirect, relating to the acquisition and installation of fixed assets and bringing it to its working condition for its intended use are capitalised and include borrowing costs directly attributable to construction or acquisition of fixed assets, up to the date the asset is put to use. Leasehold land including development costs on the same are amortized over the respective lease period. Depreciation on fixed assets is provided on a pro-rata-basis at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956.

e) **Foreign Exchange Transactions**

There are no foreign exchange transactions during the year.

f) **Cash Flow Statements**

The Cash Flow Statement is prepared by the indirect method set out in AS -3 on Cash Flow Statements and present the cash flows from operating, investing and financing activities of the Company.

Cash and cash equivalents presented in the Cash Flow Statement consists of cash in hand, cheques in hand and demand deposits with bank.

g) **Earning Per Share**

The Company reports Basic and Diluted earnings per equity share in accordance with the AS - 20 on Earning Per Share. In determining earning per share, the Company considers the net profit after tax and includes the post tax effect of any extraordinary/exceptional items. The number of shares used in computing basic earning per share is the weighted average number of equity shares outstanding during the period. The numbers of shares used in computing diluted earning per share comprises the weighted average number of equity shares that would have been issued on the conversion of all potential equity shares. Dilutive potential equity shares have been deemed converted as of the beginning of the period, unless issued at a later date.

h) **Provision for Current and Deferred Tax**

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

- i) **Borrowing Costs**
Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. All other borrowing costs are charged to revenue.
- j) **Provision, Contingent Liabilities and Contingent Assets**
Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and 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 recognised nor disclosed in the financial statements.
- k) **Impairment of Assets**
The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal / external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the assets. A previously recognised impairment loss is increased or reversed depending on changes in circumstances.

B. NOTES ON ACCOUNTS

- 1 Contingent Liabilities not provided for in respect of :

Sl. No.	Particulars	As at 31st March, 2012 ₹
1	Estimated amount of contracts remaining to be executed on Capital account and not provided for in the books	6,000,000

- 2 Term Loan repayable within a year as on 31.03.2012 :
The Company has not availed any term loan as on 31.3.2012
- 3 As per AS - 22 on Accounting for Taxes on Income , the Deferred Tax Asset/ (Liability) is computed as under:

Sl. No.	Particulars	As at 31st March 2012 ₹
1	<u>Deferred Tax Liability</u>	
	Arising on account of difference in W.D.V. of fixed assets as per I.Tax Act. & as per Co.'s Act	18,000
Net Deferred Tax Asset / (Liability)		18,000

- 4 Directors' Remuneration

Sl. No.	Particulars	For the year ended 31st March 2012
		₹
(a)	Salaries	900,000
(b)	Contributions to Provident Fund	-
(c)	Perquisites	-
		900,000

5 Earnings per share :

The calculation of Earning Per Share (EPS) has been made in accordance with AS - 20. A statement on calculation of Basic and Diluted EPS is as under:

Sl. No.	Particulars	For the year ended 31st March, 2012
(a)	Net Profit after taxation (₹)	2,078,862
(b)	Weighted Avg. No. of Equity Shares	269,532
	Add: Dilutive Potential Equity Shares	0
	No. of Equity Shares for Dilutive EPS	269,532
(c)	Nominal value of shares (₹)	10.00
	Basic Earnings Per Share (₹)	7.71
	Diluted Earning Per Share (₹)	7.71

6 Additional Information pursuant to requirements of provisions of Paragraph 3,4C, 4D, Part II of Schedule VI to the Companies Act, 1956 for the period under review:

N.A.

7 Obligations on long term, non-cancelable operating leases:

There are no obligations relating to long-term, non-cancelable operating leases.

8 In the opinion of the Board, Current Assets, Loans & Advances (including Capital Advances) have a value on realisation in the ordinary course of business, equal to the amount at which they are stated.

9 The total amount outstanding to suppliers covered under the Micro, Small and Medium Enterprises Development Act, 2006 as on 31.03.2012:

N.A.

Particulars	For the year ended 31st March, 2011
Value of Imports calculated on C.I.F. basis	N.A.
Expenditure in Foreign Exchange	
Earnings in Foreign Exchange	

11 Subsidiary Company:

The Company had no subsidiary as on 31.3.2012.

12 Employee Benefits - Disclosures pursuant to Accounting Standard (AS) 15 (Revised)

The Company has not made provision for retirement benefit of employees to the tune of ₹ 16,068 for the period ending 31.3.2012.

13 Post Balance Sheet Event

The Company has been converted into a Limited Company with effect from 18th April 2012.

The Company has paid ₹ 20.00 lacs in terms of the Material Development expenditure account after the Balance Sheet Date

ANNEXURE V

SUMMARY STATEMENT OF CASH FLOWS, AS RESTATED

Particulars		For the year ended 31st March 2012 ₹
(A)	<u>Cash Flow from Operating Activities</u>	
	Net Profit Before Tax & Extraordinary Items, as restated	3,008,862
	<u>Adjustments for:</u>	
	Depreciation/Amortisation	8,673
	Preliminary Expenses written off	64,434
	Operating Profit Before Working Capital Changes	3,081,969
	<u>Adjustments for:</u>	
	Preliminary Expenses incurred	(322,170)
	Increase / (Decrease) in Payable for Goods & other expenses	942,928
	(Increase) / Decrease in Advances & Receivables	(3,681,676)
	Cash Generated From Operations	21,051
	Net Cash from / (used in) Operating Activities	21,051
(B)	<u>Cash Flow from Investing Activities</u>	
	Additions to Fixed Assets/Capital Work In Progress	(8,340,376)
	Net Cash from / (used in) Investing Activities	(8,340,376)
(C)	<u>Cash Flow from Financing Activities</u>	
	Proceeds from issue of Equity Share Capital	27,000,000
	Net Cash from / (used in) Financing Activities	27,000,000
	Net Increase / (Decrease) in Cash & Cash Equivalents	18,680,675
	(A + B + C)	
	Opening Balance of Cash and Cash Equivalents	-
	Closing Balance of Cash and Cash Equivalents	18,680,675

ANNEXURE VI
STATEMENT OF ACCOUNTING RATIOS

Particulars	For the year ended 31st March 2012
Net Profit as restated (₹)	2,078,862
Net Worth (₹)	28,821,126
Return on Net Worth (%)	7.21%
Number of Equity Shares at the end of year (Face Value ₹ 10/-)	1,425,000
Weighted Average Number of Equity Shares	269,532
Basic Earnings Per Share (₹)	7.71
Diluted Earnings Per Share (₹)	7.71
Net Asset Value / Book Value per share (₹)	20.23

Notes :

1. Earnings Per Share (₹) = $\frac{\text{Profit available to Equity Shareholders}}{\text{Weighted Average Number of Equity Shares}}$
2. Diluted Earnings Per Share (₹) = $\frac{\text{Profit available to Equity Shareholders}}{\text{Weighted Avg. No. of Equity Shares adjusted for the effect of dilutive options}}$
3. Return on Net Worth (%) = $\frac{\text{Restated Profit after Taxation}}{\text{Net Worth}}$
4. Net Asset Value/Book Value per Share (₹) = $\frac{\text{Net Worth}}{\text{Number of Equity Shares at the end of year}}$
5. The Company does not have any revaluation reserve or extra-ordinary items.

ANNEXURE VII
STATEMENT OF SUNDRY DEBTORS

Particulars	As at 31st March, 2012 ₹
Unsecured and Considered Good	
Outstanding for a period exceeding six months	-
Other Debts	2,881,676
	2,881,676

Note : None of Sundry Debtors are related to the Directors or promoters or the Issuer in any way.

ANNEXURE VIII

STATEMENT OF LOANS AND ADVANCES

Particulars	As at 31st March 2012 ₹
<u>Unsecured and Considered Good</u>	
<u>Advances Recoverable in Cash or in Kind</u>	
Bombay Stock Exchange (for Registration)	100,000
Capital Advances for Office Space	8,000,000
LSI Financial Services Pvt. Ltd.	100,000
Mr. K. Chatterjee	500,000
Ms. Subha Chatterjee	100,000
Total	8,800,000

Note: None of Loans and Advances are related to the Directors or promoters or the Issuer in any way.

ANNEXURE IX

STATEMENT OF CAPITALISATION

Particulars	Pre Issue as at 31st March, 2012 ₹	Post Issue ₹
<u>Borrowings</u>		
<u>Secured</u>		
Short term Debts	-	-
Long term Debts	-	-
<u>Unsecured</u>		
Short term Debts	-	-
Long term Debts	-	-
Total Debts	-	-
<u>Shareholder's Funds :</u>		
Share Capital (A)	14,250,000	21,916,700
Reserves & Surplus (net of revaluation reserve) (B)	14,828,862	51,162,362
Total Shareholder's Funds (A + B)	29,078,862	73,079,062
Long term Debt/Equity Ratio	0.00	0.00

ANNEXURE X

STATEMENT OF TAX SHELTER

Particulars		For the year ended 31st March 2012
Assessment Year		2012-13
		₹
Profit before current and deferred taxes, as restated		3,008,862
Normal Tax Rate		30.90%
Minimum Alternative Tax Rate		18.50%
Normal Tax at Normal Rates	A	930,000
Adjustments :		
Permanent Differences		
Total	B	-
Timing Differences		
Difference between Tax Depreciation and Book Depreciation		58,265
Total	C	58,265
Net Adjustments	D = B + C	58,265
Tax savings thereon	E	18,000
Gross Tax for the year (excluding Surcharge & Edu Cess)		885,000
Less : MAT Credit Taken		-
Net Tax for the year (including Surcharge & Edu Cess)		912,000
Tax Payable as per MAT		556,640
Tax Expense recognised		912,000

ANNEXURE XI

STATEMENT OF OTHER INCOME

Particulars	For the year ended 31st March 2012 ₹
Miscellaneous Income	17,925
	17,925

ANNEXURE XII

STATEMENT OF RESERVES & SURPLUS

Particulars	As at 31st March, 2012 ₹
<u>Securities Premium Account</u>	
Balance b/f.	-
Additions during the year	12,750,000
	12,750,000
Surplus in Profit & Loss Account	2,078,862
	14,828,862

ANNEXURE XIII

STATEMENT OF RELATED PARTY TRANSACTION

Relationship	As at March 31,2012
Key Management Personnel	<ul style="list-style-type: none"> Lakshman Srinivasan – Managing Director Sireen Sadhu – Wholetime Director
Relatives of Key Management Personnel	Srinivasan Ramakrishna Iyengar – Brother of Lakshman Srinivasan
Subsidiary Company	N.A.
Other Related Parties	Greenol Laboratories Pvt. Ltd. (Lakshman Srinivasan being one of the Directors).

Transaction with the Related Party

Particulars	As at March 31,2012												
<u>Managerial Remuneration</u>													
Key Management Personnel	Lakshman Srinivasan – ₹ 600,000 Sireen Sadhu – ₹ 300,000												
<u>Finance Charges</u>													
Other Related Parties	Nil												
<u>Rent Paid</u>													
Key Management Personnel	Nil												
Relatives of Key Management Personnel	Nil												
Other Related Parties	Greenol Laboratories Pvt. Ltd. : Rent – ₹ 150000 Maintenance charges – ₹ 5120												
<u>Salary</u>													
Relatives of Key Management Personnel													
Management Personnel	Srinivasan Ramakrishna Iyengar – ₹ 300,000												
<u>Retainership Charges</u>													
Relatives of Key Management Personnel													
Management Personnel	Nil												
<u>Group Common Expenses</u>													
Other Related Parties	Nil												
<u>Loan Received</u>													
Other Related Parties	Nil												
<u>Refund of Loan</u>													
Other Related Parties	Nil												
<u>Sale of Investments</u>													
Other Related Parties	Nil												
<u>Conversion Charges</u>													
Other Related Parties	Nil												
<u>Allotment of Equity Shares</u>													
Other Related Parties													
Key Management Personnel	<table border="1"> <thead> <tr> <th>Name</th> <th>No. of shares Alloted</th> <th>Total Value incl. Premium (₹)</th> </tr> </thead> <tbody> <tr> <td>Lakshman Srinivasan</td> <td>1,221,950</td> <td>24,968,000</td> </tr> <tr> <td>Sireen Sadhu</td> <td>203,000</td> <td>2,030,000</td> </tr> <tr> <td>Srinivasan Ramakrishna Iyengar</td> <td>10</td> <td>400</td> </tr> </tbody> </table>	Name	No. of shares Alloted	Total Value incl. Premium (₹)	Lakshman Srinivasan	1,221,950	24,968,000	Sireen Sadhu	203,000	2,030,000	Srinivasan Ramakrishna Iyengar	10	400
Name	No. of shares Alloted	Total Value incl. Premium (₹)											
Lakshman Srinivasan	1,221,950	24,968,000											
Sireen Sadhu	203,000	2,030,000											
Srinivasan Ramakrishna Iyengar	10	400											

Particulars	As at March 31,2012
<u>Investments</u>	
Subsidiary Companies	Nil
<u>Advance Received (net)</u>	
Other Related Parties	Nil
<u>Closing Balance</u>	
Other Related Parties	Nil
Key Management Personnel	Nil

MANAGEMENT DISCUSSION & ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

These financial statements have been prepared in accordance with the Indian GAAP, the Companies Act and the SEBI (ICDR) Regulations and restated as described in the report of our Statutory Auditor and Joint Auditor dated August 22, 2012 in the Chapter titled “Financial Information” beginning on page 114 of this Prospectus.

Our financial year ends on March 31 of each year, so all references to a particular fiscal year to 12-month period ended March 31 of that year. Since this is the first year of operation of our Company, so there are no figures for comparison.

Business Overview

Our Company is engaged in the business of providing financial, management and other corporate advisory services to corporates with specific focus on the Small and Medium Industries. Finshore offers specialized services in the area of raising funds in the form of debt and/or equity, financial restructuring, and various other advisory services which help our clients in effectively growing their businesses.

FMSL is currently offering its services to Small and Medium Enterprises (SME) which contributes around 8% to the GDP of India. We believe that there is immense potential in tapping this bottom of the pyramid opportunity, as the momentum of India growth story percolates down. Providing quality and timely service in an efficient and proactive manner could enable us to create a sustained business niche for our services. Our services are sector agnostic and aim to create sustained business growth options for the client.

Currently, FMSL is assisting small sized companies in recalibrating their vision, business strategy and teams to reach their growth aspirations. These companies are in sectors like Dairy, Hospitality, Education and various other sectors.

FACTORS AFFECTING RESULTS OF OPERATIONS

Our financial condition and results of operations are affected by numerous factors. We believe the following are of importance.

Competition

We face significant competition from players in the organised as well as in the unorganised sector, consultancy firms, investment banks, and public and private sector commercial banks operating in the markets in which we operate. In recent years, international banks have also entered these markets. Some of these firms have greater resources, a longer operating history (than in case of our business) and / or a more widely recognised brand than us, which may give them a competitive advantage. Our ability to grow our revenues will depend on demand for our products and services in preference to those of our competitors. We can always differentiate ourselves favourably from our competitors only on our unique customer segmentation, product capabilities and our service conditions to clients.

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.

Geographical expansion and opening of new offices

We presently render services through our office at Kolkata & going forward shall render through multiple business locations spread across different states. Our increased geographical spread we believe would contribute to increased net revenues.

Regulatory developments

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

Recruitment and retention of employees

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

New business products

We are in the midst of expanding our business. The competitive edge of the organisation can be maintained only if it comes out with innovative financial products that the market may demand at any given point of time. This offers a major challenge which our organisation would like to meet through professional acumen.

Technology

We recognise the need to have adequate technology in place and keep pace with technological advances. Our success will depend in part on our ability to respond to technological advances and emerging standards and practices in a cost effective and timely basis.

We do recognize the need to have a sophisticated technology network in place to meet our clients needs as well as to maintain robust risk management system. Our technology infrastructure is aimed at ensuring that our information system is reliable and performance enhancing and that the client data is protected. Going forward we expect that advances in technology will enable us to provide a more efficient services to our clients, which is expected to have a positive impact on our revenues, although this may be partially offset by initial capital investment costs.

For further details, see “Risk Factors”, “Industry Overview” and “Business Overview” on pages 10, 57 and 68 respectively of this Prospectus.

COMPONENT OF INCOME & EXPENDITURE

Income

Our income primarily comprises of Corporate Advisory Fees, Educational Advisory Fees, Income from Commodity Trading and Other Income.

Gross Revenue - Our revenue from operations is derived from the following:

1. Corporate Finance & Advisory Services

We offer financial and advisory services to business entities in areas of Debt Syndication, Mergers & Acquisition, Business Sales & Disposals, Restructuring Advisory, Transaction Services, Project Consultancy, Corporate Advisory, Auditing & Secretarial Services, etc.

2. Educational Advisory

We are providing advisory services to a renowned Management College in Kolkata, offering business management courses like MBA, BBA along with vocational and job oriented courses like Banking & Finance, Fire and Safety, Film and Media to the students.

3. Others

We are also engaged in commodity trading through registered brokers. During the year, we made a profit of over ₹ 27.00 lacs from commodity trading.

Other Income - Our other income includes only miscellaneous income receipts from clients.

Expenditure

Our expenditure consists of Staff Costs and Administrative & General Expenses.

Staff Costs - Our Personnel Expenses consists of salary and other benefits paid to our employees.

Administrative and General Expenses Our administrative and general expenses consist of rent, printing and stationery, office expenses, repairs & maintenance, electricity charges, audit fees, bank charges, travelling & conveyance, software development charges, professional tax, Trade License fees, telephone charges, car hire charges, consultancy fees, subscription & donation, etc.

Taxation

Current tax: Current tax is the provision made for income tax liability on the profits for the applicable financial period in accordance with applicable tax law.

Deferred tax: Deferred tax arises from timing differences between book profits (accounting) and taxable profits that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using tax rates and laws that have been enacted or substantially enacted as of the date of our balance sheet.

Wealth Tax: We have to pay wealth tax as per the applicable tax laws

Our Growth Path

The following table sets forth select financial data from our audited profit and loss account for the financial year 2011-12 respectively, the components of which are also expressed as a percentage of total income for such period.

Particulars	For the Financial Year 2012	
	(in lacs)	% of Total Income
Income:		
Corporate Advisory Fees	15.25	32.49%
Educational Advisory Fess	4.50	9.59%
Profit from commodity trading	27.01	57.54%
Other Income	0.18	0.38%
Total Income	46.94	100%
Expenditure:		
Wages and Staff Costs	10.59	22.57%
Administrative and general expenses	5.52	11.77%
Total Expenditure	16.12	34.34%
Profit Before Interest, Depreciation and Tax	30.82	65.66%
Depreciation	0.09	0.18%
Profit Before Interest and Tax	30.73	65.48%
Financial Charges	0.00	0%
Profit after Interest and Before Tax	30.73	65.48%
Preliminary Expenses and Def. Exp. W/o	0.64	1.37%
Profit before taxation	30.09	64.10%
Provision for Taxation	9.12	19.43%
Provision for Deferred Tax	0.18	0.38%
Provision for FBT	0.00	0.00%
Add/Less Tax adjustment Prior Year	0.00	0.00%
Total Taxation	9.30	19.81%
Profit After Tax but Before Extra ordinary Items	20.79	44.29%
Net Profit after adjustments, as restated	20.79	44.29%

Discussion on Results of Operations

Financial Year 2012

Total Income - Our total income for the financial year 2011-12, comprising 3 months operations, was ₹ 46.94 lacs out of which income from trading in commodities contributed highest in the revenue generation.

Net Revenue - Our net revenue was ₹ 46.77 lacs. Our revenue from different verticals for the financial year are indicated below:

- Corporate Advisory Fees ₹ 15.25 lacs
- Educational Advisory Fess ₹ 4.50 lacs
- Profit from commodity trading ₹ 27.01 lacs

Other Income – During the year other income stood at ₹ 0.18 lacs

Total Expenditure - Our total expenditure was ₹ 16.12 lacs for the financial year ended 2012. Out of the Total Expenditure the major expenditure was personnel cost constituting 65.72% of the total expenditure..

Staff Costs - Our personnel expenses was ₹ 10.59 lacs for the financial year ended 2012.

Administrative and General Expenses - Our administrative and general expenses was ₹ 5.52 lacs for the financial year ended 2012.

Depreciation - Depreciation expenses was ₹ 0.09 lacs for the financial year ended 2012

Profit Before Taxation - Profit Before Taxation, as restated, was ₹ 30.09 lacs which is 64.10% of the total income for the year ended 2012.

Provision for Taxation - Provision for taxation inclusive of wealth tax is ₹ 9.30 lacs for the financial year ended 2012.

Net Profit - Our net profit stood at ₹ 20.79 lacs which works out to be a healthy. 44.29% of the total income for the financial year ended 2012.

FACTORS THAT MAY AFFECT THE RESULTS OF THE OPERATIONS:

Unusual or infrequent events or transactions

Other than as described in this Draft Prospectus, particularly in “Management’s Discussion and Analysis of Financial Condition and Results of Operations” the Company believes, there are no events that may be described as unusual or infrequent events and transactions.

Significant economic/regulatory changes

Some of the activities carried out / proposed to be carried out by our company would be regulated by SEBI, RBI and other regulatory authorities and require prior registration in most of the cases. The regulated operations are subject to periodic review / inspection from regulatory agencies and stock exchanges. Since the level of operations is dependent on the general economic conditions, any changes in the economic conditions may affect the revenues and profitability of the Company. Other than as described in this Prospectus, particularly in “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations”, the Company believes, there are no significant economic / regulatory changes that materially affect or are likely to affect the income from continuing operations.

Known trends and uncertainties

Other than as described in this Draft Prospectus, in “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations”, the Company believes, there are no trends or uncertainties that have or had or are expected to have a material adverse impact on revenues or income of the Company from continuing operations.

Future relationship between costs and income

Other than as described in this Prospectus, particularly in “Management’s Discussion and Analysis of Financial Condition and Results of Operations”, the Company believes, there are no known factors, which will have a material adverse impact on the operation and finances of the Company.

New Products or business segments

Other than as described in this Prospectus, particularly in “Business Overview”, the Company is not planning as of date for introducing any new products or business segments.

Seasonality of business

To some extent our business is dependent on the state of financial markets, level of activity in the capital market and overall economic conditions prevailing both locally and globally. The level of our operations, income and profitability may be affected by such factors. We intend to continue to build a diversified business platform by identifying business opportunities with strong long term prospects for growth and profitability and offering products and services across a broad spectrum of financial services. We believe that this will enable us to maintain growth and profitability notwithstanding market cycles by limiting our dependence on any particular line of business.

Dependence on single or few suppliers / customers

Our operations are currently dependent on a few customers.

Competitive Conditions

We expect competition to intensify for existing and potential new customers. For further details, see “Factors Affecting Results Of Operations” on page 127 of this Prospectus, “Risk Factors” on page 10 of this Prospectus and “Business Overview” on page 68 of this Prospectus.

FINANCIAL INDEBTEDNESS

As on the date of filing this Draft Prospectus, we have not availed of any loans from any Bank or Financial Institution.

**SECTION VI: LEGAL AND REGULATORY INFORMATION
OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS**

Except as stated in this Draft Prospectus, there is no outstanding or pending litigation, suit, criminal or civil prosecution, proceeding initiated for offence (irrespective of whether specified in paragraph (I) of Part I of Schedule XIII of the Companies Act) or litigation for tax liabilities against our Company, our Directors or our Promoters or companies promoted by our Promoters and there are no defaults to banks /financial institutions, non-payment of or overdue statutory dues, or dues towards holders of any debentures, bonds and fixed deposits and arrears of preference shares, other unclaimed liabilities of our Company and no disciplinary action has been taken by SEBI or any stock exchanges against our Company, our Promoters or Directors. Further, except as stated in this Draft Prospectus, there are no past cases in which penalties have been imposed on our Company or our Promoters, Directors or companies promoted by our Promoters by concerned authorities, and there is no outstanding litigation against any other company whose outcome could have a material adverse effect on the position of our Company. Further, except as stated herein, there are no cases of litigations, defaults, etc. in respect of companies/firms/ventures with which our Promoters were associated in the past but are no longer associated, in respect of which the name(s) of our Promoters continues to be associated with those litigation(s).

This section has been divided into seven parts:

Part 1: Contingent Liabilities of our Company

Part 2: Litigation relating to our Company

Part 3: Litigation against or by Directors of our Company

Part 4: Litigation relating to our Promoters and Group Companies

Part 5: Other disclosures

Part 6: Amounts owed to Small Scale Undertakings and other Creditors

Part 7: Material Developments

PART 1: CONTINGENT LIABILITIES OF OUR COMPANY

As on March 31, 2012, the Contingent Liabilities not provided for, are as follows

Sr. No.	Particulars	As at March 31, 2012
1	Estimated amount of contracts remaining to be executed on Capital account and not provided for in the books	80,00,000.00
	Total	80,00,000.00

PART 2: LITIGATION RELATING TO OUR COMPANY

A) FILED AGAINST OUR COMPANY

1. Litigation involving Civil Laws: NIL
2. Litigation involving Criminal Laws: NIL
3. Litigation involving Securities and Economic Laws: NIL
4. Litigation involving Statutory Laws: NIL
5. Litigation involving Direct Tax Laws: : NIL
6. Litigations involving Indirect Tax Laws: NIL

B) PREFERRED BY OUR COMPANY

1. Litigation involving Civil Laws: NIL
2. Litigation involving Criminal Laws: NIL
3. Litigation involving Securities and Economic Laws: NIL
4. Litigation involving Statutory Laws: NIL
5. Litigation involving Direct Tax Laws: NIL
6. Litigation involving Indirect Tax Laws:

PART 3: LITIGATIONS RELATING TO DIRECTORS OF OUR COMPANY

Litigation against the Directors of our Company:

There are no pending litigations, defaults, non payment of statutory dues, proceedings initiated for economic offences/ civil offences (including the past cases), any disciplinary action taken by the SEBI / stock exchanges against our Company's directors.

Litigations Preferred By the Directors of our Company: Nil

PART 4: LITIGATIONS RELATING TO OUR PROMOTERS AND GROUP COMPANIES

a) OUR PROMOTERS

Litigation against our Promoters:

There are no pending litigations, defaults, non payment of statutory dues, proceedings initiated for economic offences/ civil offences (including the past cases). Further, no disciplinary action was taken by the SEBI/ stock exchanges against the promoters and their other business ventures (irrespective of the fact whether they are companies under the same management with the Issuer Company as per section 370 (1B) of the Companies Act, 1956).

Litigations Preferred by our Promoters: Nil

b) OUR GROUP COMPANIES

A) Filed against our Group Companies

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 Direct Tax Laws: NIL
6. Litigation involving Indirect Tax Laws: NIL

B) Preferred by our Group Companies:

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 Direct Tax Laws: NIL
6. Litigation involving Indirect Tax Laws: NIL

PART 5: OTHER DISCLOSURES

Our promoters, their relatives (as per Companies Act, 1956), issuer, group companies, associate companies are not declared as willful defaulters by RBI/ government authorities and there are no violations of securities laws committed by them in the past or pending against them.

Our Company, promoters, directors or any of our Group Companies or other ventures of the promoters and companies with which the directors of our Company are associated as directors or promoters have not been prohibited from accessing the capital markets under any order or direction passed by SEBI and no penalty has been imposed at any time by any of the regulators in India or abroad.

PART 6: AMOUNTS OWED TO SMALL SCALE UNDERTAKINGS AND OTHER CREDITORS

Not Applicable

PART 7: MATERIAL DEVELOPMENT

Material Developments since the Last Balance Sheet Date i.e., March 31, 2012

In the opinion of the Board of Directors of our company, except as disclosed below, there have not arisen since the date of the last audited financial statements disclosed in this Draft 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 months.

1. The Company was converted into a Limited Company with effect from 18th April 2012.
2. The Company has paid ₹ 20 lacs as part payment towards purchase of office at Anandalok Building, Kolkata.
3. The Company has allotted 100000 no. of equity shares (Face value – ₹ 10 per share) at a premium of ₹ 30 per share to Mr. Kaushik Majumdar (65,000 shares) and Ms. Aparna Majumder (35,000 shares)
4. The Company has opened a new branch at Durgapur.
5. Unsecured loan of ₹ 12 lacs has been received from Mr. Lakshman Srinivasan, the Managing Director.
6. The Company has acquired 9999 shares of Finshore Securities Pvt. Ltd., which became a wholly owned subsidiary of the Company.
7. The Company entered into a Supplementary Agreement with Vivekananda College of Empowerment for Education Management Consultancy and with Eris Hotel & Resorts Pvt. Ltd. for Hotel Management Consultancy.

GOVERNMENT AND OTHER APPROVALS

The approvals and licenses received by the Company from government/other authorities listed below enables it to carry out the present business activities. Unless otherwise stated herein below, these approvals are valid and subsisting as on the date of Report. 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.

The Company is required to obtain various statutory and regulatory licenses / approvals from the Central and State authorities for the purposes of its business. The approvals obtained by the Company are arranged in the following order:

Approvals related to the Issue

1. In Principle approval from the BSE SME Exchange – To be applied

1. Under the Companies Act, 1956

Sr. No.	Date of approval	Authority granting approval	Registration No. / CIN	Applicable law	Nature of approval
1	14/11/2011	Registrar of Companies, West Bengal	U52190WB2011PTC 169377	Companies Act, 1956	Certificate of Incorporation as Finshore Management Services Private Ltd.
2	18/04/2012	Registrar of Companies, West Bengal	U74900WB2011PLC 169377	Companies Act, 1956	Fresh Certificate of Incorporation Consequent upon its Name change as Finshore Management Services Ltd

2. Under Direct & Indirect Tax Laws

Sr. No.	Date of approval	Authority granting approval	Approval / Regn. No.	Applicable law	Nature of approval	Valid Upto
1	-	Income Tax Department	PAN No. AABCF8557F	Income Tax Act, 1961	Allotment of Permanent Account Number (PAN)	Valid until Canceled
2	-	Income Tax Department	TAN No. CALF01569B	Income Tax Act, 1961	Allotment of Tax Deduction Account Number (TAN)	Valid until Canceled
3	06/03/2012	Profession Tax Officer, Calcutta North Range	RCN – 0565113	West Bengal State Tax on Professions, Trades, Callings & Employments Act, 1979	Certificate of Registration	Valid until Canceled
4	13/04/2012	Service Tax	AABCF8557FSD001	Chapter V of the Finance Act, 1994 read with Service Tax Rules, 1994	Form ST – 2	Valid until Canceled

3. Under Industrial and Labour Laws

Sr. No.	Date of approval	Authority granting approval	Approval/ License No. / Regn. No.	Applicable law	Nature of approval	Valid Upto
1	30/05/2012	Supervising Inspector, Shops & Establishment,	KOL/S.SARANI/P-II/49993	West Bengal Shops & Establishment Act, 1963	Registration Certificate	29/05/2015

Sr. No.	Date of approval	Authority granting approval	Approval/ License No. / Regn. No.	Applicable law	Nature of approval	Valid Upto
		Govt of West Bengal				

4. Other Registrations & Approvals from Governmental/ Regulatory Authorities

Sr. No.	Date of approval	Authority granting approval	Approval/ Registration number	Applicable law	Nature of approval	Valid Upto
1.	21-02-2012	Kolkata Municipal Corporation	210980617373	Kolkata Municipal Corporation Act, 1980	Certificate of Enlistment	20-02-2013

5. Application for Trade Mark

Sr. No	Trademark	Application No	Issuing Authority	Date	Class
1	Logo-applied	2313127	Trade Mark Registry, Government of India	11/04/2012	35

Approvals in relation to Offices proposed to be set up

The Company is required to obtain certain approvals from the concerned Central/State government departments and other authorities for setting up its offices and operating the same. These include:

- Trade License and Registration under West Bengal Shops & Establishment Act, 1963.

The Company has obtained the following approval for setting up its new office in Durgapur:

Sr. No.	Date of approval	Authority granting approval	Approval/ License No. / Regn. No.	Applicable law	Nature of approval	Valid Upto
1	13/09/2012	Durgapur Municipal Corporation	CE No. 20121301378	U/s 141 of West Bengal Municipal Corporation Act, 2006	Certificate of Enlistment	March31, 2013

Comments:

Registration under West Bengal Shops & Establishment Act, 1963 has not been applied for as on the date of this Draft Prospectus.

The Company proposes to open offices in Asansol, Ranchi, Patna, Bhubaneswar, Siliguri, Jamshedpur, Guwahati, Balasore, and Raipur. No agreement for rent, lease or otherwise to acquire any property for setting up these offices has been entered into. Further, no applications for trade licenses or registration have been made so far in respect of these proposed offices.

SECTION VII: OTHER REGULATORY AND STATUTORY DISCLOSURES

AUTHORITY FOR THE ISSUE

The shareholders of Finshore Management Services Limited had approved the present Issue by a special resolution in accordance with Section 81(1A) of the Companies Act, 1956 passed at the Extra Ordinary General Meeting of our Company held on 22nd August, 2012.

The Board of Directors has authorized a committee of its Directors referred to as the IPO Committee to take decisions on behalf of the Board in relation to the Issue. The IPO Committee has approved and authorized the Draft Prospectus pursuant to its resolution dated September 26, 2012.

Our Board has approved this Draft Prospectus at its meeting held on September 26, 2012.

We have received approval from BSE vide letter dated [●] to use the name of BSE in this Draft Prospectus for listing of our Equity Shares on SME Platform of BSE. BSE is the Designated Stock Exchange.

PROHIBITION BY SEBI

The Company, its Promoters, its Directors, Group Companies and companies with which the Directors of the Company are associated as Directors or Promoters, or Directors or Promoters in control of, of the promoting Company, are currently not prohibited from accessing or operating in the capital market under any order or direction passed by SEBI.

PROHIBITION BY RBI

Our Company, our Promoters, Promoting Companies, their relatives, Group Concerns and Associate Companies have not been declared as willful defaulters by the RBI or any other government authorities.

ELIGIBILITY FOR THE ISSUE

Our Company is an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations; and this Issue is an “Initial Public Offer” in terms of the SEBI (ICDR) Regulations.

Our Company is eligible for the Issue in accordance with Regulation 106(M)(1) and other provisions of Chapter XB of the SEBI (ICDR) Regulations, as we are an Issuer whose post issue paid up capital does not exceed ten Crores rupees and shall issue its specified securities in accordance with provisions of chapter XB Issue of specified securities by Small and Medium Enterprises] of ICDR Regulations. (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 [●] of the Total Issue Size. For further details pertaining to said underwriting please refer to “General Information – Underwriting” on page 29 of this Draft Prospectus. [TO BE UPDATED AT THE TIME OF FILING OF PROSPECTUS WITH RoC]
- 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 forthwith. If such money is not repaid within eight days from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of eight days, be liable to repay such application money, with interest as prescribed under Section 73 of the Companies Act.
- c) In accordance with Regulation 106(O) the SEBI (ICDR) Regulations, we have not filed any Draft Prospectus with SEBI nor has SEBI issued any observations on our Draft Prospectus. Also, we shall ensure that our Lead Manager submits the copy of Prospectus along with a Due Diligence Certificate including additional confirmations, as required, to SEBI at the time of filing the Prospectus with Stock Exchange and the Registrar of Companies.
- d) In accordance with Regulation 106(V) of the SEBI (ICDR) Regulations, we shall enter 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 30 of this Draft Prospectus.

We further confirm that we shall be complying with all the other requirements as laid down for such an Issue under Chapter X-B of SEBI (ICDR) Regulations, as amended from time to time and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

As per Regulation 106(M)(3) of SEBI (ICDR) Regulations, 2009, the provisions of Regulations 6(1), 6(2), 6(3), Regulation 7, Regulation 8, Regulation 9, Regulation 10, Regulation 25, Regulation 26, Regulation 27 and Sub regulation (1) of Regulation 49 of SEBI (ICDR) Regulations, 2009 shall not apply to us in this Issue.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF DRAFT PROSPECTUS 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 DRAFT PROSPECTUS. THE LEAD MERCHANT BANKER, LSI FINANCIAL SERVICES PVT. LTD., HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT PROSPECTUS 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 DRAFT PROSPECTUS, 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, LSI FINANCIAL SERVICES PVT. LTD. HAS FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED [●] 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 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. [SHALL BE COMPLIED]**
- 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 LOCKIN SHALL NOT BE DISPOSED / SOLD / TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING OF THE PROSPECTUS WITH THE BOARD TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE PROSPECTUS.

- 6) WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE PROSPECTUS.**
- 7) WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUBREGULATION (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 AUDITORS' 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. [SHALL BE COMPLIED]**
- 8) WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE ISSUER FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE ISSUER AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION.**
- 9) WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 73 OF THE COMPANIES ACT, 1956 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM THE STOCK EXCHANGE 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.**
- 10) WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE.**
- 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.**

THE FILING OF THIS DRAFT PROSPECTUS DOES NOT, HOWEVER, ABSOLVE OUR COMPANY FROM ANY LIABILITIES UNDER SECTION 63 OR SECTION 68 OF THE COMPANIES ACT 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 MANAGER ANY IRREGULARITIES OR LAPSES IN THE DRAFT PROSPECTUS.

DISCLAIMER CLAUSE OF BSE

BSE Limited ("BSE") has given vide its letter dated [●], permission to this Company to use its name in this Draft Prospectus 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 Draft Prospectus for its limited internal purpose of deciding on the matter for 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 Draft Prospectus; 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 Draft Prospectus has been cleared or approved by BSE. Every person who desires to apply for or otherwise acquires any securities in this Company may do so pursuant to independent inquiry, investigations and analysis and shall not have any claim against BSE whatsoever by reason of loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

DISCLAIMER FROM OUR COMPANY AND THE LEAD MANAGER

Our Company, its Directors and the Lead Manager accept no responsibility for statements made otherwise than those contained in this Draft 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 refer to the website of the Lead Manager: <http://www.lsifinance.com>

CAUTION

The Lead Manager accepts no responsibility, save to the limited extent as provided in the MOU for Issue Management entered into among the Lead Manager and our Company dated September 19, 2012, the Underwriting Agreement dated [●], 2012 entered into among the Underwriters and our Company and the Market Making Agreement dated [●], 2012 entered into among the Lead Manager, Market Maker 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 majors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in shares, Indian Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under the applicable trust law and who are authorized under their constitution to hold and invest in shares, permitted insurance companies and pension funds}. This Draft Prospectus does not, however, constitute an invitation to subscribe to Equity Shares offered hereby in any other jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Prospectus comes is required to inform him 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 Kolkata only. No action has been or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose. Accordingly, the Equity Shares represented thereby may not be offered or sold, directly or indirectly, and this Draft Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft 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(M)(3). However, a copy of the Prospectus shall be filed with SEBI at the Corporate Finance Department, Plot No. C-4A, "G" Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400051. A copy of the Prospectus, along with the documents required to be filed under Section 60B of the Companies Act, will be delivered to the RoC situated at Nizam Palace, 2nd MSO Building, 2nd Floor, 234/4, A.J.C. Bose Road, Kolkata – 700 020, West Bengal, India.

LISTING

Application shall be made to BSE Limited for obtaining permission for listing of the Equity Shares being offered and sold in the SME Platform of BSE. BSE is the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the Issue.

The BSE has given its approval for listing our shares vide its letter dated [●]. If the permission to deal in and for an official quotation of the Equity Shares is not granted by the SME Platform of BSE, our Company shall forthwith repay, without interest, all moneys received from the applicants in pursuance of the Prospectus. If such money is not repaid within eight days from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of eight days, be liable to repay such application money,

with interest at the rate of 15% per annum on application money, as prescribed under Section 73 of the Companies Act. 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.

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 Sections 60 and 60B of the Companies Act and such consents shall not be withdrawn up to the time of delivery of the Prospectus for registration with the RoC.

In accordance with the Companies Act and the SEBI (ICDR) Regulations, M/s. S.K. Sengupta & Associates, Chartered Accountants, the Auditors of the Company and M/s P.N. Ganguli & Co., Chartered Accountants, Joint Auditors, who have signed the Restated Accounts, have agreed to provide their written consent to the inclusion of their report dated September 24, 2012 on restated financial statements, statement of funds deployed dated September 21, 2012 and statement of tax benefits dated September 24, 2012 relating to the possible tax benefits, as applicable, which may be available to the Company and its shareholders, included in this Draft Prospectus in the form and context in which they appear therein and such consent and reports will not be withdrawn up to the time of delivery of the Draft Prospectus.

EXPERT OPINION

The Company has not obtained any opinions from an expert as per the Companies Act.

PUBLIC ISSUE EXPENSES

The Management estimates an expense of ₹ 60 Lacs towards Issue expense. The expenses of this Issue include, among others, underwriting and management fees, market making fees, selling commission, printing and distribution expenses, legal fees, statutory advertisement expenses and listing fees. The estimated Issue expenses are as follows:

No.	Particulars	Amount (₹ In Lakhs)
1	Issue management fees including fees and reimbursements of Market Making fees, selling commissions, brokerages, payment to other intermediaries such as Legal Advisors, Registrars and other out of pocket expenses.	45.00
2	Printing & Stationery, Distribution, Postage, etc	8.00
3	Advertisement & Marketing Expenses	5.00
4	Regulatory & other expenses	2.00
Total		60.00

DETAILS OF FEES PAYABLE

Particulars	Amount (₹ in Lakhs)	% of Total Issue Expenses	% of Total Issue Size
Issue management fees including fees and reimbursements of Market Making fees, selling commissions, brokerages, payment to other intermediaries such as Legal Advisors, Registrars and other out of pocket expenses.	45.00	75.00%	11.25%
Printing & Stationery, Distribution, Postage, etc	8.00	13.33%	2.00%
Advertisement & Marketing Expenses	5.00	8.33%	1.25%
Regulatory & other expenses	2.00	3.33%	0.50%
Total	60.00	100.00%	15.00%

FEES PAYABLE TO LEAD MANAGER TO THE ISSUE

The total fees payable to the Lead Manager will be as per the Engagement Letters from our Company and Lead Manager and Memorandum of Understanding signed with the Lead Manager, copy of which is available for inspection at the Registered Office of our Company.

FEES PAYABLE TO THE REGISTRAR TO THE ISSUE

The fees payable by the Company to the Registrar to the Issue for processing of application, data entry, printing of CAN / refund order, preparation of refund data on magnetic tape, printing of bulk mailing register will be as per the Memorandum of Understanding signed with the Company dated September 19, 2012.

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 by the Company to the Registrar to the Issue to enable them to send refund orders or allotment advice by registered post/ speed post/ under certificate of posting.

UNDERWRITING COMMISSION, BROKERAGE AND SELLING COMMISSION

The underwriting commission and the selling commission for the Issue are as set out in the Underwriting Agreement amongst the Company and Lead Manager. The underwriting commission shall be paid as set out in the Underwriting Agreement based on the Issue price and the amount underwritten in the manner mentioned on page [●] of this Draft Prospectus.

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

Finshore Management Services Limited and its Group Companies have not made any capital issue during the last three years.

PREVIOUS PUBLIC OR RIGHTS ISSUE

There have been no public or rights issue by our Company during the last five years.

LISTED VENTURES OF PROMOTERS

There are no listed ventures of our Company as on date of filing of this Draft Prospectus.

PREVIOUS ISSUES OF EQUITY SHARES OTHERWISE THAN FOR CASH

Except as stated in the section titled "Capital Structure" on page 31 of this Draft Prospectus, we have not made any previous issues of shares for consideration otherwise than for cash.

PROMISE VIS-À-VIS PERFORMANCE

Neither our Company nor our Promoter Group Companies have made any previous rights or public issues.

OUTSTANDING DEBENTURES OR BONDS AND REDEEMABLE PREFERENCE SHARES AND OTHER INSTRUMENTS

Except to the extent of options that may be granted under the ESOP scheme, there are no outstanding debentures or bonds or redeemable preference shares and other instruments issued by the Company as on the date of this Draft Prospectus.

STOCK MARKET DATA FOR OUR EQUITY SHARES

This being an Initial Public Offering of the Equity Shares of our Company, the Equity Shares are not listed on any stock exchange.

INVESTOR GRIEVANCES AND REDRESSAL SYSTEM

The Company has appointed 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, Karvy Computershare Private Limited, will handle investor's grievances pertaining to the Issue. A fortnightly status report of the complaints received and redressed by them would be forwarded to the Company. The Company would also be co-coordinating with the Registrar to the Issue in attending to the grievances to the investor. The Company assures that the Board of Directors in respect of the complaints, if any, to be received shall adhere to the following schedules:

Sr. No.	Nature of Complaint	Time Table
1	Non-receipt of refund	Within 7 days of receipt of complaint subject to production of satisfactory evidence
2	Non receipt of share certificate / Demat Credit	Within 7 days of receipt of complaint subject to production of satisfactory evidence
3	Any other complaint in relation to Public Issue	Within 7 days of receipt of complaint with all relevant details.

Redressal of investors' grievance is given top priority by the Company. The Shareholders' Grievance Committee oversees redressal of complaints of shareholders/investors and other important investor related matters. The Company has adequate arrangements for redressal of investor complaints as follows:

Share transfer / dematerialization/ rematerialization are handled by professionally managed Registrar and Transfer Agent, appointed by the Company in terms of SEBI's direction for appointment of Common Agency for physical as well as demat shares. The Registrars are constantly monitored and supported by qualified and experienced personnel of the Company.

We have appointed Mr. Sunil Agarwal as Company Secretary and Compliance Officer and he may be contacted in case of any pre-issue or post-issue problems. He can be contacted at the following address:

Mr. Sunil Agarwal,
Sikkim Commerce House,
5th Floor, Room No.505
4/1, Middleton Street,
Kolkata-700 071
Tel No: + 91 33 4065 0291
Email: ipo@finshogroup.com

CHANGES IN AUDITORS

Except as stated below there has been no change in the auditors of our Company for the last three years.

M/S P.N.Ganguli & Company, Chartered Accountants have been appointed as Joint Auditors of our company effective from 11th May, 2012.

CAPITALIZATION OF RESERVES OR PROFITS DURING LAST FIVE (5) YEARS

Our Company has not capitalized any reserve.

REVALUATION OF ASSETS DURING THE LAST FIVE (5) YEARS

Our Company has not revalued its assets.

SECTION VIII: ISSUE RELATED INFORMATION

TERMS OF THE ISSUE

The Equity Shares being offered are subject to the provisions of the Companies Act, SEBI (ICDR) Regulations, 2009, the SCRR, our Memorandum and Articles of Association, the terms of the Draft Prospectus, Prospectus, Application Form, the Revision Form, the Confirmation of Allocation Note and other terms and conditions as may be incorporated in the allotment advices and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchanges, the RBI, RoC and/or other authorities, as in force on the date of the Issue and to the extent applicable.

Ranking of Equity Shares

The Equity Shares being offered shall be subject to the provisions of the Companies Act, our Memorandum and Articles of Association and shall rank pari-passu in all respects with the existing Equity Shares including in respect of the rights to receive dividends and other corporate benefits, if any, declared by us after the date of Allotment. For further details, please refer to “Main Provisions of the Articles of Association of the Company” on page 169 of this Prospectus.

Authority For the Present Issue

The Issue has been authorised by a resolution of the Board passed at their meeting held on August 14, 2012 subject to the approval of shareholders by a special resolution to be passed pursuant to Section 81 1(A) of the Companies Act. The shareholders have authorised the issue by a special resolution in accordance with the provisions of Section 81 1(A) of the Companies Act passed at the General Meeting of the Company held on 22nd August, 2012.

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, the Equity Listing Agreement, our Memorandum & Articles of Association and any guidelines or directives that may be issued by the GOI in this respect. For further details, please refer to “Dividend Policy” on page 113 of this Prospectus.

Terms of the Issue

The Equity shares being issued are subject to the provisions of the Companies Act, the Memorandum & Articles, the terms of this Prospectus, Application Form, the Revision Form, The Confirmation of Allocation Note (CAN) and other terms and conditions as may be incorporated in the Allotment advices and other documents / certificates that may be executed in respect of the Issue. The equity shares shall also be subject to law, guidelines, notifications and regulations relating to the Issue of Capital and listing of securities issued from time to time by SEBI, the Government of India, SME platform of BSE, RoC, RBI and / or other authorities, in force on the date of the issue and to the extent applicable.

Face Value and Issue Price

The Equity Shares having a Face Value of ₹ 10/- each are being offered in terms of this Prospectus at the price of ₹ 60/- per Equity Share. The Issue Price is determined by our Company in consultation with the Lead Manager and is justified under the section titled “Basis of Issue Price” on page 45 of this Draft Prospectus. At any given point of time there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws.

Compliance with SEBI Regulations and Accounting Standards

Our company shall comply with such disclosure and accounting norms specified by SEBI as well as the Accounting Standards laid down by the Institute of Chartered Accountants of India from time to time.

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 show of hands in person or 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 annual reports and notices to members;
- 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 refer to Section titled “Main Provisions of Articles of Association of the company” beginning on page 169 of this Prospectus.

Minimum Application Value; Market Lot and Trading Lot

As per the provisions of the Depositories Act, 1996, the shares of a Body Corporate can be in Dematerialized form i.e. not in the form of physical certificates but be fungible and be represented by the statement issued through electronic mode.

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.

The trading of the equity shares will happen in the minimum contract size of 2000 equity shares 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 Offer will be done in multiples of 2000 Equity Share subject to a minimum allotment of 2000 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 15 days of closure of issue.

Joint Holders

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

Nomination Facility to Investor

In accordance with Section 109A of the Companies Act, the sole or first applicant, along with other joint applicant, may nominate any one person in whom, in the event of the death of sole applicant or in case of joint applicant, death of all the applicants, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 109A of the Companies Act, be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Registered Office of our Company or to the Registrar and Transfer Agents of our Company.

In accordance with Section 109B of the Companies Act, any Person who becomes a nominee by virtue of Section 109A of the Companies Act, shall upon the production of such evidence as may be required by the Board, elect either:

- to register himself or herself as the holder of the Equity Shares; or
- to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety days,

the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

In case the allotment of Equity Shares is in dematerialized form, there is no need to make a separate nomination with us. Nominations registered with the respective depository participant of the applicant would prevail. If the investors require changing the nomination, they are requested to inform their respective depository participant.

Minimum Subscription

This Issue is not restricted to any minimum subscription level. This Issue is 100% underwritten. If the issuer does not receive the subscription of 100% of the Issue through this Draft Prospectus 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 73 of the Companies Act, 1956.

Arrangements for disposal of odd lots

The trading of the equity shares will happen in the minimum contract size of 2000 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 refer sub-heading “Main Provisions of the Articles of Association of the company” on page 169 of this Prospectus.

Option to receive Equity Shares in Dematerialized Form

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. The Equity Shares on Allotment will be traded only on the dematerialized segment of the SME Platform of BSE.

Migration to Main Board

Our company may migrate to the main board of BSE from the SME Platform 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-principle 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.

OR

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 offered through this issue are proposed to be listed on the SME Platform of BSE, wherein the Lead Manager to this Issue shall ensure compulsory Market Making through the registered Market Makers of the SME Platform for a minimum period of three years from the date of listing of shares offered through this Prospectus. For further details of the agreement entered into between the Company, the Lead Manager and the Market Maker please refer to “General Information – Details of the Market Making Arrangements for this Issue” beginning on page 27 of this Draft Prospectus.

New Financial Instruments

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

Withdrawal of the issue

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

(i) The final listing and trading approvals of the BSE for listing of equity shares offered through this issue on its SME Platform, which the Company shall apply for after Allotment

and

(ii) The final RoC approval of the Prospectus after it is filed with the RoC.

Jurisdiction

Exclusive jurisdiction for the purpose of this Issue is with the competent courts / authorities in Kolkata, West Bengal, India.

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 under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable State Securities Laws. Accordingly, the Equity Shares will be offered and sold outside the United States in compliance with Regulation of the Securities Act and 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 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)(1) of Chapter XB of SEBI (ICDR) Regulations, 2009, as amended from time to time, whereby, an issuer whose post issue paid up capital does not exceed ₹ 10 crores, may issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange (“SME Exchange”, in this case being the SME Platform of BSE). For further details regarding the salient features and terms of such an issue please refer chapter titled “Terms of the Issue” and “Issue Procedure” on page 146 and 152 of this Prospectus.

Following is the issue structure:

Public issue of 6,66,670 equity shares of ₹ 10/- each (the “equity shares”) for cash at a price of ₹ 60 per equity share (including a share premium of ₹ 50 per equity share) aggregating to ₹ 400 lacs (“the issue”) by Finshore Management Services Limited (“FMSL” or the “Company” or the “Issuer”).

The issue comprises a Net Issue to Public of 5,50,000 equity shares (“the Net issue”) and a reservation of 1,16,670 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	5,50,000 Equity Shares	1,16,670 Equity Shares
Percentage of Issue Size available for allocation	82.5% of the Issue Size	17.5% of the Issue Size
Basis of Allotment	Proportionate subject to minimum allotment of 2000 equity shares and further allotment in multiples of 2000 equity shares each. For further details please refer to “Issue Procedure – Basis of Allotment” on page 158 of this Prospectus.	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	For QIB and NII: Such number of equity shares in multiples of 2000 equity shares such that the Application Value exceeds ₹ 2,00,000/-For Retail Individuals: 2000 equity shares	1,16,670 Equity Shares
Maximum Application Size	For QIB and NII: Such number of equity shares in multiples of 2000 equity shares such that the Application Size does not exceed 5,50,000 equity shares. For Retail Individuals: Such number of equity shares in multiples of 2000 equity shares such that the Application Value does not exceed ₹ 2,00,000/-.	1,16,670 Equity Shares
Mode of Allotment	Dematerialized Form or Physical Form, at the option of the applicant	Dematerialized Form or Physical Form, at the option of the applicant

Particulars of the Issue	Net Issue to Public*	Market Maker Reservation Portion
Trading Lot	2000 Equity Shares	2000 Equity Shares, However the Market Makers 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.

In case of under subscription in either category specified above, the unsubscribed portion may be allocated to applicants in the other category.

Withdrawal of the Issue

Our Company, in consultation with the LM, reserves the right not to proceed with the Issue at any time after the Issue Opening Date but before Allotment.

If our Company withdraws the Issue, our Company will issue a public notice within two days, providing reasons for not proceeding with the Issue. 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 Draft Prospectus the stock exchange where the Equity Shares may be proposed to be listed.

Notwithstanding the foregoing, the Issue is subject to obtaining (i) the final listing and trading approvals of the Stock Exchange with respect to the Equity Shares offered through this Prospectus, which our Company will apply for only after Allotment; and (ii) the final RoC approval of the Prospectus.

ISSUE OPENING DATE	Dd/mm/yy
ISSUE CLOSING DATE	Dd/mm/yy

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

This section applies to all Investors. Please note that pursuant to the SEBI Circular dated April 29, 2011, bearing no. CIR/CFD/DIL/1/2011, all non-Retail Individual Investors i.e. QIBs and Non-Institutional Investors are mandatorily required to submit their Applications by way of ASBA process. ASBA Investors should note that the ASBA process involves application procedures that may be different from the procedure applicable to Applicants other than the ASBA Applicants. Applicants applying through the ASBA process should carefully read the provisions applicable to such applications before making their application through the ASBA process. ASBA Applicants should note that they may submit their ASBA Applications to the SCSBs. ASBA Applicants may also apply electronically through the internet banking facility wherever provided for by the SCSB. Please note that all the Applicants are required to make payment of the full Amount or instruct the relevant SCSB to block the full Amount along with the Application Form.

Please note that the information stated/ covered in this section may not be complete and / or accurate and as such would be subject to modification/change. Our Company and the Lead Managers would not be liable for any amendment, modification or change in applicable law, which may occur after the date of this Draft Prospectus. Applicants are advised to make their independent investigations and ensure that their applications do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in the Prospectus.

Fixed Price Issue Procedure

The Issue is being made under Regulation 106(M) (1) of Chapter XB of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 via Fixed Price Process.

Applicants are required to submit their Applications to the Selected Branches / Offices of the Escrow Bankers to the Issue who shall duly submit to them the Registrar of the Issue. In case of QIB Applicants, the Company in consultation with the Lead Manager may reject Applications at the time of acceptance of Application Form provided that the reasons for such rejection shall be provided to such Applicant in writing.

In case of Non Institutional Applicants and Retail Individual Applicants, our Company would have a right to reject the Applications only on technical grounds.

Investors will have the options of getting the allotment of specified securities either in physical form or in dematerialization form as the issue size is less than ₹ Ten cores as per section 68B of the Companies Act,1956

Application Form

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

ASBA Applicants shall submit an Application Form either in physical or electronic form to the SCSB's or the designated branches of the SCSB 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 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 ASBA Applicant.

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

Category	Color
Indian Public / NRI's applying on a non-repatriation basis (ASBA and Non-ASBA)	White
Non-Residents including eligible NRI's, FIIs, FVCIs, etc. applying on a repatriation basis (ASBA and Non-ASBA)	Blue

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 authorized 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, commercial banks (excluding foreign banks), regional rural banks, co operative banks (subject to RBI regulations and the SEBI Regulations, as applicable);
7. FIIs and sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual bidding in QIB portion;
8. Limited Liability Partnerships (LLPs) registered in India and authorised to invest in equity shares;
9. Sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals only under the Non-Institutional Applicants category;
10. Venture Capital Funds registered with SEBI;
11. State Industrial Development Corporations;
12. Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to trusts/societies and who are authorized under their constitution to hold and invest in equity shares;
13. Scientific and/or industrial research organizations authorized to invest in equity shares;
14. Insurance Companies registered with Insurance Regulatory and Development Authority;
15. Provident Funds with minimum corpus of ₹ 250 million and who are authorized under their constitution to hold and invest in equity shares;
16. Pension Funds with minimum corpus of ₹ 250 million and who are authorized under their constitution to hold and invest in equity shares;
17. Foreign Venture Capital Investors registered with SEBI;
18. Multilateral and bilateral development financial institutions;
19. National Investment Fund;
20. Insurance funds set up and managed by army, navy or air force of the Union of India;
21. Insurance funds set up and managed by the Department of Posts, India;
22. Any other persons eligible to invest in this issue under the laws, rules, regulations and guidelines, applicable to them

Applications not to be made by:

- a. Minors
- b. Partnership firms or their nominations
- c. Foreign Nationals (except NRIs)
- d. Overseas Corporate Bodies

Participation by Associates of LM

Except for the Underwriting Obligations, the Lead Manager shall not be allowed to subscribe to this Issue in any manner. However, associates and affiliates of the LM may subscribe to or purchase Equity Shares in the Issue, either in the QIB Portion and Non Institutional Portion where the allocation is on a proportionate basis. All the categories of investors, including associates or affiliates of Lead Manager shall be treated equally for the purpose of allocation to be made on a proportionate basis.

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, Lead Manager to the Issue, Registrar to the Issue and the collection Centres of the Bankers to the Issue, as mentioned in the Application Form. The application forms may also be downloaded from the website of BSE Limited i.e. www.bseindia.com.

Option to Subscribe in the Issue

- a. Investors will have the option of getting the allotment of specified securities either in physical form or in dematerialization 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.

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 HUF's 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:

The Applications made by the Asset Management Companies or Custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Applications are made. In case of a Mutual Fund, a separate application can be made in respect of each scheme of the Mutual Fund registered with the 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 for which the Bid has been made.

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 capital carrying voting rights. These limits would have to be adhered to by the mutual funds for investment in this Issue.

Applications by Eligible NRIs / FII's on Repatriation Basis

Eligible NRIs intending to make payment through freely convertible foreign exchange and applying on a repatriation basis could make payments through Rupee Drafts purchased aboard or cheques or bank drafts or by debit to their Non Resident External ('NRE') or Foreign Currency Non Resident (FCNR) accounts maintained with banks authorised by RBI to deal in foreign exchange. Eligible NRI's applying on a repatriation basis are advised to use the Application form meant for Non Residents (blue in colour) accompanied by a bank certificate confirming that the payment has been made by debiting the NRE or FCNR account, as the case may be. Application Form for Eligible NRIs will be made available at our Registered Office and with the Registrar to the Issue, as the case may be. All instruments accompanying Applications shall be payable in Mumbai only.

The Eligible NRIs who intend to make payment through Non Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians. Under the Foreign Exchange Management Act, 1999 (FEMA) general permission is granted to the companies vide notification no. FEMA/20/2000 RB dated 03/05/2000 to issue securities to NRI's subject to the terms and conditions stipulated therein. The Companies are required to file the declaration in the prescribed form to the concerned Regional Office of RBI within 30 days from the date of issue of shares for allotment to NRI's on repatriation basis. Allotment of Equity Shares to Non Resident Indians shall be subject to the prevailing Reserve Bank of India Guidelines. Sale proceeds of such investments in Equity Shares will be allowed to be repatriated along with the income thereon subject to permission of the RBI and subject to the Indian Tax Laws and regulations and any other applicable laws.

The Company does not require approvals from FIPB or RBI for the Transfer of Equity Shares in the issue to eligible NRI's, FII's, Foreign Venture Capital Investors registered with SEBI and multilateral and bilateral development financial institutions.

As per the current regulations, the following restrictions are applicable for investments by FIIs:

The issue of Equity Shares to a single FII should not exceed 10% of our post-Issue issued capital. In respect of an FII investing in our Equity Shares on behalf of its sub-accounts, the investment on behalf of each sub-account shall not exceed 10% of our total issued capital or 5% of our total issued capital in case such sub-account is a foreign corporate or a foreign individual. In accordance with the foreign investment limits applicable to our Company, such investment must be made out of funds raised or collected or brought from outside through normal banking channels and the investment must not exceed the overall ceiling specified for FIIs. Under the portfolio investment scheme, the aggregate issue of equity shares to FIIs and their sub-accounts should not exceed 24% of post-issue paid-up equity capital of a company. However, this limit can be increased to the permitted sectoral cap/statutory limit, as applicable to our Company after obtaining approval of its Board of Directors followed by a special resolution to that effect by its shareholders in their general meeting. As of the date of this Prospectus, our Company has not passed such resolution and the total FII investment cannot exceed 24% of our total issued capital.

Subject to compliance with all applicable Indian laws, rules, regulations guidelines and approvals in terms of regulation 15A(1) of the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations 1995, as amended (the "**SEBI FII Regulations**"), an FII, as defined in the SEBI FII Regulations, may issue, or otherwise deal in offshore derivative instruments (defined under the SEBI FII Regulations as any instrument, by whatever name called, which is issued overseas by an FII against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with 'know your client' norms. The FII or sub-account is also required to ensure that no further issue or transfer of any offshore derivative instrument issued by it is made to any persons that are not regulated by an appropriate foreign regulatory authority as defined under the SEBI FII Regulations. Associates and affiliates of the Underwriters, including the LMs that are FIIs may issue offshore derivative instruments against Equity Shares Allotted to them in the Issue. Any such offshore derivative instrument does not constitute any obligation of, claim on or an interest in, our Company.

FIIs can participate in the Issue only through the ASBA process.

Applications by SEBI-registered Venture Capital Funds and Foreign Venture Capital Investors

The SEBI (Venture Capital Funds) Regulations, 1996 and the SEBI (Foreign Venture Capital Investor) Regulations, 2000, each, as amended, prescribe investment restrictions on Venture Capital Funds and FVCIs respectively registered with the SEBI. Accordingly, the holding in any company by any individual venture capital fund or FVICI registered with the SEBI should not exceed 25% of the corpus of such venture capital fund or FVICI respectively. However, venture capital funds or FVCIs may invest only up to 33.33% of their respective investible funds in various prescribed instruments, including in initial public offers.

Applications by Qualified Foreign Investors

Under the extant Indian laws, the individual and aggregate investment limits for QFIs are 5% and 10% respectively of the paid up capital of Indian company. These limits are over and above the FII and NRI investment ceilings prescribed under the PIS route for foreign investment in India.

Bids by QFIs (who are individuals) for a Bid Amount of up to ₹ 200,000 would be considered under the Retail Portion for the purposes of allocation. Bids by QFIs (who are individuals) for a Bid Amount of above ₹ 200,000 would be considered under Non-Institutional Portion for the purposes of allocation and such Applicants should use the ASBA facility to submit their Bids.

Bids by QFIs (other than who are individuals) can Bid only for a Bid Amount of more than ₹ 200,000 and their Bids would be considered under Non-Institutional Portion for the purposes of allocation and such Applicants should use the ASBA facility to submit their Bids.

Applications by limited liability partnerships

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any

Bid without assigning any reason thereof. Limited liability partnerships can participate in the Offer only through the ASBA process.

Applications made by Provident Funds/pension funds

In case of the Bids made by provident funds/pension funds, subject to applicable law, with minimum corpus of ₹ 2500 lakhs and pension funds with minimum corpus of ₹ 2500 lakhs, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof. **Provident funds/pension funds can participate in the Issue only through the ASBA process.**

Applications by Insurance Companies

In case of Bids made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Bid cum Application Form or the ASBA Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid without assigning any reason thereof.

The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000, as amended (the "IRDA Investment Regulations"), are broadly set forth below:

- a) equity shares of a company: the least of 10% of the investee company's subscribed capital (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;
- b) the entire group of the investee company: the least of 10% of the respective fund in case of a life insurer or 10% of investment assets in case of a general insurer or reinsurer (25% in case of ULIPS); and
- c) the industry sector in which the investee company operates: 10% of the insurer's total investment exposure to the industry sector (25% in case of ULIPS).

The above information is given for the benefit of the Applicants. The Company and the LM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.

Applications under Power of Attorney

In case of Applications made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the Memorandum of Association and Articles of Association and/ or bye laws must be lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

In case of Applications made pursuant to a power of attorney by FIIs, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of their SEBI registration certificate must be lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

In case of Applications made pursuant to a power of attorney by Mutual Funds, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with the certified copy of their SEBI registration certificate must be lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

In case of Applications made by insurance companies registered with the Insurance Regulatory and Development Authority, a certified copy of certificate of registration issued by Insurance Regulatory and Development Authority must be lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

In case of Applications made by provident funds with minimum corpus of ₹ 25 crore (subject to applicable law) and pension funds with minimum corpus of ₹ 25 crore, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

The Company in its absolute discretion, reserve 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 the Company and the LM may deem fit.

MAXIMUM AND MINIMUM APPLICATION SIZE

(a) For Retail Individual Applicants

The Application must be for a minimum of 2000 Equity Shares and in multiples of 2000 Equity Share thereafter, so as to ensure that the Application Amount 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 Amount does not exceed ₹ 2, 00,000.

(b) For Other Applicants (Non Institutional Applicants and QIBs):

The Application must be for a minimum of such number of Equity Shares such that the Application Amount exceeds ₹ 200,000 and in multiples of 1500 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. Under existing SEBI Regulations, a QIB Applicant cannot withdraw its Application after the Issue Closing Date and is required to pay 100% QIB Margin upon submission of Application. In case of revision in Applications, the Non Institutional Applicants, who are individuals, have to ensure that the Application Amount is greater than ₹ 2, 00,000 for being considered for allocation in the Non Institutional Portion.

Applicants are advised to ensure that any single Application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Prospectus.

Information for the Applicants:

- 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.

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 SCSB's. 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 Banker to the Issue are not located may submit/mail their applications at their sole risk along with Demand Draft payable at Kolkata.

Applicant's Depository Account and Bank Details

Applicants should note that on the basis of PAN of the Applicants, DP ID and beneficiary account number provided by them in the Application Form, the Registrar will obtain from the Depository the demographic details including address, Applicants bank account details, MICR code and occupation (hereinafter referred to as "Demographic Details"). These bank account details would be used for giving refunds (including through physical refund warrants, direct credit, NECS, NEFT and RTGS) or unblocking of ASBA Account. 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 despatch/credit of refunds to

Applicants or unblocking of ASBA Account at the Applicants sole risk and neither the LMs or the Registrar or the Escrow Collection Banks or the SCSBs nor our 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 or ASBA Application Form as the case may be.

THE APPLICANTS HAVE AN OPTION TO RECEIVE THEIR EQUITY SHARES IN PHYSICAL OR DEMATERIALIZED FORM. HOWEVER, THE TRADING SHALL BE IN DEMATERIALIZED FORM. APPLICANTS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER, CLIENT IDENTIFICATION NUMBER AND PAN IN THE APPLICATION FORM/ASBA APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN ON THE APPLICATION FORM/ASBA APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. ADDITIONALLY, THE PAN IN THE APPLICATION FORM/ASBA APPLICATION FORM SHOULD BE EXACTLY THE SAME AS PROVIDED TO THE DEPOSITORY PARTICIPANT. IF THE APPLICATION FORM/ASBA APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND SUCH JOINT NAMES ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR ON THE APPLICATION FORM/ASBA APPLICATION FORM.

These Demographic Details would be used for all correspondence with the Applicants including mailing of the refund orders/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 or ASBA Application Form would not be used for any other purpose by the Registrar.

By signing the Application Form, or ASBA Application Form the applicant would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.

Refund orders would be mailed at the address of the Applicant as per the Demographic Details received from the Depositories. Applicants may note that delivery of refund orders 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 (other than ASBA Applicants) in the Application Form would be used only to ensure dispatch of refund orders. Please note that any such delay shall be at such Applicant's sole risk and neither our Company or the Registrar or the LM 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, PAN of the Bidder, the DP ID and Client ID, then such applications are liable to be rejected.

BASIS OF ALLOTMENT

Allotment will be made in consultation with BSE (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 2000 equity shares the allotment will be made as follows:
 - a) Each successful applicant shall be allotted 2000 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 2000 equity shares, the applicant would be allotted Shares by rounding off to the lower nearest multiple of 2000 equity shares subject to a minimum allotment of 2000 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 2000 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, upto 110% of the size of the offer specified under the Capital Structure mentioned in this Prospectus.

6. The above proportionate allotment of shares in an Issue that is oversubscribed shall be subject to the reservation for small individual applicants as described below
 - a) A minimum of 50% of the net offer of shares to the Public shall initially be made available for allotment to retail individual investors as the case may be.
 - b) The balance net offer of shares to the public shall be made available for allotment to a) individual applicants other than retails individual investors and b) 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 (a) or (b) shall/may be made available for allocation to applicants in the other category, if so required.

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 Lead Merchant Banker and Registrar to the Public 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.

REFUNDS:

In case of Applicants receiving refunds through electronic transfer of funds, delivery of refund orders/ allocation advice/ 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, Banker(s) to the Issue nor the LM 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/ 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.

As per the RBI regulations, OCBs are not permitted to participate in the Issue.

There is no reservation for Non Residents, NRIs, FIIs and foreign venture capital funds and all Non Residents, NRI, FII and Foreign Venture Capital Funds applicants will be treated on the same basis with other categories for the purpose of allocation.

TERMS OF PAYMENT / PAYMENT INSTRUCTIONS

The entire issue price of ₹ 60 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/ Stockinvest / 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.

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: "Finshore Management Services Limited – Public Issue - R".
 - In case of Non Resident Retail Applicants applying on repatriation basis: "Finshore Management Services Limited – Public Issue – 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 15 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 Reserve Bank of India 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.

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; as applicable
- 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.

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:

- i. 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
- ii. 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.
- iii. 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.

No separate applications for demat and physical is to be made. If such applications are made, the applications for physical shares will be treated as multiple applications and rejected accordingly.

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 Application provided that the Application 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

In accordance with the SEBI Regulations, the PAN would be the sole identification number for participants transacting in the securities market, irrespective of the amount of transaction. Any Application Form/ASBA Application Form without the PAN is liable to be rejected, except for resident in the state of Sikkim, on behalf of the Central or State Governments and the officials appointed by the courts, may be exempted from specifying their PAN for transactions in the securities market. 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.

However, the exemption for the Central or State Government and the officials appointed by the courts and for investors residing in the State of Sikkim is subject to the Depository Participants' verifying the veracity of such claims of the investors by collecting sufficient documentary evidence in support of their claims. At the time of ascertaining the validity of these applications, the Registrar will check under the Depository records for the appropriate description under the PAN field i.e. either Sikkim category or exempt category.

With effect from August 16, 2010, the beneficiary accounts of applicants for whom PAN details have not been verified have been labeled "suspended for credit" by the Depositories and no credit of Equity Shares pursuant to the Issue will be made in the accounts of such applicants.

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, 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:

- Amount paid does not tally with the amount payable for the highest value of Equity Shares applied for;
- 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. However, limited liability partnership firm can apply in its own name ;
- Application by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane persons;
- PAN not mentioned in the Application Form;
- GIR number furnished instead of PAN;
- Applications for lower number of Equity Shares than specified for that category of investors;
- Applications at a price other than the Fixed Price of the Issue;
- Applications for number of Equity Shares which are not in multiples of 2000;
- Category not ticked;
- Multiple Applications as defined in this Prospectus;
- In case of Application under power of attorney or by limited companies, corporate, trust etc., where relevant documents are not submitted;
- Applications accompanied by Stock invest/ money order/ postal order/ cash;
- Signature of sole Applicant is missing;
- 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;
- 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;
- Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;

- Applications where clear funds are not available in the Escrow Account as per the final certificate from the Escrow Collection Bank(s);
- Applications by OCBs;
- Applications by US persons other than in reliance on Regulation S or “qualified institutional buyers” as defined in Rule 144A under the Securities Act;
- With respect to ASBA application, the ASBA account not having credit balance to meet application money or no confirmation is received from the SCSB for blocking of funds;
- Applications not duly signed by the sole applicants;
- Applications by any persons outside India if not in compliance with applicable foreign and Indian laws;
- Applications that do not comply with the securities laws of their respective jurisdictions are liable to be rejected;
- Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- 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;
- 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;

Impersonation

Attention of the applicants is specifically drawn to the provisions of sub section (1) of Section 68A of the Companies Act, which is reproduced below:

“Any person who:

- a) Makes in a fictitious name, an application to a Company for acquiring or subscribing for, any shares therein, or**
- b) Otherwise induces a Company to allot, or register any transfer of shares therein to him, or any other person in a fictitious name, shall be punishable with imprisonment for a term which may extend to five ears.”**

Signing of Underwriting Agreement

Vide an Underwriting agreement dated [●], 2012 this issue is fully Underwritten.

Filing of the Prospectus with the RoC

The Company will file a copy of the Prospectus with the RoC in terms of Section 56 and Section 60 of the Companies Act.

Pre-Issue Advertisement

Subject to Section 66 of the Companies Act, 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; one widely circulated Hindi language national daily newspaper and one regional language newspaper with wide circulation.

Designated Date and Allotment of Equity Shares

The Company will issue and dispatch letters of allotment/ securities certificates and/ or letters of regret along with refund order or credit the allotted securities to the respective beneficiary accounts, if any, within a period of 12 working days of the Issue Closing Date.

In case the Company issues Letters of allotment, the corresponding Security Certificates will be kept ready within three months from the date of allotment thereof or such extended time as may be approved by the Company Law Board under Section 113 of the Companies Act, 1956 or other applicable provisions, if any. Allottees are requested to preserve such Letters of Allotment, which would be exchanged later for the Security Certificates.

After the funds are transferred from the Escrow Account to the Public Issue Account on the Designated Date, the Company would ensure the credit to the successful Applicants depository account. Allotment of the Equity Shares to the allottees shall be within two working days of the date of Allotment

Investors are advised to instruct their Depository Participant to accept the Equity Shares that may be allocated/ Allotted to them pursuant to this Issue.

Applicants to whom refunds are made through electronic transfer of funds will be sent a letter intimating them about the mode of credit of refund within 12 working days of closure of Issue.

The Company will provide adequate funds required for dispatch of refund orders or allotment advice to the Registrar to the Issue.

Refunds will be made by cheques, pay orders or demand drafts drawn on a bank appointed by us, as Refund Banker and payable at par at places where applications are received. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centres will be payable by the Applicants.

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 LM 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.

In the case of applications from Eligible NRIs and FIIs, refunds, dividends and other distributions, if any, will normally be payable in Indian Rupees only and net of bank charges and/or commission. Where so desired, 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. Our Company will not be responsible for loss, if any, incurred by the applicant on account of conversion of foreign currency.

Mode of making refunds

The payment of refund, if any, would be done through various modes as given hereunder:

- 1) **NECS (National Electronic Clearing System)** – Payment of refund would be done through NECS for applicants having an account at any of the centres where such facility has been made available. This mode of payment of refunds would be subject to availability of complete bank account details including the MICR code as appearing on a cheque leaf, from the Depositories. The payment of refunds is mandatory for applicants having a bank account at any of such centres, except where the applicant, being eligible, opts to receive refund through NEFT, direct credit or RTGS.
- 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) **RTGS (Real Time Gross Settlement)** – Applicants having a bank account at any of the centres where such facility has been made available and whose refund amount exceeds ₹ 10.00 lacs, have the option to receive refund through RTGS. Such eligible applicants who indicate their preference to receive refund through RTGS are required to provide the IFSC code in the application Form. In the event the same is not provided, refund shall be made through NECS. Charges, if any, levied by the Refund Bank(s) for the same would be borne by the Company. Charges, if any, levied by the applicant's bank receiving the credit would be borne by the applicant
- 4) **NEFT (National Electronic Fund Transfer)** – Payment of refund shall be undertaken through NEFT wherever the applicants' bank has been assigned the Indian Financial System Code (IFSC), which can be linked to a Magnetic Ink Character Recognition (MICR), if any, available to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the applicants have registered their nine digit MICR number and their bank account number while opening and operating the demat

account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the applicants through this method.

- 5) For all other applicants, including those who have not updated their bank particulars with the MICR code, the refund orders will be through Speed Post/ Registered Post. Such refunds will be made by cheques, pay orders or demand drafts drawn on the Escrow Collection Banks and payable at par at places where Applications are received. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centres will be payable by the Applicants.

Mode of making refunds for ASBA Applicants

In case of ASBA applicants, the Registrar shall instruct the SCSBs to unblock the funds in the relevant ASBA Accounts to the extent of the application amount specified in the ASBA Application Forms for withdrawn, rejected or unsuccessful or partially successful ASBA application within 12 Working Days of the Issue Closing Date.

DISPOSAL OF APPLICATIONS AND APPLICATION MONEYS AND INTEREST IN CASE OF DELAY

With respect to Applicants other than ASBA Applicants, our Company shall ensure 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 of the Applicants and submit the documents pertaining to the Allotment to the Stock Exchanges within 12 Working Days of the Issue Closing Date.

In case of applicants who receive refunds through NECS, direct credit or RTGS, the refund instructions will be given to the clearing system within 12 Working Days from the Issue Closing Date. A suitable communication shall be dispatched 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.

Our Company shall use its best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading SME Platform of Bombay Stock Exchanges are taken within 12 Working Days of the Issue Closing Date.

In accordance with the Companies Act, the requirements of the Stock Exchanges and the SEBI Regulations, our Company further undertakes that:

- Allotment of Equity Shares shall be made within 12 Working Days of the Issue Closing Date; and
- With respect to Applicants other than ASBA Applicants, dispatch of refund orders or in a case where the refund or portion thereof is made in electronic manner, the refund instructions are given to the clearing system within 12 Working Days of the Issue Closing Date would be ensured. With respect to the ASBA Applicants, instructions for unblocking of the ASBA Applicant's Bank Account shall be dispatched within 12 Working Days from the Issue Closing Date.
- Our Company shall pay interest at 15% p.a. for any delay beyond 12 Working Days from the Issue Closing Date as mentioned above, if Allotment is not made and refund orders are not dispatched or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner and/or demat credits are not made to investors. If such money is not repaid within stipulated time, our Company and every Director of our Company who is an officer in default shall, be jointly and severally liable to repay the money with interest as prescribed under sub-section (2) and (2A) of section 73 of the Companies Act.

UNDERTAKINGS BY OUR COMPANY

Our Company undertakes the following:

- That the complaints received in respect of this Issue shall be attended to by our Company expeditiously and satisfactorily. Our Company has authorized the Company Secretary and Compliance Officer to redress all complaints, if any, of the investors participating in the Issue;
- That all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed within 12 Working Days of the Issue Closing Date;
- That funds required for making refunds as per the mode(s) disclosed shall be made available to the Registrar to the Issue by our Company;

- That where refunds are made through electronic transfer of funds, a suitable communication shall be dispatched to the applicant within 12 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;
- 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.; and
- That adequate arrangement shall be made to collect all ASBA Application Forms and to consider them similar to non-ASBA applications while finalising the Basis of Allotment.
- That the certificates of the securities/refund orders to the eligible NRI's shall be dispatched within specified time.

The Company shall not have recourse to the Issue proceeds until the approval for trading of the Equity Shares from the Stock Exchange where listing is sought has been received.

UTILIZATION OF ISSUE PROCEEDS

Our Board certifies that:

- 1) All monies received out of the Issue shall be credited/ transferred to a separate bank account other than the bank account referred to in sub section (3) of Section 73 of the Companies Act;
- 2) Details of all monies utilized out of the Issue shall be disclosed under an appropriate head in our balance sheet indicating the purpose for which such monies have been utilized;
- 3) Details of all unutilized monies out of the Issue, if any shall be disclosed under the appropriate head in the balance sheet indicating the form in which such unutilized monies have been invested and
- 4) Our Company shall comply with the requirements of Clause 52 of the SME Listing Agreement in relation to the disclosure and monitoring of the utilization of the proceeds of the Issue.

Our Company shall not have recourse to the Issue Proceeds until the approval for listing and trading of the Equity Shares from the Stock Exchange where listing is sought has been received.

WITHDRAWAL OF THE ISSUE

Our Company, in consultation with the LM reserves the right not to proceed with the Issue at anytime, including after the Issue Closing Date but before the Board meeting for Allotment, without assigning any reason. Notwithstanding the foregoing, the Issue is also subject to obtaining the final listing and trading approvals of the Stock Exchange, which the Company shall apply for after Allotment. In terms of the SEBI Regulations, QIB Applicants shall not be allowed to withdraw their Application after the Issue Closing Date.

EQUITY SHARES IN DEMATERIALISED FORM WITH NSDL OR CDSL

To enable all shareholders of the Company to have their shareholding in electronic form, the Company had signed the following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

- (a). Agreement dated 20th August, 2012 between NSDL, the Company and the Registrar to the Issue;
- (b). Agreement dated 1st August, 2012 between CDSL, the Company and the Registrar to the Issue.

The Company's shares bear ISIN No. INE740N01016.

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.

- The Applicant must necessarily fill in the details (including the Beneficiary Account Number and Depository Participant's identification number) appearing in the Application Form.
- Allotment to a successful Applicant will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Applicant.
- 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.
- 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.

- 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.
- Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchange where our Equity Shares are proposed to be listed have electronic connectivity with CDSL and NSDL.
- The trading of the Equity Shares of the Company would be in dematerialized form only for all investors.

COMMUNICATIONS

All future communications in connection with 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.

ISSUE PROCEDURE FOR ASBA (APPLICATION SUPPORTED BY BLOCKED ACCOUNT) APPLICANTS

This section is for the information of investors proposing to subscribe to the Issue through the ASBA process. Our Company and the LM are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of this Prospectus. ASBA Applicants are advised to make their independent investigations and to ensure that the ASBA Application Form is correctly filled up, as described in this section.

The lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on <http://www.sebi.gov.in>. For details on designated branches of SCSB collecting the Application Form, please refer the above mentioned SEBI link.

ASBA Process

A Resident Retail Individual Investor shall submit his Application through an Application Form, either in physical or electronic mode, to the SCSB with whom the bank account of the ASBA Applicant or bank account utilized by the ASBA Applicant (“ASBA Account”) is maintained. The 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 authorized 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 withdrawal / 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.

SECTION IX: MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION OF OUR COMPANY

Pursuant to Schedule II of the Companies Act, 1956 and SEBI (ICDR) Regulations, 2009, the provisions of the Articles of Association of our company are given below:

CAPITAL

5. The authorized share capital of the Company shall be such amount as may from time to time be authorized by the memorandum. The Company shall have the power to increase or reduce the capital for the time being of the Company and to divide the shares in the Capital into several classes with rights privileges or conditions as may be determined.

6. The Board may at its discretion convert, the un-issued equity Shares into Preference or Redeemable Preference and board may Issue any part or parts of the un-issued shares on such terms and conditions and with such rights, and privilege, annexed thereto as the Board at its discretion and subject to the provision of the section 86 of the Act thinks fit and in particular may issue such shares with such preferential of qualified right to dividends and in the distributions of the assets of the Company as the Board may subject to the aforesaid sections determined.

7. The Board shall duly comply with the provisions of Section 75 of the Act, with regard to all allotments of shares from time to time.

8. 1) The Board may at any time increase the subscribed capital of the Company, by issue of new shares to the public or, others out of the un-Issued part of the share capital in the original or subsequently created capital but subject to section 81 of the Act and the following provision namely:

(a) Where the offer and allotment of such share are made within two years from the date of the Incorporation of the Company or, within one year from the first allotment of shares made after its incorporation, whichever is earliest the board shall be at liberty to offer the shares and allot the same to any person or persons at their discretion.

(b) In respect of offers and allotment made subsequent to the date set out in clause (a) above the directors shall subject to the provision of section 81 of the Act and of sub- clause (c) hereunder observe the following condition :-

i) Such new share shall be offered to the persons what the date of the offer are holders of equity share of the Company in proportion as nearly as circumstances admit, to the capital paid of on those shares at that date:

ii) The offer aforesaid shall be made by notice specifying the number of shares offered and limiting a time not being less than 15 days from the date of the offer within which the offer if not accepted will be deemed to have been declined.

iii) The offer aforesaid shall be deemed to be include right exercisable by the person concern to renounce the shares offer to him or any of them in favour of any other person and the notice referred to in clause (2) shall contain a statement of this right.

iv) After the expiry of the specified in the notice aforesaid or on earlier intimation from the person to whom such notice is given then he declines to accept the shares offer the Board may dispose of them in such manner as a thing most beneficial to the Company.

(c) The directors may with the sanction of the Company general meeting offer allot shares to any person at their discretion provided that such sanction is accorded either by:

i) a Special resolution passed at the general meeting, or

ii) by any ordinary resolution passed at a general meeting by majority of the votes cast and with the approval of the Central Government in accordance with section 81 of the Act.

2) Nothing in this clause shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option attached to debentures issued or loans raised by the Company:

i) To convert such debentures or loans into shares in the company, or

ii) To subscribe for shares in the Company provided that the terms of such debentures or the terms of such loan include a term providing for such option and such term.

(a) Has been approved by special resolution passed by the Company in general meeting before the issue of the debentures or raising of the loans and also,

(b) Either has been approved by the Central Government before the issue of the debentures on the raising of the

loans or is in conformity with the rules if any, made by that Government in this behalf.

3) Option or right to call of shares shall not be given to any person except with the sanction of the Company in general meeting.

9. In addition to and without derogation from the powers for that purpose conferred on the Board under Article 8 the Company in general meeting may determine that any shares, (whether forming part of the original capital or of any increased capital of the Company) shall be offered to such persons (whether members or holders of the debentures of the company or not) in such proportion and on such terms and conditions and either at premium or at par or (subject to compliance with the provision of Section 79 of Act) at a discount as such general meeting shall determine and with full power to give to any persons (whether a member or a holder of debentures of the Company or not) the option to call for or be allotted shares of any class of the Company either at a premium or at par, (subject to compliance with the provision of the section 79 of the Act) at a discount. such option being exercisable at such times and for such considerations as may be directed by such general meeting or the Company in general meeting may make any other provision whatsoever for the issue, allotment or disposal of any shares.

10. The right attached to each class of shares (unless otherwise provided by the terms of issue of that class) may subject to the provision of section 106 and 107 of the Act be varied with the consent in writing of the holders of 3/4th of the issued shares of the class or with that sanction of a special resolution passed at a separate meeting of the holders of the shares of that class. To every such separate meeting the provisions of these articles relating to general meeting shall mutatis mutandis apply, except that the necessary quorums shall be two persons at least holding or representing by proxy 1/10th of the issued shares of that class.

11. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided for by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.

12. The company shall not issue any shares, not being preference shares, which carry voting rights or right in the Company as to dividend, capital or otherwise which are disproportionate to the rights attached to the holders of other shares not being preference shares.

13. (1) Subject to the provision of section 76 of the act, the Company may at any time pay a commission to any person for subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares, debenture or debentures stocks of the company or procure or agreeing to procure subscriptions, (whether absolute or conditional) for shares. debentures or debenture stocks of the company but so that the statutory conditions and requirements shall be observed not complied with the amount or rate of commission shall not exceed 5% of the price at which the agrees the shares are issued and in the case of debentures the rate of commission shall not exceed 2.5% of the price at which the debentures are issued.

(2) The Company may also on any issue pay such brokerage as may be lawful.

14. (1) The Director may allot and issue shares in the capital of the company as payment or part payment for any property sold or transfer, goods or machinery and appliances supplied, or for services rendered to the Company and in or about the formation or promotion of the Company or acquisition and or conduct of its business, and any shares which may be so allotted, may be issued as fully paid up shares, and if so issued shall be deemed to fully paid up shares.

(2) The said power vested in the Broad by this article shall not be exercised except by the unanimous consent of all the Directors or with the previous sanction of a special resolution passed at a general meeting of the Company.

15. Where two or more persons are registered as joint holders of any shares, they shall be deemed to hold the same as joint tenants with benefit of survivorship subject to the following provisions:

(a) The person whose names stand first on the register in respect of such share alone be entitled to delivery of certificate thereof.

(b) Anyone of such persons may give actual receipt for any dividend, bonus or return of capital payable in respect of such share such joint holders shall be severally, as well as jointly liable for payment of all installment and caused due in respect of such share/shares.

(c) Anyone of such persons may vote at any meeting either personally or by proxy in respect of such shares as if he was solely entitled thereto, and if more than one of such joint holders be present at any meeting personally or by proxy, that one of the said person so present whose name stands first on the register in respect of such shares, shall alone be entitled to vote in respect thereof. Several executors or administrators of a deceased member

whose name any share stands shall for the purpose of this article be deemed joint holders thereof.

(d) In case of death of anyone or more of such joint holders the survivor be the only person, recognized by the company as having any title to or interest in such shares but the Directors may require such evidence of death as they may deem fit and nothing having contain shall be taken to release the state of a deceased joint holder from any liability on shares held by him jointly with any other person.

(e) All notices directed to be given to the members shall be given to whichever such person his name first in the register, and notice so given shall be sufficient notice to all the holders of such shares.

SHARE CERTIFICATES

16. Every certificate of title to shares shall be issued under the seal of the company. Every share certificate and every documents of title to the shares whether in renewal of an existing share certificate or other document of titled or issued for the first time shall be issued under authority of the Board of Directors and in accordance with provision of the companies (issue of share certificate) rules, 1960 or any other modification thereof and in accordance with the provisions of law or other rule having the force of law applicable thereto.

SHARE AND DEBENTURE CERTIFICATES

17. 1) Every person whose name is entered as a member in the register shall be entitled to receive without payment:

a) One certificate for all his shares; or

b) Where the shares so allotted at any one time exceed the number of shares fixed as marketable lot in accordance with usages of the stock exchange, or at the request of the shares holders, several certificates one each per marketable lot and one for the balance.

2) The company shall within three months after the allotment or within two months after application for the registration of the transfer of any shares or debenture complete and have ready for delivery the certificates for all the shares and debentures so allotted or transferred unless the condition of issued of the said shares or debentures otherwise provide.

3) Every certificate shall be under the seal and shall specify the shares or debentures to which it related and the amount paid-up thereon.

4) The provision of clauses 2 and 3 above shall apply mutatis mutandis to debentures and debenture stock allotted or transfer.

5) No fee shall be charged for the issues of a new share certificate either for sub-division of the existing share certificate or for the consolidation of several share certificates into one or for issue of fresh share certificate in lieu of share certificate on the back of which there if no space for endorsement for transfer of or for registration of any probate, Letter of Administration, Succession Certificate or like document, or for registration of any power of attorney, partnership deed, memorandum and article of the companies, or other similar documents.

18. In respect of any share held jointly by several persons, the company shall not be bound to issue more than one certificate for the same share and delivery of a certificate for share to one of several joint holders shall be sufficient delivery to all such holders. Subject as aforesaid the joint holder shall be entitled to apply for several certificates each for one or more share held by them in accordance with articles 17 above.

19. In respect of any transfer of share registered in accordance with the provision of these articles the Board may, at the discretion direct an endorsement of the transfer and the name of the transferee and other particulars, on the existing share certificate otherwise, any director or officers of the company to authenticate such endorsement on behalf of the company or direct the issue of a fresh share certificate, in lieu of and in cancellation the existing certificate, in the name of the transferee .

20. If a certificate be worn out, defaced, destroyed or lost or if there is no further space, on the back thereof for endorsement of transfer, it shall be if requested, be replaced by a new certificate free of charge provided however that such new certificate shall not be granted except upon delivery of the own out or defaced or used up certificate for the purpose of cancellation, in accordance with the companies (issue of share certificate) rules, 1960 or upon proof of destruction or loss and on such indemnity as the Board may require in the case of the certificate having been destroyed or lost. Any duplicate certificate shall be marked as such.

21. The company shall have a first and paramount lien upon all the shares (including fully paid shares) registered in the name of each member whether solely or jointly with others and upon the proceeds of sales thereof or his debts, liabilities and engagements solely or jointly with any other persons due to or made with the company whether the period for the payment fulfillment or discharged thereof shall have actually arrived at or

not, and such lien shall extend to all dividends from time to time declared or accrued in respect of such shares. The Directors may however at any time declare any share to be wholly or partly exempt from the provision of this article.

22. For the purpose of enforcing such lien, the Board may sell the shares subject there to in such manner as they think fit but no sell shall be made until the expiration of 14 days after a notice in writing stating and demanding payment of such amount in respect of which the lien exists has been given to the registered holder of the shares for the time being, or to the persons entitled to the shares by reason of the death, or insolvency of the registered holder.

23. To give effect to such sale, the Board of Directors may authorized some persons to transfer the shares to the purchaser thereof and the purchaser shall be registered as the holder of the shares comprised in any such transfer. The purchaser shall not be bound to see to the application of the purchase money nor shall his title to the shares be effected by any irregularity or invalidity in the proceeding in reference to the sale.

24. 1) The net proceeds of any such sale shall be received by the company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.

2) The residue if any, shall, subject to 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.

25. Any money due from the company to a share holder, may without the consent of such share holders, be applied by the company in or towards payment of any money due from him, either alone or jointly with any other person to the company in respect of calls or otherwise.

CALLS ON SHARES

26. Subject to the provisions of section 91 of the Act, the Board of Directors may from time to time make such calls as they think fit upon the member in respect of all moneys unpaid on the shares held by them respectively and not by the condition of allotment thereof made payable at fixed time and each member shall pay the amount of every call so made on him to the persons and at that date, time and place or at the dates, times and places appointed by the Board of Directors.

27. The Board of Directors, may when making a call by resolution, determine the date on which such calls shall be deemed to have made not being earlier than the date of resolution making such call and there upon the call shall be deemed to have been made on the date so determined and if no such date is fixed the call shall be deemed to have been made on the date on which the resolution of the board making the call was passed.

28. Not less than 14 days notice of any call shall be given specifying the date, time and place of payment provided that before the time for payment of such calls, the directors may notice in writing to members, extend the time for payment thereof.

29. If by the terms of issue of any shares or otherwise any amount is made payable upon allotment or at any fixed date or by installment at fixed date whether on account or the share or by way of premium every such amount or installments shall be payable as if it was a call duly made by the Directors and of which due notice had been given and all the provisions herein contains in respect of calls shall relate to such amount or installment accordingly.

30. i) If a sum called in respect of the shares is not paid before or on the day appointed for payment thereof, the persons from whom the sum is due shall pay interest upon the sum at such rate fixed by the Board of Directors from the day of appointment for the payment thereof to the time of the actual payment, but the Board of Directors shall be at liberty to waive payment of that interest wholly or in part.

ii) The provision of this articles as to payment of interest shall apply in the case of non-payment of any sum which by the terms of issue of a shares becomes payable at a fixed date whether on account of the amount of the shares or by' the way of premium, as if the same had become payable by virtue of a call duly made and notified.

31. The Board of Directors may, if they think fit, receive from any member willing to advances the same, all or any part of the moneys uncalled and unpaid .upon my shares held by him & upon all or any part of the monies so advanced, may (until the same would but for such advance, become presently payable) pay interest at such rate not exceeding (without the sanction of the company in General Meeting) 9% per annum as may be agreed upon between the member paying the sum in advance and the Board of Directors but shall not in respect of such advance conferring to the dividend or to participate in profits or to any voting rights.

32. Neither a judgment nor a decree in favour of the company, for calls or other not the receipt by the company of a portion of any money which shall from time to time, be due from any member in respect of any share, either by way of principal or interest, nor any indulgence granted by the company in respect of the payment of any

such money shall be preclude the company from thereafter proceeding to enforce a forfeiture of such share as hereinafter provided.

33. If by the condition of allotment of any shares the whole or part of the amount or issue price there of shall be payable by installments, every such installment shall, when due be paid to the company by the person who for the time being and from time to time shall be registered holder of the share or his legal representative or representatives, if any.

TRASNFER AND TRANSMISSION OF SHARES

34. 1) The instrument of transfer of any shares in the company shall be executed both by the transferor and the transferee and the transferor shall be deemed to remain holder of the shares until the name of the transferee is entered in the register of members in respect thereof. The instrument of transfer shall be in respect of only class of shares and should be in the form prescribed under section 108 of the Act.

2) The Board of Directors shall not register any transfer of shares unless a proper instrument of transfer duly stamped and executed by the transferor and the transferee has been delivered to the Company along with the certificate relating to the shares and such other evidence as the company may require to prove the title of transferor or his right to transfer the shares.

Provided that when it is proved to the satisfaction of the Board of Directors that an instrument of transfer signed by the transferor and transferee has been lost the company may if the Board of Directors think fit on an application in writing made by the transferee and bearing the stamp required on an instrument of transfer, register the transfer on such terms also indemnify as the Board of Directors may think fit.

3) An application for the registration of the transfer of any share or shares may be made either by the transfer or by the transferee, provided that where such application shall in the case of partly paid up shares be effected unless the company give notice of the application to the transferee and the company shall unless objection is made by the transferee within two weeks from the date of receipt of the notice enter in the register the name of the transferee in the same manner and subject to the conditions as if the application for registration was made by the transferee.

4) For the purpose of sub clause (3) notice to the transferee shall be deemed to have been duly given if dispatched by prepaid registered post to the transferee at the address given in the instrument of transfer and shall be deemed to have been delivered in the ordinary course of post .

5) Nothing in clause (4) shall prejudice any power of the Board to register as a shareholder any person to whom the right to any share has been transmitted by operation of law.

6) Nothing in this Article shall prejudice the power of the Board of Directors to refuse to register the transfer of any shares to a transferee whether member or not.

35) The shares in the company shall be transferred by an instrument in writing in the prescribed form duly stamped and in the provided under the provisions of section 108 of the Act and any modification thereof and the rules prescribed there under.

A) Notwithstanding anything contained in these Articles, as and when the Company gets its shares or other securities admitted as an eligible security in the Depository system in accordance with the Provision of the Depositories Act, 1996, the prevailing rules, Regulation and Bye Laws of the Depository and other applicable Laws, if any, the said shares and securities of the Company shall be held in fungible form and the same shall be governed by the provisions of the Depositories Act, 1996 as amended from time to time or any Rules framed there under.

36.1) Subject to the provisions of section III of the Act, the Board may at any time in their absolute discretion and without assigning any reasons decline to register any transfer of or transmission by operation of law of the right to share whether fully paid-up or not and whether the transferee is a member of the company or not and may also decline to register any transfer of shares on which the company has a lien.

Provided further that the registration of transfer shall not be refused on the ground of the transferor being alone or either jointly with any other person or persons indebted to the company on any account except a lien on the shares.

2) If the Board refuse to register any transfer or transmission of right, they shall within 2 months from the date on which the instrument of transfer or the intimation of such transmission was delivered to the company send notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission, as the case may be.

3) In case of such refusal by the Board, the decision of the Board shall be subject to the right of appeal conferred by section 111 of the Act. 4) The provision of this Clause shall apply to transfers of stock also.

37. The Board of Directors may also decline to recognize any instrument of transfer unless:

a) The instrument of transfer is accompanied by the certificate of shares to which it relates and such other evidence as the Board of Directors may reasonably require, to show the right of the transferor to make the transfer.

b) The instrument of transfer is in respect to only one class of shares.

38.1) Every endorsement upon the certificate of any share in favour of any transferee shall be signed by the Managing Directors or by some other person for the time being duly authorized by the Managing Directors on his behalf. In case any transferee of a share shall apply for a new certificate in lieu of the old or existing certificate he shall be entitled to receive a new certificate in respect of which said transfer has been applied for and upon his delivering up to be cancelled every old or existing certificate which is to be replaced by a new one.

2) Notwithstanding any other provisions to the contrary in these presents, no fee shall be charged for any of the following viz.

a) for registration of transfer and debentures; or for transmission of shares or debentures.

b) for sub-division and consolidation of shares and debentures certificates and for sub- division of letter of allotment and split, consolidation, renewal and pucca transfer receipt into denominations corresponding to the market units of trading.

c) for sub-division of renounceable Letter of Right;

d) for issue of certificate in replacement of those which are old, decrepit or worn out, or where the changes on the reverse for recording transfers have been fully utilized.

e) for registration of any power of attorney, probate, letter of administration or similar other documents.

39. The company shall keep a book to be called the "Register of Members" and therein shall be entered the particulars of every transfer or transmission of any shares and all other particulars of shares required by the Act to be entered in such Register.

40. The instrument of transfer shall, after registration, remain in the custody of the company. The Board may cause to be destroyed all transfer deeds lying with the company for a period of 6 years or more.

41. The Board of Directors may after giving not less than 7 days previous notice by advertisement in some newspaper circulating in the district in which the Registered office of the company is situated close the Register of Members of the Register of Debenture holders for any period or periods not exceeding in the aggregate 45 days in each year but not exceeding 30 days at one time.

42.1) The executors or administrators of a deceased member (not being one of several joint holders) shall be the only persons recognized by the company as having any title to the shares registered in the name of such member and in the case of death of anyone or more of the joint holders of any registered shares; the survivors shall be only persons recognized by the company as having any title to or interest in such shares.

Provided that if the member should have been a member of a Joint Hindu Family, the Board on being satisfied to that effect and on being satisfied that the shares standing in his name in fact belonging to the joint family may recognized the survivors or the Karta thereof as having title to the shares registered in the name of such member. Provided further, in any case, it shall be lawful for the Board in their absolute discretion to dispense with the production of probate or letters of administration or other legal representation upon such terms as to indemnify or otherwise to the Board may deem just.

2) Nothing in clause (1) shall release the estate of deceased joint holder from any liability in respect of any shares, which were jointly held by him with other persons.

43.1) Any person becoming entitled to shares in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time be required by the Board and subject as hereinafter provided elect either

a) to be registered himself as holder of the shares; or

b) to make such transfer of the shares as the deceased or insolvent member could have made.

2) The Board shall, in either case have the same right to decline or suspend registration as they would have had, if the deceased or insolvent member held transferred the shares before his death or insolvency.

DEVOLUTION OF RIGHTS

44.1) If the person so becoming entitled shall elect to be registered as holder of the shares himself, he shall deliver or send to the company a notice in writing by him stating that he so elects.

2) If the persons aforesaid shall elect to transfer the shares, he shall testify his election by execution a transfer of the share.

3) All the limitation, restrictions & provisions these regulations to the rights to transfers or shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice of transfer signed by that member.

4) A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantage 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 an right, conferred by membership in relation to meeting 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 transfers the share and if the notice is not complied 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.

45. The company shall incur no liability or responsibility whatever in consequence of their registering or giving effect to any transfer of shares made purporting to be made by any apparent legal owner thereof (as soon as or appearing in the register) to the prejudice of persons having or claiming any equitable right, title or, interest to or in the same shares notwithstanding that the company may have had notice of such equitable rights or referred thereto in any books of the company and the company shall not be bound by or required to regard or attained to or give effect to, any notice which may be given to it of any equitable rights, title or interest or be under any liability whatsoever for refusing or neglecting to do so, though, it may have been entered or referred to in the books of the company, but the company shall nevertheless be at liberty to have regard and attained to any such notice and give effect thereto, if the Board shall think fit.

46. If a member fails to pay any call or installment of a call on the day appointed for payable thereof, the Board of Directors may at any time thereafter during such time as any part of such a call or installment remains unpaid serve a notice on him acquiring payment of so much of the call of installment as unpaid, together with any interest, which may have accrued.

47. The notice shall name a further date (not earlier than the expiration 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 shall state that, in the event on or before the day named the shares in respect of which the call was made will be liable to be forfeited.

48. If the requirement of any such notice as aforementioned are not complied with, any share in respect of which the notice has been given may at any time thereafter before the payment required by the notice has been made; be forfeited by a resolution of the Board of Directors to that effect, such forfeiture shall include all dividends declared in respect of the' forfeited shares and not actually paid before the forfeiture.

49. A forfeited shares may be sold or otherwise disposed of on such terms and in such manner as the Board of Directors may think fit and at any time before a sale or disposition, the forfeiture may be cancelled on such terms as the Board of Directors may think fit.

50. A person whose shares have been forfeited shall ceased to be a member in respect of the forfeited shares but notwithstanding remain liable to pay and shall forthwith pay the company all moneys which at the date of forfeiture were presently payable by him to the company in respect of the shares, but his liability shall cease if and when the company receipt payment in full of the nominal amount of shares whether legal proceeding for the recovery of the same had been barred by limitation or not.

51. Duly verified declaration in writing that the declarant is a Director of the company and that a share in the company has been duly forfeited on a date stated in the declaration shall be conclusively evidence of the facts therein stated as against all persons claiming to be entitled to the share and that declaration and receipt of the company for the consideration, if any given for the shares on the sale or disposition thereof, shall constitute a good title to the share and the person to whom the share is sold or disposed of shall be registered as the holder of the share and shall not be bound to see to the application of the purchase money (if any) nor shall his title to the share be effected way of irregularity to or invalidity in the proceeding in the reference to the forfeiture, sale or disposal of the share.

52. The provision of these Regulations as to forfeiture shall apply in the case of nonpayment of any sum which by the terms of a shares, become payable at a fixed time, whether on account of the amount of the shares or by

the way of premium or otherwise as if the same had been payable by virtue of a call made and notified.

CONVERSION OF SHARES INTO STOCK

53. The company may by passing ordinary resolution convert all or any of its fully paid up shares of any denomination into stock and vice versa.

54. The holders of stock may transfer the same or any part thereof in the same manner and subject to the same regulations under which the stock arose might before the conversion have been transferred, or as near thereof 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.

55. 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 meeting of the Company, and other matters as if they held the shares from which the stock arose; but not such privileges or advantages (except participation in the dividends and profits of the Company and in the assets on winding up shall be conferred by an amount of stock which would not, if existing in shares have conferred that privileges or advantage.

56. Such of the regulation contained in these present (other than those relating to the share warrants) as are applicable to paid-up shares shall apply to stock and the words share and shareholder in these present shall include 'stock and stockholder' respectively.

ALTERATION OF CAPITAL

57. The Company may from time to time, but subject to the provisions of section 94 of the Act, alter the conditions of its Memorandum as follows:

- a) Increase its share capital but such amount as it thinks expedient by issuing new shares
- b) Consolidation and divide all or any of its share capital into shares of larger amount than its existing shares
- c) Convert all or any of its fully paid up shares into stock and reconvert that stock into fully paid up shares of any denominations
- d) Sub-divide its shares, or any of them into shares of similar amount than is fixed by the memorandum, so however that in the subdivision of the proportion between the amount, if any unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived;
- e) Cancel any shares which, at the date of the passing of the resolution in that behalf, have not been taken of agreed to be taken by any person, and diminish the amount of its shares capital by the amount of the shares so cancelled.
- f) The resolution whereby any share is subdivided may determine that, as between the holders of the shares resulting from such sub-division one or more of such shares shall have some preference or special advantage as regards dividend, capital, voting or otherwise over or as compared with the others.

58. The new shares shall be subject to the same provisions with reference to the payment of call lien, transfer, transmission, forfeiture and otherwise as the shares in the original share capital.

59. The company, may be Special Resolution, reduce in any manner and with, and subject to any incident authorized and consent required by law:

- a) its share capital
- b) any capital redemption reserve account; or
- c) any share premium account.

SHARE WARRANTS

60.1) The company may issue share warrants subject to and in accordance with the provisions of sections 114 and 115 of the Act and accordingly, the Board may in their discretion, with respect to any share registered as fully paid up, on application in writing signed by the person registered as holder of the share and authenticated by such evidence, if any, as the Board may, from time to time, require as to the identity of the person signing the application, and on receiving the certificate (if any) of the share, and the amount of the stamp duty on the warrant and such fee as the Board may from time to time require, issue a share warrant.

61. 1) The bearer of a share warrant may at any time deposit the warrant at the office of the company, and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for

calling a meeting of the company, and of attending, and voting and exercising the other privileges of a member at any meeting held after the expiry of two clear days from the time of deposit, as if his name were inserted in the register of members as the holder of the shares included in the deposited warrant.

2) Not more than one person shall be recognized as depositor of the share warrant.

3) The company shall, on two days' written notice, return the deposited share warrant to the depositor.

62. Subject as herein otherwise expressly provided, no person shall, as bearer of a share warrant, sign a requisition for calling a meeting of the company, or attend, or vote or exercise any other privilege of a member at a meeting of the company, or be entitled to receive any notices from the company.

63. The bearer of a share warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the register of members as the holder of the shares included in the warrant, and he shall be a member of the company.

64. The Board may, from time to time, make rules as to the terms on which (if it shall think fit) a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction.

GENERAL MEETINGS

65. The Company shall, in addition to other meeting, hold a general meeting which shall be styled as its Annual General Meeting at intervals and in accordance with the Provisions specified below:-

a) The first Annual General Meeting of Company shall be held within eighteen months of its incorporation.

b) Thereafter an Annual General Meeting of the Company shall be held once in every calendar year within 6 months after the expiry of each financial year subject however to the power of Registrar of Companies to extend the time within which such a meeting can be held for a period not exceeding 3 months and subject thereto not more than fifteen months shall elapse from the date of one general meeting and that of the next.

c) Every Annual General Meeting shall be called for at a time during the business hours on a day that is not a public holiday and shall be held either at the Registered Office of the Company or at some other place within the city, town or village in which the Registered Office of the Company is situated.

d) Notice calling such meeting shall specify them as the Annual General Meeting.

e) All other meetings shall be referred to as Extra-Ordinary General Meetings.

66. The Board of Directors may whenever they think fit, convene an Extraordinary General Meeting at such time and at such places as they deemed fit. Subject to such directions, if any, given by the Board, the Director or the Secretary may convene an Extraordinary General Meeting.

67. a) The Company in General meeting upon the recommendation of the Board may consider offering shares of the Company to its employees including whole-time functional directors under Employees Stock Option Plan directly or through a Committee, appointed by the Board. The allotment of such shares under this plan shall be in terms of the extant provisions in the Companies Act, 1956, Rules, Regulation and Guidelines of all the applicable Statutes, from time to time.

b) The Board of Directors shall on the requisition of such number of members of the Company as is specified below proceed duly to call an Extra-Ordinary General Meeting of the Company and comply with the provisions of the Act in relation to meeting or requisition.

c) The requisition shall set out the matter for consideration for which the meeting is to be called, shall be signed by the requisitioner, and shall be deposited at the Registered Office of the company or sent to the company by registered post addressed to the company at its Registered Office.

d) The requisition may consist of several documents in like form, each signed by one or more requisitionists.

e) The number of members entitled to requisition a meeting with regard to any matter shall be such number of them as held at the date of the deposit or dispatch of the requisition to the registered office not less than 1/10th of the paid up capital of the company as at that date carries the right of voting in regard to the matter set out in the requisition.

f) If the Board of Directors do not, within twenty-one days from the date of deposit of requisition with regard to any matters, proceed duly to call a meeting for the consideration of those matter on a date not later than forty five days from the date of deposit of the requisition the meeting may be called by the requisitionists themselves or such number of the requisitionists as representing either majority in value of the paid up share capital held by all of them or of not less than 1/10th of the paid up capital of the company as is referred in sub clause (d) above.

68. A General meeting of the company may be called by giving not less than 21 days notice in writing providing than a General Meeting may be called after giving shorter notice, if consent thereto is according in the case of Annual General Meeting by all the members entitled to vote there and in the case of any other meeting by member of the company holding not less than 95% of that part of the paid up share capital which gives the right to vote on the matters to be considered at the meeting, provided that where any members of the company are entitled to vote only on some resolution or resolutions to be moved at the meeting and not on the others those members, shall be taken for the purpose of this Article in respect of the former resolution or resolutions and not in respect of the later.

69. The accidental omission to give notice of any meeting to or the non-receipt of any such notice by any of the members shall not invalidate the proceeding of or any resolution passed at such meeting.

70. a) All business shall be deemed special that is transacted at an extraordinary General Meeting and also that is transacted at the Annual General Meeting with the expectation of business relating to-

i) The consideration of the Account, Balance Sheet, Report of the Directors and Auditors;

ii) The declaration of dividend;

iii) The appointment of Directors in the place of those retiring and

iv) The appointment and fixing of the remuneration of the Auditors.

b) Where any item of business to be transacted at the meeting are deemed to be special as aforesaid there shall be annexed to the notice of the meeting a statement setting out all material facts concerning each such items of business including, in particular, the nature of the concern or interest if any therein of every directors, and the Managing Director, if any, where any item of business consists of the according of approval to any document by the meeting, the time and the place where such document can be inspected shall be specified in the statement aforesaid.

Provided that where any item of special business at aforesaid is to be transacted at the meeting of the company relates to or affects any other company, the extent of share holding interest in that other company of every Director and the Managing Director of the company, shall also be set out in the statement if the extent of such share holding interest is not less than 20% of the paid up share capital of that other company.

PROCEEDING AT GENERAL MEETING

71. Five members personally present shall be a quorum for a general meeting and no business shall be transacted at any general meeting and no business shall be transacted at any general meeting unless the requisite quorum is present at the commencement of the business.

72. If within half an hour from the time appointed for the meeting a quorum is not present, the meeting if called upon by the requisition members shall be dissolved; in any other case, it shall stand adjourned to the same day in the next week at the same time and place as the Board may determine and if at the adjourned meeting a quorum is not present within half an hour from the appointment for the meeting members present shall be quorum.

73. The chairman, if any, of the Board of Directors shall preside as Chairman at every General Meeting of the Company.

74. If there is no such chairman, or if at any meeting he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairman, the Directors present shall choose another Director as chairman and if all Directors decline to take the chair, then the members present shall choose one of the members to be the Chairman.

75. The Chairman 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, but no business shall be transacted at any adjourned meeting from which the adjournment took place. When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as nearly as may be in the case of original meeting. Save as aforesaid, it shall not be necessary to give any notice of any adjournment or of the business to be transacted at an adjourned meeting.

76. At any general meeting a resolution put the vote of the meeting shall be decided on a show of hand, unless a poll is (before or on the declaration of the result of the show of hands) demanded in accordance with the provisions of section 179 of the act. Unless a poll is so demanded a declaration by the Chairman that a resolution, on a show of hands, has been carried unanimously or by a particular majority of votes and an entry to that effect in the books of the proceedings of the company shall be conclusive evidence of that fact without proof of the number or proportion of the meeting votes recorded in favour of or against that resolution.

77. If a poll is duly demanded in accordance with the provisions of Section 179 it shall be taken in such manner as the chairman in accordance with the provisions of the Act and Section 184 and 185 of the act direct and the result of the poll shall be deemed to be the decision of the resolution on which the poll was taken.

78. In the case of an equality of votes, the chairman shall, both on a show of hands and a poll, have a casting vote in addition to the vote or votes to which he may be entitled to as a member.

79. A poll demanded on the election of the Chairman or on a question of adjournment shall be taken forthwith. The poll demanded on any other question shall be taken at such time not being later than 8 hours from the time when demand was made, as the Chairman may direct.

VOTES OF MEMBERS

80.1) Every member holding any equality share shall have a right to vote in respect of such share on every resolution placed before the meeting. On a show of hands, every such member present in persons shall have one vote on a poll, his voting right in respect of his equity shares shall be in proportion to his share of the paid-up capital in respect of the equity shares.

2) In the event of the company issuing any preference shares the holders of such preference shares shall have the voting rights set out in that behalf in section 87 of the Act.

81. A demand for a poll shall not prevent continuance of a meeting for the transaction of any business other than that on which poll has been demanded. The demand for a poll may be withdrawn at any time by the person who made the demand.

82. In the case of joint holders the vote of the first named of such joint holder who tenders a vote whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.

83. 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.

84. No member shall be entitled to vote in any general meeting unless all calls or other sums presently payable by him in respect of his shares in the company have been paid.

85. On a poll, vote may be given either personally or by proxy.

86. Any member entitled to attend and vote at a meeting of the company shall be entitled to appoint any person whether a member or not as his proxy to attend and vote instead of himself but the proxy so appointed shall not unless he be a member have any right to speak at the meeting and shall not be entitled to vote except on a poll.

87. 1) The instrument appointing a proxy shall be in writing under the hands of the appointer or of his attorney duly authorized in writing, or if the appointing is a cooperation either under the common seal or under the hand of an officer or attorney so authorized any persons may act as proxy whether he is a member or not.

2) A corporate body (whether a company within the meaning of the Act or not) may, if it is a member or a creditor or a debenture holder of the company by the resolution of its Board of Directors or other governing body, authorize such person as it thinks fit to act as its representative at any meeting of any class of members of the company, or at any meeting of any creditors of the company held in pursuance of the provisions contained in any Debenture of Trust Deed as the case may be. The person so authorized by resolution as aforesaid shall be entitled to exercise the same rights and powers (including the right to vote by proxy) on behalf of the body corporate with the represents as that body could exercise if it were an individual member, creditor or holder of debentures of the Company.

3) So as the authorization under clause (2) above is in force, the power to appoint proxy shall be exercised only by the person so appointed as representative.

88. The instrument appointing a proxy and the power of attorney or other authority if any, under which it is signed or a notarized certified copy of that power or authority shall be deposited at the registered office of the company not less than 48 hours before the time of holding the meeting or adjourned at which the persons named in the instrument proposes to vote or in the case of a poll not less than 2 hours before the time for holding the meeting or adjourned meeting at which the persons named the instrument proposes to vote in the case of the 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.

89. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death of the principal or the revocation of the proxy, or the transfer of share in respect of which the proxy is given, provided that no intimation in writing of the death, revocation or transfer shall have been

received at the Registered Office of the company before the commencement of the meeting or adjourned meeting at which the proxy is used.

90. Every instrument appointing a proxy shall be retained by the company and shall be either of the forms specified in Schedule ix of the Act or a form as near there to as circumstances will admit.

91. Subject to the provisions of the companies Act 1956, the Chairman of a General Meeting shall be sole and absolute judge of the validity of every vote tendered at such Meeting, or at a poll demanded at such Meeting and may allow or disallow any vote tendered accordingly as he shall be of opinion that the same is or is not valid.

DIRECTORS

92. Unless otherwise determined by the General Meeting, the number of Directors shall not less than three and not more than twelve including all kinds of Directors.

93. The persons hereinafter named are the present Directors of the Company:

1. Lakshman Srinivasan
2. Sireen Sadhu
3. Dipak Kumar Modi

94. Any persons whether a member of the company or not may be appointed as Director and no qualification by way of holding share shall be required of any Director.

95. Any casual vacancy occurring in the Board of Directors may be filled up by the Directors and the persons so appointed shall hold office upto the date upto which the Director in whose place he is appointed would have held office if it had not been vacated as aforesaid.

96. The Board of Directors may appoint additional Directors in accordance with clause 72 of the Table A under Schedule 1 to the companies Act 1956.

97. The Board of Directors may appoint an alternate Director to act as a Director (hereinafter called the original Director) during the absence of the original Director for a period of not less than three month from the state in which the meeting of the Board are ordinarily held. An alternate Director so appointed shall vacate office if and when the original Director returns to the State in which meeting of the Board are ordinarily held. If the terms of office of the original Director are determined before he so returns to the state aforesaid, any provision for the automatic re-appointment of retiring Director in default or another appointment shall apply to the original, and to the alternate Director.

98. Every Director (including the Ex-office Director) shall be paid a sitting fee not exceeding ₹.1000/- (Rupees one thousand only) or such higher sum as may be prescribed for each meeting of the Board of Directors or of any committee thereof attended by him and shall be paid in addition thereof all traveling, hotel and other expenses properly incurred by him in attending and returning from the meeting to the Board of Directors of any committee thereof of General meeting of the company or in connection with the business of the company to and from any place.

99. If any Directors being willing shall be called upon to perform extra services or to make any special exertion in going to or residing away from the town in which the Registered Office of the company may be situated for the purposes of the Company or giving special attention to the business of the company or as a member of the Board, then subject to Section 198, 269, 309, 310 and 314 and the board may remunerate the Director so doing, either by a fixed sum or by a percentage of profit or otherwise and such remuneration may be either in addition to or in substitution for any other remuneration to which he may be entitled.

100. The continuing Directors may act notwithstanding any vacancy in the Board, but if so long as their number is reduced below three, the continuing Director or Directors may act for the purpose of increasing the number of Directors to three or of summoning a General Meeting of the company but for no other purpose.

101. The office of a Director shall be vacated, if :

- a) He is found to be unsound mind by a court of competent jurisdiction; or
- b) He applied to be adjudicated or is adjudged an insolvent; or
- c) He fails to pay dues made on him in respect of shares held by him within six months from the last date fixed for the payment of the call unless the Central Government has by notification in the official gazette removed the disqualification incurred by such failure; or
- d) He is convicted by a Court of any offence involving, moral turpitude and sentenced in respect thereof to

imprisonment for not less than six months; or

e) He absent himself from three consecutive meetings of the Board or from all meeting of the Board to a continuous period of three months, whichever is longer, without obtaining leave of absence from the Board; or

f) He (whether by himself or by any other person for his benefit or on his account) or any firm in which he is a partner or any private company of which he is a Director accept a loan or any guarantee or security for a loan from the Company in contravention of Section 229; or

g) He acts in contravention of Section 295; or

h) He become disqualified by an order of Court under Section 203; or

i) Having been appointed a Director by virtue of his holding any office or other employment in the Company, he ceased to hold such office or other employment in the company.

Provided that notwithstanding anything in sub- clause (b), (d) and (h) above the disqualification referred to in those clauses shall not take effect;

a) for thirty days from the date of the adjudication, sentence or order,

b)Where any appeal or petition is preferred within the thirty days aforesaid against the adjudication, sentence or conviction resulting in the sentences or orders until the expiry of seven days from the date on which such appeal or petition is disposed of. or

c)Where within the seven days aforesaid, any further appeal or petition is preferred in respect of the adjudication, sentence, conviction or order and the appeal or petition if allowed would result in the removal of the disqualification, until, such further appeal or petition is disposed of.

102.1) Subject to the provisions of the Act, the Directors including the Managing Director if any shall not be disqualified by reasons of their office as such for contracting with the company either as vendor, purchaser, lender, broker or otherwise nor shall any account or arrangement entered into by or on behalf of the company with any Director or the Managing Director or with any company or partnership of or in which any Director or Managing Director shall be a member or otherwise interested be void nor shall any Director or the Managing Director so contracting or being such member or so interested be liable to account to the Company for any profit realized by such contract or arrangement by reasons only of such director or the Managing Director thereby established, but the nature of the interest must be disclosed by him or them at the meeting of the Board at which the contract or arrangement is determined on, if the interest then exists or in, any other case at the meeting of the Board after the acquisition of the interest.

Provided nevertheless that no Director shall take part in the discussion of or votes as a Director in respect of any contract or arrangement in which he is so interested as aforesaid and if he does so his vote shall not be counted but the company shall be entitled to be present at the meeting during the transaction of the business in relation to which he is precluded from voting although he shall not be counted for the purpose of ascertaining whether there is quorum of Director present. The provision shall not apply to any contract by or on behalf of the Company to give to the Directors or the Managing Director or any of them any security by way of indemnity against any loss which they or any of them suffered by becoming or being securities for the company or to any contract or arrangements entered into or to be entered into with a public company or of a private company which is a subsidiary of a public company in which the interest of the Director aforesaid consists solely in his being a director of such company and the holder of not more than shares of such number of values therein as is requisite to qualify him for appointment as a Director thereof, he having been nominated as such Director by the Company or in his being a member holding not more than 2% of its paid up share capital.

2) A general notice that any Director is a Director or a member of any specified company or is a member of any specific firm and is to be regarded as interested in any subsequent transaction with such company or firm shall as regards any such transaction be sufficient disclosure under this Article and after special notice relating to any particular transaction with such company or firm,

3) A Director may be or become a Director or member of any company promoted by this company or in which this company may be interested as shareholders or otherwise and no such Director shall be accountable to the company for any benefits received as Director or member of such Company.

103. Except as otherwise provided in these Articles all the Directors of the company shall have in all matters equal rights and privileges and be subject to equal obligations and duties in respect of the affairs of the Company.

ROTATION OF DIRECTORS

104. The term ex-office directors whether occurring in these presents shall mean and include the Managing Directors appointed under Article 140 below and ex-office director appointed in pursuance of Article 135 below and referred to as nominated directors.

105.a) Not less than $1/3^{\text{rd}}$ of the total numbers of the directors of the company for the time being holding office shall be directors whose periods of office is liable to be determined by retirement by rotation and who shall be appointed by the company in General Meeting.

b) At the first Annual General Meeting of the company, the whole of the Board of Directors except ex-official Directors shall retire from office and at the Annual General Meeting in every subsequent year, one-third of such of the Directors as are liable to retire by rotation for the time being or if their number is not three or multiple of three, than the number nearest to one-third shall retire from the office.

106.A retiring Director shall be eligible for re- election and the company at the Annual General Meeting at which a Director retires in the manner aforesaid may fill up the vacated office by electing a person thereto.

107.The Director to retire in every year shall be those who have been longest in office after their last elections, but as between persons who become Directors on the same day, those to retire shall, unless they otherwise agree among themselves, be determined by lot.

108.Subject to the provisions of section 256 of the act, if at any meeting at which an election of Director ought to take place but the place of the vacation of Directors is not filled up and the meeting has not expressly resolved not to fill up the vacancy, the meeting shall stand adjourned till the same day in the next week at the same time and place or if that day is a public holiday till the next succeeding day which is not a public holiday at the same time and place and if at the adjourned meeting the place of retiring Director is not filled up and the meeting has also not expressly resolved not to fill up the vacancy then the retiring Directors of such of them as have not had their place filled up shall be deemed to have been re-appointed at the adjourned meeting.

109.Subject to the provisions of the section 252, 255 and 259 of the act, the company in General Meeting may by ordinary resolution increase or reduce the number of its Director within the time limit fixed by articles 92.

110. Subject to the provisions of section 284 of the Act, the company may by an ordinary resolution in General Meeting remove any Director before the expiration of his period of office and may by an ordinary resolution appoint another person in his stead, the persons so appointed shall be subject to retirement at the same time as if he had become a Director on the day on which the Director in whose place he is appointed was last elected as Director.

111. A person not being a retiring Director shall be eligible for appointment to the office of a Director at any General Meeting if he or some other member intending to propose him as a Director not less than 14 days before the meeting has left at the office of the company a notice in writing under his hand signifying his candidature for the office of the Director or the intention of such member to propose him as a candidate for that office as the case may be.

112. The company in General Meeting may when appointing a person as a Director declare that his continued presence on the Board of Director is advantage to the company and that his office of Director shall not be liable to be determined by rotation for such period or until happening of such event or contingency as the Board may specify and thereupon such Director shall not be liable for retirement by rotation but shall hold office for the period or until the happening of any event or contingency set out in the said resolution. Such Director shall hereinafter be referred to 'Ex- officio Director'.

PROCEEDING OF THE DIRECTORS

113.a) The Board of Director shall meet at least once in every three calendar months for the dispatch of business, adjourn and otherwise regulate its meeting and proceedings as it thinks fit provided that at least four such meeting shall be held every year.

b)The Managing Director may at any time summon meeting of the Board and the Managing Director or a secretary on the requisition of a Director shall at any time summon meeting of the Board. Notice in writing of every meeting of the Board shall be given to every Director for the time being in India, and at his usual address in India to every other Director.

114. The quorum for a meeting of the Board shall be one-third of the total strength (any fraction contained in that one-third being rounded off as one) or two Directors whichever is higher provided that where at any time the number of interested Directors is equal to or exceeds two-third of total strength, the number of remaining Director that is to say the number of remaining Director being not less than two, shall mean the number of

Directors

actually holding total strength of the Board or shall mean the number of Directors holding office as directors on the date of the resolution or meeting, deducting therefrom the number of Directors, if any, whose places are vacant at the time.

115.1) Save as otherwise expressly provided in the act, a meeting of the Board for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, power and discretions by or under the resolution of the company for the time being vested in or exercisable by the Directors generally and all questions arising at any meeting of the Board shall be decided by a majority of the meeting of the Board.

2) In case of any equality of votes, the chairman shall have a second or casting vote in addition to his vote as Director.

116. The continuing Directors may act notwithstanding any vacancy in the Board but if and so long their number is reduced below three, the continuing Directors or Director may act for the purpose of increasing the number of Director to three or summoning a General Meeting of the company but for no other purpose.

117.1) The Board may elect a chairman of its meeting and determine the period for which he is to hold office;

2) If no such chairman is elected or if any meeting the chairman is not present within five minutes after the time appointed for holding the meeting, the Directors present may choose one of their member to be chairman of the meeting.

118. 1) The Board may, subject to the provision of the Act, delegate any of its power to committees consisting of such member or members of its body as it thinks fit.

2) 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.

119. 1) If the chairman of the Board is a member of the committee he shall preside over all meeting of the committee. If the chairman is not a member thereof, the committee may elect a chairman of its meeting. If no such chairman is elected or if at any meeting the chairman is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be chairman of the meeting.

2) The quorum of a committee may be fixed by the Board of Directors and until so fixed if the committee is of a single member or two members shall be one and if more than two members shall be two.

120. 1) A committee may meet and adjourn as it thinks proper.

2) Questions arising at any meeting of a committee shall be determined by the sole member of the committee or by a majority of votes of the members present as the case may be and in case of any equality of vote, the chairman shall have second or casting vote in addition to his vote as a member of the committee.

121. All acts done by any meeting of the Board of the committee thereof or by any person acting as director shall, notwithstanding that may be afterwards discovered that there was some defect in the appointment of anyone or more such directors or of any persons acting as aforesaid or that they or any of them were disqualified, be as valid as if every such directors or such directors or such person had been duly appointed and was qualified to be a directors.

122. Save as otherwise expressly provided in the Act, a resolution in writing circulated in draft together with necessary papers if any to all the Directors or to any members of the committee then in India not being less in numbers than the quorum fixed for the meeting of the board or the committee, as the case may be, and to all other directors as are then in India or by a majority of such of them as are entitled to vote on the resolution shall be valid and effectual as if it had been a resolution duly passed at a meeting of the board or committee duly conveyed and held.

POWERS AND DUTIES OF DIRECTORS

123. The business of the company shall be managed by the Board of Directors, who may exercise all such powers of the company as are not, by the Act or any statutory modification thereof for the time being in force, or by these presents, required to be exercised by the company in General Meeting, subject nevertheless to any regulation of these presents to the provision of the said Act, and to such regulations being not inconsistent with the aforesaid regulations of provisions as may be prescribed by the company in General Meeting but regulation made by the company in General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.

124. Without prejudice to the generality of the foregoing, it is hereby expressly declared that, the directors shall

have the following powers, that is to say powers:

- 1) To carry on and transact the several kinds of business specified in clauses III of the memorandum of association of the company.
 - 2) To draw, accept, endorse, discount, negotiate and discharge on behalf of the company all bills of exchange, promissory note, cheques, hundies, draft, railway receipts, dock warrants, delivery order, Government promissory notes, other Government instruments, bonds, debentures, debentures stocks of corporation, local bodies, and to execute transfer deeds for transferring stocks, shares or stock certificate of the government and other local or corporate bodies in connection with any business or any subject of the company.
 - 3) At their discretion, to pay for any property rights or privileges acquired by or service rendered to the company, either wholly or partially in cash or in shares, bonds, debentures or other securities of the company, and any such shares may be issued either as fully paid-up or with such amount credited as paid up thereon as may be agreed upon; and any such bonds, debentures, or other securities may be either specially charged upon or any of the property of the company or not so charged.
 - 4) To engage and in their discretion to remove, suspend, dismiss and remunerate bankers, legal advisers, accountants, cashiers, agents, commission agents, dealers, brokers, foreman, servants, employee of every description and to employ such professional of every description and to employ such professional or technical or skilled assistants from time to time, that may in their option be necessary or advisable in the interest of the company and upon terms in the interest of the company and upon terms as to duration of employment, remuneration or otherwise, and may be required duration of employment, remuneration or otherwise and may be required security in such instances and to such amounts as the Directors think fit.
 - 5) To accept from any members, on such terms and conditions as shall be agreed, a surrender of his shares or stock or any part thereof.
 - 6) To secure the fulfillment of any contracts or agreements entered into by the company, by mortgage of charged of all or any of the property of the company or in such other manner as they think fit.
 - 7) To institute, conduct, defend compound or abundant any action suits and legal proceedings by or against the Company or its officers or otherwise concerning the affairs of the Company and also to compound or compromise or submit to arbitration the same action, suits and legal proceedings.
 - 8) To make and give receipts releases and other discharges for money payable to the company and for the claims and demands of the Company.
 - 9) To determine who shall be entitled to sign on the Company's behalf bills of exchange, promotes dividend, warrants, cheques and other negotiable instruments, receipts, acceptance, endorsements, releases, contracts deed and documents.
 - 10) From time to time, to regulate the affairs of the Company abroad in such a manner as they think fit and in particulars to appoint any person to be the attorneys or agents of the Company either abroad or in India with such power including power to sub delegate and upon such terms as may be thought fit.
 - 11) To invest and deal with any moneys of Company not immediately required for the purpose thereof upon such securities as they think fit.
 - 12) To execute in the name and on behalf of the Company in favour of a Directors or other persons who may enquire or be about to enquire any personal liability for the benefit of the company such mortgage of the Company's property (present and future) as they think fit and any such mortgage may contain a power of sale, other powers, covenants and provisions as shall be agreed upon.
 - 13) To give to any person employed by the Company a commission on the profits; or any particular business or transaction, or a share in the general profits of the company, and such commission, or share of profits, shall be treated as part of working expenses of the Company.
 - 14) From time to time make, vary or repeal bylaws for the regulations of the business of the Company, its officers and servants.
 - 15) To enter into all such negotiations and contracts and rescind and vary all such contracts and execute and do all such acts, deeds and things, in the name and on behalf of the Company as they may consider expedient for or in relation to any of the matters aforesaid or otherwise for the purpose of the Company.
125. Subject to the provision of section 292 of the Act and other provisions of the Act, the Boards may delegate from time to time and at any time to a committee formed out of the Directors, all or any of the Powers, authorities and incretion for the time being vested in the Board and any such delegations may be made on such

terms and subject to such conditions as the Board may think fit.

126. The Board may appoint, at any time and from time to time by a power of attorney under the company's seal, any person to be the attorney of the company for such purpose and with such powers authorities and description not exceeding those vested in or exercisable by the Board under these articles and for such period and subject to such conditions as the Board may from time to time think fit and any such appointment may, if the Board thinks fit be made in the Company, or the members Director nominated directly or indirectly by the Board and any such power of attorney may contain such provisions for the protection or convenience of persons dealing with such attorney as the Board may think fit.

127. The Board may authorize any such delegate or attorney as aforesaid to sub-delegate all or any of the powers, authorities and discretion for the time being vested in it.

128. The Board shall duly comply with the provisions of the act and in particular with the provisions in regard to the registration of the particulars of any mortgages and charges effecting the properties of the Company or created or by it and to keeping a register of the Director and to sending to the register and annual list of members and a summary of particulars of shares and stock and copies of special resolution and other resolution of the Board as are required to be fixed with the register under Section 192 of the Act, and a copy of the Register of Director and notifications of any changes therein.

2) The company shall comply with the requirements of Section 193 of the Act, in respect of keeping of the minutes of all proceeding of every General Meeting and of every meeting of the Board or and committee of the Board.

3) The chairman of the meeting may exclude at his absolute discretion such of the matters as are or could reasonable be regarded as defamatory of any persons, irrelevant or immaterial to the proceeding detrimental to the proceeding or detrimental to the interest of the Company. .

129. The Board shall have the power to appoint as a secretary a person possessing the prescribed qualifications and fit in their option for the said office, for such period and such terms and conditions as regards remuneration and otherwise as they may determine. The Secretary shall have such powers and duties as may from time to time, be delegated or entrusted to him by the Directors.

130. Any branch or kind of business which by the Memorandum of Association of the Company or these present is expressly or by implication authorized to be undertaken by the Company may be undertaken by the Board such time or time as they shall think fit and further may be referred by them to be held on abeyance whether such branch or kind of business may have been actually commenced or not so long as the Board may think it expedient not be commenced or proceeded with such branch or kind of business.

131. Subject to the provisions of Section 292 the Board may delegate all or any their powers to any Director jointly or severally to any Directors at their discretion.

BORROWING

132. 1) The Board of Directors may from time to time but with such consent of the Company in General Meeting as may be required under Section 293 raise any moneys or sums of money for the purpose of the Company provided that the moneys to be borrowed by the Company apart from the temporary loans obtained from the Company's Bankers in the ordinary course of business shall not, with the sanction of the company at a General Meeting, exceed the aggregate of the paid-up capital of the Company and its free reserves that is to say reserve not set apart for any specific purpose and in particular but subject to the provisions of Section 292 of the Act, the Board may from time to time at the discretion raise or borrow or secure the payment of any such sum of money for the purpose of the Company, by the issue of debentures perpetual or otherwise including debentures convertible into shares of this or/and other Company or perpetual annuities and in security of any such money so borrowed or raised or received, mortgage, pledge or charge, the whole or any part of the property, assets or revenue of the Company present or future including its uncalled capital by special assignment or otherwise or to transfer or convey the same absolutely or in trust and to give the lenders powers of sale and other powers as may be expedient and to purchase redeem or pay of any such security.

Provided that every resolution passed by the Company in General Meeting in relation to the exercise of the power to borrow as stated above shall specify the total amount which money may be borrowed by the Board of Directors.

(2) The Directors may by resolution at a meeting of the Board delegate the above power to borrow money otherwise than on debentures to a committee of Directors or Managing Directors if any, within the limits prescribed.

(3) Subject to the provision of the above sub-clause the Directors may from time to time, at the discretion, raise or borrow or secure the repayment of any sum or sums of money for the purpose of the Company, at such time and in such manner and upon such terms and conditions in all respects as they think fit. and in particular by promissory notes or by opening current account or by receiving deposits and advance with or without security or by the issue of bonds perpetual or redeemable debentures or debentures stock of the Company (both present and future) including its uncalled capital for the time being or by mortgaging or charging or pledging any land, building, goods or other property and securities of the Company, or by such other means as to them seem expedient.

133. Such debentures, debentures stock, bonds or other securities may be made assignable free from any Equity between the Company and the persons to whom the same may be issued.

134. (a) Any such debentures, debentures stock, bonds or other securities may be issued at a discount, premium or otherwise and with any special privileges as to redemption surrender, drawings, allotment of shares of the Company, appointment of Directors, or otherwise, debentures, debentures stock, bond or other securities with right of conversion into allotment of shares shall be issued only with the sanction of the Company in General Meeting.

(b) Any trust deed for the securing of any debentures stock and or any mortgage and or other bond or securing payment of monies borrowed by or due by the Company and or any contract or any agreement made by the company with the persons, firm, body corporate, government authority who may render or agree to render any financial assistance to the Company by way of loans, advance or by guaranteeing of any loan borrowed or other obligation of the Company or by subscription to the share capital of the Company or provide assistance in any other manner, may provide for the appointment, for time to time, by any such mortgage lender, trustees or holder of debentures or contracting party as aforesaid, of one or more persons contracting party as aforesaid, of one or more persons to be Director or Directors of the Company, such trust deed, mortgage deed, bond or contract may provide that the persons appointing a Director as aforesaid may from time to time remove any Director so appointed by him in and appoint any other person in his place and provide for filling of any casual vacancy created by such person vacating office as such Director. Such power shall be determined and terminated on the discharge or repayment of the respective mortgage, the discharge or repayment of the respective mortgage loan or that of debenture or on the termination of such contract at any person so appointed as Director under mortgage or bond or debenture or trust deed or under such contract shall cease to hold office as such Director on the discharge of the same. Such appointment and provision in such document as aforesaid shall be valid and effective as if contained in these presents.

135. The Directors or Director so appointed by or under a mortgage deed, debenture trust, deed or other bond or contract as aforesaid shall be called "Nominated Director". The words "Nominated Director" shall mean the Director appointed aforesaid and for the time being holding such office. The Nominated Director shall not be required to hold any qualifications shares and shall not be liable to retire by rotation or to be remove from office by the company. Such mortgage deed or bond or trust deed or contract may contain such auxiliary provisions as may be agreed between the company and the mortgage lender, trusted or contracting party as the case may be, all such provision herein contained but subject to the provisions of the act.

136. The Director shall cause a proper register to be kept, in accordance with the Act, of all mortgages and charge specifically affecting the property of the company and shall duly comply with requirements of the Act in regard to the registration of mortgage and charges therein specify.

137. Whether any uncalled capital of the company is charged, all person taking any subsequent charged thereon shall take the same, subject to such prior charge and shall not be entitled by notice to the shareholders or otherwise to obtain priority over such prior charges.

138. If the Directors or any of them or any other persons, shall become personally liable for the payment of any sum primarily due from the Company, the Board may execute or cause to be executed any mortgage, charge or security over offering the whole or any part or the assets of the Company by way of indemnity to secure the Director or other persons so becoming liable as aforesaid from any loss in respect of such liability.

139. 1) The Board of Directors shall exercise the following powers on behalf of the Company and the said powers shall be exercise only by resolutions passed at the meeting of the Board.

- a) Power to make call on shareholders in respect of money unpaid on their shares;
- b) Power to issue debentures;
- c) Power to borrow moneys otherwise than on debentures;
- d) Power to invest the funds of the Company;

e) Power to make loans;

2) The Board of Director may by a meeting delegate to any committee of the Directors or to the Managing Director the powers specified in sub-clause (c), (d) and (e) above.

3) Every resolution delegating the power set out in sub-clause (c) above shall specify the total amount up to which monies may be borrowed by the said delegate.

4) Every resolution delegating the power referred to sub-clause (d) above shall specify the total amount up to which the funds may be invested and the nature of the investment which may be made by the delegate.

5) Every resolution delegating the power referred to in sub-clause (e) above shall specify the total amount up to which the loans may be made by the delegate, the purpose for which the loans may be made for each such purpose in individual cases.

MANAGING DIRECTORS/ WHOLE TIME DIRECTORS

140.(A) The Board may from time to time with such sanction of the Central Government as may be required by law, appoint one or more their body to the office of the Managing Director or Whole Time Director.

(b) The Director may from time to time resolve that there shall be either one or more Managing Directors or Whole Time Directors.

(c) In the event of any vacancy arising in the office of the Managing Director or Whole Time Directors if the Directors resolve to increase the number of Managing Directors or Whole Time Director, the vacancy shall be filled by the Board of Director and the Managing Director or Whole Time Director so appointed shall hold the office of such periods as the Board of Directors may fix.

(d) If a Managing Director or Whole-time director ceases to hold office as Director, he shall ipso facto and immediately ceased to be a Managing Director / Whole Time Director.

141. Managing Director / Whole time director shall subject to the supervision, control and direction of the Board and subject to the provisions of the Act, exercise such powers as are exercisable under these presents by the Board of Directors as they may think fit and confer such powers for such time and to be exercised for such objects, purposes and upon terms and conditions and with such restriction as they may think expedient and they may confer such power either collaterally with or to the exclusion of any such substitution for all or any power of the Board of Directors in that behalf and may from time to time revoke, withdraw alter or vary all or any of such powers. The Managing Director / Whole Time Directors may exercise all the powers entrusted to them by the Board of Director in accordance with the Board's direction.

142. Subject to the provision of the Act and subject to such sanction of the Central Government as may be required for the purpose, the Meeting remunerations (whether by way of salary, commission or participation in profits, or partly in one way and partly in another) as the Company General Meeting may from time to time determine.

143. The Managing Director / Whole Time Director shall be entitled to charge and he be paid for actual expenses, if any, which they may incur for or in connection with the business of the Company. They shall be entitled to appoint part-time employees in connection with the Management of the affairs of the Company and shall, be entitled to be paid by the Company and remuneration that they may pay to such part-time employees.

144.(1) The Managing Director / Whole Time Director shall have subject to the supervision control and description of the Board, the management of the whole of the business and of the Company and of all its affairs and shall exercise all powers and performs all duties in relation to the management of the affairs and transactions of the' company except such powers and such duties as are required by law or by these presents to exercise or done by the company in General Meeting or by the Board of Directors and also subject to such conditions or restrictions, imposed by the Company' s Act or by these presents.

(2) Without prejudice to the generality of the foregoing and subject to the supervision and control of the supervision and control of the Board of Directors, the business of the company shall be carried on by Managing Directors, Whole Time Directors and he shall exercise all the powers set out in Article 124 above except those which are by these presents, or by any resolution of the board, required to be done by the company in General Meeting or by the Board.

The Board may from time to time, delegate to the Managing Director or Whole Time Director such of the powers and duties and subject to such limitations and conditions as they may deem fit the Board may from time to time revoke, withdraw, alter or vary all or any of the powers conferred on the Managing Director or Whole Time irectors by the Board or these presents.

COMMON SEAL

145. The Board shall provide a common seal for the Company and they shall have power from time to time to destroy the same and substitute a new seal in lieu thereof and the common seal shall be kept at the registered office of the Company and committed to the custody of the Managing Director or the Secretary if there is one.

146. The seal shall not be affixed to any instrument except by authority of a resolution of the Board or of the committee and unless the Board otherwise determines every deed or other instrument to which the seal is required to be affixed shall unless the same is executed by a duly constituted attorney for the company the secretary or such other person as may from time to time be authorized by the Managing Director or by the Board provided nevertheless that any instrument bearing the seal of the Company and issued for valuable consideration shall be binding on the Company notwithstanding any irregularity touching the authority to issue the same.

DIVIDEND

147.(a) The profits of the company subject to the provisions of these presents as to the reserve fund shall be divisible among the members in proportion to the amount of capital paid as on the shares held by them respectively on the last day of the year of and in the case of interim dividends on the close of the last day of the period in respect of which such interim dividend is paid.

(b) Where capital is paid up on any shares in advance of calls upon the footing that the same shall carry interest. Such capital shall not while carrying interest confer a right to participate in profits.

148. The Company in General Meeting declare dividends but no dividend shall exceed the amount recommended by the Board.

149. The Board may from time to time pay to the members such interim dividends as appear to them to be justified by the profits of the Company.

150. No dividend shall be payable except out of the profits of the year of any other undistributed profits except as provided by Section 205 of the Act.

151. (1) The Board may before recommending any dividends set aside out of the profits of the Company such sums as it thinks proper as a reserve or reserves which shall at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied including provisions for meeting contingencies or for equalizing dividends and pending such applications, may at the like description either be employed in the business of the company or be invested in such investments (other than shares of the company) as the Board from time to time think fit.

(2) The Board may also carry forward any profits when it may think prudent not to divide without setting them aside reserves.

152. The Board may deduct from any dividend payable to any members all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the shares of the company.

153. Any General Meeting declaring any dividend or bonus may make a call on the members of such amount as the meeting fixes, but so that the call on each member shall not exceed the dividend payable to him and so that the call be made payable at the same time as the dividend and the dividend may if so arranged between the company and the member be set off against the call.

154. (1) The dividend, interest or other moneys payable in cash in respect of share may be paid by cheque or warrant sent through post direct to the registered address of the holders or in case of joint holders to the Registered address of that one of the joint holders who is first named on the register of members or to such person and to such address as the holder or joint holders may in writing direct.

(2) Every such cheque or warrant shall be made payable to the order of the persons to whom it is sent.

(3) Every such cheque or warrant shall be posted within 30 days from the date of declaration of dividend.

155. Anyone of two or more joint holders of a share may give effectual receipt for any dividends, bonus or other moneys payable in respect of such shares.

156. Notice of any dividend that may have been declared shall be given to the persons entitled to share thereto in the manner mentioned in the Act.

157. No dividend shall bear interest against the company.

158.(1) Where dividend has been declared by the company but has not been paid or the warrant in respect thereof has not been posted within 30 days from the date of declaration to any share holder entitled to the

payment of dividend the company shall within 7 days from the date of expiry of the said period of 30 days, transfer the total amount of dividend which remains unpaid or in relation to which no dividend warrant has been posted within the said period of 30 days to a special account to be open by the Company in that behalf in any schedule Bank to be called unpaid Dividend Account.

(2) Any money transferred to the unpaid dividend account of the company in pursuance of sub-clause (1) which remains unpaid or unclaimed for a period of three years from the date of such transfer shall be transferred by the company to the General Revenue Account of the Government but a claim to, any money so transferred to the general revenue account may be preferred to the Central Government by the person to whom the money is due and shall be dealt with as if such transfer to the general revenue account had not been made, the order, if any, for payment of the claim being treated as an order for refund of revenue.

(3) The Company shall when making any transfer under clause (2) to the General Revenue Account of the Central Government any unpaid or unclaimed dividend furnish to such officer as the Central Government may appoint in this behalf a statement in the prescribed form setting forth in respect of all sums included in such transfer the nature of the sums, the names and last known addresses of the person entitled to receive the sums, the amount, his claim thereto and such other particulars as may be prescribed.

(4) The company shall be entitled to a receipt from the bank authorized for any money transferred by it to the General Revenue Account of the Central Government, and such receipt shall be effectual discharge of the company in respect thereof.

159. Any transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer.

CAPITALISATION OF PROFITS

160. (1) The Company in General Meeting may on recommendation of the Board resolve:

(a) That it is desirable to capitalize any part of the amount for the time being standing to the credit of the company reserve accounts or to the credit of the profit and loss accounts or otherwise available for distribution and

(b) That such sum be accordingly set free for distribution in the manner specified in sub clause (2) amongst the members who would have been entitled thereto, is distributed by way of dividends and in the same proportion.

(2) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provisions contained in sub clause (3) either in or towards:

(i) Paying up any amounts for the time being unpaid on shares held by such members respectively

(ii) Paying up in full un-issued shares of the company to be allotted and distributed, credited as fully paid up, to and amongst such members in the proportions aforesaid: or

(iii) Partly in the way specified in sub clause (i) and partly in that specified in sub clause (ii).

(3) A shares premium account and capital redemption reserve fund may, for the purpose of this regulation only, be applied in the paying up of un-issued shares to be issued to members of the company as fully paid bonus shares.

(4) The Board shall give effect to the resolutions passed by the company in pursuance of this regulation.

161. (1) Whenever such a resolution as aforesaid shall have been passed, the Board shall:

(a) Make all appropriation and applications of the undivided to be capitalized there by and allotments and issues of fully paid shares or debentures, if any, and

(b) Generally do all acts and things required to give effect thereto.

(2) The Board shall have full power:

(a) To make such provision, by the issue of fractional certificates or by payments in cash or otherwise as it thinks fit, on the case of shares or debentures becoming distributable in fraction, and also

(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 or debentures 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 proportion of the profits resolve to be capitalized of the amounts or any part of the amount remaining unpaid on the shares.

(3) Any agreement made under such authority shall be effective and binding on all such members.

ACCOUNTS

162. (1) The Board of Directors shall cause true accounts to be kept of all sums of money received and expended by the company and matters in respect of which such receives and expended by the company and the matters in respect of which such receipts and expenditure takes place of all sales and purchases of goods by the company and of the assets and liabilities of the company.

(2) If the company shall have a branch office, whether in or outside, proper books of account relating to the transactions effected at that office shall be kept at the office and proper summarized returns made upto date at intervals of not more than three months shall be sent by the branch office to the company as its registered office or to such other place in India as the Board thinks fit or where the main books of the company are kept.

(3) All the aforesaid books shall give a fair and true view of the affairs of the company or its branch office, as the case may be, with respect to the matters aforesaid and explain its transactions.

163. The books of accounts shall be kept at the registered office or such other place in India as the Director think fit.

164. The Board of Directors shall from time to time determine whether and to what times and places and under what condition or regulations the accounts and books and documents of the Company or any of them shall be open to the inspection of the members and no member (not being a Director) shall have any right of inspecting any account or books or documents of the company except has conferred by statute or authorized by Directors or by a resolution of the Company in General Meeting.

165. The Board of Directors shall lay before each Annual General Meeting a profit and loss account for Financial Year of the company and a Balance Sheet made up as at the end of the Financial Year which shall be a date which shall not precede the day of the meeting by more than 6 months or such extended period as shall have been granted by the register under the provisions of the Act.

166. (1) Subject to the provision of Section 211 of the Act every Balance Sheet and profit and loss account of the Company shall be in the forms setout in parts I and II respectively of schedule VI of the Act, or as near thereto as circumstance admit.

(2) So long as the Company is a holding Company having a subsidiary, the Company shall conform to section 212 and other applicable provision of the Act.

167. (1) Every Balance Sheet and every profit and loss account of the Company shall be signed on behalf of the Board by Secretary, if any, and by not less than two Directors of the Company one of whom shall be the Managing Director where there is one. Provided that when only one Director is for the time being in India, the Balance Sheet and profit & loss account shall be signed by such Director and in such a case there shall be attached to the balance sheet and profit and loss account a statement signed by him explaining the reason of none compliance with the provision of sub- clause (1).

(2) The balance sheet and profit & loss account shall be approved by the Board of Directors before they are signed on behalf of the Board in accordance with the provision of the article and before they are submitted to the auditors for their report thereon.

168. The profit and loss account shall be annexed to the balance sheet and auditor's report shall be attached thereto.

169. (1) Every balance sheet laid before the Company General Meeting shall have attached to it a report by the Board of Directors with respect to the state of the company's affairs. The amount, if any, which it proposes to carry to any reserves in such balance sheet; and the amount, if any, which it recommends to be paid by way of dividends, material changes and commitment if any effecting the financial position of the Company which have occurred between the end of the financial year of the company to which the balance sheet relates and the date of report.

(2) The report shall, so far as it is material for the appreciations of the state of the Company's affairs by its members and will not in the Board's opinion be harmful to the business of the Company or of any of its subsidiaries, deal with any changes which have occurred during the financial year in the nature of the Company's business, or in the Company's subsidiaries or in the nature of the business carried on by them and generally in classes of business in which the Company has an interest.

(3) The Board's report shall also include a statement showing the name of every employee of the Company, who

was employed throughout the financial year, in respect of remuneration of that year which in the aggregate was not less than 24,00,000 rupees or if employed for part of the financial year was in receipt of remuneration for any part of the year at a rate which in the aggregate was not less than 2,00,000 rupees per month. The statement shall also indicate whether any such employee is a relative of any Directors or Managers of the Company and if so the names of such Directors and such other particulars prescribed.

(4) The Board shall also give the fullest information and explanation in its report cases falling under the provision to section 222 in addendum to that report, on every reservation, qualification or adverse remark contained in the auditor's report.

(5) The Board's report and addendum (if any) thereto shall be signed by its Chairman if he is authorized in that behalf by the Board; and where he is not so authorized shall be signed by such number of Directors as are required to sign the balance sheet and the profit and loss account of the Company by virtue of sub-clause (1) and (2) of article 167.

(6) The Board shall have the right to charge any person being a Director with the duty of seeing that the provisions of sub-clause (1) and (3) of this article are complied with.

170. The Company shall comply with the requirements of section 219 of the Act.

ANNUAL RETURNS

171. The Company shall make requisite annual returns in accordance with section 159 and 162 of the Act.

AUDIT

172. Every Balance Sheet and Profit & Loss Account shall be audited by one or more auditors to be appointed as hereinafter set out.

173.(1) The first auditor of the Company shall be appointed by the Board of Directors within one month of the date of Registration of the Company and the Auditor or Auditors so appointed shall hold the office until the conclusion of the first annual general meeting.

Provided that:

(a) The company may, at a General Meeting remove any such auditor or all or any such auditors and appoint in his or their places any other person or persons who have been nominated for appointment by any member of the Company and of whose nomination special notice has been given to the members of the Company not less than seven days before the date of the meeting; and

(b) if the Board fails to exercise its power under this clause, the company in General Meeting may appoint the first auditor or auditors.

(2) The Company at the Annual General Meeting in each year shall appoint an auditors to hold office from the conclusion of the next Annual General Meeting and every auditor so appointed shall be intimated of his appointment or reappointment of auditor or auditors is made by the Company at any general meeting a return certificate shall be obtained by the Company from the auditor or auditors proposed to be so appointed to the effect that the appointment or reappointment if any made will be in accordance with the limit specified in sub-section I-B of Section 224. Every auditor, so appointed, shall, within thirty days of the receipt from the Company of the intimation of his appointment, inform the Register of Companies, in writing that he has accepted or refuse to accept the appointment.

(3) Subject to the provision of Section 224 (IB) and Section 224A at any Annual General Meeting, a retiring auditor, by whatsoever authority appointed, shall be reappointed unless.

(a) he is not qualified for re-appointment.

(b) he has given the company notice in writing of his unwillingness to be re-appointed.

(c) a resolution has been passed at that meeting appointing somebody instead of him or providing expressly that he shall not be re-appointed or

(d) where notice has been given of an intended resolution to appoint some person in the place of a retiring auditor, and by reason of the death incapacity or disqualification of the person or of all those persons, as the case may be, the resolution cannot be proceeded with.

(4) Where at an Annual General Meeting, no auditors are appointed, or re-appointed, the Central Government may appoint a person to fill the vacancy.

(5) The Company shall within seven days of the Central Government's power under sub- clause (4) become

exercisable, give notice of that fact to the Government.

(6) The Directors may feel any casual vacancy in the office of an auditor, but while any such vacancy continues, the remaining auditor or auditors, (if any) may act, where such a vacancy is caused by the resignation of an auditor, the vacancy shall only be filled by the Company in General Meeting.

(7) A person, other than retiring auditor, shall not be capable of being appointed at any Annual General Meeting unless special notice of a resolution of appointment of that person to the office of auditor have been given by a member to the company not less than 14 days before the meeting in accordance with Section 190 and the Company shall send a copy any of such notice to the retiring auditor and shall give notice thereof to the members in accordance to the provisions of Section 190 and all the other provisions of Section 225 shall apply in the matter. The provision of this sub-clause shall also apply to a resolution that a retiring auditor shall not be re-appointed.

(8) The person qualified for appointment as auditors shall be only those referred to in Section 226 of the Act.

(9) None of the person mention in Section 226 of the Act, as not qualified for appointment as auditors, shall be appointed as auditors of the Company.

(10) The Company or its Board of Directors shall not appoint or re-appoint any person or firm as its auditors. if such person or firm is at the date of such appointment or re-appointment or holds appointment as auditors the specified number of companies or more than the specified number of companies, provided that in the case of the Firm of auditors specified number of companies shall per partner of the firm, provided further that whether any partner of the Firm is also partner of any other Firm of auditors the number of company which may be taken into account by all the firms together in relation to such partners shall not exceed the specified number in the aggregate. Provided also that where any partner of a Firm of auditors is also holding office in his individual capacity as auditor of one or more companies the number of company which may be taken into account in this case shall not exceed the specified number in the aggregate. Specified number means in the case of a number of companies each of which has a paid-up shares capital not less than ₹. 25 lakhs 20 companies and in any other 20 companies out of which not more than 10 shall be companies each of which has a paid-up shares capital of ₹. 25 lakhs or more.

174. The Company shall comply with the provisions of Section 228 of the Act in relation to the audit of the accounts of Branch Offices of the Company.

175. The remuneration of the Auditors shall be fixed by the Company in General Meeting except that the remuneration on any Auditor appointed to fill any casual vacancy may be fixed by the Board.

176. (1) Every Auditor of the Company shall have a right of access at all times to the books of accounts and vouchers of the Company and shall be entitled to require from the Directors and officers of the Company such information and explanation as may be necessary for the performance of his duties as Auditors.

(2) All notices of and other communications relating to a General Meeting of the Company which any member of the company is entitled to have sent to him shall also be forwarded to the Auditor and the Auditor shall be entitled to attend any General Meeting and to be heard at any General Meeting which he attends on any part of the business which concerns him as Auditor.

(3) The Auditor shall make a report to the members of the Company on the accounts examined by him and on every Balance Sheet and Profit and Loss Account and on every other documents declared by this Act to be part of or annexed to the Balance Sheet or Profit & Loss Account which are laid before the company in General Meeting during his tenure of office, and the Report shall state whether, in his opinion and to the best of his information

and according to the explanations given to him the said accounts given the information required by the Act in the manner so required and give a true and fair view:

(i) in the case of the Balance Sheet of the state of the company's affairs as at the end of its financial year; and

(ii) in the case or the Profit & Loss Account of the profit or loss for its financial year.

(4) The Auditor's Report shall also state;

(a) Whether he has obtained all the information and explanation, which to the best of his knowledge and belief were necessary for the purpose of his audit;

(b) Whether in his opinion, proper books of accounts as required by law have been kept by the company so far as appears from his examination of those books any proper returns adequate for the purposes of his audit have been received from branches not visited by him;

(c) Whether the report on the accounts of any Branch Office audited under Section 228 by a person other than the company's Auditor has been forwarded to him as required by clause (c) of sub-clause (3) of Section 228 of the Act and how he has dealt with the same in preparing Auditor's Reports; and

(d) Whether the company's Balance Sheet and Profit & Loss Account dealt with by the Report are in agreement with the books of accounts and returns.

(5) Where any of the matters referred to in items (i) and (ii) of sub-clause (3) above or in items (a),(b) and (d) of sub-clause (4) above so answered in the negative or with a qualification, the Auditor's shall state the reason for the answer.

(6) The accounts of the Company shall not be deemed as not having been properly drawn up on the found merely that the Company has not disclosed certain matters if;

(a) those matters are such as the Company is not required to disclose by virtue of any provisions contained in the Companies Act or any other Act and;

(b) those provisions are specified in the Balance Sheet and Profit &.Loss Account of the company,

(7) The Auditor's Report shall be read before the company in General Meeting and shall be open to inspection by any member of the Company.

177. Every account of the company when audited and approved by a General Meeting shall be conclusive except as regards any error discovered therein, within three months next after the approval thereof. Whether any such error is discovered within that period the account shall forthwith be corrected and shall henceforth be conclusive.

SERVICE OF DOCUMENTS AND NOTICE

178. A document may be served on the company or an officer thereof by sending it to the Company or Office at the Registered office of the Company by post under a certificate of posting or by registered post, or by leaving it at its Registered office,

179.(1) A document (which expression for this purpose shall be deemed to include and shall may summons, notice, requisition, process, order, judgment or any other documents in relation to or in the winding up of the company may be served or send by the Company on or to any member other personally or by sending it by post to him to his registered address, or (if he has no registered address in India) to the address, if any, within India supplied by him to the Company for the giving of notice to him.

(2) All notice shall, with respect to any registered shares to which several persons are entitled jointly, be given to whichever of such persons is named first in the Register and notice so given shall be sufficient notice to all the holders of such shares.

(3) Where a document is sent by post:

(a) Service thereof shall be deemed to be effected by properly addressing, preparing and posting a letter containing the notice, provided that where a member has intimated to the company in advance that documents should be send to him under a certificate of posting or by registered post without acknowledgement due and has deposited with the company a sum sufficient to defray the expenses of doing so, service of the documents shall not be deemed to be effected or it is send in the manner intimated by the member, and

(b) Unless the contrary is provided, such services shall be deemed to have effected;

(i) in the case of a meeting, at the expiration of 48 hours after the letter containing the notice is posted, and

(ii) in any other case, at the time at which the letter would be delivered in the ordinary course of post.

180. Each registered holder of shares from time to time notify in writing to the Company some place in India to Registered as his address and such registered place of address shall for all purpose be deemed his place of residence.

181. If a member has not registered an address in India, and has not supplied to the Company an address within India, for the giving of notices to him a documents advertised in a newspaper circulating in the neighborhood of registered office of the Company shall be deemed to be duly served on him on the day on which the advertisement appears.

182. A document may be reserved by the Company on the persons entitled to share in consequence of the death or insolvency of member by sending it through the post in the prepaid letter addressed to them by name or by the title or representative of deceased, or assignees of the insolvent or any like description at the address (if any)

in India supplied for the purpose by the persons claiming to be so entitled or (until such an address has been so supplied by serving the document in any manner in which the same might have been served if the death or insolvency had not occurred.

183. Subject to the provision of the Act and these articles a notice of General Meeting shall be given:-

(i) To the members of the Company as provided by the Articles in any manner authorized by articles 179 and 181 as the case may be or as authorized by the Act

(ii) To the persons entitled to share in consequence of the death or insolvency of a member as provided by Articles 192 or as authorized by the Act

(iii) To the Auditor or Auditors for the time being of the Company, in the member or members of the Company.

184. Subject to the provision of the Act any document required to be served or sent by the Company on or to the members or them and expressly provided for by these presents, shall be deemed to be duly served or sent if advertised in a newspaper circulating in the district in which the registered office is situated.

185. Every person, who by the operation of law, transfer, or other means whatsoever, shall become entitled to any shares shall be bound by every notice in respect of such share which shall have been duly given to the shareholder from whom he derives his title to such share prior to his name and address being entered on the securities register.

186. Any notice to be given by the company shall be signed by the Managing Director or by such Director or officer as the Directors may appoint. The signature to any notice to be given by the company may be written or printed or lithographed.

AUTHENTICATION OF DOCUMENTS

187. Save as otherwise expressly provided in the Act or these Articles, a document or proceeding requiring authentication by the company may be signed by a Director, the Managing Director, the Manager, the Secretary or an authorized person of the company and need not be its seal.

WINDING UP

188. Subject to the provision of the Act as to preferential payment life assets of the Company shall on its winding up, be applied in satisfaction of its liabilities *pari passu* and subject to such application shall be distributed among the members according to their rights and interests in the Company.

189. If the Company shall wound up whether voluntarily or otherwise the liquidators may with the sanction of a special resolution, divided among the contributories in specie or kind, any part of assets of the Company and may, with the like sanction vest any part of the assets of the Company in the trustees upon such trusts for the benefit of the contributories or any of them as the liquidators with the like sanction shall think fit in case any shares to be divided as aforesaid involve a liability to cause or otherwise any persons entitled on the such division to any of the said ways may within ten days after the passing of the special resolution by notice in writing direct the liquidators to sale, his proportion and pay him the net proceeds and the liquidators shall, if practicable, act accordingly.

190.(a) Subject to the provisions of Section 201 of the Act, the Managing Director and every Director, Manager, Secretary and other officers or employee of the Company shall be indemnified by the Company against any liability and it shall be the duty of Directors out of funds of the Company to pay all costs and losses and expenses (including traveling expenses which any such Director, officer or employee may incurred or become liable to by reasons of any contract entered into or act or deed done by them as such Managing Director, Director, officers or employee or in any way in the discharge of his duties.

(b) Subject as aforesaid the Managing Director and every Director, Manager, Secretary, or other Officer or employee of the Company shall be indemnified against any liability incurred by them or in defending any proceedings whether civil or criminal in which judgment is given in their or his favour or in which judgment is given in their or his favour or in which he is acquitted or discharged or in connection with any application under Section 633 of the Act in which relief is given to him by the Court.

191.(1) Subject to the provision of Section 201 of the Act no Director or other Officer or the Company shall be liable for the acts, receipts, neglects or default of any other Director or Officer or for joining in any receipts or other Act for conformity or for any loss of expenses happening to the Company through insufficiency or deficiency of titled to any property acquired by order of the Directors for or on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the money is of the Company shall be

invested or for any loss or damage arising from bankruptcy, insolvency or tortuous Act of any person, Company or Corporation with whom any moneys, securities or effects shall be entrusted or deposited or for any loss occasioned by any error or judgment or oversight on his part or for any other loss or damage or misfortune whether which shall happen in the execution of the duties of his office or in relation thereto, unless the same happen through his own willful Act or default.

(2) Without prejudice to the generality of forgoing it is hereby expressly declare that any filing fee payable or any document required to be filed with the register of Companies in respect of any Act done or required to be done by any Director or other Officer by reason of his said office shall be paid and borne by the Company.

SECRECY CLAUSE

192. No member shall be entitled to inspect the Company's works without the permission of the Director or Managing Director or to require discovery of or any information in respect of any detail of the Company's trading or any matter which is or may be in the nature of a trade secret mystery of trade or secret process which may relate to the conduct of the business of the Company and which in the opinion of the Directors it will be inexpedient in the interests of the members of the Company to communicate to the public.

193. Every Director, Managing Director, Manager, Secretary, Auditor, Trustee, member of a committee, officer, servant, agent, accountant or other person employed in the business of Company shall, if on duty or at any time during his term of office, sign and declaration pleading himself not to reveal any of the matters which may come to knowledge in the discharge of his duties except when require to do so by the Directors or at any meeting or by a Court of Law or by the person to whom such matters relate and except so far as may be necessary in order to comply with any of the provision in these presents contained.

194. No member (not being a Director) shall be entitled to enter properties or office premises or works of the Board to require discovery of or any information in respect to details of the working of the Company or any matter, which is or may be in the nature of a trade secret or of any matter whatsoever which may relate to the conduct of the business of the Company and which in the opinion of the Board, it will be inexpedient in the interest of the company to communicate.

SECTION X: OTHER INFORMATION
MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts and agreements referred to (not being contracts entered into in the ordinary course of business carried on or intended to be carried on by the Company or contracts entered into more than two years before this Draft Prospectus), which are or may be deemed to be material have been entered into by or on behalf of the Company. Copies of these contracts together with copies of documents referred under material documents below all of which have been attached to the copy of this Draft Prospectus and have been delivered to the SME platform of BSE Limited and may be inspected at the Registered Office of the Company situated at Sikkim Commercial House, 5th Floor, Room 505, 4/1, Middleton Street, Kolkata 700 071 between 9:30 am to 5:30 pm on any working day from the date of this Draft Prospectus until the date of closure of the subscription List.

MATERIAL CONTRACTS

1. Engagement Letter dated March 6, 2012 appointing LSI Financial Services Private Limited as Lead Manager to the Issue.
2. Memorandum of Understanding dated September 19, 2012 between our Company and the Lead Manager to the Issue.
3. Memorandum of Understanding dated September 19, 2012 entered into with Karvy Computershare Private Limited to appointing them as the Registrar to the Issue.
4. Copy of tripartite agreement dated August 20, 2012 between NSDL, our Company and Karvy Computershare Private Limited.
5. Copy of tripartite agreement dated August 1, 2012 between CDSL, our Company and Karvy Computershare Private Limited.
6. Escrow Agreement dated [●] between our Company, Lead Manager, Escrow Collection Bank and the Registrar to the issue.
7. Market Making Agreement dated [●] between our Company, Lead Manager and Market Maker.
8. Underwriting Agreement dated [●] between our Company and Lead Manager.

DOCUMENTS FOR INSPECTION

1. Memorandum and Articles of Association of our Company as amended from time to time.
2. Copy of the resolution passed at the meeting of the Board of Directors held on August 14, 2012 approving the issue.
3. Copy of the resolution passed by the shareholders of our Company under section 81 (1A) at the Extra Ordinary General Meeting held on August 22, 2012.
4. Copy of board resolution dated April 1, 2012 appointing Mr. Lakshman Srinivasan as the Managing Director and Ms. Sireen Sadhu as Whole Time Director of our Company for a period of five years w.e.f. April 1, 2012 and approving their remuneration and terms.
5. Consents of the Directors, Company Secretary/Compliance Officer, Auditors, Lead Manager to the Issue, Bankers to the Company, Legal Advisors to the Issue, and Registrars to the Issue, to include their names in the Draft Prospectus to act in their respective capacities.
6. Copies of Annual Reports of our Company for the last financial years 2011-12
7. Audit report and restated financial information issued by our Statutory Auditors i.e. M/s. S.K Sengupta & Associates, Chartered Accountants, and Joint Auditors M/s P.N Ganguli & Company, Chartered Accountants dated August 22, 2012 included in the Draft Prospectus.
8. Letter dated August 22, 2012 from the Statutory Auditors of our Company, M/s. S.K Sengupta & Associates, Chartered Accountants and Joint Auditors M/s P.N Ganguli & Company, Chartered Accountants, detailing the tax benefits.
9. Copy of certificates from the Statutory Auditors of our Company, M/s. S.K Sengupta & Associates, Chartered Accountants dated September 21, 2012 and Joint Auditors M/s P.N Ganguly & Company, Chartered Accountants dated September 21, 2012 respectively regarding the sources and deployment of funds as on September 21, 2012.

10. Board Resolution dated September 26, 2012 for approval of Draft Prospectus.
11. Resolution passed by the IPO Committee dated September 26, 2012 for approval of the Draft Prospectus.
12. Due Diligence Certificate dated [●] to be submitted to SEBI from Lead Manager viz. LSI Financial Services Private Limited along with the filing of the Prospectus.
13. Copy of approval from BSE vide letter dated [●] to use the name of BSE in this offer document for listing of Equity Shares on SME Platform of BSE.

Any of the contracts or documents mentioned in this Draft 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

All the relevant provisions of the Companies Act, 1956 and the guidelines issued by the Government of India or the regulations issued by Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992 as the case may be, have been complied with and no statement made in this Draft Prospectus is contrary to the provisions of the Companies Act, 1956, the Securities and Exchange Board of India Act, 1992 or rules made there under or regulations issued, as the case may be. We further certify that all statements in this Draft Prospectus are true and correct.

SIGNED BY ALL THE DIRECTORS

Mr. Lakshman Srinivasan

Ms. Sireen Sadhu

Mr. Suvabrata Ganguly

Mr. Kajal Bhanja Choudhuri

Mr. Uttam Munshi

Ms. Sireen Sadhu

CFO

SIGNED BY THE COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Sunil Agarwal

Date: September 26, 2012

Place: Kolkata

Annexure A

Table 1: Price Information of Previous Issue (s) handled by **LSI Financials Services Private Limited**

Sr. No	Issue Name	Issue Size (₹ Lakhs)	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 10 th calendar day from listing day	Benchmark Index on 10 th calendar days from listing day (Closing)	Closing price as on 20 th calendar days from listing day	Benchmark Index as on 20 th calendar days from listing day (closing)	Closing Price as on 30 th calendar day from listing day	Benchmark index as on 30 th calendar days from listing day (closing)
Nil														

