



Credit Analysis and Research Limited

Registered Office: 4th Floor, Godrej Coliseum, Somaiya Hospital Road,

Off Eastern Express Highway, Sion (East), Mumbai 400 022

NOTICE

To the Members,

Notice is hereby given that the Twentieth Annual General Meeting of Credit Analysis and Research Limited (the “**Company**”) will be held on Friday, September 27, 2013 at 2.30 p.m. at Rang Sharda Natya Mandir, K. C. Marg, Bandra Reclamation, Bandra (West), Mumbai – 400 050 to transact the following business:

Ordinary Business

1) To receive, consider and adopt the audited Balance Sheet as at March 31, 2013, the Profit and Loss Account for the year ended March 31, 2013 and the Reports of the Directors and the Auditors thereon.

2) To confirm the declaration and payment of interim dividend and to declare one time special dividend on Equity Shares.

3) To appoint Auditors and fix their remuneration.

In this respect to consider and, if thought fit, to pass, with or without modification, the following Resolution as a Special Resolution:

“RESOLVED THAT M/s Khimji Kunverji & Co., Chartered Accountants, be and are hereby appointed as Auditors of the Company to hold office from the conclusion of this meeting to the conclusion of the next Annual General Meeting on such remuneration as may be decided by the Board of Directors of the Company in addition to reimbursement of out-of-pocket expenses in connection with the audit of the books of account of the Company.”

- 4) To appoint a director in place of Ms. Bharti Prasad, who retires by rotation and being eligible offers herself for reappointment.

Special Business

5) **Grant of ESOP**

To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution.

“RESOLVED THAT pursuant to the provisions of Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 (“the Act”) including any amendment thereto and the Memorandum of Association and Articles of Association of the Company, the Securities and Exchange Board of India (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 (“SEBI Guidelines”) as amended from time to time, the provisions of the Memorandum and Articles of Association of the Company, the listing agreements entered into by the Company with the stock exchanges where shares of the Company are listed, any rules, guidelines and regulations issued by the Reserve Bank of India, the Securities and Exchange Board of India or any other authorities, and any other applicable laws for the time being in force and subject to such other approvals, consents, permissions and sanctions, as may be required, and further subject to such terms and conditions as may be prescribed while granting such approvals, consents, permissions and sanctions which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall be deemed to include any Committee including ESOP Compensation Committee to be constituted by the Board which the Board may constitute to exercise its powers, including the powers conferred by this resolution) approval and consent of the Company be and is hereby accorded to the Board to create, offer and grant from time to time in one or more tranches under the said proposed ESOP, 2013 at any time to or for the benefit of such persons who are in the permanent employment of the Company including whole-time Directors (selected on the basis of criteria decided by the Board or a Committee thereof including ESOP Compensation Committee to be constituted by the Board) under the scheme called CARE Employees Stock Option Scheme, 2013 (hereinafter called “ESOS” or “Scheme”), options exercisable into equity shares being not more than 10,00,000 equity shares of Rs. 10 each of the Company (the “Equity Shares”), in one or more

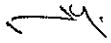
tranches and on such terms and conditions as may be fixed by the Board in accordance with the SEBI Guidelines or other provisions of laws as may be prevailing and applicable at that time, each option granted being exercisable for one equity share of the Company.”

RESOLVED FURTHER THAT the said Equity Shares may be allotted directly to such employees in accordance with the ESOS Scheme(s) or through a trust or any other entity which may be set up in any permissible manner and that the Scheme may also envisage for providing any financial assistance to the trust to enable the employees / trust to subscribe to the Equity Shares of the Company.”

“RESOLVED FURTHER THAT to administer the ESOS, approval and consent of the Company be and is hereby accorded to the Board or a duly constituted Committee thereof including ESOP Compensation Committee to be constituted by the Board to create a trust if required in the name and style of ‘CARE ESOS Trust’ for administering the ESOS and to appoint trustees and finalise the terms & conditions of ESOS trust created for the purpose.”

“RESOLVED FURTHER THAT in case of any corporate action (s) such as rights issues, bonus issues, merger and sale of division and others, if any additional Equity Shares are issued by the Company to the option grantees for the purpose of making a fair and reasonable adjustment to the options granted earlier, the above ceiling of 10,00,000 Equity Shares shall be deemed to be increased to the extent of such additional Equity Shares issued.”

“RESOLVED FURTHER THAT in case the Equity Shares of the Company are either sub-divided or consolidated, then the number of Equity Shares to be allotted and the price of acquisition payable by the option grantees under the ESOP Scheme(s) shall automatically stand augmented or reduced, as the case may be, in the same proportion as the present face value of Rs. 10 per Equity Share bears to the revised face value of the Equity Shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the said allottees.”

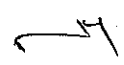


“RESOLVED FURTHER THAT the maximum number of stock options that can be granted under the said ESOP Scheme(s) to any employee in any financial year shall not amount to or exceed 1% of the paid-up Equity Share Capital of the Company.”

“RESOLVED FURTHER THAT as is required, the Company shall conform with the accounting policies as contained in the SEBI Guidelines.”

“RESOLVED FURTHER THAT the equity shares to be issued upon exercise of such option, from time to time, shall be in accordance with the Scheme and the SEBI Guidelines and such equity shares shall rank pari passu in all respects with the existing Equity Shares of the Company.”

“RESOLVED FURTHER THAT the Board is hereby authorised to constitute an ESOP Compensation Committee in terms of the SEBI Guidelines and other applicable laws and the ESOP Compensation Committee shall have authority to evolve, decide upon and bring into effect the Scheme and determine the detailed terms and conditions of the aforementioned Scheme, including but not limited to the quantum of the options to be granted under the Scheme (not exceeding 10,00,000 Equity Shares), options to be granted per employee, the exercise period, the vesting period, instances where such options shall lapse and to grant such number of options, to such employees of the Company, at par or at such other price, at such time and on such terms and conditions as set out in the Scheme and as the ESOP Compensation Committee may in its absolute discretion think fit and make any modifications, changes, variations, alterations or revisions in the Scheme from time to time or to suspend, withdraw or revive the Scheme from time to time as may be specified by any statutory authority and to do all such acts, deeds, matters and things as it may in its absolute discretion deem fit or necessary or desirable for such purpose and with power on behalf of the Company to settle any questions, difficulties or doubts that may arise in this regard without requiring the Board to secure any further consent or approval of the members of the Company.”



6) **Commission to Directors**

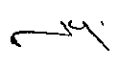
To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution.

“RESOLVED THAT in conformity with the provisions of Article 121 of the Articles of Association of the Company and Sections 198, 309, 310, 314 and other applicable provisions, if any, of the Companies Act, 1956 and other applicable provisions, if any, and subject to such statutory approvals as may be necessary, approval be and is hereby accorded to the payment of commission upto Rs. 6 Lakhs p.a. to each of the Non-Executive and Independent Directors of the Company (other than the Managing Director and/or Whole-Time Directors and Non-Independent Directors) for each financial year over a period of 5 (five) years commencing from the financial year beginning on April 1, 2013 up to and including financial year of the Company ending as on March 31, 2018, to be calculated in accordance with the provisions of Sections 198, 349 and 350 and other provisions, if any, of the Companies Act, 1956 and distributed between such Directors in such a manner as the Board of Directors may from time to time determine within the maximum limit of 1% (one percent) of net profits of the Company as computed under Section 349 of the Companies Act, 1956, in addition to the sitting fees being paid by the Company for attending the Board/Committee Meetings of the Company.”

“RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to decide, from time to time, the quantum and manner of distribution of commission amount to one or more such Directors within the limits prescribed.”

“RESOLVED FURTHER THAT the aforesaid commission shall be exclusive of the fees payable to such Directors for attending the meetings of the Board and Committees thereof.”

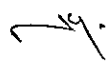
“RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to take all such steps as may be necessary, desirable or expedient to give effect to this Resolution”.



7) **Preferential Allotment of shares**

To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution.

“RESOLVED THAT pursuant to the provisions of Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956, (including any amendment thereto or re-enactment thereof, for the time being in force) (the **“Companies Act”**), and in accordance with applicable provisions of the Memorandum and Articles of Association of the Company, Listing Agreements entered into by the Company with the stock exchanges, where the equity shares of the Company are listed (**“Stock Exchanges”**), the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, (the **“SEBI ICDR Regulations”**), Securities and Exchange Board of India (Substantial Acquisitions of Shares and Takeovers) Regulations, 2011 (**“SEBI Takeover Regulations”**) and any other guidelines and clarifications issued by Securities and Exchange Board of India (**“SEBI”**) and also by any other statutory/regulatory authorities, and subject to such permissions, consents, sanctions and approval of the SEBI/ Stock Exchanges or any other authority, as may be necessary, and all other relevant third party consents and approvals as may be required, for issue and allotment of equity shares on preferential allotment basis and subject to the conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions, consents and sanctions which the Board (which term includes any Committee(s) duly constituted by the Board to exercise powers conferred upon the Board by this resolution) is authorised to agree to, the consent of the shareholders of the Company is hereby given by way of a special resolution, to create, issue, offer, and allot, on a preferential basis, upto an aggregate of 4,46,310 equity shares with face value of Rs. 10/- each at a premium of Rs. 550.15 of the Company (each an **“Issue Share”** and collectively the **“Issue Shares”**), at an issue price of Rs. 560.15 per equity share aggregating to an issue price of Rs. 25,00,00,547/- (Rupees Twenty five crores five hundred forty seven) to Ascent India Fund III managed by Ascent Capital Advisors India Private Limited on such terms and conditions and in such manner as the Board may think fit, subject to the pricing guidelines prescribed under Chapter VII of the SEBI ICDR Regulations, on such terms and conditions and in such manner that may be decided by the Board in its absolute discretion.”



“RESOLVED FURTHER THAT the floor price of the Issue Shares shall be calculated in accordance with provisions of Chapter VII of the SEBI ICDR Regulations and the “relevant date” for the purpose of calculating the price of the Issue Shares is the date which is 30 days prior to the date of the annual general meeting *i.e.* August 28, 2013, or such other date as may be prescribed by the applicable law from time to time.”

“RESOLVED FURTHER THAT the Issue Shares shall be locked-in for a period of one year from the date of receipt of trading approval from the relevant stock exchanges in relation to issue and allotment of the Issue Shares in terms of Chapter VII of the SEBI ICDR Regulations.”

“RESOLVED FURTHER THAT the Issue Shares shall be issued and allotted in dematerialized form.”

“RESOLVED FURTHER THAT the Issue Shares to be issued and allotted in the manner aforesaid shall rank *pari passu* with the existing equity shares of the Company in all respects and shall be subject to the provisions of the Memorandum of Association and the Articles of Association of the Company.”

“RESOLVED FURTHER THAT Board of Directors be and are hereby authorized to do all such acts, deeds and things as may be required in connection with the aforesaid resolutions, including making necessary filings with the stock exchanges and regulatory authorities.”

“RESOLVED FURTHER THAT subject to the approval of the shareholders, for the purpose of giving effect to this Resolution, the Board be and is hereby authorised to agree and to make such modifications and alterations from time to time as it may deem fit and to take all steps as it may deem necessary, desirable and expedient to resolve all questions of doubt and to do all acts, deeds, matters and things, and authorize all such persons as may be necessary, in connection therewith and incidental thereto as the Board in its absolute discretion shall deem fit without being required to

seek any fresh approval of the shareholders of the Company and the decision of the Board shall be final and conclusive.”

By Order of the Board of Directors
For Credit Analysis & Research Ltd.

Navin K. Jain
Company Secretary

Place: Mumbai

Date: August 29, 2013

Notes:

- i) Any member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself, and the proxy need not be a member. The proxies, to be effective, should be deposited at the Registered Office of the Company not later than 48 hours before commencement of the meeting.
- ii) The register of members and the share transfer books of the Company will remain closed from Thursday, September 26, 2013 to Friday, September 27, 2013 (both days inclusive). The register of members and share transfer books of the Company will remain open for inspection during the business hours upto September 25, 2013.
- iii) Dividend as recommended by the Board of Directors, if declared at the Annual General Meeting, shall be paid to those members whose names appear on the Register of Members of the Company, at the close of business hours on September 25, 2013, after giving effect to all valid transfers with the Company and its Registrar and Transfer Agents on or before September 25, 2013.
- iv) Members are requested to intimate to Karvy Computershare Pvt. Ltd., ‘Karvy House’, 46 Avenue 4, Street No. 1, Banjara Hills, Hyderabad – 500038 for changes, if any, in their registered address.
- v) Members/Proxies should bring the Attendance Slip duly filled for attending the meeting.
- vi) Members desiring any information regarding the accounts are requested to write to the Company Secretary at 4th Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern

Express Highway, Sion (East), Mumbai – 400 022 atleast 3 days before the date of the Meeting to enable the Company to keep the information ready.

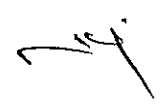
- vii) The Company has admitted its Equity Shares in the Depository Systems of National Securities Depository Limited / Central Depository Services Limited (NSDL/CDSL) and has offered investors the facility to hold shares in electronic form and to carry out scripless trading of these shares.
- viii) The relevant Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 in respect of the special business is annexed herewith.
- ix) Appointment of Directors:

At the ensuing Annual General Meeting, Ms. Bharti Prasad, Director retires by rotation and being eligible offers herself for reappointment. The information or details pertaining to Ms. Bharti Prasad, provided in terms of Clause 49 of the Listing Agreement with the Stock Exchange(s) is furnished in the Corporate Governance Report published in the Annual Report.

By Order of the Board of Directors
For Credit Analysis & Research Ltd.

Navin K. Jain
Company Secretary

Place: Mumbai
Date: August 29, 2013



**EXPLANATORY STATEMENT SETTING OUT MATERIAL FACTS AS REQUIRED
BY SECTION 173 OF THE COMPANIES ACT, 1956**

AGENDA ITEM NO. 3

As more than twenty five percent of the paid-up capital of CARE is held by financial institutions and banks, the appointment of the auditors is to be made by a special resolution.

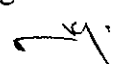
Your Directors recommend this resolution at agenda no. 3 of the Notice for the approval of the members. None of the Directors are interested in this resolution.

AGENDA ITEM NO. 5

Stock Options have long been recognized as an effective instrument to align the interest of employees with that of the company and its shareholders, providing an opportunity to employees to share growth of the company and to create long term wealth in the hands of employees. Stock options create a common sense of ownership between the Company and its employees paving the way for a unified approach to the common objective of enhancing overall shareholder value.

There has been a regular attrition of employees in the financial sector and this trend is expected to continue. The salary levels in the industry are also on rise and it is not possible to compete with other financial market intermediaries on this front more particularly with foreign banks, mutual funds, Insurance Companies and Knowledge Process Outsourcing outfits (KPOs). However, it is felt that as a tool to retain and reward good performing employees, CARE may introduce Employees Stock Option Scheme (ESOS). ESOS is a deferred compensation scheme and there will be no immediate impact on cash flows of the Company.

CARE has always believed in rewarding its employees for their continuous hard work, dedication and support which has led the company on a growth path. To enable more and more employees to share the growth of the Company, it is proposed to grant ESOS. The main objective of the Scheme is to reward high performing employees, encourage performance improvement, retain talent, create a sense of ownership amongst employees and align employees' interest with that of organization.



The Board of Directors proposed for issue of Stock Options to the eligible employees and Whole Time Directors in terms of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (the “SEBI Guidelines”) in their Board Meeting held on August 10, 2013.

The Company has devised a scheme called CARE Employees Stock Option Scheme, 2013 (“ESOS” or “Scheme”) in conformity with the SEBI Guidelines with the objective of rewarding the employees for building up the value and growth of the organization and for providing to the employees a sense of ownership and to attract and retain the talented manpower.

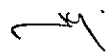
The salient features of the Scheme are given below:

a) Total number of options to be granted

Total number of options granted under this Scheme not exceeding 10,00,000 Equity Shares of Rs. 10 each of the Company will be available for being granted to eligible employees and directors of the Company.

b) Identification of classes of employees entitled to participate in the ESOS

- i) Employees eligible to participate in the ESOS shall be confirmed employees of the company including the whole time directors of the Company (other than promoters) as defined in the Scheme and as may be decided by the ESOP Compensation Committee, from time to time.
- ii) Employees would be granted stock option based on the performance and such other criteria as the ESOP Compensation Committee may, in its absolute discretion, decide.
- iii) Employees who are either promoter or belongs to the promoter group as defined in the SEBI Guidelines or holding 10% of the outstanding share capital of the Company's equity share capital at any time after the commencement of this scheme will not be eligible for grant of options under this Scheme.



c) Requirements of vesting, period of vesting

- i) There shall be a minimum period of two years between the grant of options and vesting of options.
- ii) The vesting period may extend upto three years.
- iii) The vesting shall happen as may be decided by the ESOP Compensation Committee.

d) Exercise price or pricing formula

The exercise price for the purpose of the grant of options would be as decided by the ESOP Compensation Committee, provided that the exercise price per option shall not be less than the par value of the equity share of the Company.

e) Exercise Period and the Process of Exercise

- i) Exercise period will commence from the date of vesting and extend upto the expiry period of options as decided by the ESOP Compensation Committee. The expiry period may extend upto two years from the date of vesting of options.
- ii) The mode or process of exercise of the option will be framed by the ESOP Compensation Committee.
- iii) The options will lapse if not exercised within the specified exercise period.

f) Lock in Period

Lock in period as provided in the SEBI Guidelines / other regulatory regulations.

g) Appraisal process for determining the eligibility of employees to the ESOS Scheme

The appraisal process for determining the eligibility of the employee will be specified by the ESOP Compensation Committee, and will be based on criteria such as work performance, period of service, designation, and such other parameters as may be decided by the ESOP Compensation Committee from time to time.

h) Maximum number of options to be issued per employee and in aggregate

- i) Aggregate number of options to be granted shall not exceed 10,00,000 equity shares.

ii) The ESOP Compensation Committee shall decide on the number of options to be granted to each employee within the limit specified above.

i) Disclosure and Accounting Policies

The Company shall conform to the accounting policies as applicable to listed entities and/or such other guidelines as may be applicable from time to time.

j) Method of valuation of options

The Company shall use fair value method for valuation of the options.

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 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 earnings per share of the Company shall also be disclosed in the Directors' Report.

As the Scheme provides for issue of shares to be offered to persons other than the existing shareholders of the Company, consent of the members is required by way of special resolution pursuant to the provisions of Section 81 (1A) of the Companies Act, 1956.

The Board of Directors recommends the Special Resolution as set out in item no. 5 for approval of members.

None of the directors of the Company are in any way concerned or interested in the resolution, except to the extent of the shares that may be granted to wholetime directors of the Company under the Scheme.

AGENDA ITEM NO. 6

Consequent to listing of the Company's shares in December 2012 and composition of various Committees of Board resulting into increasing demand over the time of the independent and professional Directors on various matters relating to the Company, it is advisable to put in place an appropriate mechanism to compensate, attract and retain professionals on the Board.

Section 309 of the Companies Act, 1956 provides that a Director who is neither in the whole-time employment of the Company nor a managing director may be paid remuneration by way of commission, if the Company by special resolution, authorizes such payment.

The Board of Directors are of the opinion that, in order to remunerate the Non-Executive and Independent Directors of the Company (other than the Managing Director and/or Whole-time Directors and Non-Independent Directors), for the responsibilities entrusted upon them under the law particularly with the requirements of the Companies Act, 1956 and Corporate Governance norms, the current trends and commensurate with the time devoted and the contribution made by them, subject to such statutory approvals as may be necessary, commission in terms of Section 309 of the Companies Act, 1956, be paid to the Non-Executive and Independent Directors of the Company.

The Board of Directors of the Company have approved payment of commission upto Rs. 6 lakhs to each of the Non-Executive and Independent Directors of the Company to be distributed between such Directors in such a manner as the Board of Directors may from time to time determine, within the maximum limit of 1% percent of net profits of the Company as computed under Section 349 of the Companies Act, 1956, for each financial year, over a period of five years commencing from the financial year ended March 31, 2014 up to March 31, 2018. In addition to the Commission on the net profits as aforesaid, each Non-Executive Director of the Company is presently entitled to a fee of Rs. 20,000/- for attending each meeting of the Board and other Committees.

Section 309 of the Companies Act, 1956, requires approval of members of the Company by passing a Special Resolution in General Meeting for payment of remuneration by way of commission to Non-Executive Directors of the Company.

The Board of Directors recommends the Special Resolution as set out in item no. 6 for approval of members.

All Non-Executive and Independent Directors of the Company namely, Shri O.V. Bundellu, Dr. N.K. Sengupta, Shri S. Venkatraman and Ms. Bharti Prasad are concerned or interested in the Resolution to the extent of the remuneration that may be received by them.

AGENDA ITEM NO. 7

The Company completed its initial public offering (“IPO”) of 7,199,700 equity shares of Rs. 10/- each at a premium of Rs. 740/- per equity shares of the Company in December 2013 through an offer for sale by certain of its existing shareholders. The Reserve Bank of India (“RBI”), in response to the application dated August 31, 2012 filed by the Company seeking participation of non-residents in the IPO, had required the Company to meet the minimum capitalisation norms of USD 0.5 million in relation to foreign direct investment in the Company. The RBI, by way of letter dated March 21, 2013, had allowed the Company to meet the aforesaid minimum capitalisation norms by September 30, 2013.

In light of the above, it has been decided to create, issue and allot such number of equity shares of the Company (the “Issue Shares”) aggregating to an issue price of Rs. 25,00,00,547/-in accordance with Chapter VII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, (the “SEBI ICDR Regulations”) to comply with the minimum capitalisation norms stipulated by the Reserve Bank of India to the following proposed allottee:

Proposed Allottees of Issue Shares.

The name of the proposed allottee is Ascent India Fund III (“AIF III”), a scheme launched by ACA Private Equity Trust, a venture capital fund registered with the Securities and Exchange Board of India (“SEBI”) under the provisions of the SEBI (Venture Capital Funds) Regulations, 1996. AIF III is managed by Ascent Capital Advisors India Private Limited.

No.	Name of Proposed Allottee	No. of Issue Shares
1.	Ascent India Fund III managed by Ascent Capital Advisors India Private Limited	4,46,310

The terms of the Issue Shares are as follows:

- a) the floor price of the Issue Shares shall be calculated in accordance with provisions of Chapter VII of the SEBI ICDR Regulations and the “relevant date” for the purpose of calculating the price of the Issue Shares is the date which is 30 days prior to the date of the annual general meeting *i.e.* August 28, 2013, or such other date as may be prescribed by the applicable law from time to time.

- b) the Issue Shares shall be locked-in for a period of one year from the date of receipt of trading approval from the relevant stock exchanges in relation to issue and allotment of the Issue Shares in terms of Chapter VII of the SEBI ICDR Regulations;
- c) the Issue Shares shall be issued and allotted in dematerialized form;
- d) the Issue Shares to be issued and allotted in the manner aforesaid shall rank *pari passu* with the existing equity shares of the Company in all respects and shall be subject to the provisions of the Memorandum of Association and the Articles of Association of the Company.

It may be noted that under the terms of Chapter VII of the SEBI ICDR Regulations, it is necessary to disclose the details of investor and certain other matters to the shareholders while seeking their approval for issuing the equity shares on preferential basis. Hence, the relevant disclosures/details are given below:

(a) *Object of the preferential issue and details of utilization of proceeds:*

The object is to comply with the minimum capitalisation norms of USD 0.5 million by September 30, 2013 as per the letter dated March 21, 2013 issued by the RBI.

(b) *Intention of the promoter/ directors/ key management personnel to subscribe to the offer:*

The Company is a professionally managed company and does not have an identifiable promoter in terms of SEBI (ICDR) Regulations and the directors and key management persons do not intend to apply /subscribe to any of the Issue Shares.

(c) *The shareholding pattern of the Company before and after the preferential issue*

The pre-allotment (as on August 23, 2013, being the latest practicable date on which shareholder data was available prior to the approval and issuance of the notice to shareholders) and post allotment shareholding pattern of the Company (assuming that

there are no changes to the shareholding pattern of the Company from August 23, 2013 till the allotment of Issue Shares) is set out below:

Sr. No.	Category	Pre-Issue Shareholding (As on 23.08.2013)		Post-Issue Shareholding	
		Total Shares	% To Equity	Total Shares	% To Equity
1	Banks	66,64,237	23.34	66,64,237	22.98
2	Clearing Members	39,191	0.14	39,191	0.14
3	Directors	93,636	0.33	93,636	0.32
4	Employees	1,44,881	0.51	1,44,881	0.50
5	Foreign Institutional Investor	37,68,372	13.20	37,68,372	12.99
6	HUFs	1,01,528	0.36	1,01,528	0.35
7	Indian Financial Institutions	41,379	0.14	41,379	0.14
8	Bodies Corporate	84,71,855	29.67	84,71,855	29.22
9	Mutual Funds	11,23,403	3.93	11,23,403	3.87
10	Nationalised Bank	62,93,565	22.04	62,93,565	21.70
11	Non Resident Indians	1,23,324	0.43	1,23,324	0.43
12	Resident Individuals	16,83,779	5.90	16,83,779	5.81
13	Qualified Foreign Investor - Corporate	1,350	0.00	4,47,660	1.54
14	Trusts	2,312	0.01	2,312	0.01
	Total	2,85,52,812	100.00	2,89,99,122	100.00

(d) Proposed time within which allotment shall be completed

As required under the SEBI ICDR Regulations, the allotment of Issue Shares shall be completed, within a period of 15 days from the date of passing of the special resolution contained under this item of business provided that where the allotment on preferential basis is pending on account of pendency of any approval of such allotment from any regulatory authority viz. Stock Exchanges/RBI/SEBI/FIPB, the allotment shall be completed within a period of 15 days from the date of such approval.

- (e) ***Identity of and percentage of post preferential issue capital that may be held by proposed allottee*** (assuming that there are no changes to the shareholding pattern of the Company from August 29, 2013 till the allotment of Issue Shares)

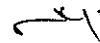
The name of the proposed allottee is Ascent India Fund III ("AIF III"), a scheme launched by ACA Private Equity Trust, a venture capital fund registered with the Securities and Exchange Board of India ("SEBI") under the provisions of the SEBI (Venture Capital Funds) Regulations, 1996. AIF III is managed by Ascent Capital Advisors India Private Limited.

Sr. no.	Identity of proposed allottees	Maximum number of Equity Share proposed to be allotted	Post issue shareholding on a fully diluted basis (%)
1.	Ascent India Fund III managed by Ascent Capital Advisors India Private Limited	4,46,310	1.54
Total		4,46,310	1.54

- (f) ***Change in control***

As a result of the proposed preferential allotment of Issue Shares, there will be no change in the control of the Company.

- (g) ***Pre-issue holding of equity shares, non disposal of Issue Shares by the proposed allottees and lock-in period of the Issue Shares***

- i. The shareholders who have sold their equity shares during the six months period prior to the "relevant date" shall not be eligible for allotment of the Issue Shares on preferential basis;
 - ii. The Issue Shares allotted to the proposed allottees shall be subject to 'lock-in' for a period of one year from the date of receipt of trading approval from the relevant stock exchanges in relation to the Issue Shares as per Regulation 78(2) of the SEBI ICDR Regulations; and
- 

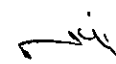
- iii. The entire pre-preferential allotment shareholding of the allottees shall be locked in for a period of six months from the date of receipt of the trading approval from the relevant stock exchanges in relation to the Issue Shares.

(h) Auditor's certificate

A copy of the certificate from M/s. Khimji Kunverji & Co., Chartered Accountants, the statutory auditors of the Company, certifying that the above preferential issue is made in accordance with the provisions of the SEBI ICDR Regulations is open for inspection at the registered office of the Company during the working hours between 10.00 a.m. and 5.30 p.m., except on holidays, up to the date of the Annual General Meeting. Copies of the above-mentioned statutory auditor's certificate shall also be laid before the Annual General Meeting. Further, a certificate from M/s. M/s. Khimji Kunverji & Co., Chartered Accountants, the statutory auditors of the Company, certifying that the cash consideration for the Issue Shares has been received from the allottee's bank account and the relevant documents in relation to the payment have been maintained by the Company shall be submitted with the relevant stock exchanges after the allotment of the Issue Shares.

The Board has already approved the issue and allotment of the Issue Shares on preferential basis to the Investors in the manner stated hereinabove.

Section 81(1A) of the Companies Act, 1956, provides that allotment of equity shares of a public company on preferential basis would require approval of its shareholders by way of a special resolution. The Board, therefore, recommends the above-mentioned resolution to be passed as a Special Resolution.



None of the Directors of the Company is in any way concerned or interested in the said resolution except to the extent of the shares, if any held by them.

Your Directors recommend this resolution at agenda no. 7 of the Notice for the approval of the members.

By Order of the Board of Directors
For Credit Analysis & Research Ltd.

Navin K. Jain
Company Secretary

Place: Mumbai
Date: August 29, 2013

