



SMC GLOBAL SECURITIES LIMITED

Our Company was incorporated in New Delhi on December 19, 1994 under the Companies Act, 1956, as amended, as 'SMC Global Securities Limited', a public limited company, with the Registrar of Companies, National Capital Territory of Delhi and Haryana, 4th Floor, IFCI Tower, 61, Nehru Place, New Delhi 110 019. Our Company received a certificate of commencement of business on January 2, 1995.

Registered and Corporate Office: 11/6B, Shanti Chamber, Pusa Road, New Delhi 110 005, India **Tel:** +91 (11) 3011 1000 **Fax:** +91 (11) 2575 4365

For information on change in the registered office of our Company, see the section titled "History and Other Corporate Matters" on page 162.

Executive Vice President (Corporate Affairs), Company Secretary and Compliance Officer: Mr. Suman Kumar **Tel:** +91 (11) 3011 1000 **Fax:** +91 (11) 2575 4365

E-mail: smc.fpo@smcindiaonline.com **Website:** www.smcindiaonline.com

OUR PROMOTERS: MR. SUBHASH CHAND AGGARWAL, MR. MAHESH CHAND GUPTA, MS. SUSHMA GUPTA AND MR. DAMODAR KRISHAN AGGARWAL

FURTHER PUBLIC OFFER OF [●] EQUITY SHARES OF FACE VALUE OF ₹ 2 EACH ("EQUITY SHARES") OF SMC GLOBAL SECURITIES LIMITED ("SMC GLOBAL" OR "OUR COMPANY") AGGREGATING up to ₹ 1,250 MILLION (HEREINAFTER REFERRED TO AS THE "ISSUE"). THE ISSUE COMPRISES A FRESH ISSUE OF [●] EQUITY SHARES AGGREGATING UP TO ₹ 1,070 MILLION BY OUR COMPANY (THE "FRESH ISSUE") AND AN OFFER FOR SALE OF [●] EQUITY SHARES AGGREGATING UP TO ₹ 180 MILLION (THE "OFFER FOR SALE") BY MILLENNIUM INVESTMENT & ACQUISITION COMPANY INC. (THE "SELLING SHAREHOLDER"), THE ISSUE WOULD CONSTITUTE [●] % OF THE POST ISSUE PAID-UP EQUITY CAPITAL OF OUR COMPANY.

THE FACE VALUE OF THE EQUITY SHARE IS ₹ 2 EACH AND THE ISSUE PRICE IS [●] TIMES THE FACE VALUE.

THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY AND THE SELLING SHAREHOLDER IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGER AND THE CO-BOOK RUNNING LEAD MANAGER AND PUBLISHED ATLEAST ONE WORKING DAY PRIOR TO THE BID OPENING DATE, IN ONE HINDI NATIONAL DAILY NEWSPAPER AND ONE ENGLISH NATIONAL DAILY NEWSPAPER, EACH WITH WIDE CIRCULATION (HINDI ALSO BEING THE REGIONAL LANGUAGE IN THE STATE WHERE THE REGISTERED OFFICE IS LOCATED), WITH THE RELEVANT FINANCIAL RATIOS CALCULATED AT THE FLOOR PRICE AND AT THE CAP PRICE AND WILL ALSO BE MADE AVAILABLE TO THE STOCK EXCHANGES (AS DEFINED BELOW) FOR THE PURPOSE OF UPLOADING ON THEIR WEBSITES.

In case of revision in the Price Band, the Bidding Period will be extended for at least three additional Working Days after the revision of the Price Band subject to the Bidding Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bidding Period, if applicable, will be widely disseminated by notification to the Stock Exchanges, by issuing a press release, and also by indicating the change on the websites of the Book Running Lead Manager ("BRLM") and the Co-Book Running Lead Manager ("CBRLM") and the Self Certified Syndicate Banks ("SCSBs") and at the terminals of the members of the Syndicate.

This Issue is being made through the Book Building Process where 50% of the Issue will be allocated on a proportionate basis to Qualified Institutional Buyers ("QIBs") ("QIB Portion"). Our Company and the Selling Shareholder may, in consultation with the BRLM and the CBRLM, allocate up to 60% of the QIB Portion to Anchor Investors at the Anchor Investor Allocation Price, on a discretionary basis, out of which at least one-third will be available for allocation to domestic Mutual Funds only. In the event of under-subscription or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Such number of Equity Shares representing 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to QIBs, including mutual funds, subject to valid Bids being received from them at or above the Issue Price. However, if the aggregate demand from Mutual Funds is less than [●] Equity Shares, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the Net QIB Portion and allocated proportionately to QIBs in proportion to their Bids. Further, not less than 15% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue shall be available for allocation to Retail Individual Bidders, in accordance with SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Issue Price. All Investors other than Anchor Investors may participate in this Issue through the Application Supported by Blocked Amount ("ASBA") process by providing the details of their respective ASBA Accounts. QIBs (other than Anchor Investors) and Non-Institutional Bidders shall mandatorily participate in the Issue through the ASBA process. For more information, specific attention is invited to the section titled "Issue Procedure" on page 430.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and Bidders should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Bidders are advised to read the Risk Factors carefully before taking an investment decision in this Issue. For making an investment decision, Bidders must rely on their own examination of our Company and this Issue, including the risks involved. The Equity Shares offered in this Issue have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of this Draft Red Herring Prospectus. Specific attention of the Bidders is invited to the section titled "Risk Factors" on page 19.

COMPANY'S AND THE SELLING SHAREHOLDER'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring 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 Red Herring 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 make this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

The Selling Shareholder having made all reasonable inquiries, accepts responsibility for and confirms the information relating to such Selling Shareholder contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect.

LISTING

The Equity Shares of our Company are listed on the DSE, the LSE, the CSE and the ASE and we propose to list our Equity Shares on the BSE and the NSE. We have received in-principle approval from the DSE, the LSE, the CSE, the ASE, the BSE and the NSE for the listing of the Equity Shares issued and transferred, as applicable, in the Issue pursuant to letters dated [●], [●], [●], [●], [●], [●] and [●] respectively. [●] is the Designated Stock Exchange.

BOOK RUNNING LEAD MANAGER	CO-BOOK RUNNING LEAD MANAGER	REGISTRAR TO THE ISSUE
ICICI Securities Limited ICICI Centre, H.T.Parekh Marg Churchgate, Mumbai – 400020 Tel: + 91 22 2288 2460/70 Fax: + 91 22 2282 6580 Email: smc.fpo@icicisecurities.com Investor Grievance Email: customercare@icicisecurities.com Website: www.icicisecurities.com Contact Person: Mr. Abhishek Jain / Mr. Mangesh Ghogle SEBI Registration No.: INM000011179	Elara Capital (India) Private Limited Indiabulls Finance Centre, Tower 3, 21 st Floor, Senapati Bapat Marg, Elphinstone Road (West) Mumbai 400 013 Tel: +91 (22) 3032 8599 Fax: +91 (22) 3032 8589 Email: smc.fpo@elaracapital.com Investor Grievance Email: mb.investorgrievances@elaracapital.com Website: www.elaracapital.com Contact Person: Mr. Pavan Naik SEBI Registration No.: INM000011104	Link Intime India Private Limited C-13, Pannalal Silk Mills Compound, L.B.S Marg, Bhandup (West) Mumbai 400 078, India Tel: +91 (22) 6171 5400 Fax: +91 (22) 2596 0329 Email: smc.fpo@linkintime.co.in Investor Grievance Email: smc.fpo@linkintime.co.in Website: www.linkintime.co.in Contact Person: Mr. Sachin Achar SEBI Registration No: INR000004058
BID/ISSUE PROGRAMME		
BID / ISSUE OPENING DATE*	[●]	BID CLOSES ON (FOR QIB BIDDERS)*
		BID CLOSES ON (FOR ALL OTHER BIDDERS)

* Our Company and the Selling Shareholder in consultation with the BRLM and the CBRLM may consider participation by Anchor Investors. The Anchor Investors shall Bid during the Anchor Investor Bidding Period, i.e., one Working Day prior to the Bid / Issue Opening Date.

*Our Company and the Selling Shareholder in consultation with the BRLM and the CBRLM may consider closing the QIB Bidding Period a day before the Bid Closing Date for other Bidders.

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates or implies, the following terms have the following meanings in this Draft Red Herring Prospectus, and references to any statute or regulations or policies will include any amendments or re-enactments thereto, from time to time. In case of any inconsistency between the definitions given below and the definitions contained in the General Information Document (as defined below), the definitions given below shall prevail.

Company Related Terms

Term	Description
“SMC Global”, “the Company” and “Our Company”	SMC Global Securities Limited, a public limited company incorporated under the Companies Act with its registered office at 11/6B, Shanti Chamber, Pusa Road, New Delhi 110 005, India
AoA/Articles of Association or Articles	The articles of association of our Company, as amended from time to time
Audit Committee	The audit committee of the Board of Directors described in the section titled “Our Management” on page 179
Auditors	The statutory auditors of our Company, being M/s. R. Gopal & Associates, Chartered Accountants
Board or Board of Directors	The board of Directors of our Company, as duly constituted from time to time including any committees thereof.
Corporate Office	The corporate office of our Company, at 11/6B, Shanti Chamber, Pusa Road, New Delhi 110 005
Director(s)	Unless the context requires otherwise, the director(s) on our Board.
Group Companies/Group	The companies, firms, ventures, etc. promoted by our Promoters, as described in the section titled “Our Promoters and Group Companies” on page 194 of this Draft Red Herring Prospectus, irrespective of whether such entities are covered under section 370 (1)(B) of the Companies Act or not.
Key Managerial Personnel	The personnel listed as key managerial personnel in the section titled “Our Management” on page 179
Millennium	Millennium Investment & Acquisition Company Inc. (formerly known as Millennium India Acquisition Company Inc.)
MoA/Memorandum of Association	The memorandum of association of our Company, as amended from time to time
Promoter	The promoters of our Company - Mr. Subhash Chand Aggarwal, Mr. Mahesh Chand Gupta, Ms. Sushma Gupta and Mr. Damodar Krishan Aggarwal
Promoter Group	Unless the context otherwise requires, refers to such persons and entities constituting the promoter group of our Company, in terms of regulation 2(1)(zb) of the SEBI ICDR Regulations and mentioned in the section titled “Promoter and Group Companies” on page 194
Public Issue and Listing Committee	The public issue and listing committee of the Board of Directors described in the section titled “Our Management” on page 179
Registered Office	The registered office of our Company situated at 11/6B, Shanti Chamber, Pusa Road, New Delhi 110 005, India
Selling Shareholder	Millennium Investment & Acquisition Company Inc. (formerly known as

Term		Description
		Millennium India Acquisition Company Inc.)
Senior Management Personnel		The personnel listed as senior management personnel in the section titled “Our Management” on page 179
Subsidiaries		SMC Capitals Limited, SMC Comtrade Limited, SMC Insurance Brokers Private Limited, SMC Comex International DMCC, Moneywise Financial Services Private Limited, SMC ARC Limited, SMC Investments and Advisors Limited, SMC Finvest Limited, Moneywise Finvest Limited and SMC Real Estate Advisors Private Limited
“We” or “us” or “our”		Our Company and where the context requires, the Subsidiaries on a consolidated basis

Issue Related Terms

Term		Description
Allotted/Allotment/Allot		Unless the context otherwise requires, means the allotment of Equity Shares pursuant to the Fresh Issue and the transfer of Equity Shares pursuant to Offer for Sale to successful Bidders pursuant to this Issue.
Allottee		A successful Bidder to whom the Equity Shares are Allotted
Allotment Advice		The advice or intimation of Allotment of the Equity Shares sent to the Bidders who are to be Allotted the Equity Shares after the discovery of the Issue Price in accordance with the Book Building Process.
Anchor Investor		A Qualified Institutional Buyer, applying under the Anchor Investor Portion, who has Bid for an amount of at least ₹ 1,00 million.
Anchor Investor Allocation Notice		Notice or intimation of allocation of Equity Shares sent to Anchor Investors who have been allocated Equity Shares, and includes any device, intimation or notice sent to Anchor Investors in the event that the Issue Price is higher than the Anchor Investor Allocation Price.
Anchor Investor Allocation Price		The price at which Equity Shares will be allocated in terms of the Red Herring Prospectus and Prospectus to the Anchor Investors, which will be decided by our Company and the Selling Shareholder, in consultation with the BRLM and CBRLM prior to the Bid Opening Date.
Anchor Investor Bidding Date		The day, one Working Day prior to the Bid/Issue Opening Date on which Bids by Anchor Investors shall be submitted, prior to or after which the members of the Syndicate will not accept any Bids from Anchor Investors and allocation to Anchor Investors shall be completed.
Anchor Investor Issue Price		The price at which Allotment will be made to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which shall be higher than or equal to the Issue Price. The Anchor Investor Issue Price will be decided by our Company and the Selling Shareholder, in consultation with the BRLM and the CBRLM
Anchor Investor Pay-in Date		With respect to Anchor Investors, it shall be the Anchor Investor Bidding Date, and, in the event the Anchor Investor Allocation Price is lower than the Issue Price, not later than two Working Days after the Bid/Issue Closing Date.
Anchor Investor Portion		Up to 60% of the QIB Portion, which may be allocated by our Company and the Selling Shareholder, in consultation with the BRLM and the CBRLM, to Anchor Investors on a discretionary basis, out of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price.
Application Supported by Blocked Amount/		Application (whether physical or electronic) used by a Bidder to make a Bid authorizing the SCSB to block the Bid Amount in the specified bank account maintained with the SCSB. ASBA is mandatory for QIBs (except Anchor Investors)

Term	Description
“ASBA”	and Non-Institutional Bidders participating in the Issue
ASBA Account	An Account maintained with an SCSB and specified in the Bid cum Application Form submitted by ASBA Bidders for blocking the amount mentioned in the Bid cum Application Form
ASBA Bid	A Bid made by an ASBA Bidder
ASBA Bidder	Any Bidder, other than Anchor Investors, who Bids through ASBA
ASBA Form	The form, whether physical or electronic, by which an ASBA Bidder can make a Bid, authorising an SCSB to block the Bid Amount in the ASBA Account maintained with such SCSB pursuant to the terms of the Red Herring Prospectus
ASBA Revision Form	The form used by an ASBA Bidder to modify the quantity of Equity Shares or the Bid Amount in any of its ASBA Forms or previous ASBA Revision Forms (if submitted in physical form)
Bankers to the Issue/Escrow Collection Banks	The banks which are clearing members and registered with SEBI as bankers to an issue and with whom the Escrow Account will be opened, in this case being [●]
Basis of Allotment	The basis on which the Equity Shares will be Allotted to the successful Bidders under the Issue, as described in the section titled “Issue Procedure – Basis of Allotment” on page 471
Bid	An indication to make an offer during the Bidding/Issue Period by a Bidder (other than an Anchor Investor) or on the Anchor Investor Bidding Date by an Anchor Investor, pursuant to submission of an ASBA Form or a Bid-cum-Application Form to subscribe for Equity Shares, at a price within the Price Band, including all revisions and modifications thereto
Bidding	The process of making a Bid
Bid Amount	The highest value of optimal Bids indicated in the Bid cum Application Form and in the case of Retail Individual Bidders Bidding at Cut-Off Price, the Cap Price multiplied by the number of Equity Shares Bid for by such Retail Individual Bidder and mentioned in the Bid cum Application Form
Bid/Issue Closing Date	Except in relation to Anchor Investors, the date after which the Syndicate, the SCSBs and the Registered Brokers will not accept any Bids, and which shall be notified in an English national daily newspaper, a Hindi national daily newspaper (Hindi also being the regional language in the state where the Registered Office is located), each with wide circulation and in case of any revision, the extended Bid Closing Date also to be notified on the website and terminals of the Syndicate and SCSBs, as required under the SEBI ICDR Regulations. Further, our Company and the Selling Shareholder, in consultation with the BRLM and the CBRLM, may decide to close Bidding by QIBs one day prior to the Bid Closing Date.
Bidding Centre / Bidding Location	Centres for acceptance of the Bid-cum-Application Forms and Revision Forms and shall include Registered Broker Centres.
Bid cum Application Form	The form used by a Bidder, including an ASBA Bidder, to make a Bid and which will be considered as the application for Allotment in terms of the Red Herring Prospectus
Bidder	A prospective investor in this Issue, and unless otherwise stated or implied, includes an ASBA Bidder and Anchor Investor.
Bid/Issue Opening Date	Except in relation to Anchor Investors, the date on which the Syndicate, the SCSBs and the Registered Brokers shall start accepting Bids, and which shall be the date notified in an English national daily newspaper, a Hindi national daily newspaper

Term	Description
	each with wide circulation (Hindi also being the regional language in the state where the Registered Office is located).
Bid/Issue Period	The period between the Bid/Issue Opening Date and the Bid/Issue Closing Date or the QIB Bid/Issue Closing Date, as the case may be (in either case inclusive of such date and the Bid Opening Date) during which Bidders, other than Anchor Investors, can submit their Bids. Provided however that the Bidding shall be kept open for a minimum of three Working Days for all categories of Bidders, other than Anchor Investors.
Book Building Process	The method of book building as described in Part A of Schedule XI of the SEBI ICDR Regulations, in terms of which the Issue is being made
Book Running Lead Managers / BRLM	The book running lead manager to the Issue, i.e. ICICI Securities Limited
CAN/Confirmation Allotment Note	of In relation to Anchor Investors, the note or advice or intimation of allocation of Equity Shares sent to successful Anchor Investors who have been allocated Equity Shares after discovery of the Anchor Investor Issue Price, including any revisions thereof
Cap Price	Higher end of the Price Band, including revisions thereof, above which the Issue Price will not be determined and above which no Bids will be accepted
Client ID	Client identification number of the bidder's beneficiary account
Co-Book Running Lead Manager/CBRLM	The Co-Book Running Lead Manager, i.e. Elara Capital (India) Private Limited
Controlling Branches of the SCSBs	of Such branches of the SCSBs which coordinate Bids under the Issue by the ASBA Bidders with the Registrar to the Issue and the Stock Exchanges, a list of which is available on the SEBI website
Cut-off Price	Any price within the Price Band determined by our Company and the Selling Shareholder in consultation with the BRLM and the CBRLM, as the Issue Price, at which only the Retail Individual Bidders are entitled to Bid, for Equity Shares of an amount not exceeding ₹ 2,00,000.
Demographic Details	The address, the bank account details, MICR code and occupation of a Bidder
Depository	A depository registered with the SEBI under the Depositories Act, 1996.
Depositories Act	The Depositories Act, 1996, as amended from time to time.
“Depository Participant” or “DP”	A depository participant registered with the SEBI under the Depositories Act.
Designated Branches	Such branches of the SCSBs which will collect the Bid cum Application Form used by ASBA Bidders, a list of which is available on http://www.sebi.gov.in/pmd/scsb.html or at such other website which may be prescribed by SEBI from time to time
Designated Date	The date on which funds are transferred from the Escrow Accounts to the Public Issue Account and the Registrar to Issue issues instructions to SCSBs for transfer of funds from ASBA Accounts to the Public Issue Account in terms of the Red Herring Prospectus
Designated Stock Exchange	[●]
“Draft Red Herring Prospectus” or “DRHP”	This draft red herring prospectus dated October 20, 2014, filed with SEBI, prepared and issued in accordance with the SEBI ICDR Regulations, which does not contain complete particulars of the price at which the Equity Shares will be Allotted and the

Term		Description
		size of the Issue
Elara		Elara Capital (India) Private Limited
Eligible NRI		NRI(s) from jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the Bid cum Application Form and the Red Herring Prospectus will constitute an invitation to purchase the Equity Shares
Eligible QFI		Qualified Foreign Investors from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the Draft Red Herring Prospectus constitutes an invitation to purchase the Equity Shares offered thereby and who have opened dematerialised accounts with SEBI registered qualified depository participants and are deemed as FPIs under the SEBI FPI Regulations
Equity Agreement(s)	Listing	Equity listing agreement(s) entered into by our Company with the Stock Exchanges, including all amendments made thereto from time to time.
Equity Share(s)		Equity shares of our Company with a face value of ₹ 2 each.
Escrow Account(s)		Accounts opened with the Escrow Collection Banks for the Issue and in whose favour the Bidders (excluding ASBA Bidders) will issue cheques or drafts in respect of the Bid Amount
Escrow Agreement		Agreement to be entered into by our Company, the Selling Shareholder, the Registrar to the Issue, the BRLM, the CBRLM, the Syndicate Members, the Escrow Collection Bank(s) and the Refund Bank(s) for collection of the Bid Amounts and where applicable, refunds of the amounts collected from the Bidders (excluding the ASBA Bidders), on the terms and conditions thereof
First Bidder		The Bidder whose name appears first in the Bid cum Application Form or the Revision Form as the case may be
Floor Price		Lower end of the Price Band and any revisions thereof, below which the Issue Price will not be finalized and no Bids will be accepted
Fresh Issue		Fresh issue of [●] Equity Shares by our Company aggregating up to ₹ 1,070 million, in terms of this Draft Red Herring
General Information Document		The General Information Document for investing in public issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013, notified by SEBI and included in “Issue Procedure” on page 430
ICICI Securities/I-Sec		ICICI Securities Limited
Issue		Further public Issue up to ₹ 1,250 million comprising of the Fresh Issue and the Offer for Sale
Issue Agreement		The agreement dated October 15, 2014 entered into amongst our Company, the Selling Shareholder, the BRLM and the CBRLM pursuant to which certain arrangements are agreed to in relation to the Issue
Issue Price		The price at which Allotment will be made, as determined by our Company and the Selling Shareholder in consultation with the BRLM and the CBRLM. Unless otherwise stated or the context otherwise implies, the term Issue Price refers to the Issue Price applicable to investors other than Anchor Investors.
Issue Proceeds		The proceeds of the Issue that is available to our Company and the Selling Shareholder
Maximum RII Allottees		The maximum number of RIIs who can be allotted the minimum Bid Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Bid Lot

Term	Description
Maximum RII Allottees	The maximum number of RIIs who can be allotted the minimum Bid Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Bid Lot
Mutual Funds	Mutual funds registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended
Mutual Funds Portion	5% of the Net QIB Portion or [●] Equity Shares available for allocation to Mutual Funds only.
Net Proceeds	Proceeds from the Issue after deducting the proportionate Underwriting and Issue management fee, selling commission and other deductions of Issue expenses along with deducting the proceeds from the Offer for Sale.
Net QIB Portion	The portion of the QIB Portion less the number of Equity Shares Allotted to the Anchor Investors.
Non-Institutional Bidders	All Bidders, that are not QIBs and Retail Bidders who have Bid for Equity Shares for an amount more than ₹ 2,00,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Portion	The portion of the Issue being not less than 15% of the Issue consisting of [●] Equity Shares, available for allocation to Non-Institutional Bidders, on a proportionate basis.
Non-Resident	A person resident outside India, as defined under FEMA and includes a Non-Resident Indian and FIIs registered with SEBI
Non-Resident Indian or NRI	A person resident outside India, who is a citizen of India or a person of Indian origin and will have the same meaning as ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2000, as amended
Offer for Sale	Offer for Sale of [●] Equity Shares aggregating up to ₹ 180 million by the Selling Shareholder
Price Band	The price band ranging from the Floor Price to the Cap Price, including any revisions thereof.
Pricing Date	The date on which our Company and the Selling Shareholder, in consultation with the BRLM and the CBRLM will finalize the Issue Price
Prospectus	The prospectus of our Company to be filed with the RoC for this Issue after the Pricing Date, in accordance with Sections 26 of the Companies Act, 2013 and the SEBI ICDR Regulations, containing amongst other things, the Issue Price as determined at the end of the Book Building Process, the size of the Issue and certain other information.
Public Issue Account	The bank account opened with the Escrow Collection Banks by our Company under Section 40 of the Companies Act, 2013 to receive money from the Escrow Accounts on the Designated Date and where the funds shall be transferred by the SCSBs from the ASBA Accounts.
Qualified Foreign Investors or QFIs	<p>Non-resident investors, other than SEBI registered FIIs or sub-accounts or SEBI registered FVCIs, who meet 'know your client' requirements prescribed by SEBI and are resident in a country which is (i) a member of Financial Action Task Force or a member of a group which is a member of Financial Action Task Force; and (ii) a signatory to the International Organization of Securities Commission's Multilateral Memorandum of Understanding or a signatory of a bilateral memorandum of understanding with SEBI.</p> <p>Provided that such non-resident investor shall not be resident in a country which is listed in the public statements issued by Financial Action Task Force from time to time on: (i) jurisdictions having a strategic anti-money laundering/combating the</p>

Term	Description
	financing of terrorism deficiencies to which counter measures apply; and (ii) jurisdictions that have not made sufficient progress in addressing the deficiencies or have not committed to an action plan developed with the Financial Action Task Force to address the deficiencies.
	Provided that such non-resident investor has opened a dematerialized account with a qualified depository participant as a qualified foreign investor
Qualified Institutional Buyers or QIBs	Qualified institutional buyers as defined under Regulation 2(1)(zd) of the SEBI ICDR Regulations
QIB Bid/Issue Closing Date	In the event our Company and the Selling Shareholder, in consultation with the BRLM and the CBRLM, decides to close Bidding by QIBs one Working Day prior to the Bid/Issue Closing Date, the date one Working Day prior to the Bid/Issue Closing Date; otherwise it shall be the same as the Bid/Issue Closing Date.
QIB Category or QIB Portion	The portion of the Issue being 50% of the Issue or [●] Equity Shares available for allocation to QIBs (including the Anchor Investor Portion), on a proportionate basis.
Red Herring Prospectus or RHP	The red herring prospectus dated [●] to be issued in accordance with Section 32 of the Companies Act, 2013 and the SEBI ICDR Regulations, which does not contain inter-alia, complete particulars of the price at which Equity Shares are offered.
Refund Accounts	Account(s) opened with Refund Bank(s) from which refunds of the whole or part of the Bid Amount (excluding the ASBA Bidders), if any, will be made
Refund Bank(s)	The banks which are clearing members and registered with SEBI under the SEBI (Bankers to an Issue) Regulations, 1994 with whom the Refund Account(s) will be opened, in this case being [●]
Registered Broker(s)	Broker(s) registered with the stock exchanges having its office at any of the Registered Broker Centres and shall not include Syndicate and sub-Syndicate members.
Registered Broker Centres	Broker centres as notified by the Stock Exchanges, where Bidders can submit the Bid-cum-Application Forms to a Registered Broker. The details of such broker centres are available on the websites of BSE and NSE at http://www.bseindia.com/ and http://www.nseindia.com/ , respectively.
Refunds through electronic transfer of funds	Refunds through NECS, NEFT, direct credit or RTGS, as applicable.
“Registrar” or “Registrar to the Issue”	Link Intime India Private Limited
Registrar’s Agreement	The agreement dated October 14, 2014 entered into between our Company, the Selling Shareholder and the Registrar to the Issue pursuant to which certain arrangements are agreed to in relation to the Issue
Retail Individual Bidders	Individual Bidders (including HUFs and Eligible NRIs), who have Bid for an amount less than or equal to ₹ 2,00,000 in any of the bidding options in the Issue.
Retail Portion	The portion of the Net Issue, being not less than 35% of the Issue, or [●] Equity Shares at the Issue Price, available for allocation to Retail Bidders
Revision Form	The form used by the Bidders, other than ASBA Bidders, to modify the quantity of Equity Shares or the Bid Amount in any of their Bid cum Application Forms or any previous Revision Form(s), as applicable.
Self-Certified Syndicate Bank or SCSB	The list of banks that have been notified by SEBI to act as SCSBs for the ASBA process is available on the SEBI website at the link http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries , and

Term	Description
	at such other websites as may be prescribed by SEBI from time to time. For details of the Designated Branches with which ASBA Forms can be physically submitted, please refer to the above-mentioned link.
Specified Cities	Cities specified in the SEBI circular no. CIR/CFD/DIL/1/2011 dated April 29, 2011, namely, Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bengaluru, Hyderabad, Pune, Baroda and Surat.
Stock Exchanges	Refers collectively to the Delhi Stock Exchange Limited (DSE), Ludhiana Stock Exchange Limited (LSE), Calcutta Stock Exchange Limited (CSE), Ahmedabad Stock Exchange Limited (ASE), the BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE)
Syndicate	Collectively, the BRLM, the CBRLM and the Syndicate Members
Syndicate Agreement	The agreement to be entered into amongst the Syndicate, the Selling Shareholder and our Company in relation to the collection of Bids (excluding Bids from the ASBA Bidders) in this Issue
Syndicate ASBA	A Bid submitted by an ASBA Bidder through the members of the Syndicate or their respective sub-Syndicate members at the Syndicate ASBA Centres instead of the Designated Branches.
Syndicate ASBA Centre	The bidding centres of the members of the Syndicate or their respective sub-Syndicate located at the locations of the Registered Brokers and such other centres as may be prescribed by SEBI from time to time, wherein, pursuant to the SEBI circular dated January 23, 2013 bearing no. CIR/CFD/DIL/4/2013, ASBA Bidders are permitted to submit their Bids in physical form.
Syndicate Members	[●]
Transaction Registration Slip or TRS	The slip or document issued by any of the members of the Syndicate, or the SCSBs or the Registered Brokers, as the case may be, to a Bidder upon demand as proof of registration of the Bid.
Underwriters	The BRLM, the CBRLM and the Syndicate Members
Underwriting Agreement(s)	The agreement to be entered into between the CBRLM, the BRLM, the Selling Shareholder and our Company, before filing of the Red Herring Prospectus with RoC and/or the agreement to be entered into between the Underwriters, the Selling Shareholder and our Company, on or immediately after the Pricing Date.
Working Day	Any day, other than Saturdays and Sundays, on which commercial banks in Mumbai are open for business, provided however, for the purpose of the time period between the Bid/Issue Closing Date and listing of the Equity Shares on the Stock Exchanges, "Working Days" shall mean all days excluding Sundays and bank holidays in Delhi or Mumbai in accordance with the SEBI circular no. CIR/CFD/DIL/3/2010 dated April 22, 2010

Conventional and General Terms/ Abbreviations and References to Other Business Entities

Term	Description
ACIT	Assistant Commissioner of Income Tax
AIFs	Alternative Investment Funds as defined and registered with SEBI under the AIF Regulations
AIF Regulations	Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012, as amended
AGM	Annual General Meeting

Term	Description
AS	Accounting Standards as issued by the Institute of Chartered Accountants of India
A.Y.	Assessment Year
BAN	Beneficiary account number
BSE	The BSE Limited
Category I Foreign Portfolio Investors	FPIs who are registered as “Category I foreign portfolio investors” under the FPI Regulations
Category II Foreign Portfolio Investors	FPIs who are registered as “Category II foreign portfolio investors” under the FPI Regulations
Category III Foreign Portfolio Investors	FPIs who are registered as “Category III foreign portfolio investors” under the FPI Regulations
CAGR	Compounded annual growth rate
CDSL	Central Depository Services (India) Limited
CIT(A)	Commissioner of Income Tax (Appeals)
Companies Act	The Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon the notification of the Notified Sections) and the Companies Act, 2013.
Companies Act, 1956	The Companies Act, 1956, as amended.
Companies Act, 2013	The Companies Act, 2013, to the extent in force pursuant to the notification of the Notified Sections
Competition Act	The Competition Act, 2002, as amended
CSR	Corporate social responsibility
DCIT	Deputy Commissioner of Income Tax
Depositories	NSDL and CDSL
Depositories Act	SEBI Depositories Act, 1996, as amended
Depository Participant or DP	A depository participant as defined under the Depositories Act
DGCX	Dubai Gold and Commodities Exchange DMCC
DIN	Directors Identification Number
DP ID	Depository participant’s identity
EBITDA	Earnings before interest, taxes, depreciation and amortization
ECS	Electronic clearing service
EGM	Extraordinary general meeting of the shareholders of a company
EPF Act	Employees (Provident Fund and Miscellaneous Provisions) Act, 1952, as amended
EPS	Earnings per share
“Euro” or “€”	The single currency of the participating member states in the third stage of the European Economic and Monetary Union of the Treaty establishing the European Community, as amended.

Term	Description
FCNR Account	Foreign currency non-resident account established in accordance with the FEMA
FDI	Foreign direct investment
FEMA	Foreign Exchange Management Act, 1999, as amended, together with rules and regulations thereunder
FEMA Regulations	Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended.
FIs	Financial Institutions
FII	Foreign Institutional Investors, as defined under the FII Regulations and registered with SEBI under applicable laws in India.
FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended.
FIPB	Foreign investment promotion board
“Fiscal” or “fiscal” or “Financial Year” or “FY”	A period of twelve months ended on March 31 of that particular year, unless otherwise stated.
FPI	Foreign Portfolio Investors, as defined under the FPI Regulations and registered with SEBI under applicable laws in India.
FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, as amended.
FPO	Further public offering
FVCI	Foreign venture capital investor registered under the FVCI Regulations.
FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000, as amended.
“GBP” or “£”	Pound Sterling
GIR No	General index register number
“GoI” or “Government of India” or “Central Government”	The Government of India
HUF	Hindu Undivided Family
IEC	Importer-Exporter Code.
IFRS	International financial reporting standards
Income Tax Act or I.T. Act	Income Tax Act, 1961, as amended
Indian GAAP	Generally accepted accounting principles in India
IPO	Initial Public Offer
Industrial Policy	The policy and guidelines relating to industrial activity in India, issued by the GoI from time to time
Insurance Regulatory and Development Authority or IRDA	Statutory body constituted under the Insurance Regulatory and Development Authority Act, 1999, as amended

Term	Description
IT	Information Technology.
ITAT	Income Tax Appellate Tribunal.
IT Act	Income Tax Act, 1961, as amended.
IT Department	Income Tax Department, GoI.
“Limited Liability Partnership” or “LLP”	Limited Liability Partnership registered under the Limited Liability Partnership Act, 2008.
MCA	Ministry of Corporate Affairs, GoI
MCX	Multi Commodity Exchange of India Limited
MCX-SX	MCX Stock Exchange Limited
Minimum Wages Act	Minimum Wages Act, 1948, as amended
MoU	Memorandum of understanding
Mutual Funds	Mutual funds registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.
“N/A” or “NA” or “N.A”	Not Applicable
NAV	Net Asset Value
NBFC	Non-banking financial company
NECS	National Electronic Clearing System.
NEFT	National electronic fund transfer
NIF	National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India.
No.	Number
NOC	No Objection Certificate
Non-Resident or NR	A person resident outside India, as defined under the FEMA and includes a non-resident Indian
Notified Sections	The sections of the Companies Act, 2013 that have been notified by the Government
NRE Account	Non-Resident external account established in accordance with the FEMA
NRO Account	Non-Resident ordinary account established in accordance with the FEMA
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
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 the beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date was eligible to undertake transactions pursuant to the general permission granted to OCBs under the FEMA. OCBs are not allowed to invest in this Issue.
“PA” or “P.A” or “p.a”	Per Annum
PAN	Permanent account number allotted under the IT Act

Term	Description
PAT	Profit After Tax
P/E Ratio	Price/Earnings Ratio
Pvt.	Private
Preference Shares	Preference Shares of our Company of ₹ 10 each
RBI	Reserve Bank of India
“₹” or “Rupees” or “ Rs” or “INR”	One Indian rupee
Regulation S	Regulation S of the U.S. Securities Act, 1933
RoC	Registrar of Companies, National Capital Territory Delhi and Haryana
RTGS	Real time gross settlement
RTI	Right to information
SCRA	Securities Contract (Regulations) Act, 1956, as amended
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended
SEBI	Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended
SEBI Insider Trading Regulations	SEBI (Prohibition of Insider Trading) Regulations, 1992, as amended
SEBI ICDR Regulations	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended
Securities Act	Securities Act of 1933
STT	Securities transaction tax
State government	The government of a state of Republic of India.
Supreme Court	Supreme Court of India
Sub-Account	Sub-accounts registered with SEBI under the Securities and Exchange Board of India (Foreign Institutional Investor) Regulations, 1995, other than sub-accounts which are foreign corporates or foreign individuals.
Takeover Code	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended.
TAN	Tax deduction account number allotted under the IT Act.
“U.S.” or “US” or “U.S.A” or “United States”	The United States of America, together with its territories and possessions.
USD/ US\$/U.S.\$	United States Dollars.
US GAAP or U.S. GAAP	Generally accepted accounting principles in the United States of America
VCFs	Venture Capital Funds as defined and registered with SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996.
VCF Regulations	Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996, as amended.

Term	Description
wef.	With effect from

Industry/ Business Related Terms, Definitions and Abbreviations

Term	Description
AMC	Asset Management Company
AMFI	Association of Mutual Funds of India
Commodities Segment	An exchange for buying and selling of commodities for future delivery
Currency Segment	Market where currency futures are traded
Derivatives	Derivative is a financial product which derives its value from an underlying asset (either financial or physical) on which it is based. The underlying asset can be equity, currency, commodity or any other derivative
Equities (Cash) Segment	Market where equities are traded and settlements are done in cash
Equities (Derivatives) Segment	Markets where derivatives based on equities are traded; such derivatives are typically futures contracts and options
Extreme Loss Margin	Margins collected to cover losses than could occur outside the coverage of VaR margins; fixed at the beginning of the month
F&O	Futures and Options
Fixed Income Securities	Debt instruments issued typically by corporate, Central and State governments, public bodies, statutory corporations, banks, financial institutions, and other corporate bodies. Typically such instruments pay a constant coupon and thus are called fixed-income instruments
FPO	Further (Follow-On) Public Offer
Futures Contract	A standardised contract to buy or sell a specified security (also, commodity with specific characteristics) in the future on a certain date at a market-determined price (futures price). These contracts are traded on the futures exchange
FX / Foreign Exchange Segment	Markets where foreign exchange (or currency or forex) is traded
FMC	Forward Market Commission
HNI	High Net worth Individual
IP	Intellectual Property
IPR	Intellectual Property Rights
IRDA	Insurance Regulatory and Development Authority
IS	Information System
Mark-to-Market Margin	Margin requirement that triggers when the transaction price of a security differs from its closing price on a particular day
M-Cap / Market Capitalisation	Number of securities outstanding multiplied by the price of one unit of the security
Options Contract	A financial product which provides a right, but not an obligation, to buy or sell an

Term	Description
	asset or a derivative on an asset at a specified price during a specified period of time
OTC Market	An over-the-counter contract is a bilateral contract in which two parties agree on how a particular trade or agreement is to be settled in the future
OTCEI	OTC Exchange of India
PE	Private Equity; Investment made by a fund through equity or convertible instruments in a company
PMS	Portfolio Management Services
Portfolio Manager	A portfolio manager as defined under the SEBI (Portfolio Managers) Regulations, 1993, as amended
RMS	Risk Management System
SENSEX	BSE Sensitive Index
SPAN	Standard Portfolio Analysis of Risk; a method of calculating initial margins
Strike Price	The fixed price at which an option contract owner can purchase/sell the underlying asset
STT	Securities Transaction Tax
TWS	Trading Working Station
VaR Margin	Value at Risk Margin; margin collected upfront and intended to cover largest loss scenario
VSAT	Very Small Aperture Terminal
Wholesale Debt Market	A market for the issuance, trading and settlement in fixed income securities of various types

The words and expressions used in this Draft Red Herring Prospectus but not defined herein shall have the same meaning as is assigned to such words and expressions under the SEBI ICDR Regulations, the Companies Act, the SCRA, the Depositories Act and the rules and regulations made thereunder.

Notwithstanding the foregoing, terms in the sections titled “Main Provisions of the Articles of Association”, “Statement of Tax Benefits” and “Financial Statements” beginning on pages 483,107 and 206 of this Draft Red Herring Prospectus, respectively, have the meanings given to such terms in these respective sections.

CERTAIN CONVENTIONS, USE OF FINANCIAL INFORMATION AND MARKET DATA AND CURRENCY OF PRESENTATION

Certain Conventions

Unless otherwise specified or the context otherwise requires, all references to “India” in this DRHP are to the Republic of India, together with its territories and possessions, and all references to the “US”, the “USA”, the “United States” or the “U.S.” are to the United States of America, together with its territories and possessions. Unless the context otherwise requires, a reference to the “Company” is a reference to SMC Global Securities Limited and unless the context otherwise requires, a reference to “we”, “us” and “our” refers to SMC Global Securities Limited and its subsidiaries, as applicable in the relevant fiscal period, on a consolidated basis.

Financial Information

In this Draft Red Herring Prospectus, we have included (i) the audited restated unconsolidated financial statements for fiscal 2010, 2011, 2012, 2013, 2014 and for the period ended on June 30, 2014 and (ii) the audited restated consolidated financial statements for fiscal 2010, 2011, 2012, 2013, 2014 and for the period ended on June 30, 2014. These financial statements have been prepared in accordance with the Companies Act and Indian GAAP and have been restated in accordance with the SEBI ICDR Regulations.

The fiscal year commences on April 1 and ends on March 31, and unless otherwise specified or the context otherwise requires, all references to a particular fiscal year are to the twelve-month period ended on March 31 of that year.

Indian GAAP differs in certain material respects from U.S. GAAP and IFRS. We have not attempted to quantify the impact of IFRS or U.S. GAAP on the financial data included in this Draft Red Herring Prospectus, nor do we provide a reconciliation of the financial statements to those under U.S. GAAP or IFRS. Accordingly, the degree to which the financial information prepared in accordance with Indian GAAP, Companies Act and the SEBI ICDR Regulations included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting standards and accounting practices, Indian GAAP, the Companies Act and the SEBI ICDR Regulations. See the section titled “Risk Factors – The proposed adoption of IFRS could result in the financial condition and results of operations appearing materially different than under Indian GAAP.” on page 19. Any reliance by persons not familiar with Indian accounting practices, Indian GAAP, the Companies Act and the SEBI ICDR Regulations on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited. In making an investment decision, investors must rely upon their own examination of our Company, the terms of the Issue and the financial information relating to our Company. Potential investors should consult their own professional advisors for an understanding of these differences between Indian GAAP and IFRS or U.S. GAAP, and how such differences might affect the financial information contained herein.

Currency and Units of Presentation

All references to “Rupees”, “Rs.”, “INR” or “₹” are to Indian Rupees, the official currency of the Republic of India. All references to “US\$” or “USD” or “U.S. Dollar” are to United States Dollars, the official currency of the United States of America. All references to “AED” are to United Arab Emirates Dirham, the official currency of the United Arab Emirates. In this Draft Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed therein are due to rounding-off. All figures mentioned in this Draft Red Herring Prospectus are denominated in million, unless otherwise specified.

Industry and Market Data

Unless stated otherwise, industry and market data used throughout this Draft Red Herring Prospectus have been derived from industry publications. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although we believe that the industry and market data used in this Draft Red Herring Prospectus is reliable, neither we nor the Selling Shareholder, BRLM and the CBRLM nor any of their respective affiliates nor advisors have prepared or verified it independently. The extent to which the market and industry data used in this Draft Red Herring Prospectus is meaningful depends on the reader’s familiarity with and understanding of the methodologies used in compiling such data.

Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in the section titled “Risk Factors” on page 19. Accordingly, investment decisions should not be based on such information.

In accordance with the SEBI ICDR Regulations, we have included in the section titled “Basis for the Issue Price” on page 103, information pertaining to the peer group companies of our Company. Such information has been derived from publicly available annual reports of the peer group companies.

Exchange Rates

This Draft Red Herring Prospectus contains translations of U.S. Dollar and other currency amounts into Indian Rupees that have been presented solely to comply with the requirements of item (VIII) sub-item (G) of Part A of Schedule VIII of the SEBI ICDR Regulations. It should not be construed as a representation that such currency amounts could have been, or can be converted into Indian Rupees, at any particular rate or at all.

The exchange rates of the USD and AED into Indian Rupees for the last five Financial Years i.e. 2010, 2011, 2012, 2013 and 2014.

USD - INR

Fiscal Year	Year End	Average*	High	Low
2010	45.14	47.42	50.53	44.94
2011	44.65	45.58	47.57	44.03
2012	51.16	47.95	54.24	43.95
2013	54.39	54.45	57.22	50.56
2014	60.10	60.50	68.36	53.74
Month Ended	Month End	Average*	High	Low
October 31, 2013	61.41	61.62	62.36	61.16
November 30, 2013	62.39	62.63	63.65	61.79
December 31, 2013	61.90	61.91	62.38	61.18
January 31, 2014	62.48	62.08	62.99	61.35
February 28, 2014	62.07	62.25	62.69	61.94
March 31, 2014	60.10	61.01	61.90	60.10
April 30, 2014	60.34	60.36	61.12	59.65
May 31, 2014	59.03	59.31	60.23	58.43
June 30, 2014	60.09	59.73	60.37	59.06
July 31, 2014	60.25	60.06	60.33	59.72
August 31, 2014	60.47	60.90	61.56	60.43
September 30, 2014	61.61	60.86	61.61	60.26

**Average of the official rate for each working day of the relevant period*

Source: www.rbi.org.in

AED - INR

Fiscal Year	Year End	Average*	High	Low
2010	12.26	12.96	14.04	12.24
2011	12.34	12.46	12.94	12.01
2012	14.15	13.16	15.00	12.05
2013	14.84	14.82	15.54	14.02
2014	16.28	16.43	18.48	14.53
Month Ended	Month End	Average*	High	Low
October 31, 2013	16.63	16.68	17.06	16.51
November 30, 2013	16.94	17.02	17.36	16.67
December 31, 2013	16.84	16.81	16.95	16.57
January 31, 2014	17.07	16.85	17.14	16.66

Fiscal Year	Year End	Average*	High	Low
February 28, 2014	16.87	16.90	17.05	16.79
March 31, 2014	16.28	16.62	16.86	16.28
April 30, 2014	16.46	16.44	16.64	16.28
May 31, 2014	16.06	16.12	16.41	15.87
June 30, 2014	16.33	16.23	16.40	16.02
July 31, 2014	16.37	16.32	16.4127	16.22
August 31, 2014	16.48	16.56	16.71	16.43
September 30, 2014	16.75	16.56	16.75	16.39

**Average of the official rate for each working day of the relevant period.*

Source: www.oanda.com

FORWARD-LOOKING STATEMENTS

All statements contained in this Draft Red Herring Prospectus that are not statements of historical facts constitute “forward-looking statements”. Investors can generally identify forward-looking statements by terminology such as “aim”, “anticipate”, “believe”, “continue”, “estimate”, “expect”, “intend”, “may”, “objective”, “plan”, “potential”, “project”, “pursue”, “should”, “will”, “would”, or other words or phrases of similar import. Similarly, statements that describe the strategies, objectives, plans or goals are also forward-looking statements.

All statements regarding the expected financial condition and results of operations, business, plans and prospects are forward-looking statements. These forward-looking statements include statements as to the business strategy, the revenue, profitability, planned initiatives. These forward-looking statements and any other projections contained in this Draft Red Herring Prospectus (whether made by us or any third party) are predictions and involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections. Important factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed under the sections titled “Risk Factors”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations”, “Industry Overview” and “Our Business” on pages 19, 323, 124 and 135 of this Draft Red Herring Prospectus respectively.

The forward-looking statements contained in this Draft Red Herring Prospectus are based on the beliefs of our management, as well as the assumptions made by and information currently available to our management. Although we believe that the expectations reflected in such forward-looking statements are reasonable at this time, we cannot assure investors that such expectations will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements. If any of these risks and uncertainties materializes, or if any of the underlying assumptions prove to be incorrect, the actual results of operations or financial condition could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent written and oral forward-looking statements attributable to us are expressly qualified in their entirety by reference to these cautionary statements.

By their nature, certain market 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 Selling Shareholder, the BRLM, the CBRLM, the Syndicate Members or their respective 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, the Selling Shareholder, the BRLM and the CBRLM will ensure that investors are informed of material developments until the time of the grant of final listing and trading permissions with respect to Equity Shares being offered in this Issue, by the Stock Exchanges. The Company and the Selling Shareholder will ensure that investors are informed of material developments in relation to statements about our Company and the Selling Shareholder in this Draft Red Herring Prospectus, Red Herring Prospectus and Prospectus until the Equity Shares are Allotted to the investors.

SECTION II – RISK FACTORS

RISK FACTORS

An investment in equity securities involves a high degree of risk. You should carefully consider all the information in this Draft Red Herring Prospectus, including our financial statements and the related notes and the sections titled “Our Business” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on pages 135 and 323, respectively, and the risks and uncertainties described below, before making an investment in our Equity Shares. If anyone or some combination of the following risks were to occur, our business, financial condition and results of operations could suffer, and the price of our Equity Shares could decline and you may lose all or part of your investment. Unless specified in the relevant risk factors below, we are not in a position to quantify the financial implication of any of the risks mentioned below. Additional risks not presently known to us or that we currently deem immaterial may also impair our business operations. The following factors have been considered for determining the materiality:

1. *Some events may not be material individually but may be found material collectively;*
2. *Some events may have material impact qualitatively instead of quantitatively;*
3. *Some events may not be material at present but may have a material impact in the future.*

The Risks described below are not the only risks which may affect our Company. This Draft Red Herring Prospectus also contains forward-looking statements that involve risks and uncertainties. The actual results of our operations could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the risks we face as described below. You should also consider the warning regarding forward looking statements in the section titled “Forward-Looking Statements” beginning on page 18.

Unless otherwise stated, financial information included in this section for the period ended on June 30, 2014 and the Financial Years 2014, 2013, 2012, 2011 and 2010 has been derived from our restated and audited consolidated financial statements as of and for the period ended on June 30, 2014 and the Financial Years ended on March 31, 2014, March 31, 2013, March 31, 2012, March 31, 2011 and March 31, 2010. For further information, see the section titled “Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation – Financial Information” and the section titled “Financial Statements”.

You should not invest in this Issue unless you are prepared to accept the risk of losing all or part of your investment, and you should consult your tax, financial and legal advisors about the particular consequences to you of an investment in the Equity Shares.

INTERNAL RISK FACTORS

1. ***Restrictive or penal order may be passed against us by SEBI in on-going and / or future proceedings that could restrict, stop or hamper our operations or services, or a part thereof, or levy penalties in connection therewith, which may in turn adversely affect our operations and profitability.***

SEBI issued a Show Cause Notice (“SCN”) dated January 6, 2014 to eight entities including, SAM Global Securities Limited (“SAM”), now merged with SMC Global Securities Limited (“SMC”), alleging therein that SAM was in violation of Regulation 12 (A) (a), 12 (A) (b), 12 (A) (c) of the SEBI Act, 1992 along with Regulations 3 (a), 3 (a), 3 (b), 3 (c), 3 (d), 4 (1), 4 (2) (a), 4 (2) (e) and 4 (2) (g) of the SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003, (“**PFUTP Regulations**”) and Regulations 7 read with clause A (1), A (2), A (3), A (4) and A (5) of the Code of Conduct for Stock Brokers specified under Schedule II of the SEBI (Stock Brokers and Sub Brokers) Regulations 1992, (“**Stock Broker Regulations**”), with regards to its activities on behalf of its client ISF Securities Limited (“ISF”) for engaging in synchronised trading in the scrip of M/s. Gangotri Textiles Limited (“**Gangotri**”), for the period from April 7, 2006 to May 31, 2006 (“**Investigation Period**”). In SCN, SEBI show caused as to why the certificate of registration granted to SAM should not be cancelled or suspended or why any other suitable action as stipulated under the Intermediaries Regulations should not be taken against SAM.

SEBI conducted an investigation in respect of buying, selling and dealing in the shares of Gangotri, on the NSE and BSE, during the Investigation Period and observed that the price of the scrip rose from ₹ 50.30 on April 7, 2006 to ₹ 70.40 on May 4, 2006. SEBI in the SCN, alleged violation of the aforementioned regulations against 8 entities, including SAM, for trading in the said scrip of Gangotri, however, with regards to SAM’s participation, SEBI noted that SAM being the Broker for ISF, its activity was limited for trades executed only on the BSE. It was further alleged that ISF acting through SAM, in collusion with the other entities, indulged in Off Market

Transfers from Master Finlease Limited and also entered into synchronised trades with other related entities. Further in the SCN, SEBI alleged that along with 8 other entities ISF through SAM, was involved in circular trading on 29 out of the 37 trading days during the Investigation Period and created artificial volumes, by buying and selling amongst themselves, which amounted to price manipulation in the said scrip.

SEBI, vide a letter dated May 7, 2014 advised SMC to submit a reply to the aforementioned SCN within a period of 21 days. In response to SEBI's letter SMC, vide a letter dated May 22, 2014 requested SEBI for an extension of period within which to file a reply. Further SEBI, vide a letter dated June 3, 2014 informed SMC that a personal hearing would be scheduled on July 7, 2014, within which time the reply to the SCN could be filed. However, SEBI on its own accord vide letter dated June 30, 2014, postponed the date of hearing to July 16, 2014.

SMC, owing to the merger with SAM in 2008, vide a letter dated July 11, 2014, filed the Reply to the SCN ("Reply"), to SEBI on SAM's behalf. In the Reply, SMC had categorically denied and refuted all the allegations levied in the SCN and raised legal objections to the issuance of the SCN. Further, along with requesting a personal hearing, SMC requested SEBI to consider its Reply and to drop the SCN. Pursuant to the Reply, a personal hearing was conducted by SEBI on July 16, 2014, wherein the matter was heard in length and a period of 10 days till July 26, 2014 was allowed to SMC, to make further submissions. SMC vide a letter dated July 26, 2014 requested for an extension till the August 7, 2014 within which to file further written submissions. Vide a letter dated August 4, 2014, SMC made additional submissions to SEBI, wherein all the submissions made in the Reply, were substantiated. SEBI was requested to consider the submissions and to refrain from pursuing the charges under the SCN against SAM. While the matter is currently pending before the appointed Adjudicating Officer of SEBI, there can be no assurance that SEBI will not pass an order levying penalties, which may in turn adversely affect our reputation, business, operations and profitability. For details of the SEBI's show cause notice, please refer to the section titled "Outstanding Litigation and Material Developments" beginning on page 349 of this Draft Red Herring Prospectus.

2. There are certain criminal cases pending against us and some of our Directors.

There are certain criminal cases pending against our Company and some of our Directors. These include 11 criminal cases against us and eight cases against some of our Directors under various sections of Indian Penal Code including 406, 409, 420, 467, 468, 120(B) which have been pending before various Courts, adjudicatory authorities. Out of these 11 cases, 6 cases against our Company and its Directors have been stayed by the concerned Courts. Further, in 7 of these cases, quashing applications u/s 482 of Code of Criminal Procedure, 1973, are pending. Any adverse outcome from these proceedings may have an adverse effect on our reputation and business or cause the price of our Equity Shares to decline. For details of the above criminal cases, please refer to the section titled "Outstanding Litigation and Material Developments" beginning on page 349 of this Draft Red Herring Prospectus.

Litigations against the Directors

Sr. No.	Name of the Directors	Number of Cases	Nature of Case
1.	Mr. Subhash Chand Aggarwal	8	Criminal
2.	Mr. Mahesh Chand Gupta	3	Criminal
3.	Mr. Ajay Garg*	2	Criminal

** The 2 cases against Mr Garg have been filed against him in his capacity of a director of SMC Insurance Brokers Private Limited.*

3. Our Company and our Subsidiaries are involved in a number of legal and regulatory proceedings that, if determined against us or our Subsidiaries, could have a material adverse impact on our business, financial conditions and results of operations.

There are certain outstanding legal proceedings against us pending at various levels of adjudication before various courts, tribunals, authorities and appellate bodies in India. Should any new development arise, such as change in applicable laws or rulings against us by the appellate courts or tribunals, we may need to make provisions in our financial statements, which may increase our expenses and current liabilities. We cannot give you any assurance that these legal proceedings will be decided in our favour. Any adverse decision may have a significant effect on our business and financial condition, the implementation of our current or future projects

and our results of operations. Details of the proceedings that have been initiated against us and the amounts claimed against us in these proceedings, to the extent ascertainable, are set forth below:

Litigations against the Company

Sr. No.	Nature of the litigation	Number of outstanding litigations	Aggregate amount involved (₹) in million
1.	Show Cause Notice	1	0
2.	Criminal Cases	11	0
i	<i>Quantifiable</i>	0	0
ii	<i>Unquantifiable</i>	11	0
3.	Civil Cases	6	0
4.	Regulatory Appeals	2	0
5.	Cases under the Negotiable Instruments Act, 1881	0	0
6.	Consumer Complaints	23	5.24
i	<i>Quantifiable</i>	23	5.24
ii	<i>Unquantifiable</i>	0	0
7.	Arbitration Proceedings	15	11.32
i	<i>Quantifiable</i>	15	11.32
ii	<i>Unquantifiable</i>	0	0
8.	Labour Matters	5	0
9.	Tax Cases	1	1.02
	Total	64	17.58

Litigations against the Company's Subsidiaries

Sr. No.	Nature of the litigation	Number of outstanding litigations	Aggregate amount involved (₹) in million
1.	Criminal Cases	10	0
i	<i>Quantifiable</i>	0	0
ii	<i>Unquantifiable</i>	10	0
2.	Civil Cases	5	2.59
i	<i>Quantifiable</i>	2	2.59
ii	<i>Unquantifiable</i>	3	0
3.	Cases under Negotiable Instruments Act, 1881	0	0
4.	Consumer Complaints	15	4.27
i	<i>Quantifiable</i>	14	4.27
ii	<i>Unquantifiable</i>	1	0
5.	Arbitration Proceedings	0	0
6.	Labour Matters	1	0.28
7.	Tax Cases	3	1
	Total	34	8.22

The natures of cases under each of the categories as mentioned in the tables above are as follows:

Litigation against the Company

1. Civil Cases – These matters are filed against the Company in respect to recovery suits and money claims.
2. Consumer Complaints – These matters are filed against the Company alleging deficiency in services and are pending before various forums.
3. Arbitration Proceedings – These matters are filed against the Company in relation to trade disputes pending before arbitration at NSE and BSE.
4. Labour Matters - These matters are filed before the labour tribunal by ex-employees against the Company relating to employment related disputes under relevant applicable statutes.

Litigation against the Subsidiaries

1. Civil Cases – These are in respect of recovery suits filed against the Subsidiaries of the Company, recovery of salary dues along with interest and other expenses in relation to the applicable provisions of various statutes.
2. Consumer Complaints – These are filed against the Company's Subsidiaries alleging deficiency in services and other related matters and are pending before various forums.
3. Labour Matters – These are employee matters relating to employment disputes, filed against the Company's Subsidiary which is pending before various labour/industrial tribunals.
4. Tax Matters – These matters relate to notices received by the Company's Subsidiaries in relation to Income Tax, Income Tax returns filed and non-payment of duty chargeable under the Indian Stamp Act and appeal filed against the demand levied by the Tax authorities.

For further details of the legal proceedings, please see the section titled "Outstanding Litigation and Material Developments" on page 349 of this Draft Red Herring Prospectus.

4. ***We have been penalized in past for not complying with the directions and circulars by stock exchanges and regulator(s) and may face further penalties from any stock exchange and/or other regulatory bodies that govern us in cases of non-compliance in future. Further, we have settled in past certain proceedings under SEBI consent mechanism and paid settlement fee for such proceedings. There can be no assurance that we will not be subjected to such consent orders in the future, which may in turn adversely affect our operations and profitability.***

We have been penalized by the NSE, BSE and MCX-SX in the past with a gross penalty of ₹ 3.68 million out of which ₹ 0.46 million was refunded to our Company making the net penalty to ₹ 3.22 million imposed on our Company for certain deficiencies noticed by exchanges and regulators on account of lapses such as discrepancies pertaining to settlement of funds and wrong reporting of margin collections, the PAN number not being available on contract note, shortfall in collection of daily margins, receipts from clients through own bank accounts in some instances/ payments to clients through own bank account in some instances, non-issue of statement of accounts to some constituents and error in format of contract notes.

Further, in past we had settled and disposed certain proceedings against our Company under the SEBI settlement mechanism, where in, violations of certain SEBI regulations and circulars, like the SEBI (Stock Broker and Sub-broker) Regulations, 1992, SEBI (Prohibition of Fraudulent and unfair Trade Practices relating to the Securities Market) Regulations, 2003, were alleged by SEBI. The same were disposed of, without the admission of guilt by our Company. The aggregated amount paid towards the settlement proceedings under such consent orders by our Company was ₹ 7.43 million. There can be no assurance that we will not be subjected to such penalties or such consent orders in the future, which may in turn adversely affect our operations and profitability. For details

of the past penalties, please refer to the section titled “Outstanding Litigation and Material Developments” beginning on page 349.

5. *Certain of our Subsidiaries have incurred losses during the last three fiscal years and the period ended on June 30, 2014, which may adversely affect our results of operations.*

Certain of our Subsidiaries have incurred losses in the last three fiscal years and the period ended on June 30, 2014, as set forth in the table below:

(₹ in million)

Subsidiary	Period ended on June 30, 2014	Fiscal 2014	Fiscal 2013	Fiscal 2012
SMC Investments and Advisors Limited	(5.43)	(18.96)	(37.82)	(95.46)
SMC Capitals Limited	-	(17.76)	-	(12.84)
SMC Comex International DMCC	-	(6.38)	-	-
SMC ARC Limited	-	(0.85)	-	-
SMC Real Estate Advisors Private Limited	(8.73)	-	(1.39)	-

In the event that these Subsidiaries continue to incur losses or any of our other Subsidiaries incur losses, our Company’s consolidated results of operations and financial condition will be adversely affected. For further details, see the section titled “History and Other Corporate Matters” beginning on page 162.

6. *Some of our Group Companies has incurred losses in the past and we cannot assure you that these companies will not incur further losses in the future.*

Some of our Group Companies have incurred losses. Please see below the profit / (loss) figures for these Group Companies for the past three financial years:

(₹ in million)

Group Company	Fiscal 2014	Fiscal 2013	Fiscal 2012
MVR Share Trading Private Limited	(0.03)	(1.13)	(1.06)
Pulin Investments Private Limited	(0.03)	0.47	(1.10)
Dee Faces Herbal Private Limited	(0.09)	0.07	0.37
SMC Share Brokers Limited	(0.09)	(0.12)	(0.35)
Shivraj Exim Private Limited	1.02	(0.009)	(0.01)

7. *We have had negative net cash flows from our operating, investing and financing activities in some of the recent fiscal years. Any negative cash flows in the future may adversely affect our results of operations and financial condition.*

We had negative net cash flows (on consolidated basis) from our operating, investing and financing activities in the last three fiscal years and the period ended on June 30, 2014, the details of which are summarized below:

(₹ in million)

Particulars	Period ended on June 30, 2014	Fiscal 2014	Fiscal 2013	Fiscal 2012
Net cash generated from / (used in) operating activities	(86.28)	84.09	1231.17	(250.77)
Net cash generated from / (used in) investing activities	42.06	(35.76)	(121.98)	111.74
Net cash generated from / (used in) financing activities	26.05	(119.11)	(1,090.50)	290.08
Adjustment on account of change	-	(8.14)	(311.25)	228.37

Particulars	Period ended on June 30, 2014	Fiscal 2014	Fiscal 2013	Fiscal 2012
in minority interest				
Net increase (decrease) in Cash & Cash Equivalents	(18.17)	(78.92)	(292.56)	379.42

Any negative cash flows in the future may adversely affect our results of operations and financial condition. For further details please see the sections titled “Financial Statements” beginning on page 206.

8. *Net Proceeds would not result in creation of fixed assets. Further, our Objects of the Issue have not been appraised thereby allowing our Company to use the Net Proceeds at our discretion.*

We intend to use a portion of the Net Proceeds towards enhancing margin requirements at stock exchange(s), investment in our subsidiaries i.e. Moneywise Financial Services Private Limited, SMC Capitals Limited and other General Corporate Purpose. The Net Issue proceeds shall not result in the creation of any fixed assets.

None of the Objects have been appraised by any bank or financial institution or any other independent third party organisation. The funding requirements of our Company and the deployment of the Net Proceeds of the Issue are currently based on management estimates. The funding requirements of our Company are dependent on a number of factors which may not be in the control of our management, including variations in interest rate structures, changes in our financial condition and current commercial conditions and are subject to change in light of changes in external circumstances or in our financial condition, business or strategy. For further details on the use of the Issue Proceeds, please see the section titled "Objects of the Issue" beginning on page 97.

9. *Our auditors had certain qualifications in their Audit Report for Fiscal 2011.*

Our auditors, for such relevant specific period, had qualified their audit reports on our consolidated financial statements for the audited fiscal year March 31, 2011 and for the unconsolidated financial statements for the audited fiscal year March 31, 2011. For further details see “Financial Statements – Restated Consolidated Financial Statement – Auditor’s Report – 4 (f)” on page 206 and “Financial Statements – Restated Unconsolidated Financial Statement – Auditor’s Report – 3 (f)” of this Draft Red Herring Prospectus.

Our Auditors in their restated consolidated financial statements and restated unconsolidated financial statements, which been included in this Draft Red Herring Prospectus, have indicated that necessary adjustments pertaining to such qualifications, wherever required, have been incorporated.

10. *Investment out of the Net Proceeds in certain of our Subsidiaries may be in the form of equity or unsecured loan. Should the Company decide to make an investment through unsecured loan, in the event of default on repayment of such loan or inability of our Subsidiaries to repay such loan, our Company will not be in a position to enforce any security in order to recover such loan amounts*

Our Company proposes to infuse funds out of the Net Proceeds in certain of our operating Subsidiaries, in order to achieve the Objects. For further details, please see the section titled “Objects of the Issue” beginning on page 97. Investment out of the Net Proceeds in certain of our Subsidiaries may be in the form of equity or unsecured loan. In the event of default on repayment of such loan or inability of our Subsidiaries to repay such loan, our Company will not be in a position to enforce any security in order to recover such loan amounts.

11. *We face intense competition in our businesses, which may limit our growth and prospects.*

Our Company faces significant competition in all our lines of business. We compete with other Indian and foreign brokerage houses, investment banks, insurance brokers, wealth managers and distributors of financial products, operating in the market segments in which we are present. For further details, please refer to the section titled “Our Business - Competition” beginning on page 135 of this Draft Red Herring Prospectus.

We compete on the basis of a number of factors and our competitors may have advantages over us, including, but not limited to substantially greater financial resources, longer operating history than us in certain of our businesses, greater brand recognition among consumers or a larger customer base than us. Also, certain Indian and foreign commercial banks have begun offering services that we currently provide, such as broking, depository participant services, merchant banking which has increased competition. These competitive pressures

may affect our business, and our growth will largely depend on our ability to respond in an effective and timely manner to these competitive pressures.

12. *Our growth will depend on our ability to develop our brand and failure to do so will negatively impact our ability to effectively compete in this industry.*

We believe that we need to continue to build our brand, particularly in our new businesses, like investment banking and wealth management which will be critical to achieving widespread recognition of our services. Promoting and positioning our brand will depend largely on the success of our marketing efforts and our ability to provide high quality services. The brand promotion activities that we may undertake may not yield increased revenues, and even if they do, any increased revenues may not offset the expenses we incur in building our brand. If we are unable to promote and maintain our brand, our business, financial condition and results of operations could be adversely affected.

13. *We have not complied in past with certain corporate governance requirements mentioned under Clause 49 of the Equity Listing Agreement relating to the composition of our Board.*

Although we are currently in compliance under clause 49 of the Equity Listing Agreement, we have not complied in past with certain corporate governance requirements envisaged under Clause 49 of the Equity Listing Agreement, relating to the composition of our Board. The Securities Contracts (Regulation) Act, 1956 prescribes certain penalties for non-compliance with the conditions of the Equity Listing Agreement. While presently, no penalties or suspension of trading has been imposed on us by the Stock Exchanges; we cannot assure you that such action will not be taken in the future or that we will remain in compliance with the Equity Listing Agreement. In case the Stock Exchange(s) impose any penalty or take any action against us, it may have an adverse effect on our operations and financial condition.

14. *Our Contingent Liabilities could adversely affect our financial condition.*

We have not provided for certain contingent liabilities as on June 30, 2014 and March 31, 2014, which if materialise could adversely affect our financial position. Our contingent liabilities where quantifiable on consolidated basis as on June 30, 2014 and March 31, 2014 is as follows:

<i>(Amount in ₹ million)</i>		
Particulars	As at June 30, 2014	As at March 31, 2014
ESI Demand in dispute	3.11	3.11
On account of income tax demand	0.68	0.68
On account of sales tax demand	0.68	0.68
Total	4.47	4.47

If a significant portion of these liabilities materialise, it could have an adverse effect on our business, financial condition and results of operations. For further information on our contingent liabilities, see the section titled “Financial Statements” beginning on page 206.

15. *We face risks attributable to derivatives trading by clients and possible inadequacy of risk management systems and policies which may affect our financial condition.*

We offer our clients the facility to trade in derivative instruments in the securities, currency and commodities market as is currently permitted in India. Since by their very nature, these derivative instruments involve leveraged positions on the underlying assets, these are riskier to deal with, as compared to the other financial instruments and as such, investors and the market intermediaries are exposed to a greater risk in dealing with such instruments. We are exposed to a greater risk since we deal in such instruments on behalf of our clients and may face financial losses if we fail to manage prudently the risk of our clients’ dealing in derivative instruments.

16. *Some of our business is dependent on the relationships formed by our relationship managers. Any events jeopardizing these relationships including the loss of our relationship managers will lead to a decline in our sales and profits.*

Certain of our businesses such as brokerage business are dependent on our team of relationship managers who directly manage client relationships. We encourage dedicated relationship managers to service specific clients since we believe that this leads to long-term client relationships and better cross-selling opportunities. Our

business and profits would suffer materially if a substantial number of relationship managers either became ineffective or leave the organisation.

17. Some of our records relating to the forms and reports to be filed with the Stock Exchange(s), including those required pursuant to SEBI ICDR Regulations and guidelines are not traceable and we cannot assure you if these forms were duly filed on a timely basis or at all.

We have been unable to locate copies of certain regulatory records that we are required to file under various guidelines and regulations prescribed by SEBI and/or the Stock Exchanges(s), including prescribed forms and filings under Regulation 7 of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997. Since copies of these are unavailable with us, we cannot assure you that these forms or reports were duly filed on a timely basis, or at all. We cannot assure you that records of these forms will be available in the future or that we will not be subject to any penalty imposed by the competent regulatory authority in this respect. If either the Stock Exchange(s) or SEBI impose any penalty or take any action against us, it may have an adverse effect on our operations and financial condition.

18. We have not obtained certain licenses under certain state legislations and there can be no assurance that relevant authorities will issue such licenses or approvals to us in a timely manner or at all which may adversely affect our results of operations.

We have not obtained licenses under the relevant state legislations governing the registration of shops and establishments for our branches. There can be no assurance that the relevant authorities will issue such licenses or approvals to us or that they will be issued on time.

Further, the competent authority under the relevant state legislations governing the registration of shops and establishments may find us in violation of such legislation and impose statutory penalty for not obtaining the registration, which may adversely affect our results of operations.

19. We operate in businesses which are subject to extensive regulatory requirements and any failure to comply with any of such regulations could subject us to penalties or sanctions.

Our businesses are subject to extensive regulation by the SEBI, the FMC, the RBI and the IRDA and other governmental regulatory authorities. We are also regulated by industry self-regulatory organisations, stock and commodities exchanges. The regulatory environment in which we operate is also subject to change and we may be adversely affected as a result of new or revised legislation or regulations imposed by the SEBI, other governmental regulatory authorities or self-regulatory organizations. We are also subjected to periodic reviews, requests for submission of information, audit and inspections from various regulatory agencies. Non-compliance with any of these regulations and/or adverse findings may expose us to various actions by the respective authorities which may adversely affect our business operations and financial condition.

We are also subject to changes in Indian law, as well as to changes in regulations and accounting principles. There can be no assurance that the laws governing the Indian financial services sector will not change in the future or that such changes would not adversely affect our business and future financial performance. We face the risk of significant intervention by regulatory authorities in all jurisdictions in which we conduct our business. Among other things, we could be fined, prohibited from engaging in some of our business activities or may get subjected to limitations or conditions on our business activities.

Furthermore, we are required to incur substantial costs to monitor compliance and comply with such regulations. If we are found to have violated an applicable regulation, administrative or judicial proceedings may be initiated against us that may result in censures, fines, trading bans, deregistration or suspension of our business licenses, the suspension or disqualification of our officers or employees, or other adverse consequences. We could also be subjected to constraints or conditions on operating our business activities and may incur fines, receive regulatory cautions or show cause notices and be barred from engaging in certain business activities. The imposition of any of these or other penalties or restrictions could have a material adverse effect on our business, reputation, financial condition and results of operations.

20. *We engage employees on a contractual basis for carrying out certain of our operations and we are responsible for paying the wages of such employees, if the independent contractors, through whom such workers are hired, default on their obligations, which could have an adverse effect on our results of operations and financial condition.*

In order to retain operational efficiencies, we engage independent contractors who in turn engage on-site employees on a contract basis for performance of certain of our ancillary operations. As of September 30, 2014, we have engaged 232 employees on contractual basis at our office(s). Although we do not engage these employees directly, we are responsible for any wage payments to be made to such employees in the event of default by such independent contractors. Any requirement to fund their wage requirements may have an adverse impact on our results of operations and financial condition. In addition, under the Contract Labour (Regulation and Abolition) Act, 1970, as amended, we may be required to absorb a number of such employees on contractual basis as permanent employees. Thus, any such order from a regulatory body or court may have an adverse effect on our business, financial condition and results of operations.

21. *Our risk management policies and procedures may leave us exposed to unidentified or unanticipated risk which could adversely affect our business and results of operations.*

We are exposed to a variety of risks, including liquidity risk, interest rate risk, credit risk, operational risk and legal risk. The effectiveness of our risk management is limited by the quality and timeliness of available data. Our risk management techniques may not be fully effective in mitigating our risks in all market environments or against all types of risk, including risks that are unidentified or unanticipated. Some methods of managing risks are based upon observed historical market behaviour. As a result, these methods may not predict future risk exposures, which could be greater than the historical measures indicated. Other risk management methods depend upon an evaluation of information regarding markets, customers or other matters. This information may not in all cases be accurate, complete, up-to-date or properly evaluated. Management of operational, legal or regulatory risk requires among other things, policies and procedures to record and verify a number of transactions and events properly. Although we have established these policies and procedures, they may not be fully effective.

Additionally, our risk management strategies and techniques may not be fully effective in mitigating our risk exposure in all market environments or against all types of risk. We are also exposed to the risk that third parties that owe us money, securities or other assets will not perform their obligations. These parties may default on their obligations to us due to bankruptcy, lack of liquidity, operational failure, breach of contract and other reasons. As a clearing and trading member, we settle our constituents' positions and could be held responsible for the defaults or misconduct of our constituents. Although we regularly review credit exposures to specific clients and counterparties that we believe may present credit concerns, default risk may arise from events or circumstances that are difficult to detect or foresee. In addition, concerns about, or a default by, one institution could lead to significant liquidity problems, losses or defaults by other institutions, which in turn could adversely affect us. Also, risk management policies and procedures that we utilize with respect to investing our own funds or committing our capital with respect to investment banking, trading activities and investment advisory services activities may not protect us or mitigate our risks from those activities. If any of the variety of instruments, processes and strategies we utilize to manage our exposure to various types of risk are not effective, our business and results of operations could be adversely affected.

22. *A part of our Registered Office is not owned by us and we enjoy only a leasehold right over it. Further, most of our branches and offices are housed in leased premises. In the event we are unable to renew such lease agreements, our business, financial condition and results of operations could be adversely affected.*

We have obtained lease for various parts (being ground floor, part of basement and third floor) of our Registered Office from (i) Mr B.B Chadha vide lease deed dated May 15, 2008; (ii) M/S Classic Estates Private Limited vide an assignment agreement dated August 27, 2009; (iii) Mr. Rajiv Gupta and Mr. Manish Gupta vide lease agreement dated December 12, 2012; (iv) M/S K.K Gupta & Sons (HUF) vide lease agreement dated December 17, 2012; and (v) M/C P.K Gupta & Sons (HUF) vide lease agreement dated December 17, 2012.

In the event we are unable to renew the lease agreements or the same are terminated by the lessors, we may suffer a disruption in our operations.

Further, except for two (2) branch offices located at Delhi and one (1) branch office at Kolkata, our other branch offices are housed in lease premises and can be terminated by the lessors at the end of the lease period. In case of such termination, we may encounter delay in finding suitable alternative properties in required timeframe or may not find alternatives at all. Because of the nature of our business, continuity of operations and access to facilities and systems is of critical importance. As a result, the termination, or threat of termination, of any of our leases would have a substantial disruptive effect on our business, distract our management and employees and may increase our expenses. The termination of any of our leases could have a material adverse effect on our business and our financial condition.

23. Our business requires us to obtain and renew certain licenses and permits from government and regulatory authorities and the failure to obtain or renew them in a timely manner may adversely affect our business operations.

Our business require us to obtain and renew from time to time, certain approvals, licenses, registrations and permits, some of which have expired and for which we have either made or are in the process of making an application for obtaining the approval or its renewal. In addition, we require certain approvals, licenses, registrations and permissions under various regulations, guidelines, circulars and statutes regulated by authorities such as the SEBI, the RBI, the Stock Exchanges and certain other regulatory and government authorities, for operating our business. In particular, we are required to obtain a certificate of registration for carrying on certain of our business activities from SEBI and other such regulatory authorities that are subject to numerous conditions. If we fail to maintain such registrations and licenses or comply with applicable conditions, our certificate of registration for carrying on a particular activity may be suspended and/or cancelled and we will not then be able to carry on such activity. This could materially and adversely affect our business, financial condition and results of operations.

We cannot assure you that we will be able to obtain approvals in respect of such applications or any application made by us in the future. For more information about the licenses required by us, see the section titled “Government and Other Approvals” beginning on page 382.

24. We face reputational risks in respect of the third party products and any non-performance by these products could adversely affect our reputation and our business.

We distribute financial products and services of third parties including mutual fund schemes and primary market equities. Whilst we are not contractually liable for the performance of such third parties and their products, in the event of any deficiency in service by such third party and/or non-performance of some of their products, our customers who avail of such products may incur losses. We may be subject to reputational risks in such cases which could adversely affect our business and results of operations.

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

We may acquire or make investments in complementary businesses, technology, services or products or enter into strategic partnerships with parties who can provide access to those assets, if appropriate opportunities arise. The general trend towards consolidation in the financial services industry increases the importance of our ability to successfully complete such acquisitions and investments. We may not identify suitable acquisition, investment or strategic partnerships, or if we do identify such opportunities, we may not complete those transactions on commercially acceptable terms, or at all. If we acquire another company, we could have difficulty in assimilating that company’s personnel, operations, technology and software. In addition, the key personnel of the acquired company may decide not to work for us. If we make other types of acquisitions, we could have difficulty in integrating the acquired products, services or technologies into our operations. These difficulties could disrupt our on-going business, distract our management and employees and increase our expenses.

26. Credit risk exposes us to losses caused by financial or other problems experienced by third parties.

We are exposed to the risk that third parties that owe us money, securities or other assets will not perform their obligations. Such third parties include constituents, exchanges, clearing houses, and other financial intermediaries. These parties may default on their obligations owed to us due to insolvency, lack of liquidity, operational failure, government or other regulatory intervention or other reasons. In these circumstances, we are exposed to risks arising, for example, from holding securities of third parties; executing securities trades that fail

to settle at the required time due to non-delivery by the counterparty or systems failure by constituents, exchanges, clearing houses or other financial intermediaries. Significant failures by third parties to timely perform their obligations owed to us could materially and adversely affect our financial position, our ability to borrow in the credit markets and our ability to operate our business.

27. Downturns or disruptions in the financial markets could reduce transaction volumes which may adversely affect our results of operations.

Our businesses are materially affected by conditions in the domestic and global financial markets and economic conditions in India and throughout the world. For instance, revenue generated by our broking, investment banking and advisory business is directly related to the volume and value of the transactions in which we are involved. During periods of unfavourable market or economic conditions, the volume and value of primary and secondary market transactions may decrease, thereby reducing the demand for our broking, investment banking and advisory services and increasing price competition among financial services companies seeking such engagements. A market downturn would likely lead to a decline in the volume of transactions that we execute for our customers. Any such decline in transaction volumes would lead to a decline in our revenues received from brokerage and commissions. Our results of operations would be adversely affected by any reduction in the volume or value of broking and investment banking transactions.

Many factors or events could lead to a downturn in the financial markets including war, acts of terrorism, natural catastrophes and sudden changes in economic and financial policies. These types of events could affect confidence in the financial markets and impair our ability to function effectively. Substantial portion of our revenues in recent years have been derived from capital markets activities, and although we continue to diversify our revenue sources, we expect this business to continue to account for a significant portion of our revenues in the foreseeable future. Any downturn or disruption in the securities markets and the capital markets specifically would have a material adverse effect on our results of operations. Even in the absence of a market downturn, we are exposed to substantial risk of loss due to market volatility. Any such future volatility may have an adverse effect on market-sentiment, and hence could adversely impact our business, prospects, financial condition and results of operations.

28. We are exposed to employee misconduct, fraud or errors that are difficult to detect and any such incidences adversely affect our financial condition, results of operations and reputation.

Employee misconduct, fraud or errors expose us to business risks or losses, including regulatory sanctions and serious harm to our reputation. Such employee misconduct include binding us to transactions that exceed authorized limits that present unacceptable risks to us, hiding unauthorised or unsuccessful activities and improper use of confidential information. It is not always possible to detect or deter misconduct, and the precautions we take to prevent and detect such activity may not be effective in all cases. Our employees and agents also commit errors that subject us to claims and proceedings for alleged negligence, as well as regulatory actions. For further details, please refer to Financial Statements – Restated Unconsolidated Financial Statement – Auditor’s Report – 3 (f) beginning at page 206. In such cases of employee misconduct, fraud or errors, our business, financial condition, results of operations and reputation could be adversely affected.

29. We may not be able to sustain effective implementation of our business and growth strategies and any such failure could adversely affect our business and results of operations.

The success of our business will depend greatly on our ability to effectively implement our business and growth strategies. We may not be able to execute our strategies in the future. Further, our growth strategies could place significant demand on our management team and other resources and would require us to continuously develop and improve our operational, financial and other controls, none of which can be assured. Any failure on our part to scale up our infrastructure and management could cause disruptions to our business and could be detrimental to our long-term business outlook.

30. We are highly dependent on our management team and key personnel and loss of any key team member may adversely affect our business performance.

Our business is dependent upon our core management team which oversees the day-to-day operations, strategy and growth of our business. Our success is largely dependent on the management team which ensures the implementation of our strategy. If one or more members of our key management team are unable or unwilling to continue in their present positions, such persons may be difficult to replace and our business, prospects,

financial condition and results of operations could be adversely affected. In addition, our success in expanding our business will also depend, in part, on our ability to attract, retain and motivate appropriately qualified personnel. Our failure to successfully manage our personnel needs could materially adversely affect our business, prospects, financial condition and results of operations. If we are unable to address these risks, our business, financial condition and results of operations could be adversely affected.

31. *Our brokerage revenues are dependent on the income generated by sub-brokers and authorized persons. Any loss of our major sub-brokers or authorised persons may adversely affect our brokerage revenues and results of operations.*

We have 2,443 registered sub-brokers and authorized persons with a PAN-India presence. There can be no assurance that a particular sub-broker or authorized person would continue remain associated with us on mutually agreed terms and conditions or at all, which may have an adverse effect on our business. Further, in the event these sub-brokers or authorized persons impose certain terms and conditions, which may not be favourable to us, it may have an adverse effect on our business.

In the event of termination of the agreements with any of these sub-brokers or authorised persons and for any reasons whatsoever, we could lose the business handled through by such sub-brokers and authorised persons. In addition, the Company may suffer reputational damage if such sub-brokers and authorised persons were not to conduct its business in accordance with good practice.

Further, with the increased competition, the sub-brokers and authorized persons now have an increased choice of entities with whom they can be associated. Some of our competitors may have advantages that enable them to offer better margins to sub-brokers or authorised persons, which may lead to our sub-brokers and authorised persons to get disassociated from us and we may lose such sub-brokers and authorised persons to our competitors.

32. *Our operations and infrastructure may malfunction or fail which may result in financial loss, disruption of our businesses, liability to clients, regulatory intervention or damage to our reputation.*

Our businesses are highly dependent on our ability to process, on a daily basis, a large number of increasingly complex transactions across diverse markets. Our broking terminals, financial, accounting or other data processing systems may fail to operate properly or become disabled as a result of events that are wholly or partially beyond our control, including a disruption of electrical or communications services. The inability of our systems to accommodate an increasing volume of transactions could also constrain our ability to expand our businesses. If any of these systems do not operate properly or are disabled or if there are other shortcomings or failures in our internal processes, people or systems, it could affect our liquidity or result in financial loss, disruption of our businesses, liability to clients, regulatory intervention or damage to our reputation.

We also face the risk of operational failure of any of our infrastructure and support service providers, including exchanges, clearing houses or other financial intermediaries, or our telecom linkage providers, that we use to facilitate our securities transactions. Any such failure or termination could adversely affect our ability to effect transactions and to manage our exposure to risk.

In addition, our ability to conduct business may be adversely impacted by a disruption in the infrastructure that supports our businesses and the communities in which we are located. This may include a disruption involving electrical, communications, transportation or other services used by us or third parties with which we conduct business, whether due to fire, other natural disaster, power or communications failure, act of terrorism or war or otherwise. Insurance policies to mitigate these risks may not be available or may be more expensive than the perceived benefit. Further, any insurance that we may purchase to mitigate certain of these risks may not cover our loss.

Our operations also rely on the secure processing, storage and transmission of confidential and other information in our computer systems and networks. Our computer systems, software and networks may be vulnerable to unauthorized access, computer viruses or other malicious code and other events that could have a data security impact. We may be required to expend significant additional resources to modify our protective measures or to investigate and remediate vulnerabilities or other exposures, and we may be subject to litigation and financial losses that are either not insured against or not fully covered through any insurance maintained by us.

Our Company, with a view to tackle the various potential risks, has put a risk mitigation system in place, which *inter alia* includes installation of financial accounting and other data processing system. With a view to prevent disruption of the Company's processing system owing to potential threats of fire, water leakage, power outage and other foreseeable risks, our Company's data centres are equipped with fire detection system, water leakage detection system and rodent replant system, precision air conditions, uninterrupted power supply systems, with the capability to deliver more than 5 hours electricity backup. Apart from this, an auto start generator set has been installed for longer power backups. As the primary business of our Company thrives on seamless connectivity with that of the platform of the stock exchanges, in addition to above, the Company has installed dual lease line links for exchange connectivity. Our Company has a dedicated IT team continuously monitoring its network and applications uptime and we have installed Bandwidth monitoring tool to monitor the bandwidth limits of the different lease lines and internet lines.

33. *We rely extensively on our information technology systems and we do not have a disaster recovery set-up in place, which could harm our operations and adversely impact our business.*

We use information systems and the Internet to deliver services to and perform transactions on behalf of our customers. Although we believe this approach is highly time-saving and cost-effective, we depend extensively on the capacity and reliability of the electronic systems supporting our operations. To date we have not experienced widespread disruptions of service to customers, but there can be no assurance that we will not encounter disruptions in the future due to substantially increased numbers of customers and transactions or for other reasons. Although we have a business continuity plan in place, we may experience system interruptions, errors or downtime or may be unable to develop necessary technology because of which our business, prospects, financial condition and results of operations could be materially adversely affected. Our hardware and software are also subject to damage or incapacitation by human error, natural disasters, power loss, sabotage, computer viruses and similar events or the loss of support services from third parties such as Internet backbone providers. As we use third party technology solutions for facilitating our customers to trade online platforms, through their terminals, mobile and tablet devices, we rely on such technology providers for maintenance of their respective products. Any exceptions on their part may result in our operations being adversely affected.

Since we retain confidential customer information in our database, our facilities and infrastructure must remain secure. We seek to protect our computer systems and network infrastructure from physical break-ins as well as security breaches and other disruptive problems caused by our increased internet connectivity. Computer break-ins and power disruptions could affect the security of information stored in and transmitted through these computer systems and networks. These concerns will intensify with our increased dependence on technology. We employ security systems, including firewalls and password encryption, designed to minimize the risk of security breaches but there can be no assurance that these security measures will be successful. Breaches of our security measures could affect the security of information stored in and transmitted through these computer systems and network infrastructure. A significant failure in data security measures could have a material adverse effect on our business, reputation and results of operations.

34. *We may face damage to our professional reputation and legal liability to our clients and affected third parties if our services are not regarded as satisfactory.*

We depend to a large extent on our relationships with our clients and if a client is not satisfied with our services, it may be more damaging in our business than in other businesses. Moreover, our role as advisor to our clients on wealth management services, and advisory transactions, such as private equity syndication, mergers and acquisitions and public offerings, involves complex analysis and the exercise of professional judgment. Our activities may subject us to the risk of significant legal liabilities to our clients and aggrieved third parties, including shareholders of our clients who could bring securities class actions against us. These risks often may be difficult to assess or quantify and their existence and magnitude often remain unknown for substantial periods of time. Our engagements typically include broad indemnities from our clients and provisions to limit our exposure to legal claims relating to our services, but these provisions may not protect us or may not be enforceable in all cases. As a result, we may incur significant legal expenses in defending against litigation.

35. *Our results of operations could be adversely affected by any disputes with employees.*

As of September 30, 2014, we employed 2,511 people across our Company and its subsidiaries. Currently, none of our employees are members of any labour union. While we believe that we maintain good relationships with

our employees, there can be no assurance that we will not experience future disruptions to our operations due to disputes or other problems with our work force, which may adversely affect our business and results of operations.

36. *We have entered into a number of related party transactions.*

We have entered into a number of related party transactions. Such transactions or any future transactions with related parties may potentially involve conflicts of interest and impose certain liabilities on our Company. There can be no assurance that we could not have obtained better and more favourable terms had our Company not entered into such related party transactions. Our Company may enter into such transactions in future also and we cannot assure you that in such event there would be no adverse effect on results of our operations. For further details, see the section titled “Financial Statements” beginning on page 206.

37. *We may require further funding which may be financed through debt instruments or equity issuance, which may lead to leverage, dilution of equity and may affect the market price of our Equity Shares.*

We may need other sources of financing to meet our business needs which may include entering into new debt facilities with lending institutions or raising additional debt in the capital markets. We may need to raise additional capital from time to time, depending on our business requirements. Any fresh issue of shares or convertible securities would dilute existing holders, and such issuance may not be done at terms and conditions, which are favourable to the then existing shareholders of our Company.

If we decide to raise additional funds through the incurrence of debt, our interest obligations will increase, and we may be subject to additional covenants, which could further limit our ability to access cash flows from our operations. Such financings could cause our debt to equity ratio to increase or require us to create charges or liens on our assets in favour of lenders. We cannot assure you that we will be able to secure adequate financing in the future on acceptable terms, in time, or at all. Our failure to obtain sufficient financing could result in the delay or abandonment of our expansion plans. Our business and future results of operations may be adversely affected if we are unable to implement our expansion strategy and may affect the market price of our Equity Shares.

38. *Our operations involve many risks and we may not have sufficient insurance coverage to cover our economic losses as well as certain other risks including those pertaining to claims by third parties and litigation.*

Operating financial services involves many risks and hazards which may adversely affect our profitability, including breakdown, failure or substandard performance of network equipment, third party liability claims, labour disturbances, employee frauds, infrastructure failure and terrorist activities.

Further, our insurance may not provide adequate coverage in certain circumstances including those involving claims by third parties and litigation and is subject to certain deductibles, exclusions and limits on coverage. We are also exposed to potential liability risks that are inherent in the business of financial services. We cannot assure you that the operation of our business will not be affected by any of the incidents and hazards listed above. If our arrangements for insurance or indemnification are not adequate to cover claims, including those exceeding policy aggregate limitations or exceeding the resources of the indemnifying party, we may be required to make substantial payments and our financial condition and results of operations may be adversely affected.

In addition, our Company cannot be certain that the coverage will be available in sufficient amounts to cover one or more large claims. There have been instances in the past where we have not been able to recover claims from insurance companies towards our monetary claims on the ground of gross negligence of terminal operator, delay in reporting the trade cancellations etc. We cannot be certain that such rejections of our insurance claims in full or in part, will not be repeated in future and which may have a material adverse effect to our business.

39. *Our Company has limited ability to protect our intellectual property and may be subject to third party claims and if we are unable to protect such intellectual property, our business could be adversely affected.*

We were assigned various intellectual properties vide a deed for partial assignment of trademarks and copyrights wherein our Company obtained ownership rights to the extent 60% and post-merger with Sam Global our

Company's ownership on intellectual properties has increased to 80%, the balance being owned by our Promoters, Mr. Subhash Chand Aggarwal and Mr. Mahesh Chand Gupta. Our Company has applied under a recordial application on TM 24 of registered trademarks dated June 08, 2011 pursuant to the merger between SAM Global Securities Limited to transfer 30 trademarks and two (2) copyrights its name. Further, we have applied for a trademark for the SMC logo under class 9 on June 2, 2006, vide an application number 1460394. The records of the Registrar Office have been updated and our Company is reflected as Proprietor of the said trademark but the Certificates have not yet been issued. Our efforts to protect our intellectual property rights may not be adequate and any third party claim on any of our unprotected intellectual property may lead to erosion of our business value and our operations could be adversely affected.

We are in a business where customer trust is critical and if the customers no longer identify us, it may affect our financial condition and result of operation. We also operate in a competitive environment where retention and recognition will be a significant element of our business strategy.

Our Company may need to litigate in order to protect our intellectual property or to prevent unauthorized use of the same. Any such litigation could be time consuming and costly and a favourable outcome cannot be guaranteed. In addition, our Company may not be able to detect any unauthorized use or take appropriate and timely steps to protect our intellectual property rights. Our inability to protect the same could adversely affect our business. We cannot provide any assurance that third parties will not infringe upon our trademark, trade names logos or brand names, copyrights and thereby cause damage to our business prospects, reputation or goodwill. For more details on the trademarks and copyrights registered in the name of our Company, please refer to the section titled "Government and Other Approvals" on page 382 of the Draft Red Herring Prospectus.

40. Our strategic alliances and non-exclusive arrangements in relation to our operations may not result in the desired benefits and may affect our financial condition adversely.

We have in the past entered into and may in the future enter into strategic alliances with various third parties and non-exclusive arrangements in relation to our operations. Such arrangements with third parties may subject us to numerous risks, including risks associated with sharing proprietary information, non-performance of obligations by such entities, the strategic partner creating similar alliances with our competitors and an increase in expenses incurred in establishing new strategic alliances, any of which may materially and adversely affect our business. We may not be able to control or monitor their actions. To the extent strategic third parties suffer negative publicity or harm to their reputation from events relating to their business, we may also suffer negative publicity or harm to our reputation by virtue of our association with such third parties.

41. We are subject to restrictive covenants under our credit facilities that could limit our flexibility in managing the business.

The agreements governing our existing indebtedness contain restrictions and limitations, such as restriction on, utilization of facility solely for the purpose sanctioned, incurring further indebtedness, creating further encumbrances on our assets, affecting any scheme of amalgamation or restructuring and undertaking guarantee obligations. In addition, some of these borrowings may contain financial covenants, which require us to maintain, among other matters, positive net worth. We cannot assure you that we will be able to comply with these financial or other covenants or that we will be able to obtain the consents necessary to take the actions we believe are necessary to operate and grow our business. Further, under one of our loan agreements, in the event of a default the lender has the right to appoint a nominee director. In any event, an event of default under any debt instrument, if not cured or waived, could have a material adverse effect on us.

42. We have not entered into any definitive agreements to monitor the utilization of the Issue Proceeds.

As per the SEBI ICDR Regulation, appointment of monitoring agency is required only for Issue size above ₹ 5,000 million. Hence we have not appointed any monitoring agency and the deployment of Net Proceeds as stated in the section titled "Objects of the Issue" beginning on page 97 of the Draft Red Herring Prospectus is not subject to monitoring by any independent agency.

The management of our Company, in accordance with policies established by our Board from time to time, will have flexibility in deploying the Net Proceeds. Pending utilisation of the Net Proceeds for the purposes towards Objects, our Company intends to temporarily invest the funds in high quality interest/dividend bearing liquid instruments including money market mutual funds, or deposits with banks for the necessary duration, as may be

approved by the Board of Directors or a committee thereof. For further details please refer the section titled “Objects of the Issue” beginning on page 97.

43. Third party statistical and financial data in this Draft Red Herring Prospectus may be incomplete or unreliable.

We have not independently verified the data in this Draft Red Herring Prospectus derived from industry publications and other third party sources and therefore we cannot assure you that they are complete or reliable. Such data may also be produced on different bases from those used in other countries. Therefore, in discussions of matters relating to India, its economy and our industry in this Draft Red Herring Prospectus, the statistical and other data upon which such discussions are based may be incomplete or unreliable. In addition, internal company reports have not been verified by independent sources and may be incomplete or unreliable.

44. Conflicts of interest may arise out of common business objects shared by our Company and certain of our Group Companies. There can be no assurance that such Group Entities will not compete with our existing business or any future business that we may undertake or that their interests will not conflict with ours.

Some of our Group Companies are involved in businesses that are similar to our business or could offer products that are related to our business, which could lead to potential conflicts of interest. Two of our group companies, Jai Ambey Share Broking Limited and SMC Share Brokers Limited, are registered as stock brokers and having a membership on the Delhi Stock Exchange Limited. The memorandum of association of each of these entities entitles each of them to undertake and carry out businesses that are similar or related to our business. There can be no assurance that these companies forming part of the Group Companies will not provide comparable services, expand their presence or acquire interests in competing ventures in the locations in which we operate. As a result, a conflict of interest may occur between our business and the business of our Group Companies which could have an adverse effect on our operations.

Further, there may be conflicts of interest in addressing business opportunities and strategies where other companies in which our Promoters, our Promoter Group and Group Companies have equity interests are also involved. In addition, new business opportunities may be directed to these affiliated companies instead of us leading to loss of our business and revenues.

45. We routinely engage in arbitrage and trading opportunities using our own capital. Any error in judgement or assessment of risk, or any other malafide representation of trade positions by our proprietary traders, or any other human or mechanical errors may result in an erosion of our capital and affect our financial conditions.

Our business operations include trading and arbitrage which requires a commitment of our own capital. We allocate capital towards such proprietary trading activities based on an internal assessment of our risk appetite. Adverse market conditions, error in judgement or assessment of risk, or any other malafide representation of trade positions by our proprietary traders, or any other human or mechanical errors may result in an erosion of our capital and affect our financial conditions.

46. The interests of our Directors may cause conflicts of interest in the ordinary course of our business.

Conflicts may arise in the ordinary course of decision-making by our Board. Some of our non-Executive Directors may also be on the board of directors of certain companies engaged in businesses similar to our business. In accordance with the procedure laid down in the Companies Act, our Directors are required to disclose any conflict of interest to our Board, following which they are allowed to participate in any discussions concerning the matters tabled before our Board. Further, certain of our Directors also hold Equity Shares and are interested to the extent of any dividend payable to them in respect of the same. For details, see the section titled “Our Management – Shareholding of the Directors” on page 179. There is no assurance that our Directors will not provide competitive services or otherwise compete in business lines in which we are already present or will enter into in the future.

47. *The BRLM and the CBRLM have relied on the Company and the Auditors for confirmation of items on the total assets, debtors and creditors for which they have not carried out physical and/ or independent verifications.*

As of June 30, 2014 and March 31, 2014, the total assets of the Company are valued at ₹ 9408.05 million and ₹ 9026.56 million, respectively. The BRLM and the CBRLM have not independently carried out a physical verification of such assets of the Company and have relied on the process of internal controls of the Company and the report of the Auditors.

As of June 30, 2014 and March 31, 2014, the total current and non-current receivables were ₹ 2852.94 million and ₹ 2577.14 million, respectively. Further, as of June 30, 2014 and March 31, 2014, the total trade payable were ₹ 1554.25 million and ₹ 1185.64 million, respectively. The BRLM and the CBRLM have not independently verified the authenticity of such debtors and creditors' details and have relied on the report of the Auditors, in which there are no specific reservations in this regard.

48. *Our Company has entered into several agreements including shareholders' and share subscription agreements and our inability to comply with such covenants may result in violation of certain provisions of these agreements leading to breach of our contractual obligations.*

Our Company has entered into several agreements with its investors including various shareholders' agreements and share subscription agreements. These covenants include:

- (i) Our Company, Mr. Subhash Chand Aggarwal, Mr. Mahesh Chand Gupta, other promoter group individuals and Bennett, Coleman & Co. Limited ("BCCL") have entered into a shareholders' agreement dated March 10, 2008 and a share purchase agreement dated December 18, 2010 with one of our promoter group companies, Pulin Investment Private Limited. Our shareholders agreement with Bennett, Coleman & Co. Limited and the share subscription agreement requires us to have the Company's shares listed on the BSE and/or NSE by March 30, 2015, failing which BCCL and our Company shall appoint a reputed consultant to value the shares of our Company and the Promoters shall either buy-back the shares or find a third party buyer to buy the BCCL shares at the price arrived at by the third party consultant or at a price not less than the price which ensures a 12% annualized return, whichever is higher.
- (ii) Our Company, Mr. Subhash Chand Aggarwal, Mr. Mahesh Chand Gupta, other promoter group individuals and Millennium have entered into a share subscription agreement dated May 12, 2007 amended vide subsequent amendment agreements dated July 13, 2011, October 27, 2012, June 10, 2013 and November 22, 2013, pursuant to which our Company and the promoters shall ensure that the equity shares of our Company are listed on the BSE and/or the NSE by March 31, 2015.
- (iii) Our share subscription agreement with the Millennium can be terminated at the option of Millennium, if by March 31, 2015, conditions exist to list the Equity Shares on the BSE and/or NSE and the promoters decide not to seek such listing for their own reasons or unless such listing is postponed at the request of Millennium. In accordance with our shareholders agreement with the Millennium, we are required to file our red herring prospectus within 30 days of obtaining SEBI clearance.
- (iv) Our Company, Mr. Mahesh Chand Gupta, Mr. Subhash Chand Aggarwal, individual/corporate shareholder entities and Sanlam International Investment Partners Limited have entered into a shareholders' agreement dated December 1, 2010, in terms of which the SIM Investor agreed to purchase 4.27% of the issued share capital of the Company. Further, pursuant to which our Company and the promoters shall ensure that the equity shares of our Company are listed on the BSE and/or the NSE by March 31, 2015.
- (v) Our Company, Sanlam Investment Management (Proprietary) Limited, ("SIM Investor") Mr. Subhash Chand Aggarwal, Mr. Mahesh Chand Gupta and other individual shareholders entered into a share subscription agreement dated September 14, 2008, under which SIM Investor agreed to acquire equity shares to a tune of 1% of the total paid up capital of the Company. Subsequently a share subscription agreement dated December 1, 2010 amended by agreements dated January 18, 2013, August 19, 2013 and December 16, 2013 was also entered into between the parties, under which the SIM Investor agreed to acquire 5.28% of the total equity capital of the Company.

In case we fail to comply with our obligations under these agreements we may be in breach of our contractual obligations. For further details of such agreements, please see the section titled “History and Other Corporate Matters” beginning on page 162.

49. *We will not receive any proceeds of the Offer for Sale.*

The Issue includes an Offer for Sale of Equity Shares up to ₹ 180 million by the Selling Shareholder (“Offer for Sale”). The entire proceeds of the Offer for Sale will be transferred to the Selling Shareholder and will not result in any creation of value for us or in respect of your investment in our Company.

50. *Certain of our Promoters, Directors and Key Managerial Personnel have interests in us other than reimbursement of expenses incurred and normal remuneration or benefits.*

Certain of our Promoters, Directors and Key Managerial Personnel may be regarded as having an interest in our Company other than reimbursement of expenses incurred and normal remuneration or benefits. Certain Directors and Promoters may be deemed to be interested to the extent of Equity Shares held by them and by members of our Promoter Group, as well as to the extent of any dividends, bonuses or other distributions on such Equity Shares.

For more information, see “Our Management” on page 179 and “Our Business” on page 135.

EXTERNAL RISK FACTORS

Risks relating to India

51. *Political instability or changes in the Government could delay the liberalisation of the Indian economy and adversely affect economic conditions in India generally, which could impact our financial results and prospects.*

Political instability or a change in economic liberalization and deregulation policies could seriously harm business and economic conditions in India generally and our business in particular. The Government of India has traditionally exercised and continues to exercise influence over many aspects of the economy. Our business and the market price and liquidity of our Equity Shares may be affected by interest rates, changes in Government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India. The rate of economic liberalization could change, and specific laws and policies affecting the real estate sector, foreign investment and other matters affecting investment in our securities could change as well. Any significant change in such liberalization and deregulation policies could adversely affect business and economic conditions in India, generally, and our business, prospects, financial condition and results of operations, in particular.

52. *The proposed adoption of IFRS could result in our financial condition and results of operations appearing materially different than under Indian GAAP.*

Public companies in India, including our Company, may be required to prepare annual and interim financial statements under Indian Accounting Standard 101 “First-time adoption of Indian Accounting Standards” (IndAs). Recently, the ICAI has released a near-final version of the IndAS. The Ministry of Corporate Affairs of the Government, on February 25, 2011, has announced that IndAS will be implemented in a phased manner and the date of such implementation will be notified at a later date. As at the date of this Prospectus, the MCA has not yet notified the date of implementation of IndAS. There is not yet a significant body of established practice on which to draw in forming judgments regarding its implementation and application. Additionally, IndAS has fundamental differences with IFRS and therefore financial statements prepared under IndAS may be substantially different from financial statements prepared under IFRS. There can be no assurance that our financial condition, results of operations, cash flow or changes in shareholders’ equity will not appear materially different under IndAS than under Indian GAAP or IFRS. As we adopt IndAS reporting, we may encounter difficulties in the on-going process of implementing and enhancing our management information systems. There can be no assurance that our adoption of IndAS will not adversely affect our reported results of operations or financial condition and any failure to successfully adopt IndAS in accordance with the prescribed timelines may have a material adverse effect on our financial position and results of operations.

53. *Our business and activities will be regulated by the Competition Act, 2002 (“Competition Act”) and any application of the Competition Act to us could have a material adverse effect on our business, financial condition and results of operations.*

The Competition Act, 2002 (“**Competition Act**”) seeks to prevent business practices that have a material adverse effect on competition in India. Under the Competition Act, any arrangement, understanding or action in concert between enterprises, whether formal or informal, which causes or is likely to cause a material adverse effect on competition in India is void and attracts substantial monetary penalties. Any agreement that directly or indirectly determines purchase or sale prices, limits or controls production, shares the market by way of geographical area, market, or number of customers in the market is presumed to have a material adverse effect on competition. Provisions of the Competition Act relating to the regulation of certain acquisitions, mergers or amalgamations which have a material adverse effect on competition and regulations with respect to notification requirements for such combinations came into force on June 1, 2011. The effect of the Competition Act on the business environment in India is unclear. If we are affected, directly or indirectly, by the application or interpretation of any provision of the Competition Act, or any enforcement proceedings initiated by the Competition Commission of India, or any adverse publicity that may be generated due to scrutiny or prosecution by the Competition Commission of India, it may have a material adverse effect on our business, prospects, results of operations, cash flows and financial condition.

54. *A slowdown in economic growth in India could adversely impact our business. Our performance and the growth of our business are necessarily dependent on the performance of the overall Indian economy.*

Any slowdown in the Indian or global economy could adversely affect our customers and the growth of our business, which in turn could adversely affect our business, financial condition and results of operations.

India’s economy could be adversely affected by a general rise in interest rates, currency exchange rates, adverse conditions affecting agriculture, commodity and electricity prices or various other factors. Further, conditions outside India, such as slowdowns in the economic growth of other countries could have an impact on the growth of the Indian economy, and government policy may change in response to such conditions.

The Indian economy and financial markets are also significantly influenced by worldwide economic, financial and market conditions. Any financial turmoil, especially in the United States of America, Europe or China, may have a negative impact on the Indian economy. Although economic conditions differ in each country, investors’ reactions to any significant developments in one country can have adverse effects on the financial and market conditions in other countries. A loss of investor confidence in the financial systems, particularly in other emerging markets, may cause increased volatility in Indian financial markets. Any prolonged financial crisis may have an adverse impact on the Indian economy, thereby having a material adverse effect on our business, financial condition and results of operations.

55. *Our Equity Shares are quoted in Indian rupees in India and investors may be subject to potential losses arising out of exchange rate risk on the Indian rupee and risks associated with the conversion of Indian rupee proceeds into foreign currency.*

Investors are subject to currency fluctuation risk and convertibility risk since the Equity Shares are quoted in Indian rupees on the Indian stock exchanges on which they are listed. Dividends on the Equity Shares will also be paid in Indian rupees. In addition, foreign investors that seek to sell Equity Shares will have to obtain approval from the RBI, unless the sale is made on a stock exchange or in connection with an offer made under regulations regarding takeovers. The volatility of the Indian rupee against the U.S. dollar and other currencies subjects investors who convert funds into Indian rupees to purchase our Equity Shares to currency fluctuation risks.

56. *Unfavourable changes in legislation, including tax legislation, or policies applicable to us could adversely affect our results of operations.*

Our business and operations are governed by various laws and regulations. Our business and financial performance could be adversely affected by any change in laws or interpretations of existing, or the promulgation of new laws, rules and regulations applicable to us and our business. There can be no assurance that the relevant governmental authorities will not implement new regulations and policies which will require us to obtain additional approvals and licenses from the government and other regulatory bodies or impose onerous requirements and conditions on our operations. Any such changes and the related uncertainties with respect to

the implementation of the new regulations may have a material adverse effect on our business, financial condition and results of operations.

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

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

The Government of India proposes to revamp the implementation of direct taxes by way of the introduction of the Direct Taxes Code (the "**DTC**"). If the DTC is passed in its present form by both houses of the Indian Parliament and approved by the President of India and then notified in the Gazette of India, the tax impact discussed in this DRHP will likely be altered by the DTC.

Further, the Government of India proposes for implementation of Goods and Services Tax (the "**GST**"). If the GST is passed in its present form by both houses of the Indian Parliament and approved by the President of India and then notified in the Gazette of India, the tax impact discussed in this DRHP will likely be altered by the GST.

The General Anti Avoidance Rules ("**GAAR**") have recently been notified by way of an amendment to the Income Tax Rules, 1962, and are scheduled to come into effect from April 1, 2016. While the intent of this legislation is to prevent business arrangements set up with the intent to avoid tax incidence under the Income Tax Act, certain exemptions have been notified, viz., (i) arrangements where the tax benefit to all parties under the business arrangement is less than ₹ 30 million, (ii) where Foreign institutional Investors ("**FIIs**") have not taken benefit of a double tax avoidance tax treaty under Section 90 or 90A of the Income Tax Act and have invested in listed or unlisted securities with SEBI approval, (iii) where a non-resident has made an investment, either direct or indirect, by way of an offshore derivative instrument in an FII, or (iv) where any income is accruing from transfer of investments made before August 30, 2010, provided in all cases that the GAAR will apply to any business arrangement pursuant to which tax benefit is obtained on or after April 1, 2015, irrespective of the date on which such arrangement was entered into.

We have not determined the impact of these recent and proposed laws and regulations on our business. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy in the jurisdictions in which we operate, including by reason of an absence, or a limited

body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current business or restrict our ability to grow our business in the future. Further, if we are affected, directly or indirectly, by the application or interpretation of any provision of such laws and regulations or any related proceedings, or are required to bear any costs in order to comply with such provisions or to defend such proceedings, our business and financial performance may be adversely affected.

57. *Investors may not be able to enforce a judgment of a foreign court against us or our management.*

The enforcement by investors in our Equity Shares of civil liabilities, including the ability to effect service of process and to enforce judgments obtained in courts outside of India may be affected adversely by the fact that we are incorporated under the laws of the Republic of India and almost all of our executive officers and Directors reside in India. Nearly all of our assets and the assets of our executive officers and directors are also located in India. As a result, it may be difficult to enforce the service of process upon us and any of these persons outside of India or to enforce outside of India, judgments obtained against us and these persons in courts outside of India.

India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. Recognition and enforcement of foreign judgments are provided for under Section 13 and Section 44A of the Civil Procedure Code respectively. The GoI has under Section 44A of the Civil Procedure Code notified certain countries as reciprocating countries, as discussed below. Section 13 of the Civil Procedure Code provides that a foreign judgment shall be conclusive regarding any matter directly adjudicated upon, between the same parties or between the parties whom they or any of them claim are litigating under the same title, except: (i) where the judgment has not been pronounced by a court of competent jurisdiction, (ii) where the judgment has not been given on the merits of the case, (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognise the law of India in cases in which such law is applicable, (iv) where the proceedings in which the judgment was obtained were opposed to natural justice, (v) where the judgment has been obtained by fraud, or (vi) where the judgment sustains a claim founded on a breach of any law in force in India.

Section 44A of the Civil Procedure Code provides that where a foreign judgment has been rendered by a court in any country or territory outside India, which the Government has by notification declared to be a reciprocating territory, it may be enforced in India by proceedings in execution as if the judgment had been rendered by the relevant court in India. However, Section 44A of the Civil Procedure Code is applicable only to monetary decrees not being in the nature of any amounts payable in respect of taxes or other charges of a similar nature or in respect of a fine or other penalties and does not include arbitration awards. The United Kingdom and some other countries have been declared by the Government to be a reciprocating territory for the purposes of Section 44A. However, the United States has not been declared by the Government to be a reciprocating territory for the purposes of Section 44A. A judgment of a court in the United States may be enforced in India only by a suit upon the judgment, subject to Section 13 of the Civil Procedure Code and not by proceedings in execution.

The suit must be brought in India within three years from the date of the foreign judgment in the same manner as any other suit filed to enforce a civil liability in India. Furthermore, it may be unlikely that an Indian court would enforce foreign judgments if it viewed the amount of damages awarded as excessive or inconsistent with public policy in India. A party seeking to enforce a foreign judgment in India is required to obtain prior approval from the RBI under FEMA to repatriate any amount recovered pursuant to execution and any such amount may be subject to income tax in accordance with applicable laws. Any judgment or award in a foreign currency would be converted into Indian Rupees on the date of the judgment or award and not on the date of the payment. Generally, there are considerable delays in the processing of legal actions to enforce a civil liability in India, and therefore it is uncertain whether a suit brought in an Indian court will be disposed off in a timely manner or be subject to considerable delays.

58. *There are restrictions on daily movements in the price of the Equity Shares, which may adversely affect investors' ability to sell Equity Shares or the price at which Equity Shares can be sold at a particular point in time.*

Subsequent to listing, the Equity Shares will be subject to a daily circuit breaker imposed on listed companies by all stock exchanges in India, which does not allow transactions beyond a certain volatility in the price of the Equity Shares. This circuit breaker operates independently of the index-based market-wide circuit breakers generally imposed by SEBI on Indian stock exchanges. The percentage limit on the Equity Shares' circuit

breaker will be set by the stock exchanges based on historical volatility in the price and trading volume of the Equity Shares. The stock exchanges are not required to inform us of the percentage limit of the circuit breaker and they may change the limit without our knowledge. This circuit breaker would effectively limit the upward and downward movements in the price of the Equity Shares. As a result of this circuit breaker, there can be no assurance regarding the ability of investors to sell Equity Shares or the price at which investors may be able to sell their Equity Shares.

59. *Our ability to raise foreign currency borrowings may be constrained by Indian law.*

As an Indian company, we are subject to exchange controls that regulate borrowing in foreign currencies. Such regulatory restrictions limit our financing sources and hence could constrain our ability to obtain financing on competitive terms and refinance existing indebtedness. In addition, we cannot assure you that the required approvals will be granted to us without onerous conditions, if at all. Limitations on raising foreign debt may have an adverse effect on our business, financial condition and results of operations.

60. *Economic developments and volatility in securities markets in other countries may also cause the price of our Equity Shares to decline.*

The Indian economy and its securities markets are influenced by economic developments and volatility in securities markets in other countries. Investors' reactions to developments in one country may have adverse effects on the market price of securities of companies located in other countries, including India. For instance, the economic downturn in the U.S. and several European countries during a part of fiscal 2008 and 2009, and the recent sovereign debt crisis in Europe and the United States, adversely affected market prices in the world's securities markets, including India. Negative economic developments, such as rising fiscal or trade deficits, or a default on national debt, in other emerging market countries may also affect investor confidence and cause increased volatility in Indian securities markets and indirectly affect the Indian economy in general.

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

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

62. *Terrorist attacks, civil unrest and other acts of violence or war involving India and other countries could adversely affect the financial markets and could have a material adverse effect on our business, financial condition and results of operations and the price of our Equity Shares.*

Terrorist attacks and other acts of violence or war may adversely affect the Indian markets on which our Equity Shares trade and also adversely affect the worldwide financial markets. These acts may also result in a loss of business confidence, making travel and other services more difficult and ultimately adversely affecting our business.

India has also witnessed civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic and political events in India could have an adverse impact on our business. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse impact on our business and the price of our Equity Shares.

Other acts of violence or war outside India, including those involving the United States, the United Kingdom or other countries, may adversely affect worldwide financial markets and could adversely affect the world economic environment, 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. South Asia has, from time to time, experienced instances of civil unrest and hostilities among other neighbouring countries.

63. India is vulnerable to natural disasters that could severely disrupt the normal operation of our business.

India has experienced natural calamities, such as tsunamis, floods, droughts and earthquakes in the past few years. The extent and severity of these natural disasters determines their impact on the Indian economy. For example, the erratic progress of the monsoon in 2004 and 2009 affected sowing operations for certain crops. Such unforeseen circumstances of below normal rainfall and other natural calamities could have a negative impact on the Indian economy. Because our operations are located in India, our business and operations could be interrupted as a result of a natural disaster in India, which could affect our business, financial condition, results of operations and the price of our Equity Shares.

64. An outbreak of an infectious disease or any other serious public health concerns in Asia or elsewhere could adversely affect our business.

The outbreak of an infectious disease in Asia or elsewhere or any other serious public health concern, such as swine influenza, could have a negative impact on the global economy, financial markets and business activities worldwide, which could adversely affect our business, financial condition, results of operations and the price of our Equity Shares. Although, we have not been adversely affected by such outbreaks in the past, we can give you no assurance that a future outbreak of an infectious disease among humans or animals or any other serious public health concerns will not have a material adverse effect on our business, financial condition, results of operations and the price of our Equity Shares.

65. Rights of shareholders under Indian law may be more limited than under the laws of other jurisdictions.

The Companies Act and related regulations, the Articles of Association and our Equity Listing Agreements govern our corporate affairs. Legal principles relating to these matters and the validity of corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as a shareholder than as a shareholder of a corporation in another jurisdiction.

66. A decline in India's foreign exchange reserves may affect liquidity and interest rates in the Indian economy, which could adversely impact our financial condition.

A decline in India's foreign exchange reserves could impact the valuation of the Rupee and result in reduced liquidity and higher interest rates, which could adversely affect our future financial condition. On the other hand, high levels of foreign funds inflow could add excess liquidity to the system, leading to policy interventions, which would also allow slowdown of economic growth. In either case, an increase in interest rates in the economy following a decline in foreign exchange reserves could adversely affect our business, prospects, financial condition, results of operations, and the price of the Equity Shares.

67. Companies operating in India are subject to a variety of central and state government taxes and surcharges.

Tax and other levies imposed by the central and state governments in India that affect our tax liability include: central and state taxes and other levies, income tax, value added tax, turnover tax, service tax, stamp duty and other special taxes and surcharges which are introduced on a temporary or permanent basis from time to time. Moreover, the central and state tax scheme in India is extensive and subject to change from time to time. For example, a new direct tax code is proposed to be introduced before the Indian Parliament. In addition, there is a proposal to introduce a new goods and services tax, and the scope of the service tax is proposed to be enlarged. The central or state governments may in the future increase the corporate income tax and other taxes they impose. Any such future increases or amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable. Additional tax exposure could adversely affect our business and results of operations.

68. Any downgrading of India's debt rating by an international rating agency could have an adverse impact on our business

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, our ability to obtain financing for capital expenditure and the trading price of our Equity Shares.

Risks relating to this Issue

69. There has been no trading in our Equity Shares since last three years.

The Equity Shares of our Company have not been traded for past three years in any of the stock exchange(s) where it is currently listed. There can be no assurance that an active trading market for the Equity Shares will develop or be sustained after this Issue or that the prices at which the Equity Shares are sold through this issue will correspond to the prices at which the Equity Shares will trade in the market subsequent to this Issue.

70. After this Issue, the price of our Equity Shares may be volatile, or an active trading market for our Equity Shares may not be sustained.

The price of our Equity Shares on the Stock Exchanges may fluctuate after this Issue due to a wide variety of factors, including:

- (i) volatility in the Indian and global securities markets;
- (ii) our operational performance, financial results and capacity expansion;
- (iii) developments in India's economic liberalisation and deregulation policies;
- (iv) changes in India's laws and regulations impacting our business;
- (v) changes in security analysts' recommendations or the failure to meet the expectations of securities analysts; and
- (vi) the entrance of new competitors and their positions in the market.

Further, there can be no assurance that the prices at which our Equity Shares have historically traded will correspond to the prices at which our Equity Shares will trade in the market subsequent to this Issue.

71. There is no guarantee that the Equity Shares will be listed on the Stock Exchanges in a timely manner or at all and any trading closures at the Stock Exchanges may adversely affect the trading price of our Equity Shares.

In accordance with Indian law and practice, permission for listing of the Equity Shares will not be granted until after those Equity Shares have been transferred by the Selling Shareholder pursuant to the Issue. There could be a failure or delay in listing the Equity Shares on the Stock Exchanges. Any failure or delay in obtaining the final approval for listing and trading from the Stock Exchanges would restrict your ability to transfer the Equity Shares.

72. There may be press coverage about this Issue. You should read this Draft Red Herring Prospectus carefully and we strongly caution you not to place any reliance on any information contained in press articles, including, in particular, any financial projections, valuations or other forward-looking information.

There may be press coverage about us and this Issue, primarily in India, that included certain projections, valuations and other forward-looking information. We wish to emphasise to potential investors that we do not accept any responsibility for the accuracy or completeness of such press articles and that such press articles were not prepared or approved by us. We make no representation as to the appropriateness, accuracy, completeness or reliability of any of the projections, valuations or other forward-looking information, or of any assumptions underlying such projections, valuations or other forward-looking information, included in or referred to by the media. Any such statements may be inconsistent with, or conflict with, the information contained in this Draft Red Herring Prospectus. Accordingly, you should only make your decision as to whether to purchase our Equity Shares by relying only on the financial, operational and other information contained in this Draft Red Herring

Prospectus.

Prominent Notes:

- Public Issue of [●] Equity Shares for cash at a price of ₹ [●] per Equity Share (including a share premium of ₹ [●] per Equity Share) aggregating to ₹ 1,250 million consisting of a fresh issue of [●] Equity Shares aggregating up to ₹ 1,070 million and an offer for sale of [●] Equity Shares by the Selling Shareholder aggregating up to ₹ 180 million.
- As of June 30, 2014, the net worth of our Company was ₹ 5151.03 million in accordance with the restated consolidated financial statements and ₹ 5265.63 million in accordance with the restated unconsolidated financial statements.
- As of June 30, 2014, the net asset value per Equity Share was ₹ 45.53 in accordance with the restated consolidated financial statements and ₹ 46.54 in accordance with the restated unconsolidated financial statements.
- The average cost of acquisition of Equity Shares of our Company by each of its Promoters is as tabulated below:

Promoter	Cost of acquisition (₹ per Equity Share of face value ₹ 2)
Mr. Subhash Chand Aggarwal	1.91
Mr. Mahesh Chand Gupta	1.92
Ms. Sushma Gupta	1.76
Mr. Damodar Krishan Aggarwal	1.00

For details of acquisition of Equity Shares by the Promoter, please see the section titled “Capital Structure” on page 78.

- Except for Pulin Investments Private Limited, Jai Ambey Share Broking Limited, SMC Share Brokers Limited and Shivraj Exim Private Limited who hold Equity Shares in our Company, none of our Group Companies have any business or other interests in our Company. For details of transaction with these Group Companies, please see the section titled “Financial Statements” on page 206.
- For details of related party transactions entered into by our Company with our Subsidiaries and Group Companies during the last financial year, the nature of transactions and the cumulative value of transactions, please see the section titled “Financial Statements” on page 206.
- There has been no financing arrangement whereby the Promoter Group, the directors of the Promoter, the Directors, and their relatives have financed the purchase by any other person of securities of our Company other than in the normal course of business of the financing entity during the period from six months immediately preceding the date of filing of the Draft Red Herring Prospectus with SEBI.
- Any clarification or information relating to the Issue shall be made available by the BRLM, CBRLM and us to the investors at large and no selective or additional information will be available for a section of investors in any manner whatsoever. Investors may contact any of the BRLM and CBRLM who have submitted the due diligence certificate to SEBI for any complaints pertaining to the Issue.
- Investors may contact the Book Running Lead Manager for any complaint pertaining to the Issue. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the relevant SCSBs, giving full details such as name, address of the Bidder, number of Equity Shares applied for, Bid Amounts blocked, ASBA Account number and the Designated Branch of the SCSB where the Bid cum Application Form has been submitted by the ASBA Bidder.

SECTION III – INTRODUCTION

SUMMARY OF INDUSTRY

Overview of the Indian Economy

India, the world's 2nd largest democracy in terms of population (~1.24 billion people) after China had a GDP on purchasing power parity basis of approximately US\$ 4,990 billion in 2013. This makes India the fourth largest economy in the world after the United States of America, European Union & China in purchasing power parity terms. (Source: CIA World Fact Book website)

In 2014-15, the Indian economy is poised to overcome the sub-5 per cent growth of gross domestic product (GDP) witnessed over the last two years. The growth slowdown in the last two years was broad based, affecting in particular the industry sector. Inflation too declined during this period, but continued to be above the comfort zone, owing primarily to the elevated level of food inflation. Yet, the developments on the macro stabilization front, particularly the dramatic improvement in the external economic situation with the current account deficit (CAD) declining to manageable levels after two years of worryingly high levels was the redeeming feature of 2013-14.

To illustrate, from April 2000 through March 2014, FDI cumulative inflows in the housing and real estate sector of India amounted to ₹ 108,558 million. According to the Department of Industrial Policy & Promotion Fact Sheet on Foreign Direct Investment from April 2000 to March 2014, FDI inflows into India were US\$ 34,847 million, US\$ 46,556 million, US\$ 34,298 million and US\$ 36,396 million in Financial years 2010-11, 2011-12, 2012-13 and 2013-14, respectively. (Source: Department of Industrial Policy & Promotion Fact Sheet on Foreign Direct Investment from April 2000 through March 2014)

The fiscal deficit of the Centre as a proportion of GDP also declined for the second year in a row as per the announced medium term policy stance. Reflecting the above and the expectations of a change for the better, financial markets have surged. Moderation in inflation would help ease the monetary policy stance and revive the confidence of investors, and with the global economy expected to recover moderately, particularly on account of performance in some advanced economies, the economy can look forward to better growth prospects in 2014-15 and beyond (Source: Economic Survey 2013-14)

Global Financial Situation

Underperformance in the world economy was observed across almost all regions and major economic groups. Most developed economies continued struggling in an uphill battle against lingering effects of the financial crisis, grappling in particular with the challenges of taking appropriate fiscal and monetary policy actions. A number of emerging economies, which had already experienced a notable slowdown in the past two years, encountered new headwinds during 2013 on both international and domestic front. (Source: World Economic Situation and Prospects 2014)

The following table sets forth the key indicators of the Indian economy for the past 5 (five) Fiscals.

	(Annual percentage change)				
	2009-10	2010-11	2011-12	2012-13	2013-14
Real GDP growth ⁽¹⁾	8.6	8.9	6.7	4.5	4.7
Index of Industrial Production ⁽²⁾	5.3	8.2	2.9	1.1	-0.1
Wholesale Price Index	3.8	9.6	8.9	7.4	6.0
Foreign Exchange Reserves (in US\$ billion)	279.1	304.8	294.4	292.0	304.2

(1) At factor cost 2004-05 prices

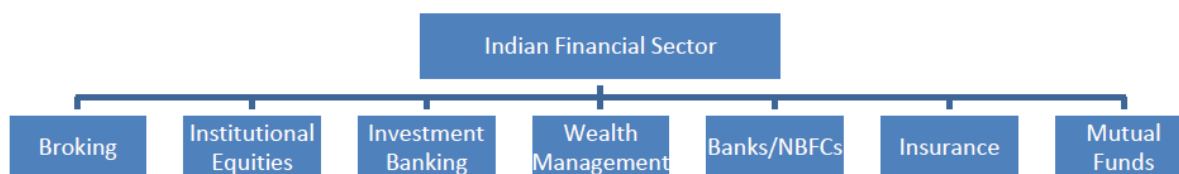
(2) The Index of Industrial Production has been revised since 2005-06 on base (2004-05=100)

(Source: Economic Survey 2013-2014, RBI)

Indian Financial Services Sector

The Indian financial system has changed considerably over the past fifteen years. Interest rates have been deregulated and competition and efficiency in the banking business has increased with new entrants being allowed. India has made substantial progress on adopting the G20 reforms agenda including Basel III norms, convergence with IFRS, compensation reforms, cross-border supervision and regulation of non-banking intermediaries.

The financial sector can be broadly classified into the following segments as below:



Performance and Outlook of the various sub-segments in the Indian Financial Services space

A. Capital Markets

There has been a considerable broadening and deepening of the Indian financial markets due to various financial market reforms undertaken by the regulators, the introduction of innovative financial instruments in the recent years and the entry of sophisticated domestic and international players. Sectors such as banking, asset management and brokerage have been liberalised to allow private sector involvement, which has contributed to the development and modernization of the financial services sector. This is particularly evident in the non-banking financial services sector, such as equities, derivatives and commodities brokerage, residential mortgage and insurance services, where new products and expanding delivery channels have helped these sectors achieve high growth rates.

India's financial markets—particularly the secondary securities markets--were also affected by the global slowdown as reflected in some of the following indicators. While the market-cap to GDP ratio has fallen to 62.2 % in end-March 2013 from 67.9 % a year ago, the average daily market turnover in the cash segment of NSE in FY 2013 has fallen by 4 % from the level prevailing in FY 2012. In H1 FY 2014, the average daily turnover increased by a marginal 1.4 % from the level prevailing in H1 FY 2013. Net FII investment outflows was US \$ 5 billion in H1 FY 2014 compared to the net inflows of US \$ 1.1 billion in the corresponding period of the previous year. Volatility in the equity market has also risen as reflected in an increase in the volatility of the benchmark index CNX Nifty 50, from 0.9 in September 2012 to 1.9 in September 2013. Further, with sharp deterioration in growth prospects, resource mobilization through public and rights issues in the primary market continue to contract. The resource mobilized has fallen from about ₹ 485 billion in FY 2012 to ₹ 325 billion during FY 2013. Encouragingly, in H1FY 2014, has witnessed a significant surge, increasing to ₹ 8,987 billion from ₹ 91 billion in the corresponding period of last fiscal. (Source: NSE India Securities Market Review)

Capital market can be typically segregated into two major segments:

1. Primary market (new issues, offer for sale)
2. Secondary market (trading of stocks/ bonds)

Primary Markets

Primary markets create a flow of new securities to the securities market. This is achieved through public offerings of debt or equity or a composite structure of debt and equity to the investors. Here the issuer of securities raises the funds to meet its funding requirements. Primary market offerings could either be in the form of public offerings or private placements. The issuers here could include corporate, Government, municipal corporations and in some cases existing shareholders and institutional investors offering their securities for sale.

Secondary Market

Stock Exchanges provide the platform and the mechanism for effecting transactions between different market participants. The depth of the market is determined by a number of factors such as liquidity of the instruments traded, the number of market participants, types of instruments traded, settlement practices etc. The market capitalization of listed companies on the stock exchanges has more than tripled between 2008-09 and 2011-12.

SUMMARY OF BUSINESS

Overview

We are a well-diversified financial services company in India offering services across brokerage (across the asset classes of equities (cash and derivatives), commodities and currency), investment banking, wealth management, distribution of third party financial products, research, financing, depository services, insurance broking and clearing services and real estate advisory services to corporate, institutional, high net worth individuals and other retail clients. As of September 30, 2014, we service our clients through a network of 50 branches including an overseas office at Dubai, UAE and 2,443 registered sub-brokers and authorized persons with a PAN-India presence.

Established in the year 1994, our Company has a long track record in the financial services industry in India. Our Company's Shares were offered to the public through an initial public offering in 1995, and are currently listed on Delhi Stock Exchange Limited, Ludhiana Stock Exchange Limited, Calcutta Stock Exchange Limited and Ahmedabad Stock Exchange Limited.

Over the years, we have diversified our product and service offerings through a mix of organic growth and strategic transactions. Our products and services can broadly be classified under the following heads:

- Brokerage and commission business, which comprises of equity brokerage, commodity brokerage, currency brokerage, insurance broking, distribution of financial products, depository and clearing services;
- Capital business, which comprises of trading and arbitrage business and treasury and financing operations; and
- Advisory business, which comprises of investment banking, wealth management, research services and real estate broking.

We are structured to operate our current businesses through the following entities:

Business Entity	Primary business focus	Ownership of SMC Global	Memberships / Registration
SMC Global Securities Limited	<ul style="list-style-type: none"> • Equities - Cash and Derivatives brokerage, • Currency brokerage, • Trading and Arbitrage, • Depository services, • Clearing services, • Distribution of financial products; and • Whole Sale and Retail Debt Market 	-	<p>Stock Broker (Equities – Cash and Derivatives, Currency) membership of:</p> <ul style="list-style-type: none"> • NSE; • BSE; • MCX-SX; • USE; and • Ludhiana Stock Exchange. <p>Depository Participant registration of:</p> <ul style="list-style-type: none"> • NSDL; and • CDSL. <p>Participant of:</p> <ul style="list-style-type: none"> • NCDEX Comtrack <p>AMFI registered mutual fund distributor.</p>
SMC Comtrade Limited	<ul style="list-style-type: none"> • Commodities brokerage, • Trading and Arbitrage, and • Clearing services. 	100%*	<p>Commodity broker membership of:</p> <ul style="list-style-type: none"> • NCDEX, • MCX, • NMCE, • ICEX,

Business Entity	Primary business focus	Ownership of SMC Global	Memberships / Registration
			<ul style="list-style-type: none"> • ACE, • NCDEX-Spot; • UCX; and • NSEL
SMC Comex International DMCC	<ul style="list-style-type: none"> • Trading and Arbitrage, and • Clearing services. 	100% **	DGCX
SMC Insurance Brokers Private Limited	Insurance broking (life and non-life)	97.58% **	IRDA registered Direct Insurance Broker. IRDA Approved Person with Central Insurance Repository Limited (CIRL) & CAMS Repository Services Limited
SMC Investments & Advisors Limited	Wealth management	100%	SEBI registered portfolio management services; SEBI registered sub-broker; and AMFI registered mutual fund advisor.
SMC Capitals Limited	Investment banking and advisory	100%	SEBI registered Merchant Banker.
Moneywise Financial Services Private Limited	Financing services	100%	RBI registered NBFC (non-accepting deposits).
SMC Real Estate Advisors Limited (Formerly known as SMC Securities Private Limited)	Real Estate advisory	100% ***	N.A
SMC Finvest Limited	Core Investment Company (CIC)	100%	CIC as per RBI Norms and does not warrant a registration with the RBI

* 85% of shareholding held by our Company and 15% held through SMC Finvest Limited

**Through SMC Comtrade Limited

*** Through SMC Finvest Limited

The table below sets out an operational overview of certain of our business

(In ₹ million, except specified otherwise)

Particulars	Period ended on June 30, 2014	FY 2014	FY 2013	FY 2012
Total Equity Trading Volumes of Exchanges*	152,840,043	509,169,084	419,617,167	356,365,983
Our Equity Trading Volume	8,172,705	31,278,185	30,275,703	20,395,698
Our Market Share (%)	5.3%	6.1%	7.2%	5.7%
Total Commodity Trading Volumes of Exchanges**	14,425,117	98,045,339	166,514,933	175,459,603
Our Commodity Trading Volume	684,699	4,084,694	6,340,153	7,301,768
Our Market Share (%)	4.7%	4.2%	3.8%	4.2%
Total Currency Trading Volumes of Exchanges***	10,877,780	69,808,582	87,096,933	98,776,720
Our Currency Trading Volume	1,912,837	10,066,308	6,708,549	3,959,959

Particulars	Period ended on June 30, 2014	FY 2014	FY 2013	FY 2012
Our Market Share (%)	17.6%	14.4%	7.7%	4.0%
Total number of Active Accounts with CDSL	9,123,553 [#]	8,777,049	8,327,482	7,917,184
Our number of Active Accounts with CDSL	247,831 [#]	241,263	233,700	227,387
Our Market Share with CDSL (%)	2.7% [#]	2.7%	2.8%	2.9%

*Equity trading volume comprises of equity cash and equity derivative turnover at NSE, BSE and MCX-SX

** Commodities trading volume comprises of MCX, NCDEX, ACE

***Currency trading volume comprises of NSE, BSE, MCX-SX and USE

The above volumes include our turnover as clearing and trading member.

[#] Data as on September 30, 2014

Our total consolidated operating income for the period ended on June 30, 2014, and the fiscal years 2014, 2013 and 2012 was ₹ 884.80 million, ₹ 2924.50 million, ₹ 2913.76 million and ₹ 2870.15 million, respectively. Our revenue mix across the categories for the period ended on June 30, 2014 and the last three fiscal years is as follows:

(In ₹ million)

	Period ended on June 30, 2014	Fiscal 2014	Fiscal 2013	Fiscal 2012
Brokerage and Commission Business	414.43	1420.94	1496.55	1485.04
Capital Business				
• Trading and Arbitrage Income	408.49	1161.52	1025.66	1018.46
• Treasury and Financing Income	45.91	303.80	303.98	261.95
Advisory Business	15.97	38.24	87.57	104.70
Total	884.80	2924.50	2913.76	2870.15

Over the past few years, we have been awarded the following awards:

Sl. No.	Award	Year	Source
1	Best Commodity Broker of the year	2014	Assocham Excellence Awards
2	Best Equity Broking house in Derivative Segment in India	2013, 2012	BSE IPF-D&B Equity Broking Awards
3	Fastest Growing Equity Broking House - Large Firm	2013	BSE IPF-D&B Equity Broking Awards
4	Emerging Investment Banker of the year	2013	ASSOCHAM - SMEs Excellence Awards
5	Best Equity Broking House in India	2012 & 2010	BSE IPF - D&B Equity Broking Awards
6	Best Currency Broker in India	2012 & 2010	Bloomberg - UTV Financial Leadership Awards
7	Broking House with the Largest Distribution Network in India	2012, 2011 & 2010	BSE IPF-D&B Equity Broking Awards
8	Best Research Analyst Award in Equity Fundamentals -Infrastructure	2013	Zee Business - India's Best Market Analyst Awards
9	Best Equity Research Analyst in IPO segment and Best Commodity Research Analyst- Viewer's Choice	2012	Zee Business India's Best Market Analyst Awards
10	Award for Continuous Innovation in HR	2013	World HRD Congress

Sl. No.	Award	Year	Source
	Strategy at Work		
11	Learning and Talent Technology Excellence Award	2012	Star News HR and Leadership Awards
12	India's Best Wealth Management Company	2011	Business Sphere
13	Fastest Growing Retail Distribution Network in Financial Services	2010	Business Sphere
14	Major Volume Driver Award	2006-07, 2005-06 & 2004-2005	Bombay Stock Exchange

Competitive Strengths

We believe the following are our core competitive strengths:

Wide range of financial products and services

Through a wide-range of products and services, we cater to corporate, institutional, high net worth individuals and other retail clients. We offer broking and commission generating products and services across various asset classes such as equity, commodities and currency, and other services such as depository services, clearing services, insurance broking, and the distribution of third-party financial products. We also offer investment banking, research, wealth management and real estate advisory services to our clients.

As one of the financial institutions in India in the broking and financial products distribution segment, we believe that our ability to identify emerging trends in the Indian capital markets sector and creating business lines and service offerings around them, has given us a competitive edge over other participants in the industry. We believe the wide range of products and services that we offer enables us to build stronger relationships with our clients and cross sell our products. In addition, our diverse portfolio reduces our dependence on any particular product, service or customer and allows us to exploit synergies across our businesses.

Large and diverse distribution network

As of September 30, 2014, we service our clients through a network of 50 branches including overseas office at Dubai and 2,443 registered sub-brokers and authorized persons with a PAN-India presence. Additionally, to support our distribution of third party financial products, we have more than 23,000 registered associates/service providers who are engaged with us on a non-exclusive basis under our banner.

In order to expand our network in India and efficiently monitor our operations, we have established our own branches at major cities, which then look after the operations of the regional sub-broker and authorized persons network. The reach of our offices allows us to service our existing customers and attract new customers through personal relationships cultivated by proximity and frequent interaction by our employees and business partners. Our widespread office network allows us to apply best practices developed in one region to others. We service multiple products through our offices, which reduces operating costs and improves total sales. In addition to our geographical spread, we offer an online trading platform namely www.smctradeonline.com and application software that can be downloaded on tablets (SMC Tabtrade) and phones (SMC Mobitrade) to provide better services to our customers.

Strong and well-established brand

We believe that the SMC brand is well established and reputed brand in the broking and financial services sector throughout India. We believe that our clients associate our brand with high quality services, competitiveness as well as our corporate values of integrity, trust and honesty. Our expertise in our field and the individual solutions that we provide to our customers, has aided us in increasing customer loyalty, earn repeat business and customer referrals. As a part of our marketing initiative, we have an advertising agreement with Bennett, Coleman & Co Limited, which provides us with advertising and coverage rights in their print and non-print media. We believe that our brand marketing exercises over the years have helped us retain our existing customers and gain new ones.

Experienced board of directors and management team

As on the date of this Draft Red Herring Prospectus, our Board consists of 15 directors, most of whom have extensive experience in the financial services sector. Our individual Promoters, Mr. Subhash Chand Aggarwal and Mr. Mahesh Chand Gupta, are qualified chartered accountants with over two decades of experience each in the financial services industry. We believe that our senior and middle management personnel have significant experience and in-depth industry knowledge and expertise and are supported by a capable and motivated pool of employees. We have also introduced various learning and development programs which include training programs based on a systematic identification and review of existing gaps in the talent base. We believe that our management's entrepreneurial spirit, leadership skills, insight into the market and customer needs provides us with a competitive advantage which will help us implement our business strategies.

Our technology infrastructure

Information technology systems are crucial to the success of our business operations and help us improve our overall productivity. We believe that our technology systems enable us to effectively monitor and control risks and manage our nationwide operations. Our branches are connected through a VPN through VSAT, radio frequency and the internet and our central servers are located at Delhi. Some of our servers are co-located at exchanges to enable effective execution of transactions. We have a dedicated IT team which is responsible for the operations and maintenance of our technology platforms, including third party software that we use for mobile, tablet and online trading. We have a business continuity plan in case of any major outage of our existing IT infrastructure. We have an in-house software team which is responsible for back office support functions to our trading desks. We also have a dedicated team to provide technical assistance and manage our customer relationships.

Our Strategies

Pursue strategic partnerships to increase our revenues

We plan to supplement our growth by continuing to pursue strategic alliances and joint ventures. We will continue to look for opportunities that we believe will enhance our operations, growth and profitability. In the year 2008, we entered into an agreement with Punjab National Bank ("**PNB**"), to offer our online brokerage services to PNB's retail banking clients. Additionally, we have an arrangement with Honda Cars India Limited (formerly, Honda SIEL Cars India Limited) ("**Honda**") since the year 2009 to sell motor insurance policies to their customers which enabled us to sell approximately 2,51,000 policies from Honda car retail outlets for the fiscal year 2014.

Increasing our product portfolio and presence

We have introduced a number of new products in our portfolio in the last few years such as insurance brokerage, wealth management advisory services, financing services and real estate advisory services. Thereby, we have managed to move from a pure brokerage business to being a full-service financial advisor for our clients with capabilities to advise across various products such as equities, commodities, currency, insurance, wealth management, real estate advisory, financing and third party distribution etc. We will continue to leverage our product capabilities as opportunities to cross-sell products and deeper relationships with our customers.

Our Company has also entered into an agreement with Saxo Bank A/S, Denmark ("**Saxo Bank**"), to provide broking services to investors who wish to access global financial markets. Indian Investors can invest in foreign delivery based securities by providing Saxo Bank's global financial market platform which is present in 25 countries across the globe. Saxo Bank is a fully licensed and regulated European bank specializing in online trading and investment across global financial markets. With varied choice of platforms from Saxo Bank, our Indian clients have access to some of industry's active trader tools including in-depth equity research, stock screener, risk management tools and technical and fundamental analytics etc.

We are also focused on increasing our international operations and leveraging our current international presence to expand our product portfolio. We are one of the 'Deemed Designated Depository Participants' (DDPs) (formerly known as Qualified Depository Participants), servicing Foreign Portfolio Investors (FPIs). We believe that by increasing our international operations, we can harness this opportunity of providing services to the FPI's with an objective of increasing our profitability.

Continue to de-risk our business model by focusing on business growth across major asset classes

During the recent downturn in the economy, we have witnessed significant volatility across the three major asset classes – equities, commodities and currencies. However, it is also known that all these asset classes experience different market cycles at various points in time. Thus, while equities were not the flavour of the season after the 2008 global financial meltdown, commodities trading saw a significant jump in trading activity overall. With a view to gradually de-risk our business model from an over-dependence on just one of the asset classes such as equities, we have, over the past few years, focussed on increasing our commodities and currency trading businesses as well. As a conscious strategy going forward, we will continue to focus equally on all these asset classes as well as add any other asset classes that may emerge in order to maintain a relatively de-risked business model. For instance, we have recently ventured into real estate advisory business which in comparison to three major asset classes mentioned above, is relatively a de-risked business model.

Continue to attract and retain talented employees

We are focussed on acquisition and retention of the talent pool within the organisation. Strong assessment of the candidate is done before they join our Company. Significant amount of time is invested in employee's development through induction and various other training programs. Employees are kept engaged through various rewards and recognition programs organised from time to time. We have a strong recruitment team which focuses on recruitment in all divisions within the organisation.

SMC has been awarded the “Learning and Talent Technology Excellence” Award by Star News for best practices in fiscal year 2012 and “Award for continuous innovation in HR strategy at work “in EBA (Employer Branding Awards)” organised by World HRD congress in the year 2013.

Continue to implement advanced processes and systems

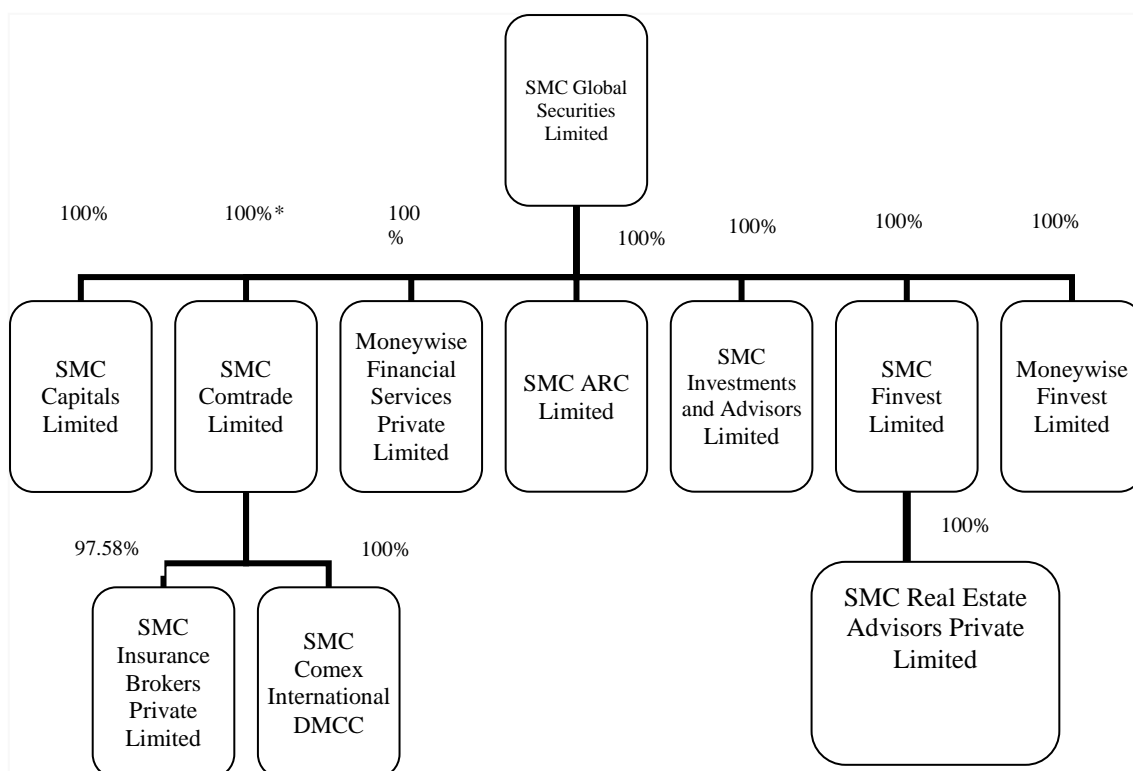
We are focused on increasing the use of technology in all our operations and business pursuits to meet our customer requirements on a real-time basis. We intend to continue implementing technology led processing systems to make our services more efficient and augment the benefits of our relationship based approach. We have deployed and aim to further develop strong technology systems that enable us to respond to market opportunities and challenges swiftly, increase customer satisfaction and improve our risk management capabilities.

Improve our operational efficiency

We have invested in technology to drive our operational efficiency and we consistently review and realign our business plans to ensure optimal performance. Over the last few years, we have rationalized manpower across our businesses and reduced or discontinued our operations at non-performing geographical locations in order to effectively utilize our capital and other resources. We are also focused on attracting and reactivating our old dormant accounts. We expect that our experienced management team coupled with our execution and operational skills will drive higher operational efficiencies in all our businesses.

Our Corporate structure and subsidiaries:

As of September 30, 2014, our Promoter and Promoter Group entities own 58.62% of our equity share capital. The following chart outlines our current corporate shareholding structure:



** 85% of shareholding held by our Company and 15% held through SMC Finvest Limited*

For further details, please refer to the section titled 'History and Other Corporate Matters' beginning on page 162 of this Draft Red Herring Prospectus.

SUMMARY OF FINANCIAL INFORMATION

RESTATED CONSOLIDATED SUMMARY STATEMENT OF ASSETS & LIABILITIES

Particulars	₹ in million					
	As at					
	30-Jun-14	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10
A Non- Current Assets						
Fixed assets						
Tangible assets	224.85	268.10	315.17	362.86	402.11	424.36
Intangible assets	21.07	22.74	27.64	38.22	48.35	52.72
	245.92	290.84	342.81	401.08	450.46	477.08
Non-current investments	229.47	287.61	294.44	253.09	359.59	243.91
Deferred tax Asset (Net)	152.04	123.70	132.05	136.24	118.62	84.83
Long-term loans and advances	676.74	774.95	872.22	962.67	1,039.29	896.25
Other non-current assets	-	-	-	-	0.16	10.21
Trade Receivables	175.58	205.77	283.41	373.57	332.07	322.01
	1,479.75	1,682.87	1,924.93	2,126.65	2,300.19	2,034.29
B Current assets						
Current investments	79.26	106.95	80.80	26.53	71.63	371.09
Inventories	1,699.55	1,448.03	1,371.73	1,370.28	1,297.19	2,203.87
Trade receivables	2,677.36	2,371.37	1,568.40	2,122.06	1,953.96	1,325.84
Cash and Bank balances	2,234.27	2,292.75	2,823.02	3,339.09	2,222.72	1,396.82
Short-term loans and advances	1,206.10	1,099.31	1,156.17	868.98	539.23	668.25
Other current assets	31.76	25.28	25.16	32.29	27.52	22.69
	7,928.30	7,343.69	7,025.28	7,759.23	6,112.25	5,988.56
C Total assets (C = A + B)	9,408.05	9,026.56	8,950.21	9,885.88	8,412.44	8,022.85
D Non-current liabilities						
Long-term borrowings	105.60	89.61	33.22	527.67	527.86	1.64
Long-term provisions	73.76	68.24	54.38	35.42	25.23	19.30
	179.36	157.85	87.60	563.09	553.09	20.94
E Current liabilities						
Short-term borrowings	315.35	284.67	297.63	958.46	932.57	1,021.21
Trade Payable	1,554.25	1,185.64	1,367.33	1,819.13	1,253.97	1,169.93
Other current liabilities	2,076.53	2,221.26	2,214.81	1,628.87	1,398.31	1,306.81
Short-term provisions	131.53	94.33	60.03	80.54	86.14	77.65
	4,077.66	3,785.90	3,939.80	4,487.00	3,670.99	3,575.60
F Total liabilities (F = D + E)	4,257.02	3,943.75	4,027.40	5,050.09	4,224.08	3,596.54
Net Worth (C – F)	5,151.03	5,082.81	4,922.81	4,835.79	4,188.36	4,426.31
Net Worth represented by						
G Shareholders' funds						
Share capital						
Equity share capital	226.27	226.27	226.27	109.46	104.78	104.78

		₹ in million					
Particulars		As at					
		30-Jun-14	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10
Money Received against Convertible Equity Share Warrant		-	-	-	-	-	124.00
Total Share capital		226.27	226.27	226.27	109.46	104.78	228.78
H Reserves and Surplus							
Securities Premium Reserve		3,444.89	3,444.89	3,444.89	3,151.96	2,687.89	2,687.89
Capital Reserves (On Amalgamation)		104.10	104.10	104.10	104.10	104.10	104.10
Capital Reserves (On Consolidation)		35.11	35.11	34.19	231.70	249.49	249.49
Capital Reserves (On Forfeiture)		124.00	124.00	124.00	124.00	124.00	-
Foreign Currency Fluctuation Reserve		20.83	20.84	16.82	13.09	9.36	9.55
Statutory Reserves (Reserve Fund u/s 45-IC of RBI Act 1934)		12.16	10.57	4.08	1.30	0.75	0.07
General Reserve		641.30	641.30	626.30	626.30	626.30	626.30
Net Surplus in the statement of profit and loss		535.85	469.21	328.62	119.93	126.38	253.04
Total Reserves and surplus		4,918.24	4,850.02	4,683.00	4,372.38	3,928.27	3,930.44
I Share Application Money		-	-	-	10.00	6.00	10.54
J Non-controlling interest		6.52	6.52	13.54	343.95	149.31	256.55
Net Worth (G + H + I + J)		5,151.03	5,082.81	4,922.81	4,835.79	4,188.36	4,426.31

Note:

- The above statement should be read with the Significant Accounting policies to the Restated Consolidated Summary Statement of Assets and Liabilities, Statement of Profit and Loss and Statement of Cash Flows and other significant notes as appearing in Annexure – 35, 36 and 37 on page 206.

RESTATED CONSOLIDATED SUMMARY STATEMENT OF PROFIT & LOSS

₹ in million							
Particulars		Period ended		Year ended			
		30-Jun-14	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10
Incomes:							
Revenue from operations		884.80	2,924.50	2,913.76	2,870.15	2,948.02	2,672.49
Other income		5.34	83.11	33.92	53.70	39.48	12.00
Total Revenue		890.14	3,007.61	2,947.68	2,923.85	2,987.50	2,684.49
Expenses:							
Exchange & Other Regulatory Expenses		312.15	1,009.86	983.05	1,015.70	1,096.89	1,224.66
Employee benefits expense		215.13	845.43	859.11	934.95	1,115.99	904.18
Other expenses		184.41	641.54	616.74	697.53	725.65	562.87
		711.69	2,496.83	2,458.90	2,648.18	2,938.53	2,691.71
Earnings before interest, depreciation and amortization (EBITDA)	before tax, and	178.45	510.78	488.78	275.67	48.97	(7.22)
Depreciation and amortization expense		28.97	71.17	84.62	95.21	103.45	97.05
Finance costs		26.82	124.26	155.56	207.42	175.87	97.53
		55.79	195.43	240.18	302.63	279.32	194.58
Restated Profit/(Loss) Before Tax		122.66	315.35	248.60	(26.96)	(230.35)	(201.80)
Tax expense/(income)							
(1) Current tax		49.06	94.72	69.18	30.22	36.62	43.08
(2) Deferred tax		(16.80)	8.35	4.19	(17.63)	(33.79)	(75.51)
(3) Wealth tax		0.02	0.08	0.09	0.08	0.04	0.03
(4) MAT Credit Entitlement		(1.47)	(14.53)	(17.18)	-	-	-
Total tax expense		30.81	88.62	56.28	12.67	2.87	(32.40)
Restated Profit/(Loss) After Tax before minority interests		91.85	226.73	192.32	(39.63)	(233.22)	(169.40)
Share in profit/(loss) of minority interest		(0.08)	(1.12)	6.19	33.73	107.24	27.39
Restated Profit/(Loss) After Tax		91.77	225.61	198.51	(5.90)	(125.98)	(142.01)

Note:

- The above statement should be read with the Significant Accounting policies to the Restated Consolidated Summary Statement of Assets and Liabilities, Statement of Profit and Loss and Statement of Cash Flows and other significant notes as appearing in Annexure – 35, 36 and 37 on page 206.

RESTATED CONSOLIDATED SUMMARY STATEMENT OF CASH FLOW

₹ in million						
Particulars	Period ended		Year ended			
	30-Jun-14	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10
A CASH FLOW FROM OPERATING ACTIVITIES						
Restated profit/(loss) before Tax	122.66	315.35	248.60	(26.96)	(230.35)	(201.80)
Non Cash adjustments to reconcile profit before tax to net cash flows						
Depreciation	28.97	71.17	84.62	95.21	103.45	97.05
Deferred revenue expenditure written off	-	-	0.16	10.05	10.30	10.94
Provision for Doubtful Debts	35.38	53.34	40.63	47.91	22.78	7.21
Interest Expenses	20.61	99.92	137.47	190.57	158.14	19.12
(Profit)/ Loss on Sale of Fixed Assets	(0.58)	7.67	7.87	8.74	1.45	1.66
Provision for Gratuity	3.12	11.31	11.30	4.32	4.55	9.22
Provision for Leave Encashment	1.06	3.78	4.31	4.25	2.43	-
Provision for Standard Assets	0.19	0.27	0.07	0.52	0.28	-
Provision for NPA	1.37	9.57	4.20	2.04	-	-
Cenvat Credit Unavailed	0.14	0.70	1.58	0.94	1.59	0.46
Liability no Longer Required written back	(0.05)	(5.60)	(15.27)	(5.15)	(1.01)	(1.88)
(Profit)/ Loss on Sale of Investments	26.10	(0.88)	(0.59)	(3.24)	(10.61)	4.38
Dividend on Long Term Investments	(0.95)	(5.54)	(3.56)	(7.72)	(2.75)	(0.50)
Operating Profit/(Loss) before Working Capital changes (as restated)	238.02	561.06	521.39	321.48	60.25	(54.14)
Movement in working capital						
Liabilities and Provisions	262.28	(136.83)	132.18	796.37	183.71	56.51
Trade Receivables	(311.18)	(778.67)	603.20	(257.53)	(660.94)	432.68
Loans & advances and Other Assets	23.73	595.10	27.94	(1,007.70)	(792.07)	167.13
Inventories	(251.52)	(76.30)	(1.45)	(73.09)	906.68	(1,185.11)

₹ in million						
Particulars	Period ended		Year ended			
	30-Jun-14	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10
Cash flow from/(used in) Operations	(38.67)	164.36	1,283.26	(220.47)	(302.37)	(582.93)
Direct Taxes Paid (net of refunds)	(47.61)	(80.27)	(52.09)	(30.30)	(36.66)	(43.11)
Net Cash Generated/ (used in) Operating Activities (A)	(86.28)	84.09	1,231.17	(250.77)	(339.03)	(626.04)
B CASH FLOW FROM (USED IN) INVESTING ACTIVITIES						
Sale/(Purchase) of Fixed Assets (net)	(18.62)	(26.88)	(34.24)	(54.56)	(78.26)	(223.76)
Foreign Exchange Fluctuation Reserve	(0.01)	4.03	3.72	3.74	(0.19)	(0.44)
Dividend on Long Term Investments	0.95	5.54	3.56	7.72	2.75	0.50
(Increase)/decrease in Investments	59.74	(18.45)	(95.02)	154.84	194.38	(500.85)
Net Cash flow from (used in) Investing Activities (B)	42.06	(35.76)	(121.98)	111.74	118.68	(724.55)
C CASH FLOW FROM/(USED IN) FINANCING ACTIVITIES						
Proceeds from Issue of Share Capital (including premium)	-	-	409.74	468.75	-	434.00
Proceed from share application money	-	-	(10.00)	4.00	(4.54)	2.78
Capital Reserve on Consolidation	-	0.92	(197.51)	(17.79)	-	34.01
Interest Expenses	(20.61)	(99.92)	(137.47)	(190.57)	(158.14)	(19.12)
Proposed Dividend	-	(27.15)	-	-	-	-
Interim Dividend	-	(27.15)	-	-	-	-
Tax on Dividend	-	(9.23)	-	-	-	-
Proceeds from Long Term Borrowings from Banks (Net)	15.98	56.38	(494.44)	(0.19)	526.22	1.14
Proceeds from Short Term Borrowings	30.68	(12.96)	(660.82)	25.88	(88.64)	678.48
Net cash generated from/(used in) financing activities (C)	26.05	(119.11)	(1,090.50)	290.08	274.90	1,131.29

₹ in million						
Particulars	Period ended		Year ended			
	30-Jun-14	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10
Increase/ (Decrease) in Cash & Cash Equivalent (A+B+C)	(18.17)	(70.78)	18.69	151.05	54.55	(219.30)
Adjustment on account of Change in Minority Interest	-	(8.14)	(311.25)	228.37	-	242.30
Net Increase/ (Decrease) in Cash & Cash Equivalent	(18.17)	(78.92)	(292.56)	379.42	54.55	23.00
Cash and Cash Equivalent at the beginning of the year/period	143.30	222.22	514.78	135.36	80.81	57.81
Cash and cash Equivalent at the end of the year/period (refer annexure 46)	125.13	143.30	222.22	514.78	135.36	80.81

Note:

- 1 Restated Consolidated Cash Flow statement has been prepared under the 'Indirect method' as set out in Accounting Standard 3 on Cash Flow Statement.
- 2 The above statement should be read with the Significant Accounting policies to the Restated Consolidated Summary Statement of Assets and Liabilities, Statement of Profit and Loss and Statement of Cash Flows and other significant notes as appearing in Annexure – 35, 36 and 37 on page 206.

RESTATED UNCONSOLIDATED SUMMARY STATEMENT OF ASSETS AND LIABILITIES

₹ in million						
Particulars	As at					
	30-Jun-14	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10
A Non- Current Assets						
Fixed assets						
Tangible assets	136.51	168.01	198.46	244.49	280.27	311.55
Intangible assets	14.72	15.24	18.46	23.88	27.42	30.94
	151.23	183.25	216.92	268.37	307.69	342.49
Non-current investments	2,652.44	2,716.54	2,525.94	1,661.93	1,574.97	1,252.31
Deferred tax Assets (Net)	40.57	17.59	14.93	5.45	-	-
Long-term loans and advances	374.40	449.71	542.43	617.79	752.97	795.11
Other non-current assets	-	-	-	-	0.16	10.03
Trade Receivables	170.30	200.74	269.93	356.89	308.23	311.63
	3,388.94	3,567.83	3,570.15	2,910.43	2,944.02	2,711.57
B Current assets						
Current Investment	55.13	53.61	-	-	-	-
Inventories	1,287.20	1,182.07	748.79	974.01	1,016.92	1,672.89
Trade receivables	2,256.30	2,041.31	1,243.46	2,099.79	1,759.93	1,121.06
Cash and Bank Balances	1,796.18	1,805.13	2,233.02	1,714.50	1,720.34	1,152.31
Short-term loans and advances	218.01	193.37	451.16	268.41	353.22	727.44
Other current assets	20.34	21.21	20.49	18.15	22.55	19.97
	5,633.16	5,296.70	4,696.92	5,074.86	4,872.96	4,693.67
C Total assets (C = A + B)	9,022.10	8,864.53	8,267.07	7,985.29	7,816.98	7,405.24
D Non-current Liabilities						
Long-term borrowings	2.70	-	0.35	525.97	525.74	0.04
Deferred tax liabilities (Net)	-	-	-	-	5.62	11.66
Long-term provisions	29.33	27.92	23.29	23.98	18.42	16.38
Other Long-term Liabilities	60.00	60.00	-	-	-	-
	92.03	87.92	23.64	549.95	549.78	28.08
E Current liabilities						
Short-term borrowings	265.35	284.67	197.97	603.01	926.36	1,021.21
Trade Payable	1,097.85	816.47	820.09	724.89	942.03	893.15
Other current liabilities	2,220.58	2,357.15	1,995.31	1,351.23	1,128.52	1,242.81
Short-term provisions	80.66	54.67	28.73	59.78	58.77	43.00
	3,664.44	3,512.96	3,042.10	2,738.91	3,055.68	3,200.17
F Total liabilities (F = D + E)	3,756.47	3,600.88	3,065.74	3,288.86	3,605.46	3,228.25
Net Worth (C – F)	5,265.63	5,263.65	5,201.33	4,696.43	4,211.52	4,176.99
Net Worth represented by						
G Shareholders' funds						

₹ in million						
Particulars	As at					
	30-Jun-14	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10
Share capital						
Equity share capital	226.27	226.27	226.27	109.46	104.78	104.78
Money received against Convertible Equity Share Warrant	-	-	-	-	-	124.00
Total Share Capital	226.27	226.27	226.27	109.46	104.78	228.78
H Reserves and Surplus						
Securities Premium Reserve	3,444.45	3,444.45	3,444.45	3,151.25	2,687.18	2,687.18
Capital Reserves (On Amalgamation)	104.10	104.10	104.10	104.10	104.10	104.10
Capital Reserves (On Forfeiture)	124.00	124.00	124.00	124.00	124.00	-
General Reserve	624.01	624.01	609.01	609.01	609.01	609.01
Net Surplus in the statement of profit and loss	742.80	740.82	693.50	598.61	582.45	547.92
Total Reserves and Surplus	5,039.36	5,037.38	4,975.06	4,586.97	4,106.74	3,948.21
Net Worth (G + H)	5,265.63	5,263.65	5,201.33	4,696.43	4,211.52	4,176.99

Note:

- 1 The above statement should be read with the Significant Accounting Policies to the Restated Unconsolidated Summary Statement of Assets and Liabilities, Statement of Profit and Loss and Statement of Cash Flows as appearing in Annexure – 4, 5 and 6 on page 206.

RESTATED UNCONSOLIDATED SUMMARY STATEMENT OF PROFIT AND LOSS

	₹in million					
Particulars	Period ended	Year ended				
	30-Jun-14	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10
Incomes:						
Revenue from operations	563.38	1,750.15	1,758.69	1,712.89	2,058.54	2,129.28
Other income	5.19	62.41	24.99	24.10	15.51	10.44
	568.57	1,812.56	1,783.68	1,736.99	2,074.05	2,139.72
Expenses:						
Stock Exchange & Other Regulatory Expenses	271.40	802.58	760.78	779.83	937.43	1,125.86
Employee benefits expense	84.67	335.91	379.67	399.29	536.51	477.47
Other expenses	125.14	378.65	320.43	283.92	308.87	276.16
	481.21	1,517.14	1,460.88	1,463.04	1,782.81	1,879.49
Earnings before interest, tax, depreciation and amortization (EBITDA)	87.36	295.42	322.80	273.95	291.24	260.23
Depreciation and amortization expense	16.41	39.59	50.62	62.46	73.06	72.42
Finance costs	31.21	100.09	141.27	186.40	165.30	92.24
	47.62	139.68	191.89	248.86	238.36	164.66
Restated Profit Before Tax	39.74	155.74	130.91	25.09	52.88	95.57
Tax expense/ (income)						
(1) Current tax	33.84	32.53	45.46	19.97	24.37	37.02
(2) Deferred tax	(13.84)	(2.67)	(9.47)	(11.07)	(6.05)	(3.69)
(3) Wealth tax	0.01	0.03	0.03	0.03	0.03	0.03
Total tax expense	20.01	29.89	36.02	8.93	18.35	33.36
Restated Profit After Tax	19.73	125.85	94.89	16.16	34.53	62.21

Note:

- The above statement should be read with the Significant Accounting Policies to the Restated Unconsolidated Summary Statement of Assets and Liabilities, Statement of Profit and Loss and Statement of Cash Flows as appearing in Annexure – 4, 5 and 6 on page 217.

RESTATED UNCONSOLIDATED SUMMARY STATEMENT OF CASH FLOWS

₹ in million						
Particulars	Period ended	Year ended				
	30-Jun-14	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10
A CASH FLOW FROM OPERATING ACTIVITIES						
Restated profit before Tax	39.74	155.74	130.91	25.09	52.88	95.57
Non Cash adjustments to reconcile profit before tax to net cash flows						
Depreciation & Amortization	16.41	39.59	50.62	62.46	73.06	72.42
Deferred revenue expenses amortized	-	-	0.16	9.87	9.87	9.87
Provision for Gratuity	1.14	3.72	(1.58)	1.79	1.44	7.40
Provision for Leave encashment	0.34	1.28	(0.25)	4.25	0.77	-
(Profit)/Loss on sale of Fixed assets	(0.53)	3.32	0.08	5.22	(0.18)	(0.02)
Provision for Doubtful Debts	27.50	42.75	31.94	42.54	15.44	5.00
Interest Expenses on Secured Loans	25.93	79.99	127.79	173.75	150.94	75.32
(Profit)/Loss on sale of Investments	26.58	(2.61)	(0.11)	-	-	(1.95)
Operating Profit before Working Capital changes (as restated)	137.11	323.78	339.56	324.97	304.22	263.61
Movements in working capital						
Liabilities and Provisions	170.73	443.79	709.38	6.10	(49.82)	418.80
Trade Receivables	(212.04)	(771.41)	911.35	(431.06)	(650.90)	(366.34)
Loans & advances and Other Assets	80.37	703.11	(575.26)	222.86	(149.08)	282.15
Inventories	(105.13)	(433.28)	225.22	42.91	655.97	(672.73)
Cash flow from / (used in) Operations	71.04	265.99	1,610.25	165.78	110.39	(74.51)
Direct Taxes Paid (net of refunds)	(33.85)	(32.56)	(45.49)	(20.00)	(24.40)	(37.05)
Net Cash Generated/ (used in) Operating Activities (A)	37.19	233.43	1,564.76	145.78	85.99	(111.56)
B CASH FLOW FROM/ (USED) IN INVESTING ACTIVITIES						
(Purchase)/Sale of Fixed Assets (net basis)	(10.77)	(9.25)	0.75	(28.37)	(38.06)	(141.27)
(Purchase)/Sale of Investments (net basis)	36.00	(241.60)	(863.90)	(86.95)	(322.66)	(826.04)
Net Cash generated/ (used in) Investing Activities (B)	25.23	(250.85)	(863.15)	(115.32)	(360.72)	(967.31)
C CASH FLOW FROM/ (USED) IN FINANCING ACTIVITIES						
Proceeds from Issue of Share Capital (including premium)	-	-	410.01	468.75	-	434.00
Interest on Secured Loans	(25.93)	(79.99)	(127.79)	(173.75)	(150.94)	(75.32)
Proceeds from short-term	(19.32)	86.70	(405.04)	(323.35)	(94.85)	733.73

₹ in million						
Particulars	Period ended	Year ended				
	30-Jun-14	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10
borrowings						
Proceeds from Long Term Borrowings from Banks	2.71	(0.35)	(525.62)	0.23	525.70	(0.16)
Dividend Paid and Tax thereon	-	(63.53)	-	-	-	-
Net cash generated from/(used in) financing activities (C)	(42.54)	(57.17)	(648.44)	(28.12)	279.91	1,092.25
Net Increase/ (Decrease) in Cash & Cash Equivalent (A+B+C)	19.88	(74.59)	53.17	2.34	5.18	13.38
Cash and Cash Equivalent at the beginning of the year/period	22.62	97.21	44.04	41.70	36.52	23.14
Cash and cash Equivalent at the end of the year/period (refer Annexure 15)	42.50	22.62	97.21	44.04	41.70	36.52

Note:

- 1 Restated Unconsolidated Cash Flows statement of the Company has been prepared under the 'Indirect method' as set out in Accounting Standard – 3.
- 2 The above statement should be read with the Significant Accounting Policies to the Restated Unconsolidated Summary Statement of Assets and Liabilities, Statement of Profit and Loss and Statement of Cash Flows as appearing in Annexure – 4, 5 and 6 on page 206.

THE ISSUE

The following table summarizes the Issue details:

Public Issue of equity shares*	[●] Equity Shares aggregating up to ₹ 1,250 Million
<i>Of which:</i>	
Fresh Issue of	[●] Equity Shares aggregating up to ₹ 1,070 Million
Offer for Sale of #	[●] Equity Shares aggregating up to ₹ 180 Million
<i>The Issue Consists of</i>	
A) QIB Portion	[●] Equity Shares
<i>Of which:</i>	
Anchor Investor Portion**	[●] Equity Shares
Balance available for allocation to QIBs other than Anchor Investors (assuming Anchor Investor Portion is fully subscribed)	[●] Equity Shares
<i>Of which</i>	
Available for allocation to Mutual Funds only (5% of the QIB Portion (excluding the Anchor Investor Portion))	[●] Equity Shares
Balance of QIB Portion for all QIBs including Mutual Funds	[●] Equity Shares
Non-Institutional Portion***	Not less than [●] Equity Shares
Retail Portion****	Not less than [●] Equity Shares
Pre and post-Issue Equity Shares	
Equity Shares outstanding prior to the Issue	11,31,34,450 Equity Shares
Equity Shares outstanding after the Issue	[●] Equity Shares
Use of proceeds of this Issue	See section titled “Objects of the Issue” on page 97. Our Company will not receive any proceeds from the Offer for Sale.

The Fresh Issue has been authorised by our Board of Directors, pursuant to resolution dated August 13, 2014 and by our Shareholders pursuant to their resolution dated September 26, 2014.

The Selling Shareholder has authorized the Offer for Sale pursuant to its board resolution dated October 14, 2014. The Equity Shares offered by the Selling Shareholder in the Issue are eligible to form part of the offer for sale in accordance with the SEBI Regulations.

** If our Company does not receive (i) the minimum subscription of 90% of the Fresh Issue within the Bidding/Issue Period; and/or (ii) a subscription in the Issue equivalent to the minimum number of securities as specified under Rule 19(2)(b)(ii) of the SCRR, including devolvement of Underwriters, if any, our Company and the Selling Shareholder shall refund the entire subscription amount received, within period as prescribed under Regulation 14 of the SEBI ICDR Regulations. If there is a delay beyond the prescribed time, our Company and the Selling Shareholder, in the proportion of equity shares offered/issued by them, shall pay interest prescribed under the Companies Act, 2013, the SEBI ICDR Regulations and applicable law.*

The requirement for minimum subscription is not applicable to the Offer for Sale. In case of under-subscription in the Issue, the Equity Shares in the Fresh Issue will be issued prior to the sale of Equity Shares in the Offer for Sale.

*** Our Company and the Selling Shareholder may, in consultation with the BRLM and the CBRLM, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion shall be reserved for allocation to domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors. For further details, see “Issue Procedure” on page 430.*

**** Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in any category, except in the QIB Category, would be allowed to be met with spill over from any other category or combination of categories at the discretion of our Company and the Selling Shareholder, in consultation with the BRLM, the CBRLM and the Designated Stock Exchange.*

Notes

1. The Issue comprises the Fresh Issue which shall constitute [●] of our post-Issue equity share capital and the Offer for Sale shall constitute [●] of our post-Offer equity share capital.
2. The Selling Shareholders are offering up to [●], which have been held by them for a period of at least one year as on the date of filing of this Draft Red Herring Prospectus. For more information, see “**Capital Structure**” on page 78.
3. Our Company will not receive any proceeds from the Offer for Sale.
4. Allocation to all categories, except the Anchor Investor Portion and the Retail Category, if any, shall be made on a proportionate basis. For more information, see “**Issue Procedure**” on page 430.
5. Under-subscription, if any, in any category, except the QIB Category, would be met with spill-over from any other category or categories, as applicable, at the discretion of the Public Issue and Listing Committee of our Company in consultation with the BRLM, the CBRLM and the Designated Stock Exchange, on a proportionate basis, subject to applicable laws.

For details, including in relation to grounds for rejection of Bids, refer to the “**Issue Procedure**” on page 430. For details of the terms of the issue, see “Terms of the Issue” on page 421.

GENERAL INFORMATION

Our Company was incorporated in New Delhi on December 19, 1994 under the Companies Act as ‘SMC Global Securities Limited’, a public limited company. For more information, see “*History and Other Corporate Matters*” on page 162.

Registered and Corporate Office of our Company:

11/6B, Shanti Chamber,
Pusa Road,
New Delhi 110 005
India
Telephone: +91 (11) 40753333
Fax: +91 (11) 25754365
Email: smc.fpo@smcindiaonline.com
Website: <http://www.smcindiaonline.com>
Registration Number: 063609
Corporate Identification Number: L74899DL1994PLC063609

Address of the Registrar of Companies

Registrar of Companies,
National Capital Territory of Delhi and Haryana
4th Floor, IFCI Tower,
61, Nehru Place,
New Delhi 110 019,
India
Telephone: +91 (11) 2623 5704
Facsimile: + 91 (11) 2623 5702

Board of Directors

The following table sets out the current composition of the Board as on the date of the filing of this Draft Red Herring Prospectus. The Board currently consists of fifteen Directors, of which eight are independent Directors:

Sr. No.	Name, Designation, Occupation and DIN	Age (in years)	Residential Address
1.	Mr. Subhash Chand Aggarwal Chairman & Managing Director Occupation : Business DIN: 00003267	58	C-335, Saraswati Vihar Delhi 110 034
2.	Mr. Mahesh Chand Gupta Vice-Chairman & Managing Director Occupation: Business DIN: 00003082	57	C-40, Anand Vihar, I.P. Extension, Delhi-110092
3.	Mr. Ajay Garg Whole-time Director Occupation: Service DIN: 00003166	40	House No. 47, Second Floor, Road No. 43, Punjabi Bagh (West), New Delhi 110026
4.	Mr. Anurag Bansal Whole-time Director Occupation Service DIN: 00003294	39	C-2104, Lakshachandi Heights, Gokuldhara,, Goregaon (East), Mumbai 400 063
5.	Mr. Pradeep Aggarwal Whole-time Director Occupation: Service DIN: 00203822	45	D-98, Pushpanjali Enclave Pitampura, Delhi 110 034
6.	Mr. Finney Cherian Nominee and Non-Executive Director	50	159 South Drive, Manhasset Hills

Sr. No.	Name, Designation, Occupation and DIN	Age (in years)	Residential Address
	Occupation: Service DIN: 02011132		New York 11040 USA
7.	Mr. Narain Dass Gupta Independent & Non-Executive Director Occupation: Chartered Accountant DIN: 01522375	68	SU-113, Vishakha Enclave Pitampura, Delhi 110 088
8.	Mr. Hari Das Khunteta Independent & Non-Executive Director Occupation: Professional DIN: 00061925	62	A-3, Jal Vidyut Apartments Sector 21-C, Part 3 Faridabad Haryana 121 001
9.	Mr. Johannes Hendrik Petrus Van Der Merwe Non-Executive Director Occupation: Service DIN: 03048724	49	TE 20, Aristeaalaan, Bellville South Africa 7536
10.	Mr. Roop Chand Jindal Independent & Non-Executive Director Occupation : Chartered Accountant DIN: 01450916	66	49-A, BD Estate, Timarpur, New Delhi 110 054
11.	Mr. Pawan Kumar Bansal Independent & Non-Executive Director Occupation: Industrialist DIN: 00420629	49	A-156, Ist Floor, New Friends Colony, New Delhi 110 065
12.	Mr. Kundan Mal Agarwal Independent & Non-Executive Director Occupation: Chartered Accountant DIN: 00043115	65	Flat No 8614, Sector-C Pkt-8, Vasant Kunj New Delhi 110 070
13.	Mr. Satish Chandra Gupta Independent & Non-Executive Director Occupation: Retired Banker DIN: 00025780	67	A-1/135, Inderpuri New Delhi 110 012
14.	Mr. Chandra Wadhwa Independent & Non-Executive Director Occupation: Cost Accountant DIN: 00764576	56	705, Double Storey, New Rajinder Nagar New Delhi 110 060
15.	Dr. Madhu Vij Independent & Non-Executive Director Occupation: Service DIN: 00025006	59	18/8 Kalkaji, New Delhi - 110019

For further details of the Chairman, Managing Director, Whole time Director and other Directors of our Company, please refer to the section titled “Our Management” on page 179.

Selling Shareholder

Millennium Investment & Acquisition Company Inc.
(formerly known as Millennium India Acquisition Company Inc.)
301, Winding Road,
Old Bethpage,
New York, NY 11804

Executive Vice President (Corporate Affairs), Company Secretary and Compliance Officer

Mr. Suman Kumar

11/6B, Shanti Chamber
Pusa Road,

New Delhi – 110 005, India
Tel: +91 (11) 30155100, 30111000
Fax: +91 (11) 25754365
Website: www.smcindiaonline.com
Email: smc.fpo@smcindiaonline.com

Chief Financial Officer

Mr. Vinod Kumar Jamar

11/6B, Shanti Chamber
Pusa Road,
New Delhi – 110 005, India
Tel: +91 (11) 30111000
Fax: +91 (11) 25754365
E-mail: vinodjamar@smcindiaonline.com

Investors / Bidders can contact our Company Secretary and Compliance Officer, the BRLM, the CBRLM or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems such as non-receipt of Allotment advice, credit of Allotted Equity Shares in the respective beneficiary account or refund orders.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSB, giving full details such as name, address of the applicant, number of Equity Shares applied for, Bid Amount blocked, ASBA Account number and the Designated Branch of the SCSB where the ASBA Form was submitted by the ASBA Bidders.

For all Issue related queries and for redressal of complaints, investors may also write to the BRLM and the CBRLM. All complaints, queries or comments received by SEBI shall be forwarded to the BRLM and the CBRLM, who shall respond to the same.

Book Running Lead Manager

ICICI Securities Limited

ICICI Centre
H.T. Parekh Marg, Churchgate
Mumbai 400 020
Tel: +91 22 2288 2460
Fax: +91 22 2288 6580
Email: smc.fpo@icicisecurities.com
Investor Grievance Email: customercare@icicisecurities.com
Website: www.icicisecurities.com
Contact Person: Mr. Abhishek Jain / Mr. Mangesh Ghogle
SEBI Registration Number: INM000011179

Co-Book Running Lead Manager and Underwriter

Elara Capital (India) Private Limited

Indiabulls Finance Centre, Tower 3, 21st Floor,
Senapati Bapat Marg, Elphinstone Road (West), Mumbai 400 013
Tel: +91 (22) 3032 8599
Fax: +91 (22) 3032 8589
Email: smc.fpo@elaracapital.com
Investor Grievance Email: mb.investorgrievances@elaracapital.com
Website: www.elaracapital.com
Contact Person: Mr. Pavan Naik
SEBI Registration No.: INM000011104

Syndicate Members

The Syndicate Members shall be appointed prior to filing the Red Herring Prospectus with the RoC.

Domestic Legal Counsel to the Issue

Khaitan & Co

13th Floor, One Indiabulls Centre, Tower 1,
841 Senapati Bapat Marg, Elphinstone Road,
Mumbai 400013, Maharashtra, India
Tel: +91 (22) 6636 5000
Fax: +91 (22) 6636 5050

Registrar to the Issue

Link Intime India Private Limited

C-13, Pannalal Silk Mills Compound,
L.B.S Marg, Bhandup (West)
Mumbai 400 078, India
Tel: +91 (22) 6171 5400
Fax: +91 (22) 2596 0329
Email: smc.fpo@linkintime.co.in
Investor Grievance Email:
smc.fpo@linkintime.co.in
Website: www.linkintime.co.in
Contact Person: Mr. Sachin Achar
SEBI Registration No: INR000004058

Bankers to the Issue/Escrow Collection Banks

The Bankers to the Issue and Escrow Collection Banks shall be appointed prior to filing of the Red Herring Prospectus with the RoC.

Refund Bank(s)

The Refund Bank(s) shall be appointed prior to filing of the Red Herring Prospectus with the RoC.

Self-Certified Syndicate Banks

The list of banks that have been notified by SEBI to act as SCSBs for the ASBA process is provided at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries> or at such other website as may be prescribed by SEBI from time to time. For details on designated branches of SCSBs collecting the Bid cum Application Form, please refer to the above mentioned link.

Syndicate SCSB Branches

In relation to ASBA Bids submitted to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Bid-cum-Application Forms from the members of the Syndicate as is currently available on the website of the Securities and Exchange Board of India (<http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>) and updated from time to time.

Broker Centres

In accordance with SEBI Circular No. CIR/CFD/14/2012 dated October 4, 2012; Bidders can submit Bid cum Application Forms with the Registered Brokers at the Broker Centres, a list of which is available at the websites of the Stock Exchanges at www.bseindia.com and www.nseindia.com. In relation to ASBA Bids submitted to the Registered Brokers at the Broker Centres, the list of branches of the SCSBs at the Broker Centres named by

the respective SCSBs to receive deposits of the Bid cum Application Forms from the Registered Brokers will be available on the website of the SEBI (www.sebi.gov.in) and updated from time to time.

Statutory Auditors to our Company

R. Gopal & Associates

Chartered Accountants

G-1, Ground Floor, South Extension-II,

New Delhi – 110 049

Tel: +91 (11) 41649623, 41649624

Fax: +91 (11) 41649625

Email: sunilrga@gmail.com

Firm Registration No: 000846C

Bankers to our Company

Axis Bank Limited

Address: C-3/21, Janakpuri,
New Delhi 110 058

Tel: +91 (11) 4158 7428

Fax: +91 (11) 4157 6508

E-mail: janakpuri.branchhead@axisbank.com

Website: www.axisbank.com

Contact Person: Mr. Gurvir Singh/Mr. Amit Taank

Citi bank N.A.

Address: Global Consumer Bank, Jeevan Bharati Building,
3rd Floor, 124 Connaught Circus, New Delhi 110 001.

Tel: +91 (11) 4254 5438

Fax: +91 (11) 2332 5638

E-mail: rizwan.siraj@citigroup.com

Website: www.citibank.co.in

Contact Person: Mr. Rizwan Siraj

Bank of India

Address: 1st Floor, Hotel Connaught, Near Shivaji
Stadium, 37 Shaheed Bhagat Singh Marg,
Connaught Place, New Delhi 110001

Tel: +91 (11) 2336 5621

Fax: +91 (11) 2334 5603

E-mail: mcb.newdelhi@bankofindia.com

Website: www.bankofindia.co.in

HDFC Bank Limited

Address: B-3/6, First Floor, Asaf Ali Road,
New Delhi – 110 002

Tel: +91 (11) 4680 6204

Fax: +91 (11) 2328 3817

E-mail: sameer.bahl@hdfcbank.com

Website: www.hdfcbank.com

Contact Person: Mr. Sameer Bahl

Canara Bank

Address: NSE, N-1, C-Circus, New Delhi 110001

Tel: +91 (11) 2375 2036

E-mail: cb2577@canarabank.com

Website: www.canarabank.com

Contact Person: Mr. S.K. Khanna

IDBI Bank Limited

Address: B 3/1 Ashok Vihar Phase - II,
New Delhi 110 052

Tel: +91 9213020227

Fax: +91 (11) 4702 6742

E-mail: abhishek_suri@idbi.co.in

Website: www.idbi.com

Contact Person: Mr. Abhishek Suri

ICICI Bank Limited

Address: 9-A, Phelps Building,
Connaught Place,
New Delhi 110 001

Tel: +91 (11) 4308 4082

Fax: +91 (11) 6631 0410

E-mail: shivendra.s@icicibank.com

Website: www.icicibank.com

Contact Person: Mr. Shivendra Singh

Kotak Mahindra Bank Limited

Address: 7th Floor, Ambadeep Building,
14 Kasturba Gandhi Marg,
New Delhi-110 001

Tel: +91 (11) 4252 9231

Fax: +91 (11) 4352 1400

E-mail: ajay.bhargava@kotak.com

Website: www.kotak.com

Contact Person: Mr. Ajay Bhargava

IndusInd Bank Limited

Address: Dr. Gopal Das Bhawan,
28, Barakhamba Road,
New Delhi-110001
Tel: +91 (11) 4744 4245
Fax: +91 (11) 2373 8040
E-mail: sunil.chejara@indusind.com
Website: www.indusind.com
Contact Person: Ms. Sunil Chejara

State Bank of India

Address: 9, New Rajdhani Enclave, Swasthya Vihar, Delhi
110 092
Tel: +91 (011) 2204 5690
Fax: +91 (011) 2204 5587
E-mail: sbi.07085@sbi.co.in
Website: www.sbi.co.in
Contact Person: Chief Manager

Punjab National Bank

Address: DMA House, Ansari Road, Daryaganj,
New Delhi-110 002
Tel: +91 (11) 2327 1523
Fax: +91 (11) 2326 3885
E-mail: bo0117@ pnb.co.in
Website: www.pnbindia.com
Contact Person: Mr. R.Mahalingam

Yes Bank Limited

Address: 48, Nyaya Marg, Chanakyapuri,
New Delhi 110 021
Tel: +91 (11) 6656 9000
Fax: +91 (11) 4168 0144
E-mail: sourabh.bhasin@yesbank.in
Website: www.yesbank.in
Contact Person: Ms. Sourabh Bhasin

State Bank of Bikaner and Jaipur

Address: Upper Ground Floor,
6 Devika Towers, Nehru Place, New Delhi 110 019
Tel: +91 (11) -2647 0787, 2644 0921
Fax: +91 (11) 2646 4971
E-mail: sbbj10666@sbbj.co.in
Contact Person: Mr. Kamal Meena, Mr. K.S.
Chouhan

DCB Bank

Address: 15 G Hansalya Building, Barakhamba Road,
Connaught Place, New Delhi-110001
Tel: +91 (11) 33235200
E-mail: manikh@dcbbank.com
Website: www.dcbbank.com
Contact Person: Mr. Manik Handa

Inter Se Allocation of Responsibilities of the BRLM and the CBRLM

The following table sets forth the inter se allocation of responsibilities for various activities in relation to the Issue between the BRLM and the CBRLM:

S. No.	Activities Responsibility	Responsibility	Coordinating
1.	Capital structuring with the relative components and formalities such as composition of debt and equity, type of instruments, size of issue, allocation between primary and secondary, etc.	I-Sec, Elara	I-Sec
2.	Due diligence of the Company's operations/ management/ business plans/ legal etc. Drafting and design of the Draft Red Herring Prospectus, Red Herring Prospectus and Prospectus. The BRLM and Co-BRLM shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, RoC and SEBI including finalization of Prospectus and RoC filing of the same, follow up and coordination till final approval from all regulatory authorities	I-Sec, Elara	I-Sec
3.	Drafting and approval of statutory advertisement and application forms	I-Sec, Elara	I-Sec
4.	Drafting and approval of other publicity material including non-statutory advertisement, corporate advertisement, brochure, etc.	I-Sec, Elara	Elara
5.	Appointment of all other intermediaries (e.g. Registrar(s), Printer(s) and Banker(s) to the Issue, Advertising agency etc.)	I-Sec, Elara	Elara
6.	International Institutional Marketing; allocation of investors for meetings and finalizing road show schedules and preparation and finalization of the road-show presentation and FAQs	I-Sec, Elara	Elara
7.	Domestic Institutional Marketing (including banks/ mutual funds); allocation of investors for meetings and finalizing road	I-Sec, Elara	I-Sec

S. No.	Activities Responsibility	Responsibility	Coordinating
	show schedules		
8.	Non-Institutional and Retail Marketing of the Issue, which will cover, inter alia, <ul style="list-style-type: none"> Formulating marketing strategies, preparation of publicity budget Finalizing Media and PR strategy Finalizing centres for holding conferences for brokers etc. 	I-Sec, Elara	I-Sec
9.	Pricing and managing the book	I-Sec, Elara	Elara
10.	Coordination with Stock-Exchanges for: <ul style="list-style-type: none"> book building software, bidding terminals etc. payment of 1% security deposit through cash and bank guarantee 	I-Sec, Elara	Elara
11.	Finalizing collection centres and follow-up on distribution of publicity and Issue material including form, prospectus and deciding on the quantum of the Issue material	I-Sec, Elara	I-Sec
12.	Post-issue activities, which shall involve essential follow-up steps including follow-up with bankers to the issue and Self Certified Syndicate Banks to get quick estimates of collection and advising the issuer about the closure of the issue, based on correct figures, finalisation of the basis of allotment or weeding out of multiple applications, listing of instruments, dispatch of certificates or demat credit and refunds and coordination with various agencies connected with the post-issue activity such as registrars to the issue, bankers to the issue, Self-Certified Syndicate Banks etc. Including responsibility for underwriting arrangements, as applicable. The designated coordinating BRLM / Co-BRLM shall also be responsible for coordinating the redressal of investor grievances in relation to post issue activities and coordinating with Stock Exchanges and SEBI for Release of 1% security deposit post closure of the issue.	I-Sec, Elara	I-Sec
13.	Payment of the applicable Securities Transaction Tax (“STT”) on sale of unlisted equity shares by the Selling Shareholders under the offer for sale included in the Issue to the Government and filing of the STT return by the prescribed due date as per Chapter VII of Finance (No. 2) Act, 2004	I-Sec, Elara	I-Sec

IPO Grading

As this is not an initial public offering of our Company’s Equity Shares, grading of this Issue is not required.

Credit Rating

As this is an Issue comprising only Equity Shares, credit rating is not required.

Trustees

As the Issue is of Equity Shares, the appointment of trustees is not required.

Monitoring Agency

Pursuant to Regulation 16 of the SEBI ICDR Regulations since size of this issue is less than ₹ 5000 million, there is no requirement to appoint a monitoring agency.

Appraising Entity

None of the objects of the issue for which the Net Proceeds will be utilised have been appraised.

Experts

Except for the report of the Auditors on unconsolidated and consolidated financial statements and the statement of tax benefits on page 206 and 107, respectively, included in the Draft Red Herring Prospectus, our Company has not obtained any expert opinions.

Book Building Process

Book Building refers to the process of collection of Bids on the basis of the Red Herring Prospectus and the Bid cum Application Forms. The Issue Price will be determined by our Company and the Selling Shareholder, in consultation with the BRLM and the CBRLM, after the Bid Closing Date. The principal parties involved in the Book Building Process are:

1. our Company;
2. the Selling Shareholder
3. the BRLM;
4. the CBRLM
5. the Syndicate Members, who are intermediaries registered with SEBI or registered as brokers with the Stock Exchanges and eligible to act as Underwriters;
6. the Registrar to the Issue;
7. the Registered Brokers;
8. the Escrow Collection Banks;
9. the Refund Bank(s); and
10. the SCSBs.

The Issue is being made through the Book Building Process wherein 50% of the Issue will be available for allocation to QIBs on a proportionate basis, provided that our Company and the Selling Shareholder in consultation with the BRLM and the CBRLM, may allocate up to 60% of the QIB Category to Anchor Investors at the Anchor Investor Issue Price, on a discretionary basis, of which at least one-third will be available for allocation to domestic Mutual Funds. Further, 5% of the QIB Category (excluding the Anchor Investor Portion) will be available for allocation on a proportionate basis to Mutual Funds only. The remainder will be available for allocation on a proportionate basis to all QIBs including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 15% of the Issue will be available for allocation on a proportionate basis to Non-Institutional Investors subject to valid Bids being received at or above the Issue Price.

Further, not less than 35% of the Issue will be available for allocation to Retail Bidders, subject to valid Bids being received at or above the Issue Price such that subject to availability of Equity Shares, a Retail Bidder is allotted not less than the Minimum Bid Lot, and the remaining Equity Shares, if available, are allotted on a proportionate basis. Further, [●] Equity Shares will be made available for allocation to Eligible Employees, and [●] Equity Shares will be made available for allocation to SMC Retail Shareholders, subject to valid Bids being received at or above the Issue Price, such that subject to availability of Equity Shares, an Eligible Employee or a SMC Retail Shareholder is allotted not less than the Minimum Bid Lot, and the remaining Equity Shares, if available, are allotted on a proportionate basis, as the case may be. Under-subscription, if any, in any category, except the QIB Category, would be met with spill-over from any other category or categories, as applicable, on a proportionate basis, subject to applicable laws. For more information, see the section titled “Issue Procedure” on page 430.

QIBs (excluding Anchor Investors) and the Non-Institutional Investors can participate in this Issue only through the ASBA process and Retail Bidders have the option to participate through the ASBA process. Anchor Investors are not permitted to participate through the ASBA process.

QIBs and Non-Institutional Investors are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Bidders can revise their Bid(s) during the Bid/ Issue Period and withdraw their Bid(s) until finalization of Basis of Allotment. Anchor Investors are not allowed to withdraw their Bids after the Anchor Investor Bidding Date. For further details, see the section titled “Issue Procedure” on page 430.

The Book Building Process under the SEBI ICDR Regulations is subject to change from time to time and Bidders are advised to make their own judgment about investments through this process prior to making a Bid in the Issue. Our Company and the Selling Shareholder shall comply with regulations issued by SEBI and any other ancillary directions that SEBI may issue for this Issue. In this regard, our Company has appointed the BRLM and the CBRLM to manage the Issue and to procure subscriptions to the Issue.

Steps to be taken by the Bidders for Bidding:

1. Check eligibility for making a Bid. For further details, see the section titled “Issue Procedure” on page 430;
2. Ensure that you have an active demat account and your PAN and demat account details, including DP ID and client ID details are correctly mentioned in the Bid cum Application Form. Based on these three parameters, the Registrar to the Issue will obtain details of the Bidders from the Depositories including Bidders name, bank account, number, etc.;
3. Ensure that the Bid cum Application Form is duly completed as per the instructions given in the Red Herring Prospectus and in the respective forms;
4. Except for bids on behalf of the Central or State Government and the officials appointed by the courts, for Bids of all values ensure that you have mentioned your PAN allotted under the I.T. Act in the Bid cum Application Form (see the section titled “Issue Procedure” on page 430). However, Bidders residing in the State of Sikkim are exempted from the mandatory requirement of PAN. The exemption is subject to the Depository Participants verifying the veracity of the claim of the Bidders that they are residents of Sikkim, by collecting sufficient documentary evidence in support of their address;
5. Bids by Anchor Investors shall be submitted only to the members of the Syndicate.
6. Bids by QIBs (excluding Anchor Investors) who bid through the Syndicate ASBA process, shall be submitted only to the members of the Syndicate at the Syndicate ASBA Bidding Locations and the bids by QIBs (excluding Anchor Investors) who Bid through the ASBA process, shall be submitted at the Designated Branch of the SCSBs where the ASBA Account is maintained;
7. Bids by ASBA Bidders will have to be admitted to the Designated Branches of the SCSBs where the ASBA Account is maintained, except for ASBA Bids in the Syndicate ASBA Bidding Locations or at the Broker Centres. In case of the Syndicate ASBA Bidding Locations, the ASBA Bids may either be submitted with the Designated Branches or with the Syndicate. In case of the Broker Centres, the ASBA Bids shall be submitted to the Registered Brokers or to the Designated Branches of the SCSBs. ASBA Bidders should ensure that their bank accounts have adequate credit balance at the time of submission of the Bid cum Application Form to the SCSB or the Syndicate or the Registered Broker, as the case may be, to ensure that the Bid is not rejected;
8. Bids by non-ASBA Bidders will have to be submitted to the Syndicate (or their authorized agents) at the bidding centres or the Registered Brokers at the Broker Centres; and
9. Bids by QIBs (excluding Anchor Investors) and Non-Institutional Bidders will only have to be submitted through the ASBA process.

For further details, please see the section titled “Issue Procedure” on page 430.

Illustration of Book Building Process and the Price Discovery Process

(Bidders should note that the following is solely for the purpose of illustration and is not specific to the Issue)

Bidders can bid at any price within the Price Band. For instance, assuming a price band of ₹ 100 to ₹ 120 per equity share, an issue size of 3,000 equity shares and receipt of 5 bids from bidders, details of which are shown in the table below, the illustrative book would be as given below. A graphical representation of the consolidated demand and price would be made available at the bidding centres during the bidding period. The illustrative book shown below indicates the demand for the shares of the company at various prices and is collated from bids from various bidders.

Bid Quantity	Bid Price (₹)	Cumulative Quantity	Subscription (%)
500	120	500	16.67
1,000	115	1,500	50.00
1,500	110	3,000	100.00
2,000	105	5,000	166.67
2,500	100	7,500	250.00

The price discovery is a function of demand at various prices. The highest price at which the issue or is able to issue the desired number of shares is the price at which the book cuts off, i.e. ₹ 110 in the above example. Our Company and the Selling Shareholder, in consultation with the BRLM and the CBRLM, will finalize the issue price at or below such cut off, i.e., at or below ₹ 110. All bids at or above this issue price and cut-off bids are valid bids and are considered for allocation in the respective categories. This table is for illustration only and an investor can bid at an interval of every one rupee in the above example.

Withdrawal of the Issue

In accordance with the SEBI ICDR Regulations, our Company and the Selling Shareholder, in consultation with the BRLM and the CBRLM, reserve the right not to proceed with the Issue at any time including after the Bid Opening Date but before Allotment without assigning any reason thereof. However, in the event our Company and the Selling Shareholder withdraw the Issue after the Bid Closing Date, our Company and the Selling Shareholder will give the reason thereof within two days of the Bid Closing Date by way of a public notice in the same newspapers where the pre-Issue advertisement had appeared. The Stock Exchanges where the Equity Shares are proposed to be listed will also be informed promptly and the BRLM along with the CBRLM, through the Registrar to the Issue, will notify the SCSBs to unblock the bank accounts specified by the ASBA Bidders within one day from the date of receipt of such notification.

In the event our Company and the Selling Shareholder, in consultation with the BRLM and the CBRLM, withdraws the Issue after the Bid Closing Date, a fresh offer document will be filed with the RoC/SEBI in the event we subsequently decide to proceed with a public offering.

Notwithstanding the foregoing, the Issue is subject to obtaining the final trading approvals of the Stock Exchanges with respect to the Equity Shares issued in the Fresh Issue, which our Company will apply for only after Allotment and dispatch of refunds within 12 Working Days of the Issue Closing Date.

BIDDING PROGRAMME*			
BID OPENS ON	[●]	BID CLOSES ON (FOR QIB BIDDERS) [#]	[●]
		BID CLOSES ON (FOR ALL OTHER BIDDERS)	[●]

[#] Our Company and the Selling Shareholder, in consultation with the BRLM and the CBRLM, may consider closing the QIB Bidding Period a day before the Bid Closing Date for other Bidders.

* Our Company and the Selling Shareholder may consider participation by Anchor Investors. The Anchor Investor Bidding Date shall be one Working Day prior to the Bid/Issue Opening Date.

Underwriting Agreement(s)

- The Company and the Selling Shareholder shall be entering into the First Underwriting Agreement with the Underwriters, prior to filing of the Red Herring Prospectus with the RoC for the Equity Shares proposed to be offered through this Issue as per the SEBI ICDR Regulations.

The First Underwriting Agreement shall not apply to the subscription by the ASBA Bidders who have submitted their Bids directly to the SCSBs in this Issue.

The Underwriters mentioned below have indicated their intention to underwrite the following number of Equity Shares:

Name and Address of the Underwriters	Amount Underwritten (In ₹ million)
Elara Capital (India) Private Limited Indiabulls Finance Centre, Tower 3, 21st Floor, Senapati Bapat Marg, Elphinstone Road (West), Mumbai 400 013 Tel: +91 (22) 3032 8599 Fax: +91 (22) 3032 8589 Email: smc.fpo@elaracapital.com Investor Grievance Email: mb.investorgrievances@elaracapital.com Website: www.elaracapital.com Contact Person: Mr. Pavan Naik SEBI Registration No.: INM000011104	600

- b) After the determination of the Issue Price, but prior to filing of the Prospectus with the RoC, our Company and the Selling Shareholder intends to enter into a Second Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through this Issue as per the SEBI ICDR Regulations. The Second Underwriting Agreement shall not apply to the subscription by the ASBA Bidders who have submitted their Bids directly to the SCSBs in this Issue. Pursuant to the terms of the Second Underwriting Agreement, the obligations of the Underwriters are several and are subject to certain conditions to closing, as specified therein.

The Second Underwriting Agreement is dated [●]. The Underwriters have indicated their intention to underwrite the following number of Equity Shares:

(This portion has been intentionally left blank and will be completed before filing of the Prospectus with the RoC)

Name and Address of the Underwriters	Indicated Number of Equity Shares to be Underwritten*	Amount Underwritten (In ₹ million)*
[●]	[●]	[●]
[●]	[●]	[●]

**The information will be finalized after determination of the Issue Price and finalization of the 'Basis of Allotment'.*

In the opinion of the Board of Directors (based on a representation given by the Underwriters), the resources of the Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. Each of the Underwriters is registered with SEBI under Section 12(1) of the SEBI Act or as a broker with the Stock Exchanges. Pursuant to a meeting of the Public Issue and Listing Committee, held on [●], 2014, the Selling Shareholder and the Board have accepted and entered into the Second Underwriting Agreement dated [●], 2014.

Allocation among the Underwriters may not necessarily be in proportion to their underwriting commitments. Notwithstanding the above table, the Underwriters will be severally responsible for ensuring payment with respect to the Equity Shares allocated to Bidders procured by them. In the event of any default in payment, the respective Underwriter, in addition to other obligations mentioned in the underwriting agreement, will also be required to procure subscriptions/ subscribe for Equity Shares to the extent of the defaulted amount in accordance with the underwriting agreement.

This Issue is subject to final listing and trading approvals from Stock Exchanges and receipt of approval from Roc.

CAPITAL STRUCTURE

The share capital as on the date of filing of this Draft Red Herring Prospectus with the SEBI is set forth below:

<i>(In ₹, except share data)</i>		
	Aggregate value at Face Value	Aggregate value at Issue Price
A. Authorised Capital*		
14,00,50,000 Equity Shares	28,01,00,000	
50,00,000 Preference Shares	5,00,00,000	
B. Issued, subscribed and paid up Equity Share capital before the Issue		
11,31,34,450 Equity Shares	22,62,68,900	
C. Present Issue in terms of this Draft Red Herring Prospectus		
Issue of [●] Equity Shares fully paid up aggregating up to ₹ 1,250 Million	[●]	[●]
<i>Of which:</i>		
Fresh Issue of [●] Equity Shares aggregating up to ₹ 1,070 Million ⁽¹⁾	[●]	
Offer for Sale of [●] Equity Shares aggregating up to ₹ 180 Million ⁽²⁾	[●]	
D. Issue to the Public		
Up to [●] Equity Shares fully paid up	[●]	[●]
Of Which:		
1. QIB Portion of at least [●] Equity Shares:	[●]	[●]
<i>Of which:</i>		
Anchor Investor Portion ⁽³⁾ of [●] Equity Shares	[●]	[●]
QIB Portion less the Anchor Investor Portion, i.e. Net QIB Portion of [●] Equity Shares	[●]	[●]
<i>Of which:</i>		
Available for allocation to Mutual Funds of [●] Equity Shares	[●]	[●]
Balance for all QIBs (including Mutual Funds) of [●] Equity Shares	[●]	[●]
2. Non-Institutional Portion of not more than [●] Equity Shares:	[●]	[●]
3. Retail Portion of not more than [●] Equity Shares:	[●]	[●]
E. Equity Capital after the Issue		
[●] Equity Shares fully paid up	[●]	[●]
F. Share Premium Account		
Before the Issue	344,44,49,991	
After the Issue	[●]	

*For details on changes in authorized share capital of our Company, see the section titled "History and Other Corporate Matters" on page 162.

⁽¹⁾The Fresh Issue has been authorised by a resolution passed by the Board of Directors in their meeting held on August 13, 2014 and a special resolution pursuant to Section 62 of the Companies Act 2013 passed at the AGM of our Company held on September 26, 2014.

⁽²⁾The Selling Shareholder has authorised the Offer for Sale pursuant to the terms of a resolution passed by its board of directors in their meeting held on October 14, 2014.

⁽³⁾Our Company and the Selling Shareholder may, in consultation with the BRLM and the CBRLM, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis at the Anchor Investor Allocation Price, out of which at least one-third will be available for allocation to domestic Mutual Funds only. For further details, see the section titled “Issue Procedure” on page 430. In the event of under-subscription or non-Allotment in the Anchor Investor Portion, the balance Equity Shares in the Anchor Investor Portion shall be added to the QIB Portion.

Notes to the Capital Structure:

1. Equity Share Capital history of our Company:

Date of Allotment and when made fully paid up	Nature of Allotment	Nature of consideration	Number of Equity Shares	Face value (₹)	Issue Price (₹)	Cumulative No. of Equity Shares	Cumulative Share Capital (₹)	Cumulative Securities Premium (₹)
January 03, 1995	Allotment pursuant to subscription under Memorandum of Association	Cash	700	10	10	700	7,000	NIL
January 30, 1995	Allotment to Mr. R.P. Mangla, Capital Meters (Private) Limited, Ms. Sushma Gupta, Ms. Hemlata Aggarwal, Mr Mahesh Chand Gupta, Mr. Subhash Chand Aggarwal, Mr. K.M. Agarwal, Ms. Sheela Agarwal, Mr. Pramod Kumar Aggarwal, Mr. Pawan Kumar Bansal	Cash	6,10,000	10	10	6,10,700	61,07,000	NIL
February 08, 1995	Allotment to Mr. Subhash Chand Aggarwal, Ms. Hemlata Aggarwal, Ms. Ginni Devi, Mr. Mahesh Chand Gupta, Mr. Dinesh Chand Gupta, Ms. Sushma Gupta	Cash	8,10,000	10	10	14,20,700	1,42,07,000	NIL
June 12, 1995	Allotment to Mr. Subhash Chand Aggarwal, Ms. Hemlata Aggarwal, Mr. Mahesh Chand Gupta, Ms. Sushma Gupta, Mr Ashok Kumar Aggarwal	Cash	9,20,000	10	10	23,40,700	2,34,07,000	NIL
December 08, 1995	Allotment to Mr. Yash Pal Mendiratta, Ms. Alka Mendiratta, Ms. Alka Aggarwal, Valour Construction Limited, SMC Credits Limited, SMC Share Brokers Limited, Mr. M.K. Malhotra, Ms. Sushma Malhotra, Mr. Parul Aggarwal,	Cash	3,99,300	10	10	27,40,000	2,74,00,000	NIL

Date of Allotment and when made fully paid up	Nature of Allotment	Nature of consideration	Number of Equity Shares	Face value (₹)	Issue Price (₹)	Cumulative No. of Equity Shares	Cumulative Share Capital (₹)	Cumulative Securities Premium (₹)
	Globe Merchants Limited, Ms. Shakuntala Aggarwal							
February 03, 1996	Initial Public Offering	Cash	18,65,100	10	10	46,05,100	4,60,51,000	NIL
March 29, 2006	Mr. Subhash Chand Aggarwal Ms. Sushma Gupta, Mr. Mahesh Chand Gupta, Ms. Hemlata Aggarwal, Cosy Enterprises Limited, Sainty Financial Services Private Limited, Funny Time Finvest & Leasing Private Limited#	Cash	2,900,000	10	25	75,05,100	7,50,51,000	4,35,00,000
January 21, 2008	Allotment to Millennium Investment & Acquisition Company Inc. #	Cash	12,98,400	10	1,047.83	88,03,500	8,80,35,000	1,39,10,18,472
May 05, 2008	Allotment to Bennett Coleman & Co. Limited#	Cash	1,88,646	10	3,339.95	89,92,146	8,99,21,460	2,01,92,00,220
May 08, 2009	Allotment pursuant to amalgamation of SAM Global Securities Limited with our Company#	Other than cash	1,835,240	10	N.A.	1,03,67,386*	10,36,73,860	2,37,82,85,031*
July 22, 2009	Allotment to Sanlam International Investment Partners Limited#	Cash	90,830	10	2,792.79	1,04,58,216	10,45,82,160	2,63,10,45,846
August 25, 2009	Allotment to Sanlam International Investment Partners Limited#	Cash	20,171	10	2,792.79	1,04,78,387	10,47,83,870	2,68,71,77,503
November 30, 2011	Allotment to Sanlam International Investment Partners Limited#	Cash	4,67,371	10	1,002.95	1,09,45,758	10,94,57,580	3,15,12,53,538
June 29, 2012	Allotment to Sanlam International Investment Partners Limited#	Cash	3,67,687	10	1,115.10	1,13,13,445	11,31,34,450	3,55,75,84,441
August 11, 2012	Sub-division of one Equity Share of ₹ 10 into 5 fully paid Equity Shares of ₹ 2 each	N.A. (Split)	5,65,67,225	2	-	5,65,67,225	11,31,34,450	3,55,75,84,441
August 11, 2012	Bonus Issue (1:1)^	N.A. (Bonus Issue)	5,65,67,225	2	-	11,31,34,450	22,62,68,900	3,44,44,49,991

**Due to the merger of SAM Global Securities Limited with our Company (with a ratio of 1:6), 4,60,000 equity shares of face value of ₹10 each representing our shareholding in SAM Global Securities have been extinguished*

** Due to the merger, share premium increased by ₹ 35,90,84,811

Relevant provisions of the regulations have been complied with

^ Relevant provisions of the regulations have been complied with

2. Build-up of Promoter's shareholding and Lock-in:

(a) Details of the build-up of the Promoter's shareholding in our Company:

1. Subhash Chand Aggarwal

Date of Allotment/Transfer	No. of Equity Shares	Consideration (In Cash /other than cash)	Face Value (₹)	Acquisition Price (₹ per Equity Shares)	Nature of Issue / Acquisition	Source of Funds
January 03, 1995	100	Cash	10	10	Subscriber to the Memorandum	Owned
January 30, 1995	60,000	Cash	10	10	Allotment	Borrowed
February 08, 1995	1,40,000	Cash	10	10	Allotment	Borrowed
June 12, 1995	2,00,000	Cash	10	10	Allotment	Borrowed
March 29, 2006	3,00,000	Cash	10	25	Allotment	Borrowed
September 07, 2006	30,000	Cash	10	25	Transfer	Borrowed
September 14, 2006	5,000	Cash	10	25	Transfer	Borrowed
September 25, 2006	3,000	Cash	10	25	Transfer	Owned
November 06, 2006	4,600	Cash	10	25	Transfer	Borrowed
November 11, 2006	25,550	Cash	10	25	Transfer	Borrowed
November 16, 2006	300	Cash	10	25	Transfer	Owned
December 1, 2006	10,000	Cash	10	25	Transfer	Borrowed
March 29, 2007	2,31,000	Cash	10	25	Inter-se Transfer	Borrowed
Subtotal	10,09,550					
August 11, 2012	50,47,750	N.A. (Split)	2	-	Sub-division of one Equity Share of ₹ 10 into 5 fully paid Equity Shares of ₹ 2 each	NA
August 11, 2012	50,47,750	N.A. (Bonus Issue)	2	-	Bonus Issue (1:1)	NA
Total	1,00,95,500					

2. Mahesh Chand Gupta

Date of Allotment/Transfer	No. of Equity Shares	Consideration (In Cash /other than cash)	Face Value (₹)	Acquisition Price (₹ Per equity Shares)	Nature of Issue/ Acquisition	Source of Funds
January 03, 1995	100	Cash	10	10	Subscriber to the Memorandum	Owned
January 30, 1995	70,000	Cash	10	10	Allotment	Borrowed
February 08, 1995	1,30,000	Cash	10	10	Allotment	Borrowed
June 12, 1995	2,00,000	Cash	10	10	Allotment	Borrowed
March 29, 2006	3,00,000	Cash	10	25	Allotment	Borrowed
September 07, 2006	38,500	Cash	10	25	Transfer	Borrowed
September 14, 2006	11,000	Cash	10	25	Transfer	Borrowed
September 22, 2006	1,000	Cash	10	25	Transfer	Owned
September 25, 2006	3,000	Cash	10	25	Transfer	Owned
October 3, 2006	300	Cash	10	25	Transfer	Owned
November 6, 2006	5,500	Cash	10	25	Transfer	Borrowed

Date of Allotment/Transfer	No. of Equity Shares	Consideration (In Cash /other than cash)	Face Value (₹)	Acquisition Price (₹ Per equity Shares)	Nature of Issue/ Acquisition	Source of Funds
November 8, 2006	100	Cash	10	25	Transfer	Owned
November 11, 2006	550	Cash	10	25	Transfer	Borrowed
November 13, 2006	25,000	Cash	10	25	Transfer	Borrowed
November 16, 2006	300	Cash	10	25	Transfer	Owned
December 1, 2006	10,000	Cash	10	25	Transfer	Borrowed
December 8, 2006	(1,500)	Cash	10	10	Inter-se Transfer	Owned
March 29, 2007	2,30,000	Cash	10	25	Transfer	Borrowed
March 29, 2007	1,000	Cash	10	25	Transfer	Owned
Subtotal	10,24,850					
August 11, 2012	51,24,250	N.A. (Split)	2	-	Sub-division of one Equity Share of ₹ 10 into 5 fully paid Equity Shares of ₹ 2 each	NA
August 11, 2012	51,24,250	N.A. (Bonus)	2	-	Bonus Issue (1:1)	NA
Total	1,02,48,500					

3. *Ms. Sushma Gupta*

Date of Allotment/Transfer	No. of Equity Shares	Consideration (In Cash /other than cash)	Face Value (₹)	Acquisition Price (₹ Per equity Shares)	Nature of Issue/ Acquisition	Source of Funds
January 03, 1995	100	Cash	10	10	Subscriber to the Memorandum	Owned
January 30, 1995	80,000	Cash	10	10	Allotment	Borrowed
February 08, 1995	1,70,000	Cash	10	10	Allotment	Borrowed
June 12, 1995	2,00,000	Cash	10	10	Allotment	Borrowed
March 29, 2006	3,00,000	Cash	10	25	Allotment	Borrowed
September 07, 2006	31,500	Cash	10	25	Transfer	Borrowed
November 11, 2006	50,000	Cash	10	25	Transfer	Borrowed
December 08, 2006	1,500	Cash	10	10	Inter-se Transfer	Owned
November 12, 2009	(20,085)	Cash	10	10	Inter-se Transfer	Owned
November 12, 2009	(56,360)	Cash	10	10	Inter-se Transfer	Owned
Subtotal	7,56,655					
August 11, 2012	37,83,275	N.A. (Split)	2	-	Sub-division of one Equity Share of ₹ 10 into 5 fully paid Equity Shares of ₹ 2 each	NA
August 11, 2012	37,83,275	N.A. (Bonus)	2	-	Bonus Issue (1:1)	NA
Total	75,66,550					

4. *Mr. Damodar Krishan Aggarwal*

Date of Allotment/Transfer	No. of Equity Shares	Consideration (In Cash /other than cash)	Face Value (₹)	Acquisition Price (₹ Per equity Shares)	Nature of Issue/ Acquisition	Source of Funds
May 8, 2009	1,667	Other than Cash	10	-	Allotment pursuant to amalgamation of SAM Global Securities Limited with our Company	NA
November 19, 2009	56,445	Cash	10	10	Inter-se Transfer	Borrowed
November 12, 2009	20,085	Cash	10	10	Inter-se Transfer	Borrowed
Subtotal	78,197					
August 11, 2012	3,90,985	N.A. (Split)	2	-	Sub-division of one Equity Share of ₹ 10 into 5 fully paid Equity Shares of ₹ 2 each	NA
August 11, 2012	3,90,985	N.A. (Bonus)	2	-	Bonus Issue (1:1)	NA
Total	7,81,970					

(b) *Minimum Promoter's Contribution and Lock-in:*

[●] Equity Shares, aggregating up to 20% of the Issue Size, held by our Promoters will be locked in for a period of three years from the date of Allotment in the Issue. The details are as follows:

Name of the Promoter	Number of Equity Shares locked in	Face Value (₹)	Percentage of post-Issue paid-up capital
Mr. Subhash Chand Aggarwal [●]		2	[●]
Mr. Mahesh Chand Gupta [●]		2	[●]

The Equity Shares that are being locked-in are not ineligible for computation of Promoter's contribution under Regulation 33 of the SEBI ICDR Regulations. In this connection, we confirm the following:

- The Equity Shares offered for minimum 20% Promoter's contribution have not been acquired in the last three years for consideration other than cash and revaluation of assets or capitalization of intangible assets or bonus shares out of revaluation reserves, or unrealised profits of our Company or from a bonus issue against Equity Shares which are otherwise ineligible for computation of Promoter's contribution;
- The Equity Shares offered for minimum 20% Promoter's contribution does not include any Equity Shares acquired during the preceding one year at a price lower than the price at which the Equity Shares are being offered to the public in the Issue;
- The Equity shares offered for minimum 20% Promoters' contribution were not issued to the Promoters' on conversion of a partnership firm;
- The Equity Shares offered for minimum 20% Promoter's contribution are not subject to any pledge;

(v) All the Equity Shares of our Company held by the Promoters are in dematerialised form; and

(vi) The Equity Shares offered for minimum 20% Promoter's contribution does not consist of Equity Shares for which specific written consent has not been obtained from our Promoters for inclusion of their subscription in the minimum Promoter's contribution subject to lock-in.

(c) *Details of Equity Shares locked-in for one year*

Other than the above Equity Shares that would be locked in for three years, the balance pre-Issue Equity Shares comprising [●] Equity Shares held by our Promoters would be locked-in for a period of one year from the date of Allotment in the Issue.

(d) *Lock-in of Equity Shares to be allotted, if any, to the Anchor Investor*

Any Equity Shares allotted to the Anchor Investor Portion shall be locked-in for a period of 30 days from the date of Allotment.

(e) *Other requirements in respect of lock-in:*

The locked in Equity Shares held by the Promoters, as specified above, may be pledged only with scheduled commercial banks or public financial institutions as collateral security for loans granted by such banks or financial institutions, provided that the pledge of the Equity Shares is one of the terms of the sanction of the loan. Provided that if any Equity Shares are locked in as minimum Promoters' contribution, under Regulation 39(a) of the SEBI ICDR Regulations, the same may be pledged, only if, in addition to fulfilling the above requirement, the loan has been granted by such banks or financial institutions for the purpose of financing the Objects of the Issue.

The Equity Shares held by the Promoter, may be transferred to new promoters or persons in control of our Company subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as applicable.

5. *Details of the buildup of the Selling Shareholder:*

DATE OF ALLOTMENT/TRANSFER	No. of Equity Shares	CONSIDERATION (In Cash /other than cash)	Face Value (₹)	Acquisition Price (₹ per Equity Shares)	Nature of Issue / Acquisition
January 21, 2008	12,98,400	Cash	10	1,047.83	Allotment
May 8, 2009	2,88,338	Other than cash	10	-	Allotment pursuant to amalgamation of SAM Global Securities Limited with our Company
Subtotal	15,86,738				
August 11, 2012	79,33,690	N.A. (Split)	2	-	Subdivision of one equity share of ₹ 10 each into five fully paid up Equity Shares of ₹ 2 each
August 11, 2012	79,33,690	N.A. (Bonus Issue)	2	-	Bonus Issue (1:1)

DATE OF ALLOTMENT/TRANSFER	No. of Equity Shares	CONSIDERATION (In Cash /other than cash)	Face Value (₹)	Acquisition Price (₹ per Equity Shares)	Nature of Issue / Acquisition
December 12, 2013	1,131,345	Cash	2	75	Sale of Share by the Selling Shareholder to Ridisha Marketing Private Limited

The Selling Shareholder has held the Equity Shares for over a period of one year prior to the filing of this Draft Red Herring Prospectus

6. **Shareholding Pattern of our Company as on October 10, 2014:**

The total pre-Issue paid-up Equity Shares of our Company is 11,31,34,450 and the total post-Issue paid-up Equity Shares of our Company is [•]. There are no warrants, partly paid up shares or outstanding convertible securities as on the date of the Draft Red Herring Prospectus. The table below represents the shareholding pattern of our Company as per Clause 35 of the Listing Agreement:

Category code	Category of Shareholder	Number of Shareholders	Total number of Shares	Number of Shares held in dematerialized form	Total Shareholding as a percentage of total number of shares		Shares pledged(or otherwise encumbered)	
					As a percentage of (A+B)	As a percentage of (A+B+C)	Number of shares	As a percentage (IX) =
					(VI)	(VII)	(VIII)	(VIII)/(IV)*100
(A)	PROMOTER AND PROMOTER GROUP							
[1]	INDIAN							
	INDIVIDUALS / HINDU UNDIVIDED FAMILY	10	40718670	40718670	35.99	35.99	0	0
	CENTRAL GOVERNMENT / STATE GOVERNMENT(S)	0	0	0	0	0	0	0
	BODIES CORPORATE	7	25604670	25604670	22.63	22.63	0	0
	FINANCIAL INSTITUTIONS / BANKS	0	0	0	0	0	0	0
	ANY OTHER (SPECIFY)	0	0	0	0	0	0	0
	Sub Total	17	66323340	66323340	58.62	58.62	0	0
[2]	FOREIGN							
	INDIVIDUALS (NON-RESIDENT INDIVIDUALS / FOREIGN INDIVIDUALS)	0	0	0	0	0	0	0
	BODIES CORPORATE	0	0	0	0	0	0	0
	INSTITUTIONS	0	0	0	0	0	0	0
	QUALIFIED FORE. INVESTOR-CORPORATE	0	0	0	0	0	0	0
	QUALIFIED	0	0	0	0	0	0	0

Category code	Category of Shareholder	Number of	Total number of Shares	Number of Shares held in	Total Shareholding as		Shares pledged(or	
		Shareholders		dematerialized form	a percentage of total number of		otherwise encumbered)	
					shares			
					As a	As a	Number of	As a
(I)	(II)	(III)	(IV)	(V)	percentage	percentage	shares	percentage
					of (A+B)	of (A+B+C)		(IX) =
					(VI)	(VII)	(VIII)	(VIII)/(IV)*100
	FORE.INVESTOR-IND							
	ANY OTHER (SPECIFY)	0	0	0	0	0	0	0
	Sub Total	0	0	0	0	0	0	0
	Total (A)	17	66323340	66323340	58.62	58.62	0	0
(B)	PUBLIC							
	SHAREHOLDING							
[1]	INSTITUTIONS							
	MUTUAL FUNDS / UTI	0	0	0	0	0	0	0
	FINANCIAL	0	0	0	0	0	0	0
	INSTITUTIONS / BANKS							
	CENTRAL	0	0	0	0	0	0	0
	GOVERNMENT / STATE							
	GOVERNMENT(S)							
	VENTURE CAPITAL	0	0	0	0	0	0	0
	FUNDS							
	INSURANCE	0	0	0	0	0	0	0
	COMPANIES							
	FOREIGN	0	0	0	0	0	0	0
	INSTITUTIONAL							
	INVESTORS							
	FOREIGN VENTURE	0	0	0	0	0	0	0
	CAPITAL INVESTORS							
	QUALIFIED FORE.	0	0	0	0	0	0	0
	INVESTOR-CORPORATE							
	QUALIFIED	0	0	0	0	0	0	0
	FORE.INVESTOR-IND							
	Sub Total	0	0	0	0	0	0	0
[2]	NON-INSTITUTIONS							
	BODIES CORPORATE	42	17218100	13982090	15.22	15.22	8063000	46.83
	INDIVIDUAL	1256	3102975	2010815	2.74	2.74	0	0

Category code	Category of Shareholder	Number of Shareholders	Total number of Shares	Number of Shares held in dematerialized form	Total Shareholding as a percentage of total number of shares		Shares pledged(or otherwise encumbered)	
					As a percentage of (A+B)	As a percentage of (A+B+C)	Number of shares	As a percentage (IX) =
					(VI)	(VII)	(VIII)	(VIII)/(IV)*100
	SHAREHOLDERS HOLDING NOMINAL SHARE CAPITAL UP TO ₹0.1 MILLION.							
	INDIVIDUAL SHAREHOLDERS HOLDING NOMINAL SHARE CAPITAL IN EXCESS OF ₹0.1 MILLION	23	2292410	2152410	2.03	2.03	974810	42.52
	QUALIFIED FORE. INVESTOR-CORPORATE	0	0	0	0	0	0	0
	QUALIFIED FORE.INVESTOR-IND	0	0	0	0	0	0	0
	CLEARING MEMBER	0	0	0	0	0	0	0
	MARKET MAKER	0	0	0	0	0	0	0
	OFFICE BEARERS	0	0	0	0	0	0	0
	NON RESIDENT INDIANS (REPAT)	1	1000	1000	0.0009	0.0009	0	0
	NON RESIDENT INDIANS (NON REPAT)	0	0	0	0	0	0	0
	FOREIGN COMPANIES	5	24196625	12586065	21.39	21.39	0	0
	Sub Total	1327	46811110	30732380	41.38	41.38	9037810	19.31
	Total (B)	1327	46811110	30732380	41.38	41.38	9037810	19.31
	Total (A)+(B)	1344	113134450	97055720	100	100	9037810	7.99
(C)	SHARES HELD BY CUSTODIANS AND AGAINST WHICH DEPOSITORY RECEIPTS HAVE BEEN ISSUED							

Category code	Category of Shareholder	Number of Shareholders	Total number of Shares	Number of Shares held in dematerialized form	Total Shareholding as a percentage of total number of shares		Shares pledged(or otherwise encumbered)	
					As a percentage of (A+B)	As a percentage of (A+B+C)	Number of shares	As a percentage (IX) = (VIII)/(IV)*100
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	
	SHARES HELD BY CUSTODIANS	0	0	0	0	0	0	0
	Sub Total	0	0	0	0	0	0	0
	Total (C)	0	0	0	0	0	0	0
	Total (A)+(B)+(C)	1344	113134450	97049720	100	100	9037810	7.99

**(I)(b) STATEMENT SHOWING HOLDING OF SECURITIES (INCLUDING SHARES,WARRANTS,CONVERTIBLE SECURITIES) OF PERSONS
BELONGING TO THE CATEGORY 'PROMOTER AND PROMOTER GROUP'**

Sr . No.	Name Of The Shareholder	No. of Shares Held	Total Shares Held	Encumbered shares No.	Encumbered Shares	Encumbered shares As a % of grand Total	Number of warrants held	As a % total number of warrant s of the same class	Number of convertible securities held	As a % total number of convertible securities of the same class	Total shares (including underlying shares assuming full conversion of warrants and convertible securities) as a % of diluted share capital
			AS a % of Grand Total (A)+(B)+(C)		As a Percentage	(A)+(B)+(C) OF Sub- Clause(I)(a)					
(I)	(II)	(III)	(IV)	(V)	(VI)=(V)/(III) *100	(VII)	(VIII)	(IX)	(X)	(XI)	(XII)
1	MAHESH C GUPTA	10248500	9.0587	0	0	0					
2	SUBHASH CHAND AGGARWAL	10095500	8.9235	0	0	0					
3	FUNNY TIME FINVEST PRIVATE LTD.	9000000	7.9551	0	0	0					
4	HEMLATA AGGARWAL	7720550	6.8242	0	0	0					
5	SUSHMA GUPTA	7566550	6.6881	0	0	0					
6	PULIN INVESTMENTS PVT. LTD.	5095860	4.5043	0	0	0					
7	SHIVRAJ EXIM PRIVATE LTD	4301210	3.8019	0	0	0					
8	ASM PIPES PRIVATE LIMITED	2699170	2.3858	0	0	0					
9	MAR FASHIONS PRIVATE LIMITED	2666760	2.3572	0	0	0					

Sr . No.	Name Of The Shareholder	No. of Shares	Total Shares Held	Encumbered shares No.	Encumbered Shares	Encumbered shares As a %	Number of warrants	As a % total	Number of convertible	As a % total number of	Total shares (including
10	GINNI DEVI	2200000	1.9446	0	0	0					
11	JAI AMBEY SHARE BROKING LTD.	1616670	1.429	0	0	0					
12	MADAN GOPAL AGARWAL	984000	0.8698	0	0	0					
13	AJAY GARG	841600	0.7439	0	0	0					
14	DAMODAR KRISHAN AGGARWAL	781970	0.6912	0	0	0					
15	ANURAG . BANSAL	250000	0.221	0	0	0					
16	SMC SHARE BROKERS LTD.	225000	0.1989	0	0	0					
17	ARCHANA AGGARWAL	30000	0.0265	0	0	0					
Total :		66323340	58.6237	0	0	0					

(I)(C)(i) STATEMENT SHOWING HOLDING OF SECURITIES (INCLUDING SHARES,WARRANTS,CONVERTIBLE SECURITIES) OF PERSONS BELONGING TO THE CATEGORY 'PUBLIC' AND HOLDING MORE THAN 1% OF THE TOTAL NUMBER OF SHARES

Sr. No.	Name(s) of the shareholder '	Number of Shares held	Shares as a percentage of Total number of shares {i.e. Grand total (a)+(b)+(c) Indicated in statement at Para (i)(a) above }	Number of Warrants Held	As a % total Number of Warrants of The same Class	Number of Convertible Securities Held	% w .r.t Total number Of convertible Securities of The same class	Total shares (including Underlying Shares assuming Full conversion
1	MILLENNIUM INVESTMENT & ACQUISITION COMPANY INC.	14736035	13.0252					
2	SANLAM INTERNATIONAL INVESTMENT	9460590	8.3623					
3	RIDISHA MARKETING PVT LTD	5240885	4.6324					
4	BENNETT, COLEMAN AND COMPANY LIMITED	4335390	3.8321					
5	ZEE DATA LINE PRIVATE LIMITED	3625000	3.2042					
6	SVAN SECURITIES (P) LTD.	1616670	1.429					
7	AGBROS POLYMERS (P) LTD	1583340	1.3995					
Total :		40597910	35.88					

(I)(c)(II) STATEMENT SHOWING HOLDING OF SECURITIES (INCLUDING SHARES,WARRANTS,CONVERTIBLE SECURITIES) OF PERSONS (TOGETHER WITH PAC) BELONGING TO THE CATEGORY 'PUBLIC AND HOLDING MORE THAN 5% OF THE TOTAL NUMBER OF SHARES OF THE COMPANY

Sr. No.	Name(s) of the shareholder(s) And the persons Acting in concert(pac) With them	Number of Shares	Shares as a percentage of Total number of shares {i.e. Grand total (a)+(b)+(c) Indicated in statement at Para (i)(a) above }	Number of Warrants Held	As a % total Number of Warrants of The same Class	Number of Convertible Securities Held	% w .r.t Total number Of convertible Securities of The same class	Total shares (including Underlying Shares assuming Full conversion Of warrants And convertible Securities) As a % of Diluted share Capital
1	MILLENNIUM INVESTMENT & ACQUISITION COMPANY INC.	14736035	13.0252					
2	SANLAM INTERNATIONAL INVESTMENT PARTNERS LIMITED	9460590	8.3623					
Total :		24196625	21.39					

7. The list of top ten shareholders of our Company and the number of Equity Shares held by them is as under:

(a) *Top ten shareholders as on the date of this Draft Red Herring Prospectus:*

Sr. No.	Name of the Shareholders	Number of Equity Shares	% of pre-Issue Capital
1.	Millennium Investment & Acquisition Company Inc.	14736035	13.03
2.	Mahesh Chand Gupta	10248500	9.0587
3.	Subhash Chand Aggarwal	10095500	8.9235
4.	Sanlam International Investment Partners Limited	9460590	8.36
5.	Funny Time Finvest Private Limited	9000000	7.9551
6.	Hemlata Aggarwal	7720550	6.8242
7.	Sushma Gupta	7566550	6.6881
8.	Ridisha Marketing Private Limited	5240885	4.63
9.	Pulin Investments Private Limited	5095860	4.5043
10.	Bennett Coleman & Company Limited	4335390	3.8321

(b) *Top ten shareholders as on ten days prior to the filing of this Draft Red Herring Prospectus:*

Sr. No.	Name of the Shareholders	Number of Equity Shares	% of pre-Issue Capital
1.	Millennium Investment & Acquisition Company Inc.	14736035	13.03
2.	Mahesh Chand Gupta	10248500	9.0587
3.	Subhash Chand Aggarwal	10095500	8.9235
4.	Sanlam International Investment Partners Limited	9460590	8.36
5.	Funny Time Finvest Private Limited	9000000	7.9551
6.	Hemlata Aggarwal	7720550	6.8242
7.	Sushma Gupta	7566550	6.6881
8.	Ridisha Marketing Private Limited	5240885	4.63
9.	Pulin Investments Private Limited	5095860	4.5043
10.	Bennett Coleman & Company Limited	4335390	3.8321

(c) *Top ten shareholders as on two years prior to the date of filing this Draft Red Herring Prospectus:*

Sr. No.	Name of the Shareholders	Number of Equity Shares	% of pre-Issue Capital
1.	Millennium Investment & Acquisition Company Inc.	1,58,67,380	14.0252
2.	Mahesh Chand Gupta	10248500	9.0587
3.	Subhash Chand Aggarwal	10095500	8.9235
4.	Sanlam International Investment Partners Limited	9460590	8.36225
5.	Hemlata Aggarwal	7720550	6.8242
6.	Sushma Gupta	7566550	6.6881
7.	Sainty Financial Services Pvt. Ltd.	600000	5.30342
8.	Pulin Investments Private Limited	5307860	4.69164
9.	Ridisha Marketing Private Limited	4438000	3.9228
10.	Bennett Coleman & Company Limited	4335390	3.8321

8. Except as stated below, our Company has not issued any Equity Shares for consideration other than cash:

Date of Allotment	Number of Equity Shares	Face Value (₹)	Issue price per Equity Share (₹)	Nature of Allotment
May 8, 2009	18,35,240	10	N.A.	Allotment pursuant to amalgamation of SAM Global Securities Limited with our Company to Agbros Polymers(P) Limited, Ajay Garg, Anurag Bansal, A To Z Consultants (P) Limited, A To Z Venture Capital Limited, Bennett Coleman & Co. Limited, Bhawana Devi-, D.K. Aggarwal, Devender Aggarwal HUF, Devender Kumar, Geeta Devi, Jai Ambey Share Broking Limited, Lalit Kumar, Lalit Kumar Aggarwal HUF, Madhu Devi, Millennium Investment & Acquisition Company Inc., Mukesh Gupta, MVR Share Trading Private Limited, Padam Chand, Padam Chand HUF, Pradeep Aggarwal, Pradeep Kumar HUF, Praveen Aggarwal, Rashmi Aggarwal, Ravi Aggarwal, Ravinder Kumar HUF, Shilpa Devi, SMC Share Brokers Limited, Svan Securities (P) Limited, ZEE Dataline Private Limited, Rashmi Aggarwal
August 11, 2012	5,65,67,225	2	N.A.(Bonus Issue)	Bonus Issue (1:1)

Note: Pursuant to the amalgamation, our Company was able to provide depository participant services and cash and derivatives broking services on the BSE to its customers.

9. Our Company, our Promoter, our Directors, the BRLM and the CBRLM have not entered into any buy-back and/or standby arrangements for the purchase of Equity Shares from any person.
10. Except as given below, none of our Promoter, our Promoter Group, our Directors or their immediate relatives have purchased or sold or financed the purchase or sale of Equity Shares by any other person, of any Equity Shares during the period of six months immediately preceding the date of filing of this Draft Red Herring Prospectus with the SEBI:

S. No.	Date	Name of Transferor	Name of Transferee	No. of Equity Shares
1.	April 4, 2014	Sainty Financial Services Private Limited	Funny Time Finvest Private Limited	60,00,000
2.	April 17, 2014	Parmod Kumar Ahuja, Praveen Ahuja	Pulin Investments Private Limited	2,000

11. An over-subscription to the extent of 10% of the Fresh Issue to the public can be retained for the purpose of rounding off to the nearest multiple of minimum bid lot while finalizing the basis of Allotment.
12. We presently do not intend or propose any further issue of Equity Shares whether by way of issue of bonus issue, preferential allotment, rights issue or in any other manner during the period commencing from submission of this Draft Red Herring Prospectus to SEBI until the Equity Shares issued pursuant to the Issue have been listed.
13. Our Company had issued 3,82,441 share warrants and SAM Global Securities Ltd. had issued 5,09,577 share warrants, resulting into a total of 4,67,371 share warrants (after the merger of SAM Global in to our Company in the ratio of 6 equity shares of SAM Global for 1 equity share of our Company) convertible in to an equal number of equity shares, at a subscription price of ₹ 265.31 each and balance ₹ 2,387.83 per warrant to be paid at the time of conversion, on a preferential basis, to Sanlam International Investment Partners Limited on July 22, 2009. However, Sanlam International Investment Partners did not exercise their option to convert the share warrants, which have subsequently lapsed. There are no outstanding warrants, options or rights to convert debentures, loans or other instruments into our Equity Shares as on the date of this Draft Red Herring Prospectus.

14. Our Company does not have any scheme of employee stock option or employee stock purchase.
15. As on the date of this Draft Red Herring Prospectus, our Company has not allotted any Equity Shares pursuant to any scheme approved under the Companies Act.
16. Our Company presently does not intend to alter its capital structure for a period of six months from the Bid Opening Date, by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly into Equity Shares) on a preferential basis or issue of bonus or rights or further public issue of Equity Shares or qualified institutions placement or otherwise, except if we enter into acquisitions, joint ventures or other arrangements, we may, subject to necessary approvals, consider raising additional capital to fund such activity or use Equity Shares as currency for acquisition or participation in such joint ventures.
17. There will be only one denomination of Equity Shares, unless otherwise permitted by law. We will comply with such disclosure and accounting norms as may be specified by the SEBI from time to time.
18. As of the date of filing of this Draft Red Herring Prospectus, our Company has 1340 shareholders.
19. There are no partly paid up Equity Shares in our Company. All the Equity Shares offered through this Issue will be fully paid up at the time of Allotment.
20. There has been no financing arrangement whereby the Directors of our Company and their relatives have financed the purchase by any other person of securities of our Company other than in the normal course of business of the financing entity during the period of six months immediately preceding the date of filing of the Draft Red Herring Prospectus with SEBI.
21. Our Company has not issued any Equity Shares during a period of one year preceding the date of this Draft Red Herring Prospectus as a price which may be lower than the Issue Price.
22. As of the date of this Draft Red Herring Prospectus, the BRLM, the CBRLM and its associates do not hold any Equity Shares. Further, except, the following, none of our Directors, our Promoter and key management personnel, provided in the table below, hold any Equity Shares.

S. No.	Name of the Promoter / Directors /Key Management Personnel	Number of Equity Shares
1.	Mr. Mahesh Chand Gupta	1,02,48,500
2.	Mr. Subhash Chand Aggarwal	1,00,95,500
3.	Ms. Sushma Gupta	75,66,550
4.	Mr. D. K. Aggarwal	7,81,970
5.	Mr. Ajay Garg	8,41,600
6.	Mr. Anurag Bansal	2,50,000
7.	Mr. Pradeep Aggarwal	1,07,830
8.	Mr. Ashok Kumar Aggarwal	25,000

23. Our Company, Directors and our Promoters will not make any payments either directly or indirectly, discounts, commissions, allowances or otherwise under this Issue except as disclosed in this Draft Red Herring Prospectus.
24. Our Promoters and Promoter Group will not participate in this Issue.
25. We will ensure that transactions in Equity Shares by our Promoter and Promoter Group between the date of registering the Red Herring Prospectus with the RoC and the Bid Closing Date will be reported to the Stock Exchanges within 24 hours of such transaction.
26. We have not undertaken any revaluation of our assets since our inception.

SECTION IV – PARTICULARS OF THE ISSUE

OBJECTS OF THE ISSUE

The Issue comprises of a Fresh Issue by our Company and an Offer for Sale by the Selling Shareholder.

The Offer for Sale

The object of the Offer for Sale is to carry out the sale of [●] Equity Shares of ₹ 2 each for an amount aggregating up to ₹ 180 million by the Selling Shareholder. Our Company will not receive any proceeds of the Offer for Sale by the Selling Shareholder.

The Objects of the Fresh Issue

The Company through this Issue, is proposing to raise ₹1,070 million by making an fresh issuance of [●] Equity Shares of face value of ₹ 2 each.

The details of the proceeds of Issue are summarised in the table below:

<i>(In ₹ million)</i>	
Particulars	Amount
Gross proceeds from the Issue	1,250
(Less) Proceeds of the Offer for Sale	180
Proceeds of the Fresh Issue	1,070
(Less) Issue related expenses	[●]*
Net Proceeds of the Fresh Issue (excluding the proceeds of the Offer for Sale and the Issue Related Expenses) (“Net Proceeds”)	[●]*

* To be finalised upon determination of the Issue Price.

The Net Proceeds shall be utilised towards the following objectives (collectively, referred to herein as the “Objects”):

- (i) Margin maintenance with stock exchanges;
- (ii) Investments into our Subsidiaries, namely; Moneywise Financial Services Private Limited, and SMC Capitals Limited; and
- (iii) General Corporate Purposes

We also believe that by listing our Equity Shares on nationally recognised stock exchanges, NSE and BSE, we will further enhance our visibility and brand name among our existing and potential customers, allow us for further capital raising and also provide liquidity to the existing shareholders.

The main object clauses of our Memorandum of Association of our Company and objects incidental to the main objects enable us to undertake our existing activities and the activities for which funds are being raised by us through this fresh Issue.

The details of the utilisation of Net proceeds are as per the table set forth below:

<i>(In ₹ million)</i>	
Particulars	Utilisation*
A. Margin maintenance with stock exchanges	300
B. Investment into our Subsidiaries	
➤ Moneywise Financial Services Private Limited	450
➤ SMC Capitals Limited	50
D. General Corporate Purposes	[●] [#]
Total	[●][#]

[#] To be finalised upon determination of the Issue Price.

* We propose to deploy the Net Proceeds towards the identified activities in Fiscal 2015

As on the date of this DRHP, we have not incurred any expenditure towards the Objects.

The fund requirement and deployment are based on internal management estimates and have not been appraised by any bank or financial institution. These management estimates are based on current market conditions and may get changed owing to external events or changes in the external circumstances or costs, or in our financial condition, business or strategy, as discussed further below.

Our management will, in response to the internal dynamics of the industry that we operate in, retain the discretion to revise our business plan from time to time. Consequently, our funding requirements and the planned deployment of funds may also change. This may also include rescheduling and/or increasing or decreasing expenditure for a particular object vis-à-vis the overall proposed utilization of Net Proceeds. However, any changes in “Objects of the Issue”, other than those specified herein, post-listing of the Equity Shares shall be subject to compliance with the Companies Act and such regulatory and other approvals and disclosures, as may be applicable. For further details, please refer to the Risk Factors on page 19.

Shortfall of Net Proceeds of the Issue

In case of variations in the actual utilisation of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in this Issue, subject to applicable law. If surplus funds are unavailable, the required financing will be through our internal accruals and available lines of credit. Also, in the event that estimated utilisation out of the Net Proceeds is not completely met in Fiscal 2015, the same shall be utilized in the next Fiscal.

Means of Finance

We propose to meet all the requirement of funds entirely from the Net Proceeds and no amount is required to be raised through means other than this Issue for financing the Objects. Accordingly, the requirement of firm arrangements of finance through verifiable means for 75% of the stated means of finance excluding the Net Proceeds does not arise.

Details of the Objects of the Issue

A detailed explanation of the Objects is as described below.

A. Margin Maintenance with stock exchanges

Particulars	(In ₹million) Total amount estimated
Margin maintenance with stock exchanges i.e. NSE and BSE	300

We are required to maintain adequate levels of margin with the various exchanges across financial assets – equity (cash and derivatives) and currency for our businesses of trading in such financial assets. The margin requirements with the stock exchanges are determined by the stock exchanges on the basis of trading volumes, market volatility and to the extent of open interests in respect of equities and currency derivatives.

Such margin requirements comprise of value-at-risk (VAR) margin and extreme risk margin in the equities (cash) segment, and SPAN and exposure margin for the derivatives (equities and currency) segment. Margin deposits with the stock exchanges can be created by way of deposit of cash, fixed deposits, bank guarantees, or approved securities.

The stipulated margins for equities (cash and derivatives) segment are required to be deposited with stock exchanges before building any position for equities (cash) and till closure/expiry of open positions for derivatives (equities and currency) segment. This margin requirement also increases in terms of percentage due to volatility in the market, and such margin requirements may change even though the business may remain constant. Such margins may need to be provided by us on behalf of the customers arising on account of the time gap in realization of cheques received from clients. Additionally, while we may receive approved securities from clients, we may not be able to deposit those in the exchanges towards margin owing to certain other exchanges’ parameters, and thus may have to deposit our cash / fixed deposits towards such margin requirements. Such funds towards margin requirements would be utilised towards client and proprietary trading related margin requirements.

Thus, efficient utilisation of available capital is critical in this business and typically requires utilizing available lines of credit (bank guarantees, over-draft limits), fixed deposits with banks, and cash. Over the past three years, the increase in requirement of margins in our business can be explained through factors such as growth of our operations, acquisition of clients, our presence across additional products and exchanges and the increased activity levels in the stock and currency segments. With the growth in financial markets, we expect our trading volumes to increase across equities (cash and derivatives) and currency segments further, which will require us to maintain sufficient capital to cater to the increased margin requirement.

The details of margins maintained by our Company towards equity (cash and derivatives) segment on NSE, BSE and MCX-SX and towards currency segment on NSE, BSE, MCX-SX and USE as on September 30, 2014, March 31, 2014, March 31, 2013 and March 31, 2012 are as below:

<i>(In ₹million)</i>				
Particulars	Sept 30, 2014*	Mar 31, 2014*	Mar 31, 2013*	Mar 31, 2012*
Equity (cash & derivatives) segment				
NSE	5,353.48	3,920.99	3,840.41	3,315.57
BSE	362.01	544.18	341.43	335.22
MCX-SX	7.40	11.40	53.50	-
Sub Total	5,722.89	4,476.57	4,235.34	3,650.79
Currency segment				
NSE	271.85	274.44	485.72	186.50
BSE	175.26	73.25	-	-
MCX-SX	279.70	286.91	557.25	288.56
USE	18.20	33.30	28.10	55.30
	745.01	667.90	1,071.07	530.36
Grand Total	6,467.90	5,144.47	5,306.41	4,181.15

* The Margin Report is as on the last trading day of the respective period (Source: Margin Reports of the Stock Exchanges)

Over the previous three fiscals, there has been an increased requirement to maintain the margins in the equities (cash and derivatives) segments. Additionally, with the increase in the volumes of cash and derivatives transactions on the stock exchanges, we believe that there would be a requirement for us to increase our margin requirements towards the segment at such stock exchanges which we are currently the members of. We, accordingly, intend to deploy up to ₹300 million in Fiscal 2015 towards enhancing the margin requirements of the Stock Exchanges.

B. Investments into our Subsidiaries

<i>(In ₹million)</i>	
Name of Subsidiary	Total estimated amount
Moneywise Financial Services Private Limited	450
SMC Capitals Limited	50
Total	500

Moneywise Financial Services Private Limited (“MF SPL”)

Moneywise Financial Services Private Limited, a wholly owned subsidiary of our Company, is a non-banking financial company registered with RBI as a residuary non-deposit taking asset finance company which is engaged in the business of making loans and advances, lending money against a mortgage of immovable property or pledge of movable property. For further details on our Subsidiaries, please refer the sections “Our Business” and “Our History and Other Corporate Matters”.

MF SPL provides financing facility to our primary as well as secondary market customers and its own customers. The financing activity of MF SPL to our customers is complementary to our broking business and helps us improve customer retention and increase the customer base. During fiscal 2014, MF SPL has financed 3,550 clients and had financing outstanding of the amount of ₹ 460.69 million as on March 31, 2014.

In order to expand the lending portfolio, through existing customers as well as through acquisition of new customers, MFSPL is seeking funds of ₹450 million, which we propose to infuse from proceeds of the Issue.

SMC Capitals Limited (“SMC Caps”)

SMC Capitals Limited, a wholly owned subsidiary of our Company, is a SEBI registered merchant banker and operates from its offices located at Mumbai and Delhi.

SMC Caps provides a broad range of financial advisory services including management of public offerings. For further details on our Subsidiaries, please refer the sections “Our Business” and “Our History and Other Corporate Matters”. Being a registered Merchant Banker SMC Caps is eligible to act as Underwriter in the public offerings in terms of SEBI (Underwriters) Regulations, 1993. In terms of SEBI (Underwriters) Regulations, 1993 underwriting obligations under all the underwriting agreements shall not exceed twenty times the net worth of underwriters. The net worth of SMC Caps as on March 31, 2014 is ₹ 58.42 million. SMC Caps is seeking funds to increase its net worth in order to take higher underwriting obligations in public offerings.

We have earmarked an amount of ₹50 million towards investments into SMC Caps.

For the purpose of such investment into our subsidiaries, we shall retain the flexibility in applying such funds through capital infusion in the form of investment in either shares or debt instruments which may be convertible into shares or a combination thereof. The management of our Company shall finalise the form of such investments and would accordingly decide upon the terms of the unsecured loan and/or investment in shares. As of today, our Company has not finalised the nature and terms of such investment instruments.

C. General Corporate Purposes

The balance Net Proceeds, aggregating to ₹ [●] million will be utilised towards general corporate purposes, including investment in buying office space, investments into our other Subsidiaries, strategic initiatives, expansion of our operations and meeting business exigencies, which our Company in the ordinary course of business may face or for any other purposes as approved by the Board.

We confirm that the funds earmarked for general corporate purposes shall not exceed 25% of the Net Proceeds and shall exclude payments towards expenses of the Issue. Details of the utilisation of funds towards general corporate purposes shall be disclosed along with the monitoring of the utilisation of funds reports in the annual financial statements of our Company.

Issue Expenses

The expenses in relation to this Issue shall be split between our Company and the Selling Shareholder in proportion of the Equity Shares contributed to the Issue. These expenses typically include, amongst others, underwriting and lead management fees, brokerage and selling commissions, legal counsel fees, auditor fees, printing and distributions expenses, statutory advertisements fees, and listing fees payable to the stock exchanges where shares are getting listed. The estimated Issue expenses are as follows:

<i>(In ₹million)</i>			
Activity	Total estimated Amount*	Percentage of Issue Expenses*	Percentage of Issue Size*
Lead management fees, underwriting commission, brokerage and selling commission (including commissions to SCSBs for ASBA Applications and commissions to Non-Syndicate Registered Brokers)	[●]	[●]	[●]
Fees paid to the Bankers to the Issue, processing fees to the SCSBs for processing Application Forms procured by the Syndicate at Syndicate ASBA Centres or Non-Syndicate Registered Brokers and submitted to the SCSBs [#]	[●]	[●]	[●]
Registrar fee and other related fees (postage of refunds etc.)	[●]	[●]	[●]
Advertising and marketing expenses, printing, stationery and distribution expenses	[●]	[●]	[●]

Activity	Total estimated Amount*	Percentage of Issue Expenses*	Percentage of Issue Size*
Other expenses (SEBI Filing fees, legal and auditor fees, stock exchanges' processing and listing fees, book-building fees, depository's charges etc.)	[•]	[•]	[•]
Total	[•]	[•]	[•]

** To be incorporated after finalization of the Issue Price*

The SCSBs would be entitled to a processing fees of ₹ [•] per Bid cum Application Form, for processing the Bid cum Application Forms procured by the members of the Syndicate or the Registered Brokers and submitted to the SCSBs

All expenses with respect to the Issue will be shared among the Selling Shareholder and our Company, in proportion to the Equity Shares being offered by them in this Issue.

Interim use of the Net Proceeds of the Issue

The management of our Company, in accordance with policies established by our Board from time to time, will have flexibility in deploying the Net Proceeds. Pending utilisation for the purposes described above, our Company intends to temporarily invest the funds in deposits with banks for the necessary duration, as may be approved by the Board of Directors or a committee thereof. Our Company confirms that pending utilisation of the Net Proceeds; it shall not use such funds for any investments in the equity markets.

Appraisal

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

Bridge Financing Facilities

Our Company has not raised any bridge loan against the proceeds of this Issue.

Monitoring of utilisation of funds

As this is an Issue for less than ₹ 5,000 million, in terms of proviso to Regulation 16 (1) of the SEBI (ICDR) Regulations, there is no requirement for the appointment of a monitoring agency.

We will disclose the details of the utilisation of the Net Proceeds, including interim use, under a separate head in our financial statements specifying the purpose for which such proceeds have been utilised or otherwise disclosed as per the disclosure requirements of our listing agreements with the Stock Exchanges. As per the requirements of Clause 49 of the Listing Agreement, we will disclose to the Audit Committee the uses/applications of funds on a quarterly basis as part of our quarterly declaration of results. Further, on an annual basis, we shall prepare a statement of funds utilised for purposes other than those stated in this Draft Red Herring Prospectus and place it before the Audit Committee. The said disclosure shall be made till such time that the Net Proceeds have been fully utilised. The statement shall be certified by our Statutory Auditors. Further, in terms of Clause 43A of the Listing Agreement, we will furnish to the Stock Exchanges on a quarterly basis, a statement indicating material deviations, if any, in the use of proceeds from the objects stated in this Draft Red Herring Prospectus. Further, this information shall be furnished to the Stock Exchanges along with the interim or annual financial results submitted under Clause 41 of the Listing Agreement and shall be published in the newspapers simultaneously with the interim or annual financial results, after placing it before the Audit Committee in terms of Clause 49.

Any such change / deviation in the use of proceeds from the objects stated in this DRHP, if any, shall be made as per the applicable laws and regulations.

Other Confirmations

There are no material existing or anticipated transactions with our Promoter, Directors, the members of our Promoter Group, Group Companies or Key Managerial Personnel in relation to the utilisation of the Net Proceeds. No part of the proceeds of the Issue will be paid by us as consideration to our Promoters, Directors, key management personnel, associate or group companies except in the usual course of business.

BASIS OF ISSUE PRICE

The Issue Price will be determined by our Company and the Selling Shareholder in consultation with the BRLM and CBRLM on the basis of an assessment of market demand for the offered Equity Shares by the book building process and on the basis of the following qualitative and quantitative factors. The face value of the Equity Shares of our Company is ₹ 2 each and the Issue Price is [●] times of the face value at the lower end of the Price Band and [●] times the face value at the higher end of the Price Band.

Qualitative Factors

Competitive Strengths

We believe that we have the following competitive strengths:

1. *Wide range of financial products and services*
2. *Large and diverse distribution network*
3. *Strong and well-established brand*
4. *Experienced board of directors and management team*
5. *Our technology infrastructure*

For a detailed discussion on the qualitative factors, which form the basis for computing the Issue Price, please refer to the sections titled “Our Business” and “Risk Factors” on pages 135 and 19, respectively.

Quantitative Factors

Financial information pertaining to our Company presented in this section is derived from our restated audited consolidated and unconsolidated financial information in accordance with the Companies Act and the SEBI Regulations.

Some of the quantitative factors which may form the basis for computing the Issue Price are as follows:

1. *Basic and Diluted Earnings per Share (“EPS”)*

Year ended on March 31	Restated Consolidated		Restated Unconsolidated		Weight
	Basic EPS (₹)	Diluted EPS (₹)	Basic EPS (₹)	Diluted EPS (₹)	
2014	1.99	1.99	1.11	1.11	3
2013	1.77	1.77	0.85	0.85	2
2012	(0.06)	(0.06)	0.15	0.15	1
Weighted Average	1.58	1.58	0.86	0.86	

The restated consolidated and unconsolidated Basic and Diluted EPS for the period ended on June 30, 2014 is ₹0.81 and ₹ 0.17, respectively.

Note: EPS has been calculated in accordance with the Accounting Standard 20 – “Earning per Share” notified pursuant to Companies (Accounting Standards) Rules 2006 read with general circular 15/2013 dated September 13, 2013, issued by the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. The face value of equity shares of the Company (Equity Shares) is ₹ 2.

i. *EPS for the Restated Consolidated Financials have been computed as below:*

- a. *Basic Earnings Per Share (₹) = Net Profit after Tax and Minority Interest (as restated) attributable to shareholders / Weighted average number of equity shares outstanding during the year*
- b. *Diluted Earnings Per Share (₹) = Net Profit after Tax and Minority Interest (as restated) attributable to shareholders / Weighted average number of diluted equity shares outstanding during the year*

ii. EPS for the Restated Unconsolidated Financials have been computed as below:

- Basic earnings per share (₹) = Net profit after tax (as restated) attributable to equity shareholders/weighted average number of equity shares outstanding during the year.
- Diluted earnings per share (₹) = Net profit after tax (as restated) attributable to equity shareholders/weighted average number of dilutive equity shares outstanding during the year.

iii. Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the year adjusted by the number of equity shares issued during year multiplied by the time weighing factor. The time weighing factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the period/year.

2. Price Earnings Ratio (P/E) in relation to the Issue price of ₹ [●] per share

S. No	Particulars	Consolidated	Unconsolidated
1	P/E ratio based on Basic and Diluted EPS for the year ended on March 31, 2014 at the Floor Price:	[●]	[●]
2	P/E ratio based on Basic and Diluted EPS for the year ended on March 31, 2014 at the Cap Price:	[●]	[●]
3	Industry P/E*		
A	Highest		31.51
B	Lowest		4.10
C	Industry Composite (Average of Highest and Lowest)		13.49

Note: The Industry high and low has been considered from the Industry Peer Set provided below. The Industry composite has been calculated as the arithmetic average P/E of the Industry peer set provided below. For further details please see "Comparison with Listed Industry Peers" below.

3. Return on Net Worth (RoNW)

Year ended on March 31	Consolidated (%)	Unconsolidated (%)	Weight
2014	4.46	2.39	3
2013	3.91	1.82	2
2012	(0.82)	0.34	1
Weighted Average	3.40	1.86	

The restated consolidated and restated unconsolidated RoNW for the period ended on June 30, 2014 is 1.78% and 0.37% respectively

Note: Return on net worth (%) on Consolidated basis = Net Profit after Tax but before Minority Interest (after preference dividend and related tax) as restated / Net worth at the end of the year excluding preference share capital and cumulative preference dividend

Note: Return on net worth (%) on Unconsolidated basis = Net Profit after Tax (after preference dividend and related tax) as restated / Net worth at the end of the year excluding preference share capital and cumulative preference dividend

4. Minimum Return on Total Net Worth after Issue needed to maintain Pre-Issue EPS for the year ended on March 31, 2014

Based on Basic and Diluted EPS

At the Floor Price – [●] % and [●] % based on Restated Unconsolidated and Consolidated financial information, respectively.

At the Cap Price – [●] % and [●] % based on Restated Unconsolidated and Consolidated financial information, respectively.

5. Net Asset Value

NAV (Consolidated) as at March 31, 2014 : ₹ 44.93 per Equity Share

NAV (Unconsolidated) as at March 31, 2014 : ₹ 46.53 per Equity Share

Issue price : ₹ [●] per Equity Share

NAV (Consolidated) after the Issue : ₹ [●] per Equity Share

NAV (Unconsolidated) after the Issue : ₹ [●] per Equity Share

Note: Net asset value per share on Consolidated basis = Net worth at the end of the year excluding preference share capital / Total number of equity shares outstanding at the end of the year/period

Note: Net asset value per Share on Unconsolidated basis = Net worth at the end of the year excluding preference share capital / Total number of equity shares outstanding at the end of the year/Period

6. Comparison with listed industry peers

		For the year ended on March 31, 2014				
Name of the Company		Face Value (₹)	Total Income ⁽¹⁾ (₹ in million)	Basic EPS ⁽²⁾ (₹)	P/E ⁽³⁾	RoNW ⁽⁴⁾ (%)
						NAV ⁽⁵⁾ (₹)
1.	SMC Global [#]	2.00	3,007.61	1.99	[●]	44.93
2.	Peer Group					
	Edelweiss Financial Services	1	25,555.32	2.86	10.02	35.49
	Motilal Oswal Securities	1	4,682.64	2.95	31.51	84.70
	Indiabulls Securities	2	3,036.27	4.40	4.10	10.24
	IIFL Holdings	2	28,372.89	9.41	8.34	72.65
	Religare Enterprises	10	34,717.00	(5.20)	-	154.96
3.	Industry Composite					13.49

* Based on the publicly available Annual Reports for fiscal 2014 of identified peer companies, on a consolidated basis.

Based on the Restated Consolidated Financial information for the year ended on March 31, 2014

- (1) Total Income is as sourced from the Consolidated audited accounts as mentioned in the respective Company's Annual Reports for fiscal 2014
- (2) Basic EPS is as sourced from the Consolidated audited accounts as mentioned in the respective Company's Annual Reports for fiscal 2014
- (3) P/E Ratio has been computed as the closing market prices of the companies on the BSE Limited sourced from the BSE website as on March 31, 2014, as divided by the basic EPS provided under point (ii) above
- (4) RoNW has been calculated on the basis of financial information as net profit after tax divided by the net worth of these companies. Net worth has been computed as sum of share capital and reserves as sourced from the Consolidated audited accounts as mentioned in the respective Company's Annual Reports for fiscal 2014
- (5) NAV is as sourced from the Consolidated audited accounts as the closing net worth of the companies, divided by the closing outstanding number of fully paid up equity shares as mentioned in the respective Company's Annual Reports for fiscal 2014

The Issue Price of ₹ [●] has been determined by our Company and Selling Shareholder, in consultation with the BRLM and CBRLM on the basis of the demand from investors for the Equity Shares through the Book-Building Process and is justified in view of the above qualitative and quantitative parameters. Investors should read the above mentioned information along with “Risk Factors” and “Financial Statements” on pages 19 and 206, respectively, to have a more informed view. The trading price of the Equity Shares of our Company could decline due to the factors mentioned in “Risk Factors” or any other factors that may arise in the future and you may lose all or part of your investments.

STATEMENT OF TAX BENEFITS

To
The Board of Directors
SMC Global Securities Limited
11/6B, Shanti Chambers, Pusa Road
New Delhi- 110005

Dear Sirs,

Subject: Statement of Possible Tax Benefits

We hereby certify that the enclosed annexure states the possible tax benefits available to SMC Global Securities Limited ("the Company") and to the shareholders of the Company under the provisions of the Income-tax Act, 1961 and Wealth-tax Act, 1957 (collectively referred to as "Tax Laws"), presently in force in India for the Financial Year ("FY") 2014-15 – Assessment Year (AY) 2015-16. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant Tax Laws. Hence, the ability of the Company or its shareholders to derive 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 fulfil.

The enclosed statement discusses key tax benefits including potential benefits. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for a professional tax advice. A shareholder is advised to consult his/ her/ their own tax consultant with respect to the tax implications arising out of their participation in the proposed public issue of equity shares of the Company particularly in view of ever changing Tax Laws in India.

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

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

The contents of this annexure are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company and the provisions of the Tax Laws. The same shall be subject to notes to this annexure.

This report is intended solely for your information and for the inclusion in the Offer Document in connection with the proposed follow on Public issue of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For **R Gopal & Associates**
Chartered Accountants
Firm Registration No. 000846C

S.K Agarwal
Partner
Membership No. 93209
Place: New Delhi
Date: October 15, 2014

TAXATION

The information provided below sets out the possible tax benefits available to the shareholders in a summary manner only and is not a complete analysis or listing of all potential tax consequences of purchase, ownership and disposal of equity shares, under the Tax Laws presently in force in India. It is not exhaustive or comprehensive analysis and is not intended to be a substitute for professional advice.

You should consult your own Tax Advisors concerning the Indian Tax implications and consequences of purchasing, owning and disposing of equity shares in your particular situation.

The following is based on the provisions of the Income-tax Act, 1961 ("the Act") as of the date hereof. The Act is amended every fiscal year.

1. Levy of Income Tax

Tax implications under the Act are dependent on the residential status of the tax payer. We summarize herein below the provisions relevant for determination of residential status of a tax payer.

1.1. Residential status of an Individual –

As per the provisions of the Act, an individual is considered to be a resident in India during any FY if he or she is present in India for:

- (a) a period or periods aggregating to 182 days or more in that FY; or*
- (b) a period or periods aggregating to 60 days or more in that FY and for a period or periods aggregating to 365 days or more within the four preceding years; or*

In the case of a citizen of India or a person of Indian origin living outside India who comes on a visit to India in any previous year, the limit of 60 days under point (b) above shall be read as 182 days.

In the case of a citizen of India who leaves India as member of the crew of an Indian ship or for the purposes of employment outside India in any previous year, the limit of 60 days under point (b) above, shall be read as 182 days.

Subject to complying with certain prescribed conditions, individuals may be regarded as 'Resident but not ordinarily resident'.

1.2. Residential status of a company –

A company is resident in India if it is formed and incorporated under the Companies Act, 1956/2013 or the control and management of its affairs is situated wholly in India.

1.3. Residential status of a Hindu undivided family ('HUF') firm or AOP –

A HUF, firm or other association of persons or every other person is resident in India except when the control and management of its affairs is situated wholly outside India.

A person who is not a resident in India would be regarded as 'Non-Resident'.

1.4. Residential status of every other person –

Every other person is resident in India in a FY in every case except when the control and management of his affairs is situated wholly outside India.

1.5. Scope of taxation

In general, a person who is "resident" in India in a FY is subject to tax in India on its global income. In the case of a person who is "non-resident" in India, only the income that is received or deemed to be

received or that accrues or is deemed to accrue or arise to such person in India is subject to tax in India. In the instant case, the income from the equity shares of the Company would be considered to accrue or arise in India, and would be taxable in the hands of all categories of tax payers irrespective of their residential status unless specifically exempt (e.g. Dividend/ Long Term Capital Gain on STT Paid transaction). However, a relief may be available under applicable Double Taxation Avoidance Agreement ('DTAA') to certain non-residents.

Tax Considerations

As per the taxation laws in force, the tax benefits / consequences as applicable, to the Company and the perspective shareholders are stated as under. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant Tax Laws. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon the fulfilling such conditions:

2. Benefits available to the Company - Under the Act

2.1. Special Tax Benefits

There are no special tax benefits available to the Company

2.2. General Tax Benefits

2.1.1 As per section 10(15) of the Act, any interest received by the Company from any public sector company in respect of bonds or debentures is exempt from tax. The exemption is subject to such conditions including the condition that the holder of such bonds or debentures registers his name and the holding with that company, as the Central Government may specify in this behalf by notification in the Official Gazette.

2.1.2 As per Section 10(34) of the Act, any income received by the Company by way of dividends on which Dividend Distribution Tax ('DDT') has been paid shall not form part of the total income of the Company and accordingly would be exempt from tax in its hands.

Under Section 14A of the Act, no deduction is permitted in respect of expenditure incurred in relation to earning of income which is not chargeable to tax including dividends exempt under Section 10(34) of the Act. The expenditure relatable to 'exempt income' needs to be determined in accordance with the provisions specified in Section 14A of the Act read with Rule 8D of the Income-tax Rules, 1962 ('the Rules').

However, the Company would be liable to pay DDT at 15% (plus applicable surcharge and education cess and secondary & higher education cess) on the total amount declared, distributed or paid as dividends. In calculating the amount of dividend on which DDT is payable, dividends (if any, received by the Company during the tax year and subject to fulfilment of the conditions), shall be reduced by:

- dividends received by the domestic company from a subsidiary of the Company (A company shall be a subsidiary of another company, if such other company, holds more than half in nominal value of the equity share capital of the company); and

where such subsidiary is a domestic company, it has paid tax payable under section 115-O (DDT) or where such subsidiary is a foreign company, the tax is payable under section 115BBD by the domestic company.

Provided that for the purpose of determining the tax on distributed profit payable in accordance with this section, any amount by way of dividend referred to in sub section (1) as reduced by the amount referred to in sub section (1A) (hereafter referred to as net distributed profits) shall be increased to such amount as would, after reduction of the Tax on such increased amount at the rate specified in sub section (1), be equal to the net distributed profits)

- As per the proviso to this section, the same amount of dividend would not be taken into

account for reduction more than once

2.1.3 As per Section 10(35) of the Act, the following income shall be exempt in the hands of the Company:

- (i) Income received in respect of the units of a Mutual Fund specified under clause (23D) of Section 10; or
- (ii) Income received in respect of the units from the Administrator of the Specified undertaking; or
- (iii) Income received in respect of units from the specified company.

However, as per the proviso to section 10(35), the above provisions are not applicable to any income arising from transfer of units of the Administrator of the specified undertaking or of the specified company or of a mutual fund.

2.3. Deductions under “Income from House Property”

2.3.1 Under Section 24(a) of the Act, the Company is eligible for a standard deduction of 30% of the annual value of the property (i.e. actual rent received or receivable on the property or any part of the property which is let out), where the Company has income chargeable to tax under the head ‘*Income from House Property*’.

2.3.2 Further, under Section 24(b) of the Act, where the house property has been acquired, constructed, repaired, renewed or reconstructed with borrowed capital, the amount of interest payable on such borrowed capital shall be allowed as a deduction in computing the income, if any, from such house property.

2.3.3 In respect of property acquired or constructed with borrowed capital, the amount of interest payable for the period prior to the year in which the property has been acquired or constructed shall be allowed as deduction in computing the income from house property in five equal instalments beginning with the year of acquisition or construction.

2.4. Computation of capital gains

2.4.1 Capital assets may be categorized into short-term capital assets and long-term capital assets based on the period for which they are held by a tax payer.

Shares in a company or listed securities or units or zero coupon bonds are considered as long-term capital assets if they are held for a period more than 12 months immediately preceding date of transfer. Consequently, capital gains arising on sale of these assets are considered as ‘long-term capital gains’.

Capital gains arising on sale of these assets held for a period of 12 months or less are considered as ‘short-term capital gains’.

2.4.2 As per Section 10(38) of the Act, capital gains arising from transfer of a long-term capital asset being an equity share in the Company or a unit of an equity oriented fund, where the transaction of sale is chargeable to Securities Transaction Tax (‘STT’), shall be exempt from tax in the hands of the Company.

For this purpose ‘Equity oriented fund’ means a fund –

- (i) Where the investible funds are invested by way of equity shares in the domestic companies to the extent of more than 65% of the total proceeds of such funds; and
- (ii) Which has been set up under a scheme of a Mutual fund specified under Section 10(23D).

However, the long-term capital gains arising on sale of share or units referred above shall not be reduced while calculating the book profit under the provisions of Section 115JB of the Act.

In other words, such book profit shall include the long-term capital gain as referred to in Section 10(38) of the Act and the Company will be required to pay MAT @ 18.5% (plus applicable surcharge, education cess and secondary & higher education cess) on such book profit.

- 2.4.3** Section 48 of the Act, (which prescribes the mode of computation of capital gains) provides for deduction of cost of acquisition / improvement and expenses incurred in connection with the transfer of a capital asset from the sale consideration to arrive at the amount of capital gains.

However, in respect of long-term capital gains (as defined in para 2.4.1 above), a deduction of indexed cost of acquisition/improvement is available.

Indexed cost of acquisition means an amount which bears to the cost of acquisition the same proportion as Cost Inflation Index (CII) for the year in which the asset is transferred bears to the CII for the first year in which the asset was held by the taxpayer or for the year beginning on April 1, 1981, whichever is later. In other words indexed cost of acquisition is computed as under:

Cost of acquisition X CII of the FY in which the asset is transferred/ CII of the FY in which the asset was first held by the tax payer or for the year beginning on April 1, 1981 whichever is later.

- 2.4.4** As per the provisions of Section 112 of the Act, long-term capital gains (as defined in para 2.4.1 above) [to the extent not exempt under Section 10(38) of the Act] would be subject to tax in the hands of the Company at the rate of 20% (plus applicable surcharge, education cess and secondary & higher education cess).

However, as per the proviso to Section 112(1) of the Act, if the tax on long-term capital gains resulting from transfer of listed securities or units [to the extent not exempt under Section 10(38) of the Act], calculated at the rate of 20% (with indexation benefit) exceeds the tax on long-term gains computed at the rate of 10% (without indexation benefit), then such gains are chargeable to tax at the concessional rate of 10% (without indexation benefit) (plus applicable surcharge, education cess and secondary & higher education cess).

- 2.4.5** As per the provisions of Section 111A of the Act, short-term capital gains (as defined in para 2.4.1 above) on sale of equity shares or units of an equity oriented fund where the transaction of sale is chargeable to STT shall be subject to tax at a rate of 15% (plus applicable surcharge, education cess and secondary & higher education cess). Short-term capital gains arising from transfer of shares, other than those covered by Section 111A of the Act, would be subject to tax at the rate as applicable to the Company i.e 30% (plus applicable surcharge, education cess and secondary & higher education cess).

- 2.4.6** Under Section 54EC of the Act and subject to the conditions specified therein, long-term capital gains arising to the Company would be exempt from tax if such capital gains are invested within 6 months after the date of such transfer in long term specified assets, being bonds issued by:

- (a) National Highway Authority of India constituted under Section 3 of The National Highway Authority of India Act, 1988; or
- (b) Rural Electrification Corporation Limited, the Company formed and registered under the Companies Act, 1956.

The investment made in such bonds during any FY cannot exceed ₹ 5,000,000.

If only a part of the capital gains is invested, the exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gain. However, in case the long term specified assets are transferred or converted into money within 3 years from the date of its acquisition, the amount of capital gains so exempt shall be chargeable to tax during the year of such transfer or conversion.

As long term capital gains covered under Section 10(38) of the Act are exempt from tax, there is no requirement to invest under Section 54EC of the Act in such cases.

Set off and carry forward of Business Loss/Capital Loss

- 2.4.7** Under section 70(2) of the Act, the Company can set off short term capital loss against other short term capital gain or long term capital gain. Under section 70(3) of the Act, the Company can set off long term capital loss against other long term capital gain.
- 2.4.8** Under section 74 of the Act, the unabsorbed short term capital loss can be carried forward and set off against capital gains (whether short term or long term) of subsequent years (up to 8 years). Unabsorbed long term capital loss can be carried forward and set off against long term capital gains only in of subsequent years (up to 8 years). However, as per Section 80 of the Act, the unabsorbed capital loss can be carried forward only when the return of income has been filed within the time prescribed under section 139(1) of the Act.
- 2.4.9** Where in respect of any Assessment Year the net result of the computation under the head “Profit & gain of business or Profession” is a loss and the assessee has Income assessable under the head “Income from House Property”, “Capital Gain” & Income from Other Sources” the assessee shall be entitled to have such loss set off against such Income.

Computation of business income

2.5. Depreciation allowance

- 2.5.1** Under Section 32(1) of the Act, the Company can claim depreciation allowance at the prescribed rates in respect of the following assets:
- Tangible assets being building, machinery, plant or furniture;
 - Intangible assets being know-how, patents, copyrights, trademarks, licences, franchises or any other business or commercial rights of similar nature acquired on or after April 1, 1998
- 2.5.2** As per provision of Section 32(1) (ii a) of the Act, the Company is entitled to claim additional depreciation at the rate of 20% of the actual cost of any new machinery or plant acquired and installed after 31 March 2005. However, no deduction is allowed in respect of:
- (a) Ships and Aircraft;
 - (b) Any machinery or plant which, before its installation by the company, was used either within or outside India by any other person;
 - (c) Any machinery or plant installed in any office premises or any residential accommodation, including accommodation in the nature of a guest-house;
 - (d) Any office appliances or road transport vehicles; or
 - (e) Any machinery or plant, the whole of the actual cost of which is allowed as a deduction (whether as depreciation or otherwise) in computing the income under the head ‘Profits and gains from business and profession’ of any one FY.

2.6. Carry forward of unabsorbed depreciation, unabsorbed business losses

- 2.6.1** Under Section 32(2) of the Act, the Company can carry forward and set off unabsorbed depreciation of one FY and adjusted against income of subsequent years.
- 2.6.1.1** Under Section 72 of the Act, unabsorbed business loss, if any can be carried forward and set off against business profits of subsequent years (up to 8 years) subject to prescribed conditions. However, as per Section 80 of the Act, the unabsorbed business loss can be carried forward only when the return of income has been filed within the time prescribed under section 139(1) of the Act.

2.7. Potential tax benefits

Deduction of expenditure on scientific research

- 2.7.1** Under Section 35(1)(i) and Section 35(1)(iv) of the Act, the Company is eligible for deduction in respect of any revenue or capital expenditure (other than expenditure on the acquisition of any land) incurred on scientific research related to its business.
- 2.7.2** Under Section 35(1)(ii) of the Act, the Company can claim weighted deduction of one and three fourth times (175%) of any sum paid to an approved research association (which has as its object, the undertaking of scientific research) or to a university, college or other institution to be used for scientific research.
- 2.7.3** Under Section 35(1)(iia) of the Act any sum paid to a company registered in India (which has as its main object the conduct of scientific research and development) and is approved by the prescribed authority can be claimed as deduction to the extent of one and one fourth times(125%) of the amount so paid.
- 2.7.4** Under section 35(1)(iii) the Company is eligible for a deduction of one and one fourth times (125%) of the sum paid to a research association, university, college or other institution to be used for research in social science or statistical research. This weighted deduction is available to amounts paid to approved research association, university, college or institution.
- 2.7.5** The company is eligible for weighted deduction of 200% under Section 35(2AA) in respect of payments to a National Laboratory, University or Indian Institute of Technology in respect of approved programs of scientific research. The weighted deduction is available provided the sum is paid with specific direction that it is used for approved programs of scientific research.
- 2.7.6** Under Section 35(2AB) a weighted deduction of 200% of expenditure incurred on scientific research (excluding cost of land or building) in an approved in-house research and development facility is available to the Companies engaged in the business of manufacturing articles or things, not being items mentioned in the Eleventh Schedule.

2.8 Deduction of expenditure on eligible projects or scheme

As per the provisions of section 35AC of the Act, the Company is eligible for deduction of any expenditure incurred towards payment of any sum to a public sector company or local authority or an association or institution approved by the National Committee for carrying out any eligible project or scheme, subject to prescribed conditions.

2.9 Amortization of certain expenditure

- 2.9.1** Under Section 35D of the Act, a company is eligible for deduction in respect of specified preliminary expenditure incurred by it in connection with extension of its undertaking or in connection with setting up new unit for an amount equal to 1/5th of such expenditure over 5 successive AYs subject to conditions and limits specified in that Section.
- 2.9.2** Specified expenditure includes expenditure in connection with the issue, for public subscription, of shares in or debentures of the company, being underwriting commission, brokerage and charges for drafting, typing, printing and advertisement of the prospectus.
- 2.9.3** Under Section 35DDA of the Act, the company is eligible for deduction in respect of payments made to its employees in connection with his voluntary retirement for an amount equal to 1/5th of such expenses over 5 successive AYs subject to conditions specified in that Section.

2.10 Expenditure on skill development project

As per section 35CCD, the Company would be entitled to a deduction of one and a half times of an amount of expenditure (not being expenditure in the nature of cost of any land or building) incurred on any skill development project notified by the Central Board of Direct Taxes ('CBDT') in accordance with the guidelines as may be prescribed.

2.11 MAT credit

Under Section 115JAA of the Act, tax credit is allowed in respect of MAT paid under Section 115JB of the Act for any AY commencing on April 1, 2006 and any subsequent AY.

The credit eligible for carry forward is the difference between MAT paid and the amount of tax payable computed as per the normal provisions of the Act.

The credit is available for set off only when tax becomes payable under the normal provisions of the Act. The brought forward tax credit can be utilized to the extent of difference between the tax payable under the normal provisions of the Act and tax payable under MAT for that year. Credit in respect of MAT paid is available for set-off up to 10 AYs immediately succeeding the AY for which the MAT credit initially arose.

2.12 Deduction for donations

The Company is entitled to a deduction under Section 80G of the Act in respect of amounts contributed as donations to various charitable institutions and funds covered under that Section, subject to the fulfilment of conditions prescribed therein. Please note that no deduction shall be allowed under Section 80G of the Act for any sum exceeding ₹10,000 unless such sum is paid by any mode other than cash.

2.13 Benefit of double taxation avoidance agreement (DTAA)

Under the provisions of section 90 of the Act, the Company shall be eligible for claiming credit of taxes paid by it on incomes in the foreign countries with which the Government of India has entered into DTAA. The tax credit shall be available as per the provisions of relevant DTAA.

Section 91 of the Act provides for unilateral relief in respect of taxes paid on incomes in the foreign countries with which no DTAA exists. Under the provisions of said section, the Company shall be entitled to deduction from the income tax of sum calculated on such doubly taxed income at the Indian rate of tax or rate of tax in the foreign country whichever is lower.

3 Benefits available to resident shareholders under the Act

3.1 Dividend income

Under Section 10(34) of the Act, any income earned by way of dividends from the Company would be exempt from tax in the hands of the shareholders, if such dividends are subject to DDT under Section 115-O of the Act.

However, as per the provisions of section 94(7) of the Act, losses arising from transfer/sale of shares, where such shares are purchased within three months prior to the record date and sold within three months from the record date will be disallowed to the extent such loss does not exceed the amount of dividend claimed exempt.

'Record date' means such date as may be fixed by the company for the purposes of entitlement of the holder of securities to receive dividend.

As per the provisions of section 14A of the Act, no deduction would be allowed in respect of expenditure incurred in relation to earning of dividend income which is exempt from tax.

3.2 Computation of capital gains

3.2.1 As per the provisions of section 2(42A) of the Act, the shares held in a company or any other security listed on a recognized stock exchange will be considered as short term capital asset if they are held for a period of 12 months or less immediately preceding date of their transfer. If

the period of holding of shares is more than 12 months immediately preceding date of transfer, they will be treated as long term capital asset.

Provided further in case of a share of company (not being a share listed in a recognised stock exchange) or a unit of Mutual fund specified under clause (23D) of section 10, which is transferred during the period beginning on the 1st April 2014 and ending on the 10th day of July 2014, the provision of this clause shall have effect as if the words “36 months” the words “12 months” had been substituted.

The capital gain/loss on sale of short term capital assets is regarded as short term capital loss. The capital gain/loss on sale of long term capital assets is regarded as long term capital loss.

- 3.2.2** According to Section 10(38) of the Act, long-term capital gains on sale of equity shares, where the transaction of sale is chargeable to STT, shall be exempt from tax.

However, in case of a shareholder being a company, gains arising from transfer of above referred long-term capital asset shall be taken into account for computing the book profit for the purposes of computation of MAT under Section 115JB of the Act.

- 3.2.3** Section 48 of the Act, (which prescribes the mode of computation of capital gains) provides for deduction of cost of acquisition / improvement and expenses incurred in connection with the transfer of a capital asset from the sale consideration to arrive at the amount of capital gains.

However, in respect of long-term capital gains, a deduction of indexed cost of acquisition/improvement is available.

Indexed cost of acquisition means the means an amount which bears to the cost of acquisition the same proportion as Cost Inflation Index (CII) for the year in which the asset is transferred bears to the CII for the first year in which the asset was held by the taxpayer. In other words indexed cost of acquisition is computed as under:

Cost of acquisition X CII of the FY in which the asset is transferred/ CII of the FY in which the asset was first held by the tax payer.

- 3.2.4** As per the provisions of Section 112 of the Act, long-term capital gains (to the extent not exempt under Section 10(38) of the Act) would be subject to tax in the hands of the shareholders at the rate of 20% (plus applicable surcharge, education cess and secondary & higher education cess).

As per the proviso to Section 112(1) of the Act, if the tax on long-term capital gains resulting from transfer of listed securities [to the extent not exempt under Section 10(38) of the Act], calculated at the rate of 20% (with indexation benefit) exceeds the tax on long-term gains computed at the rate of 10% (without indexation benefit), then such gains are chargeable to tax at the concessional rate of 10% (without indexation benefit) (plus applicable surcharge, education cess and secondary & higher education cess).

- 3.2.5** As per the provisions of Section 111A of the Act, short-term capital gains on sale of equity shares where the transaction of sale is chargeable to STT shall be subject to tax at a rate of 15% (plus applicable surcharge, education cess and secondary & higher education cess).

Short-term capital gains arising from transfer of shares of the Company, other than those covered by Section 111A of the Act, would be subject to tax as calculated under the normal provisions of the Act.

- 3.2.6** Under Section 54EC of the Act and subject to the conditions specified therein, long-term capital gains arising on the transfer of equity shares of the Company (other than those covered by section 10(38) of the Act) would be exempt from tax if such capital gains are invested within 6 months after the date of such transfer in specified assets, being bonds issued by:

- (a) National Highway Authority of India constituted under Section 3 of The National Highway Authority of India Act, 1988;
- (b) Rural Electrification Corporation Limited, the Company formed and registered under the Companies Act, 1956.

The investment made in such bonds during any FY cannot exceed ₹5,000,000.

If only a part of the capital gains is invested, the exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gain. However, in case the long term specified assets are transferred or converted into money within 3 years from the date of its acquisition, the amount of capital gains so exempt shall be chargeable to tax during the year of such transfer or conversion.

- 3.2.7** As per the provisions of Section 54F of the Act, long term capital gains [which are not covered under Section 10(38)] arising from the transfer of any capital asset (not being residential house property) held by an Individual or Hindu Undivided Family ('HUF') will be exempt from tax, if net consideration is utilised, within a period of one year before or two year after the date of transfer, for purchase of a residential house, or for construction of a residential house within three years. The exemption is available subject to fulfilment of prescribed conditions.
- 3.2.8** Under section 70(2) of the Act, the short term capital loss can be set off against other short term capital gain or long term capital gain. Under section 70(3) of the Act, the long term capital loss can be set off against other long term capital gain.
- 3.2.9** Under section 74 of the Act, the unabsorbed short term capital loss can be carried forward and set off against capital gains (whether short term or long term) of subsequent years (up to 8 years). Unabsorbed long term capital loss can be carried forward and set off against long term capital gains only in of subsequent years (up to 8 years). However, the unabsorbed capital loss can be carried forward only when the return of income has been filed within the time prescribed under section 139(1) of the Act.

3.3 Deduction of STT while computing business income

As per Section 36(1)(xv) of the Act, the STT paid by the tax payer in respect of the taxable securities transactions entered into in the course of business during the FY will be allowable as deduction, if the income arising from such taxable securities transactions is included in the income computed under the head 'Profits and gains of business or profession'.

3.4 Income from other sources

As per the provisions of section 56(2)(vii) of the Act, where any property, other than immovable property (including shares) is received by an individual/ HUF:

- (i) without consideration and the aggregate fair market value of such property exceeds ₹50,000, or
- (ii) for a consideration which is less than the aggregate fair market value of such property by at least ₹50,000, then the difference between fair market value and consideration paid will be taxable as income from other sources.

This provision is applicable only if shares are held by the shareholders as a capital asset.

This provision is not applicable where shares are received in any of the following modes, namely –

- (a) From any relative;
- (b) On the occasion of marriage of the individual;
- (c) Under a will or by way of inheritance;
- (d) In contemplation of death of the payer or donor;
- (e) From any local authority as defined in Explanation to Section 10(20);

- (f) From any fund or foundation or university or other educational institution or hospital or other medical institution or any trust or institution referred to in Section 10(23C); or
- (g) From any trust or institution registered under Section 12AA.

4 Benefits available to Non-resident shareholders (Other than Foreign Institutional Investors) under the Act

4.1 Dividends exempt under Section 10(34) of the Act

Under Section 10(34) of the Act, any income earned by way of dividends from the Company would be exempt from tax in the hands of the shareholders, if such dividends are subject to DDT under Section 115-O of the Act.

However, as per the provisions of section 94(7) of the Act, losses arising from transfer/sale of shares, where such shares are purchased within three months prior to the record date and sold within three months from the record date will be disallowed to the extent such loss does not exceed the amount of dividend claimed exempt. 'Record date' means such date as may be fixed by the company for the purposes of entitlement of the holder of securities to receive dividend.

As per the provisions of section 14A of the Act, no deduction would be allowed in respect of expenditure incurred in relation to earning of dividend income which is exempt from tax.

4.2 Computation of capital gains

- 4.2.1** As per the provisions of section 2(42A) of the Act, the shares held in a company or any other security listed on a recognized stock exchange will be considered as short term capital asset if they are held for a period of 12 months or less immediately preceding date of their transfer. If the period of holding of shares is more than 12 months immediately preceding date of transfer, they will be treated as long term capital asset.

Provided further in case of a share of company (not being a share listed in a recognised stock exchange) or a unit of Mutual fund specified under clause (23D) of section 10, which is transferred during the period beginning on the 1st April 2014 and ending on the 10th day of July 2014, the provision of this clause shall have effect as if the words "36 months" the words "12 months" had been substituted.

The capital gain/loss on sale of short term capital assets is regarded as short term capital loss. The capital gain/loss on sale of long term capital assets is regarded as long term capital loss.

- 4.2.2** According to Section 10(38) of the Act, long-term capital gains on sale of equity shares, where the transaction of sale is chargeable to STT, shall be exempt from tax.

However in case of shareholder being a company and liable to MAT in India, gains arising on transfer of above referred Long Term Capital assets shall not be reduced in computing the "Book Profit" for the purposes of computation of MAT under section 115 JB of the Act.

- 4.2.3** First proviso to section 48 of the Act contains special provisions relating to computation of capital gains, in the hands of non-residents arising from transfer of shares of an Indian company which were purchased in foreign currency.

In such a case, the capital gains are computed by converting the cost of acquisition, expenditure incurred wholly and exclusively in connection with transfer and the full value of consideration into the same foreign currency that was initially used to purchase of such shares. The capital gain so computed in the original foreign currency is reconverted into Indian Rupees at the prescribed exchange rate. The said manner of computing capital gains is used in respect of capital gains accruing or arising from every reinvestment thereafter in and sale of shares of an Indian company.

The non-resident shareholders are not entitled to indexation benefit (for a detailed discussion on indexation, refer para 2.4.3 above).

- 4.2.4** As per the provisions of Section 112 of the Act, long-term capital gains (to the extent not exempt under Section 10(38) of the Act) would be subject to tax in the hands of the shareholders at the rate of 20% (plus applicable surcharge, education cess and secondary & higher education cess).

As per the proviso to Section 112(1) of the Act, if the tax on long-term capital gains resulting from transfer of listed securities [to the extent not exempt under Section 10(38) of the Act], calculated at the rate of 20% (with indexation benefit) exceeds the tax on long-term gains computed at the rate of 10% (without indexation benefit), then such gains are chargeable to tax at the concessional rate of 10% (without indexation benefit) (plus applicable surcharge, education cess and secondary & higher education cess).

- 4.2.5** As per the provisions of Section 111A of the Act, short-term capital gains on sale of equity shares where the transaction of sale is chargeable to STT shall be subject to tax at a rate of 15% (plus applicable surcharge, education cess and secondary & higher education cess).

Short-term capital gains arising from transfer of shares of the Company, other than those covered by Section 111A of the Act, would be subject to tax as calculated under the normal provisions of the Act.

- 4.2.6** Under Section 54EC of the Act and subject to the conditions specified therein, long-term capital gains arising on the transfer of equity shares of the Company (other than those covered by section 10(38) of the Act) would be exempt from tax if such capital gains are invested within 6 months after the date of such transfer in specified assets, being bonds issued by:

- (a) National Highway Authority of India constituted under Section 3 of The National Highway Authority of India Act, 1988;
- (b) Rural Electrification Corporation Limited, the Company formed and registered under the Companies Act, 1956.

The investment made in such bonds during any FY cannot exceed ₹5,000,000.

If only a part of the capital gains is invested, the exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gain. However, in case the long term specified assets are transferred or converted into money within 3 years from the date of its acquisition, the amount of capital gains so exempt shall be chargeable to tax during the year of such transfer or conversion.

- 4.2.7** As per the provisions of Section 54F of the Act, long term capital gains [which are not covered under Section 10(38)] arising from the transfer of any capital asset (not being residential house property) held by an Individual or Hindu Undivided Family ('HUF') will be exempt from tax, if net consideration is utilized, within a period of one year before or two year after the date of transfer, for purchase of a residential house, or for construction of a residential house within three years. The exemption is available subject to fulfilment of prescribed conditions.
- 4.2.8** Under section 70(2) of the Act, the short term capital loss can be set off against other short term capital gain or long term capital gain. Under section 70(3) of the Act, the long term capital loss can be set off against other long term capital gain.
- 4.2.9** Under section 74 of the Act, the unabsorbed short term capital loss can be carried forward and set off against capital gains (whether short term or long term) of subsequent years (up to 8 years). Unabsorbed long term capital loss can be carried forward and set off against long term capital gains only in of subsequent years (up to 8 years). However, the unabsorbed capital loss can be carried forward only when the return of income has been filed within the time prescribed under section 139(1) of the Act.

4.3 Deduction of STT while computing business income

As per Section 36(1)(xv) of the Act, the STT paid by the tax payer in respect of the taxable securities transactions entered into in the course of business during the FY will be allowable as deduction, if the income arising from such taxable securities transactions is included in the income computed under the head 'Profits and gains of business or profession'.

4.4 Special benefit available to Non-resident Indian shareholders

4.4.1 In addition to some of the general benefits available to non-resident shareholders, where 'specified assets' (as defined in Section 115C (f) of the Act, which includes equity shares in the Company) have been subscribed or acquired or purchased by Non-Resident Indians, they have the option of being governed by the provisions of Chapter XII-A of the Act, which *inter alia* entitles them to the benefits mentioned below.

As per section 115C (e) of the Act, a 'non-resident Indian'(NRI) has been defined to mean an individual being citizen of India or person of Indian origin who is not a resident.

4.4.2 As per the provisions of section 115E of the Act, investment income (income derived from specified assets other than dividends referred to in section 115O) or income from long- term capital gains on transfer of assets other than specified asset shall be taxable at the rate of 20% in the hands of a NRI. Income by way of long term capital gains in respect of a specified asset, shall be chargeable to income tax at the rate of 10%. The rates would be increased by the applicable rate of surcharge education cess and secondary & higher education cess.

4.4.3 Under provisions of Section 115F of the Act, any long term capital gains arising from the transfer of shares of the Company acquired in convertible foreign exchange shall be exempt from tax if the whole or any part of the net consideration (consideration less expenditure incurred wholly and exclusively on transfer) is reinvested within six months of the date of the transfer in any 'specified assets' or savings certificates referred to in clause (4B) of section 10.

If only a part of the net consideration is reinvested, the exemption shall be proportionately reduced. The amount so exempted shall be chargeable to tax as "capital gains" subsequently, if the specified assets or savings certificate are transferred or converted into money within three years from the date of their acquisition. The taxability shall arise in the year in which the transfer or conversion, as the case may be, takes place.

4.4.4 As per the provisions of section 115D, no deduction is allowed for any expenditure or allowance under any provision of the Act in computing the investment income of the NRI. Further no deduction is allowed to NRI under chapter VIA against investment income or income by way of long term capital gains. The benefit of indexation is also not available.

4.4.5 As per the provisions of Section 115G of the Act, NRIs are not required to furnish a return of income under Section 139(1) of the Act, if:

- Their income chargeable under the Act consists of only investment income or long term capital gains arising from the transfer of specified asset or both and;
- Tax deductible at source has been deducted as per the provisions of Chapter XVII-B of the Act from the income.

4.4.6 As per the provision of Section 115H of the Act, where a person who is NRI in any FY, becomes assessable as resident in India in respect of total income of any subsequent year, the provisions of Chapter XII-A shall continue to apply to him in relation to the investment income derived from any foreign exchange asset being an assets specified in sub clause (ii), (iii), (iv) or (v) of Section 115(C)(f) for that AY and for every subsequent AY until there is transfer or conversion into money of such asset.

For this provision to apply, NRI is required to file a declaration along with his return of income for the AY in which he becomes assessable as resident in India.

- 4.4.7** In accordance with Section 115I of the Act, where a NRI opts not to be governed by the provisions of Chapter XII-A for any AY, his total income for that AY (including income arising from investment in the company) will be computed and tax will be charged according to the other provisions of the Act.

4.5 Taxability as per DTAA

- 4.5.1** The tax rates and consequent taxation mentioned above will be further subject to any benefits available under the DTAA, if any, between India and the country or any specified territory in which the non-resident has fiscal domicile.

As per the provisions of Section 90(2) of the Act, the provision of the DTAA would prevail over the provisions of the Act to the extent they are more beneficial to the non-resident.

- 4.5.2** As per provisions of section 90(4) of the Act, a non-resident, shall not be entitled to claim any relief under DTAA, unless a certificate of his being a resident in any country outside India or specified territory outside India, as the case may be has been obtained by him from the government of that country or specified territory. In other words, the non-resident tax payers shall be entitled to be governed by the provisions of the DTAA only when they obtain a tax residency certificate from the government of their country of residence.
- In addition, as per the provisions of section 90(5) of the Act, a non-resident shall also provide prescribed documents.

5 Benefits available to Foreign Institutional Investors ('FIIs') under the Act

5.1 Dividends exempt under Section 10(34) of the Act

Under Section 10(34) of the Act, any income earned by way of dividends from the Company would be exempt from tax in the hands of the shareholders, if such dividends are subject to DDT under Section 115-O of the Act.

However, as per the provisions of section 94(7) of the Act, losses arising from transfer/sale of shares, where such shares are purchased within three months prior to the record date and sold within three months from the record date will be disallowed to the extent such loss does not exceed the amount of dividend claimed exempt. 'Record date' means such date as may be fixed by the company for the purposes of entitlement of the holder of securities to receive dividend.

As per the provisions of section 14A of the Act, no deduction would be allowed in respect of expenditure incurred in relation to earning of dividend income which is exempt from tax.

5.2 Taxability of capital gains

- 5.2.1** As per the provisions of Section 115AD of the Act, FIIs will be taxed on the capital gains that are not exempt under Section 10(38) of the Act at the rates as follows:

<i>Nature of Income</i>	<i>Rate of Tax (%)</i>
Long term capital gain [other than the Long term capital gain covered by the provisions of section 10(38)]	10
Short term capital gain (other than the short term capital gain covered by the provisions of section 111A)	30

The above tax rates would be increased by the applicable rate of surcharge education cess and secondary & higher education cess.

The benefits of indexation and foreign currency fluctuation protection are not available to an FII.

The above mentioned capital gains are not subject to tax deduction at source as per the provisions of section 196 D (2) of the Act.

- 5.2.2** According to Section 111A of the Act, short-term capital gains on sale of equity shares where the transaction of sale is chargeable to STT shall be subject to tax at a rate of 15% (plus applicable surcharge, education cess and secondary & higher education cess) in addition to the other requirements, as specified in the Section.

5.3 Capital gains- not subject to Income- tax

- 5.3.1** According to Section 10(38) of the Act, long-term capital gains on sale of equity shares, where the transaction of sale is chargeable to STT, shall be exempt from tax.

However, in case of shareholder being a company and liable to MAT in India, gains arising on transfer of above referred long term capital asset shall not be reduced in computing the “book profit” for the purposes of computation of MAT under Section 115 JB of the Act.

- 5.3.2** Under Section 54EC of the Act and subject to the conditions specified therein, long-term capital gains arising on the transfer of equity shares of the Company (other than the long term capital gain covered by the provisions of section 10(38)) would be exempt from tax if such capital gains is invested within 6 months after the date of such transfer in specified assets, being bonds issued by:

- (a) National Highway Authority of India constituted under Section 3 of The National Highway Authority of India Act, 1988;
- (b) Rural Electrification Corporation Limited, the Company formed and registered under the Companies Act, 1956.
- (c) The investment made in such bonds during any FY cannot exceed ₹ 5,000,000.

If only part of the capital gain is so reinvested, the exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gain. However, in case the specified asset is transferred or converted into money within 3 years from the date of its acquisition, the amount so exempted shall be chargeable to tax during the year of such transfer or conversion.

- 5.3.3** Under section 70(2) of the Act, the short term capital loss can be set off against other short term capital gain or long term capital gain. Under section 70(3) of the Act, the long term capital loss can be set off against other long term capital gain.

- 5.3.4** Under section 74 of the Act, the unabsorbed short term capital loss can be carried forward and set off against capital gains (whether short term or long term) of subsequent years (up to 8 years). Unabsorbed long term capital loss can be carried forward and set off against long term capital gains only in of subsequent years (up to 8 years). However, the unabsorbed capital loss can be carried forward only when the return of income has been filed within the time prescribed under section 139(1) of the Act.

5.4 Income from Business Profits

- 5.4.1** As per Section 36(1)(xv) of the Act, the STT paid by the tax payer in respect of the taxable securities transactions entered into in the course of business during the FY will be allowable as deduction, if the income arising from such taxable securities transactions is included in the income computed under the head ‘Profits and gains of business or profession’.

5.5 Taxability as per DTAA

- 5.5.1** The tax rates and consequent taxation mentioned above will be further subject to any benefits available under the DTAA, if any, between India and the country or any specified territory in which the non-resident has fiscal domicile.

As per the provisions of Section 90(2) of the Act, the provision of the DTAA would prevail over the provisions of the Act to the extent they are more beneficial to the non-resident.

5.5.2 As per provisions of section 90(4) of the Act, a non-resident, shall not be entitled to claim any relief under DTAA, unless a certificate of his being a resident in any country outside India or specified territory outside India, as the case may be has been obtained by him from the government of that country or specified territory. In other words, the non-resident tax payers shall be entitled to be governed by the provisions of the DTAA only when they obtain a tax residency certificate from the government of their country of residence.

In addition, as per the provisions of section 90(5) of the Act, a non-resident shall also provide prescribed documents.

5.6 Benefits available to Mutual Funds under the Act

As per the provisions of Section 10(23D) of the Act, any income of:

- A mutual fund registered under the Securities and Exchange Board of India Act, 1992 or regulations made there under;
- Mutual Funds set up by public sector banks or public financial institutions or 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.

However, the Mutual Funds would be required to pay tax on distributed income to unit holders as per the provisions of Section 115R of the Act.

6 Benefits available to Venture Capital Companies/Funds

(a) Under Section 10(23FB) of the Act, any income of Venture Capital Companies or Venture Capital Funds registered with the Securities and Exchange Board of India, from investment in a venture capital undertaking would be exempt from income tax, subject to conditions specified therein. 'Venture capital undertaking' means:

- A venture capital undertaking as defined in clause (n) of the regulation 2 of Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 or
- A venture capital undertaking as defined in clause (aa) of sub regulation (1) of regulation 2 of Alternate Investment Fund Regulations.

6.1 According to Section 115U of the Act, any income accruing or arising to or received by a person from his investment in venture capital companies/ funds would be taxable in his hands in the same manner as if it were the income accruing/ arising/ received by such person had the investments been made directly in the venture capital undertaking.

6.2 Further, as per Section 115U(5) of the Act, the income accruing or arising to or received by the Venture Capital Company/ Funds from investments made in a Venture Capital Undertaking if not paid or credited to a person (who has made investments in a Venture Capital Company/ Fund) shall be deemed to have been credited to the account of the said person on the last day of the previous year in the same proportion in which such person would have been entitled to receive the income had it been paid in the previous year.

7 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.

8 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. However as per the provisions of Section 56(2)(vii) of the Act, value of any property including shares and securities received without consideration or for inadequate consideration will be included in the total income of the recipient and be subject to tax, unless exempt(for detailed discussion, refer para 3.4 above).

9 Loss under the head 'Capital Gains'

In general terms, loss arising from transfer of a capital asset in India can only be set off against capital gains. Long term capital loss arising on sale of equity shares not subjected to STT during a year is allowed to be set-off only against long term capital gains. A short term capital loss can be set off against capital gains whether short term or long term. To the extent that the loss is not absorbed in the year of transfer, it may be carried forward for a period of 8 years immediately succeeding the year for which the loss was first determined and may be set off against the capital gains assessable for such subsequent years. In order to set off a capital loss as above, the investor (resident/ non- resident) is required to file appropriate and timely income-tax returns in India.

Notes:

1. 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;
2. 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 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;
3. 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;
4. 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/specified territory (outside India) in which the non-resident has fiscal domicile; and
5. The stated benefits will be available only to the sole/first named holder in case the shares are held by joint shareholders.
6. The tax rates (including rates for tax deduction at source) mentioned in this Statement are applicable for FY 2014-15 (AY 2015-16) and are exclusive of surcharge, education cess and higher education cess.

Surcharge @ 10% of income tax is applicable in case of individuals where total income under the Act exceeds ₹10 million.

Surcharge @ 5% is applicable in case of resident companies where total income under the Act exceeds ₹10 million and is up to ₹100 million. If the total income of the resident companies exceeds ₹100 million, surcharge would be leviable @ 10%.

In case of foreign companies, surcharge @ 2% is applicable in case of where total income under the Act exceeds ₹10 million and is up to ₹100 million. If the total income exceeds ₹ 100 million, surcharge would be leviable @ 5%.

7. We have not considered the provisions of Direct Tax Code Bill 2010 for the purpose of this Statement.

For **R Gopal & Associates**

Chartered Accountants

Firm Registration No. 000846C

S.K Agarwal

Partner

Membership No.093209

Place: New Delhi

Date: October 15, 2014

SECTION V – ABOUT US

INDUSTRY OVERVIEW

Overview of the Indian Economy

India, the world's 2nd largest democracy in terms of population (~1.24 billion people) after China had a GDP on purchasing power parity basis of approximately US\$ 4,990 billion in 2013. This makes India the fourth largest economy in the world after the United States of America, European Union & China in purchasing power parity terms. (Source: CIA World Fact Book website)

In 2014-15, the Indian economy is poised to overcome the sub-5 per cent growth of gross domestic product (GDP) witnessed over the last two years. The growth slowdown in the last two years was broad based, affecting in particular the industry sector. Inflation too declined during this period, but continued to be above the comfort zone, owing primarily to the elevated level of food inflation. Yet, the developments on the macro stabilization front, particularly the dramatic improvement in the external economic situation with the current account deficit (CAD) declining to manageable levels after two years of worryingly high levels was the redeeming feature of 2013-14.

To illustrate, from April 2000 through March 2014, FDI cumulative inflows in the housing and real estate sector of India amounted to ₹ 108,558 million. According to the Department of Industrial Policy & Promotion Fact Sheet on Foreign Direct Investment from April 2000 to March 2014, FDI inflows into India were US\$ 34,847 million, US\$ 46,556 million, US\$ 34,298 million and US\$ 36,396 million in Financial years 2010-11, 2011-12, 2012-13 and 2013-14, respectively. (Source: Department of Industrial Policy & Promotion Fact Sheet on Foreign Direct Investment from April 2000 through March 2014)

The fiscal deficit of the Centre as a proportion of GDP also declined for the second year in a row as per the announced medium term policy stance. Reflecting the above and the expectations of a change for the better, financial markets have surged. Moderation in inflation would help ease the monetary policy stance and revive the confidence of investors, and with the global economy expected to recover moderately, particularly on account of performance in some advanced economies, the economy can look forward to better growth prospects in 2014-15 and beyond (Source: Economic Survey 2013-14)

Global Financial Situation

Underperformance in the world economy was observed across almost all regions and major economic groups. Most developed economies continued struggling in an uphill battle against lingering effects of the financial crisis, grappling in particular with the challenges of taking appropriate fiscal and monetary policy actions. A number of emerging economies, which had already experienced a notable slowdown in the past two years, encountered new headwinds during 2013 on both international and domestic front. (Source: World Economic Situation and Prospects 2014)

The following table sets forth the key indicators of the Indian economy for the past 5 (five) Fiscals.

(Annual percentage change)

	2013-14	2012-13	2011-12	2010-11	2009-10
Real GDP growth ⁽¹⁾	4.7	4.5	6.7	8.9	8.6
Index of Industrial Production ⁽²⁾	-0.1	1.1	2.9	8.2	5.3
Wholesale Price Index	6.0	7.4	8.9	9.6	3.8
Foreign Exchange Reserves (in US\$ billion)	304.2	292.0	294.4	304.8	279.1

(1) At factor cost 2004-05 prices

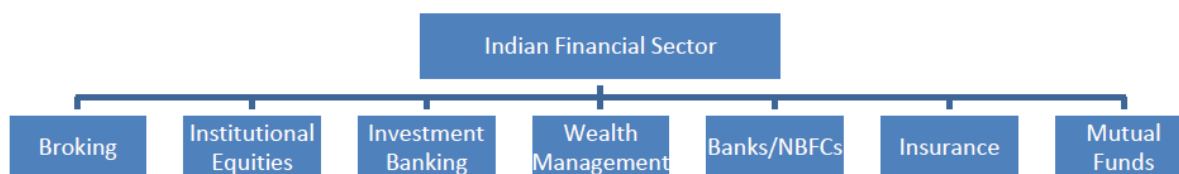
(2) The Index of Industrial Production has been revised since 2005-06 on base (2004-05=100)

(Source: Economic Survey 2013-2014, RBI)

Indian Financial Services Sector

The Indian financial system has changed considerably over the past fifteen years. Interest rates have been deregulated and competition and efficiency in the banking business has increased with new entrants being allowed. India has made substantial progress on adopting the G20 reforms agenda including Basel III norms, convergence with IFRS, compensation reforms, cross-border supervision and regulation of non-banking intermediaries.

The financial sector can be broadly classified into the following segments as below:



Performance and Outlook of the various sub-segments in the Indian Financial Services space

A. Capital Markets

There has been a considerable broadening and deepening of the Indian financial markets due to various financial market reforms undertaken by the regulators, the introduction of innovative financial instruments in the recent years and the entry of sophisticated domestic and international players. Sectors such as banking, asset management and brokerage have been liberalised to allow private sector involvement, which has contributed to the development and modernization of the financial services sector. This is particularly evident in the non-banking financial services sector, such as equities, derivatives and commodities brokerage, residential mortgage and insurance services, where new products and expanding delivery channels have helped these sectors achieve high growth rates.

India's financial markets—particularly the secondary securities markets--were also affected by the global slowdown as reflected in some of the following indicators. While the market-cap to GDP ratio has fallen to 62.2 % in end-March 2013 from 67.9 % a year ago, the average daily market turnover in the cash segment of NSE in FY 2013 has fallen by 4 % from the level prevailing in FY 2012. In H1 FY 2014, the average daily turnover increased by a marginal 1.4 % from the level prevailing in H1 FY 2013. Net FII investment outflows was US \$ 5 billion in H1 FY 2014 compared to the net inflows of US \$ 1.1 billion in the corresponding period of the previous year. Volatility in the equity market has also risen as reflected in an increase in the volatility of the benchmark index CNX Nifty 50, from 0.9 in September 2012 to 1.9 in September 2013. Further, with sharp deterioration in growth prospects, resource mobilization through public and rights issues in the primary market continue to contract. The resource mobilized has fallen from about ₹ 485 billion in FY 2012 to ₹ 325 billion during FY 2013. Encouragingly, in H1FY 2014, has witnessed a significant surge, increasing to ₹ 8,987 billion from ₹ 91 billion in the corresponding period of last fiscal. (Source: NSE India Securities Market Review)

Capital market can be typically segregated into two major segments:

1. Primary market (new issues, offer for sale)
2. Secondary market (trading of stocks/ bonds)

Primary Markets

Primary markets create a flow of new securities to the securities market. This is achieved through public offerings of debt or equity or a composite structure of debt and equity to the investors. Here the issuer of securities raises the funds to meet its funding requirements. Primary market offerings could either be in the form of public offerings or private placements. The issuers here could include corporate, Government, municipal corporations and in some cases existing shareholders and institutional investors offering their securities for sale.

Trends in Primary Market

During FY 2014, ₹ 55,652 crore was mobilised in the primary market through 90 issues as compared to ₹ 32,455 crore mobilised through 69 issues in FY 2013. The cumulative amount mobilised for the financial year 2014-15 till June month, stood at ₹ 2,383 crore.

Capital Raised from the Primary Market through Public and Rights Issues

Year/ Month	Total		Category-wise				Issue-type				Instrument-wise							
			Public		Rights		Listed		IPOs		Equities				CCPS/FCDs*		Debt	
	No. of issue	Amount (₹ crore)	No. of issue	Amount (₹ crore)	No. of issue	Amount (₹ crore)	No. of issue	Amount (₹ crore)	No. of issue	Amount (₹ crore)	At Par		At Premium		No. of issue	Amount (₹ crore)	No. of issue	Amount (₹ crore)
											No. of issue	Amount (₹ crore)	No. of issue	Amount (₹ crore)				
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
2008-09	47	16,220	22	3,582	25	12,637	25	12,637	22	3,582	5	96	40	14,176	1	448	1	1,500
2009-10	76	57,555	47	49,236	29	8,319	34	30,359	42	27,196	1	9	71	54,866	1	180	3	2,500
2010-11	91	67,609	68	58,105	23	9,503	28	32,049	63	35,559	2	50	78	57,617	1	490	10	9,451
2011-12	71	48,468	55	46,093	16	2,375	17	6,953	54	41,515	4	104	47	12,753	0	0	20	35,611
2012-13	69	32,455	53	23,510	16	8,945	36	25,927	33	6,528	10	6,176	39	9,297	0	0	20	16,982
2013-14	90	55,652	75	51,075	15	4,576	52	54,416	38	1,236	19	824	36	12,445	0	0	35	42,383
2014-15\$	18	2,383	13	1,653	5	730	11	2,139	7	244	2	19	10	954	0	0	6	1,409
Apr-14	5	980	2	381	3	598	4	798	1	181	1	15	3	765	0	0	1	200
May-14	7	420	5	289	2	131	4	381	3	39	1	4	4	165	0	0	2	250
Jun-14	6	984	6	984	0	0	3	959	3	24	0	0	3	24	0	0	3	959

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

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

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

4. * CCPS: Compulsory Convertible Preference Shares, FCDs: Fully Convertible Debentures.

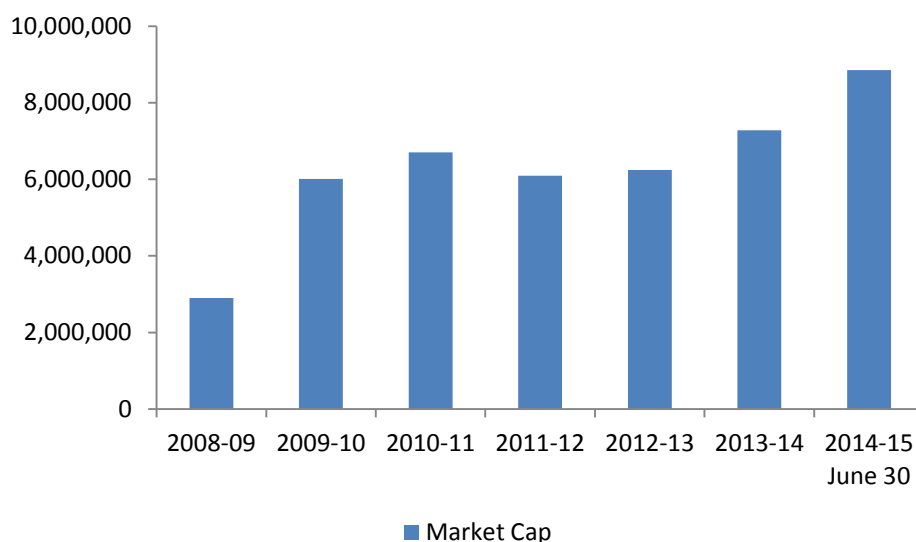
\$ indicates as on June 30, 2014.

Source: Number 7, Volume 12, July 2014, SEBI Bulletin

Secondary Market

Stock Exchanges provide the platform and the mechanism for effecting transactions between different market participants. The depth of the market is determined by a number of factors such as liquidity of the instruments traded, the number of market participants, types of instruments traded, settlement practices etc. The market capitalization of listed companies on the stock exchanges has more than tripled between 2008-09 and 2014-15.

Cash Segment of NSE



As on June, 2014 the number of companies listed at NSE were 1,695. There are 5,406 companies listed on BSE as on June, 2014

Source: Number 7, Volume 12, July 2014, SEBI Bulletin

Growth of volume traded in Secondary Market (BSE)

BSE	Unit	2009	2010	2011	2012	2013	2014	2015\$
No. of Companies Listed		4,929	4,975	5,067	5,133	5,211	5,336	5,406
Traded Quantity	Lakh	7,39,600	11,36,513	9,90,777	6,54,137	5,67,220	4,79,951	2,34,163
Turnover	₹ Crore	11,00,074	13,78,809	11,05,027	6,67,498	5,48,774	5,21,664	2,25,979
Derivatives								
No. of Contracts		4,96,502	9,026	5,623	3,22,22,825	26,24,43,366	30,19,40,217	7,56,12,024
Turnover	₹ Crore	11,775	234	154	8,08,476	71,63,519	92,19,434	27,75,795

\$ indicates as on June 30, 2014

Source: Number 7, Volume 12, July 2014, SEBI Bulletin

Growth of volume traded in Secondary Market (NSE)

NSE	Unit	2009	2010	2011	2012	2013	2014	2015\$
No. of Companies Listed		1,432	1,470	1,574	1,646	1,666	1,688	1,695
Traded Quantity	Lakh	14,26,355	22,15,530	18,24,515	16,16,978	16,59,160	15,33,716	6,96,266
Turnover	₹ Crore	27,52,023	41,38,023	35,77,410	28,10,893	27,08,279	28,08,489	11,30,413

NSE	Unit	2009	2010	2011	2012	2013	2014	2015\$
Derivatives								
No. of Contracts		65,73,90,497	67,92,93,922	1,03,42,12,062	1,20,50,45,464	1,13,14,67,418	1,28,44,24,321	30,49,03,292
Turnover	₹ Crore	1,10,10,482	1,76,63,665	2,92,48,221	3,13,49,732	3,15,33,004	3,82,11,408	1,11,51,722

\$ indicates as on June 30, 2014

Source: Number 7, Volume 12, July 2014, SEBI Bulletin

Currency Derivatives at NSE, MCX-SX and USE

	NSE		MCX-SX		USE	
	No. of Contracts	Turnover (₹Crore)	No. of Contracts	Turnover (₹Crore)	No. of Contracts	Turnover (₹Crore)
2008-09	3,27,38,566	1,62,563				
2009-10	37,86,06,983	17,82,608	40,81,66,278	19,44,654		
2010-11	,96,02,075	34,49,788	90,31,85,639	41,94,017		
2011-12	97,33,44,132	46,74,990	77,03,25,229	37,32,446	31,53,95,543	14,88,978
2012-13	95,92,43,448	52,74,465	59,73,10,766	33,03,179	2,37,66,846	1,32,861
2013-14	66,01,92,530	40,12,513	39,85,84,890	24,22,410	4,74,79,296	3,01,620
2014-15\$	9,30,86,231	5,78,042	3,32,17,083	2,07,579	21,13,144	13,359

\$ indicates as on June 30, 2014

Note: Currency Futures and Currency Options trading started at USE on September 20, 2010 and October 29, 2010 respectively.

Source: Number 7, Volume 12, July 2014, SEBI Bulletin

Commodity Market

The commodity related financial assets were introduced in India in 2003 with the introduction of exchanges and aimed at supporting small farmers, traders and exporters to minimize their risk in future market and for price discovery of their produce.

Forward Markets Commission regulates forward trading in 113 commodities at the 15 Recognized Commodity Exchanges, of which 6 are National Commodity Exchanges and 9 are Commodity Specific Regional Exchanges. Forward Markets Commission has always taken various initiatives regarding regulations of the commodity markets to improve the market integrity, by creating awareness among stakeholders, and capacity building in the commodity sector.

During the period under review (April to June 2014), the total value of trade in all commodities traded at the recognized Exchanges was ₹14.55 lakh crore as against ₹ 18.98 lakh crore during the previous quarter (January to March 2014) and ₹41.45 lakh crore during the corresponding period of last year.

The six national commodity Exchanges contributed 99.83 % to the total value of trade in the commodity futures market. These are MCX Mumbai (80.87 %), NCDEX Mumbai (17.40 %), NMCE Ahmedabad (0.28 %), ICEX Mumbai (0.00002 %), ACE Mumbai (0.86%) and UCX Navi Mumbai (0.42%).

Source: www.fmc.gov.in, FMC bulletin April-June 2014

Depository Services and Depository Participants

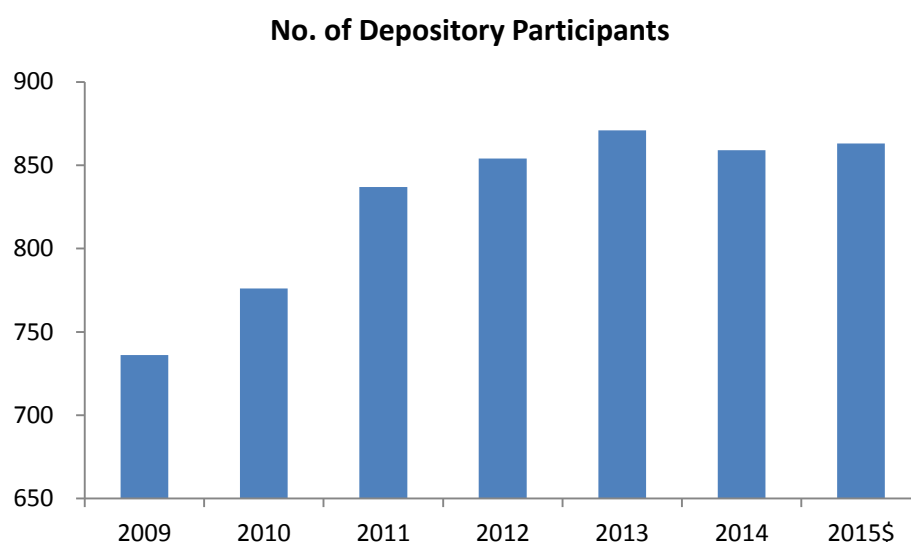
The Depositories Act was passed in 1996 which allows companies and investors to issue, hold and transact in securities through a depository. There are currently two depositories operational in India, National Securities Depository Limited (“NSDL”) and Central Securities Depository Limited (“CDSL”). The securities can be dematerialised at the time of issue or subsequently.

The investor’s interface with the depository happens through an entity called the depository participant (“DP”). The DPs are appointed by the depository to act as their agents or contact points for the investor. The investor has to open a depository account through the DP to avail of the services offered by the depository. DPs are appointed by the depository with the approval of SEBI.

The following categories are eligible to become DPs:

Banks, including foreign banks; Financial Institutions; Non-banking Finance Companies; Stock brokers; R&T Agents; Custodians; and clearing corporations.

The following chart depicts the rising trend of the DP’s:



\$ indicates as on June 30, 2014

Source: Number 7, Volume 12, July 2014, SEBI Bulletin

Debt Market

The debt market is a market where fixed income securities are issued by the Central and state governments, municipal corporations, government bodies, and commercial entities like financial institutions, banks, public sector units, and public limited companies. It includes government securities, public sector undertakings, other government bodies, financial institutions, banks, and companies. Typically, Debt Instruments are categorized as: (i) Government of India dated Securities (G-Secs) and (ii) Corporate debt market. The following debt instruments are available in the corporate debt market: Non-Convertible Debentures; Partly-Convertible Debentures/Fully-Convertible Debentures (convertible into Equity Shares), Secured Premium Notes, Debentures with Warrants, Deep Discount Bonds, PSU Bonds/Tax-Free Bonds

WDM Business Growth in NSE

Year	Market Capitalisation (₹ crore)	Trading Days	Number of Trades	Net Traded Value(₹ crore)	Average Daily Value(₹ crore)	Average Trade Size(₹ crore)
2014-2015	53,96,321	98	7,284	3,31,732.13	3,385.02	45.54
2013-2014	51,28,733	243	21,143	8,51,433.62	3,503.84	40.27
2012-2013	49,28,331	242	26,974	7,92,213.78	3,273.61	29.37

Year	Market Capitalisation (₹ crore)	Trading Days	Number of Trades	Net Traded Value (₹ crore)	Average Daily Value (₹ crore)	Average Trade Size (₹ crore)
2011-2012	42,72,736	239	23,447	6,33,179.45	2,649.29	27.00
2010-2011	35,94,877	248	20,383	5,59,446.77	2,255.83	27.45
2009-2010	31,65,929	239	24,069	5,63,815.95	2,359.06	23.42
2008-2009	28,48,315	238	16,129	3,35,951.52	1,411.56	20.83
2007-2008	21,23,346	248	16,179	282,317.02	1,138.38	17.45
2006-2007	17,84,801	244	19,575	2,19,106.47	897.98	11.19

Source: NSE website

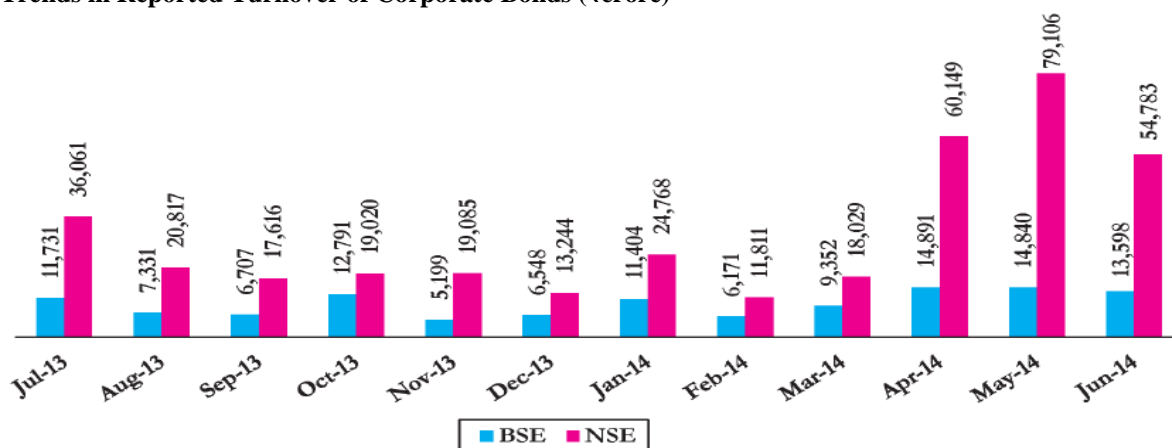
Debt Issue Mobilisation (₹ crore)

Year	Public	Private Placements	Total
2011	9,451	2,18,785	2,28,236
2012	35,611	2,61,283	2,96,894
2013	16,982	3,61,462	3,78,444
2014	42,382	2,76,054	3,18,436
2015\$	1,409	50,971	52,380

\$ indicates as of last day of June 2014.

Source: Number 7, Volume 12, July 2014, SEBI Bulletin

Trends in Reported Turnover of Corporate Bonds (₹ crore)



Source: Number 7, Volume 12, July 2014, SEBI Bulletin

Wealth Management

The Wealth Management industry in India is a prime example of the success of free competition in the country. Wealth Management is one of the fastest growing disciplines of the banking sector and with a strong GDP growth rate and a strong future outlook, India's growth story is making it an increasingly attractive market for wealth management firms.

Asset Under Management by Reporting Portfolio Manager

	2013			2014		
	Discretionary	Non-Discretionary	Advisory	Discretionary	Non-Discretionary	Advisory
No. of Clients	50,937	4,461	11,187	42,771	4,932	9,774
Total AUM ₹	4,99,851	26,298	79,841	5,85,594	39,728	1,43,004

2013	2014
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Cr.

Source: Number 7, Volume 12, July 2014, SEBI Bulletin

Asset Management

Mutual Fund Assets under Management:

The number of schemes at the end of 2013-14 were 1,638 of which Income/Debt oriented schemes were 1,178(71.9 %), Growth/equity oriented schemes were 363(22.2 %), Exchange Traded Funds were 40 schemes(2.4 %), Balanced schemes were 30(1.8 %) and Fund of Funds investing Overseas schemes were 27(1.6 %).

Total Funds mobilized during the year stood at ₹97,68,401 crore as against ₹72,67,885 crore in the last year representing an increase of 34.41%.

Redemptions at ₹97,14,318 crore were 35.08% higher than the redemptions of ₹71,91,346 crore in the previous year. On a net basis, there was an inflow of ₹54,083 crore as compared to an inflow of ₹ 76,539 crore in the last year.

The Assets Under Management as on March 31, 2014 stood at ₹8,25,240 crore as against ₹7,01,443 crore as at the end of the previous year representing an increase of 17.65%.

(In ₹ Crore)

Indian Mutual Funds	Year Ended on March 31,				
	2010	2011	2012	2013	2014
Income	311715	291975	290,844	349,311	460,671
Equity	174054	169,754	158,432	153,015	165,560
Balanced	17246	18,445	16,261	15,761	16,793
Liquid/Money Market	78094	73,666	80,354	193,466	133,280
Gilt	3395	3,409	3,659	3,282	6,115
ELSS- Equity	24066	25,569	23,644	23,065	25,547
Gold ETF	1590	4,400	9,886	10,701	8,676
Other ETFs	957	2,516	1,607	1,548	4,528
Investing Overseas	2862	2,516	2,530	2,399	3,191
Total	613979	592,250	587,217	752,548	824,361

Source: The Association of Mutual Funds in India (AMFI)

Trends in Gross Mobilisation by Mutual Funds (₹ crore)

Year	Private Sector	UTI	Public Sector	Total
2009	42,92,751	4,23,131	7,10,472	54,26,354
2010	76,98,483	8,81,851	14,38,688	1,00,19,023
2011	69,22,924	7,83,858	11,52,733	88,59,515
2012	56,83,744	5,22,453	6,13,482	68,19,679
2013	59,87,889	6,33,350	6,46,646	72,67,885
2014	80,49,397	8,02,352	9,16,351	97,68,101
2015\$	21,71,836	1,75,750	2,50,656	25,98,242

\$ indicates as on June 30, 2014

Source: Number 7, Volume 12, July 2014, SEBI Bulletin

Investment Banking

Capital Raised from the Primary Market through Public and Rights Issues

Year/ Month	Total		Category-wise				Issue-type				Instrument-wise							
			Public		Rights		Listed		IPOs		Equities				CCPS/FCDs*		Debt	
	No. of issue	Amount (₹ crore)	No. of issue	Amount (₹ crore)	No. of issue	Amount (₹ crore)	No. of issue	Amount (₹ crore)	No. of issue	Amount (₹ crore)	At Par		At Premium		No. of issue	Amount (₹ crore)	No. of issue	Amount (₹ crore)
											No. of issue	Amount (₹ crore)	No. of issue	Amount (₹ crore)				
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
2008-09	47	16,220	22	3,582	25	12,637	25	12,637	22	3,582	5	96	40	14,176	1	448	1	1,500
2009-10	76	57,555	47	49,236	29	8,319	34	30,359	42	27,196	1	9	71	54,866	1	180	3	2,500
2010-11	91	67,609	68	58,105	23	9,503	28	32,049	63	35,559	2	50	78	57,617	1	490	10	9,451
2011-12	71	48,468	55	46,093	16	2,375	17	6,953	54	41,515	4	104	47	12,753	0	0	20	35,611
2012-13	69	32,455	53	23,510	16	8,945	36	25,927	33	6,528	10	6,176	39	9,297	0	0	20	16,982
2013-14	90	55,652	75	51,075	15	4,576	52	54,416	38	1,236	19	824	36	12,445	0	0	35	42,383
2014-15\$	18	2,383	13	1,653	5	730	11	2,139	7	244	2	19	10	954	0	0	6	1,409
Apr-14	5	980	2	381	3	598	4	798	1	181	1	15	3	765	0	0	1	200
May-14	7	420	5	289	2	131	4	381	3	39	1	4	4	165	0	0	2	250
Jun-14	6	984	6	984	0	0	3	959	3	24	0	0	3	24	0	0	3	959

- Note:** 1. The total provides category-wise total of any of the three sub-categories viz. public plus rights or issuer-type (listed plus IPOs) or instrument-wise (equities plus CCPS/FCDs plus debt).
2. Amount for public debt issue for last two months is provisional.
3. All the Issues are compiled from the Prospectus' of Issuer Companies filed with SEBI.
4. * CCPS: Compulsory Convertible Preference Shares, FCDs: Fully Convertible Debentures.

\$ indicates as on June 30, 2014.

Source: Number 7, Volume 12, July 2014, SEBI Bulletin

Capital Raised by Listed Companies from the Primary Market through QIPs

Year/ Month	NSE		BSE		Common		Total	
	No. of issues	Amount (₹ crore)	No. of issues	Amount (₹ crore)	No. of issues	Amount (₹ crore)	No. of issues	Amount (₹ crore)
1	2	3	4	5	6	7	8	9
2010-11	10	2,802	3	90	46	22,959	59	25,850
2011-12	1	8	1	40	14 ¹	2,114	16 ¹	2,163
2012-13	1	950	1	160	43 ²	14,885	45 ²	15,996
2013-14	1	160	0	0	16 ³	13,503	17 ³	13,663
2014-15\$	0	0	0	0	6	7,158	6	7,158
Apr-14	0	0	0	0	0	0	0	0
May-14	0	0	0	0	3 ⁴	816	3	816
Jun-14	0	0	0	0	3	6,342	3	6,342

- Notes:** 1. The above data includes both "No. of issues" and "Amount" raised on conversion of convertible securities issued on QIP basis.
2. Includes one issue of Institutional Placement Programme (Issue Size of ₹470.74 crore).
3. Includes two issues of Institutional Placement Programme (Issue Size of ₹940.8 crore).
4. Includes ten issues of Institutional Placement Programme (Issue Size of ₹4,101.84 crore).
5. Includes one issue of Institutional Placement Programme (Issue Size of ₹418.29 crore).

\$ indicates as on June 30, 2014

Source: Number 7, Volume 12, July 2014, SEBI Bulletin

Total Resources Mobilised by Corporate Sector (Amount in ₹ crore)

Month	Equity Issues			Debt Issues			Total Resource Mobilisation (4+7)
	Public & Rights	Private Placements	Total (2+3)	Public	Private Placements	Total (5+6)	
1	2	3	4	5	6	7	8
2010-11	58,157	56,361	1,14,518	9,451	2,18,785	2,28,236	3,42,754
2011-12	12,857	27,871	40,729	35,611	2,61,283	2,96,894	3,37,622
2012-13	15,473	62,935	78,408	16,982	3,61,462	3,78,444	4,56,852
2013-14	13,269	60,125	73,394	42,382	2,76,054	3,18,436	3,91,830
2014-15\$	974	18,731	19,705	1,409	50,971	52,380	72,085
Apr-14	780	3,160	3,940	200	23,575	23,775	27,714
May-14	170	5,958	6,128	250	9,070	9,320	15,448
Jun-14	24	9,613	9,638	959	18,326	19,285	28,923

Notes: 1. Private placement of Equity includes, amount raised through preferential allotments, QIP and IPP mechanism,

2. Public Equity Issues includes IPO, FPO & Rights issues of common equity shares.

3. \$ indicates as of last day of June 2014.

Source: Number 7, Volume 12, July 2014, SEBI Bulletin

Issues Listed on SME Platform

Year/ Month	Total	
	No. of issue	Amount (₹ crore)
1	2	3
2012-13	24	239
2013-14	37	317
2014-15\$	6	63
Apr-14	0	0
May-14	3	39
Jun-14	3	24

\$ indicates as on June 30, 2014

Source: Number 7, Volume 12, July 2014, SEBI Bulletin

Indian insurance sector

The insurance industry of India consists of 52 insurance companies of which 24 are in life insurance business and 28 are non-life insurers. Among the life insurers, Life Insurance Corporation (LIC) is the sole public sector company. Apart from that, among the non-life insurers there are six public sector insurers. In addition to these, there is sole national re-insurer, namely, General Insurance Corporation of India. Other stakeholders in Indian Insurance market include Agents (Individual and Corporate), Brokers, Surveyors and Third Party Administrators servicing Health Insurance claims.

Out of 28 non-life insurance companies, 5 private sector insurers are registered to underwrite policies exclusively in Health, Personal Accident and Travel insurance segments. They are Star Health and Allied Insurance Company Ltd, Apollo Munich Health Insurance Company Ltd, Max Bupa Health Insurance Company Ltd, Religare Health Insurance Company Ltd and Cigna TTK Health Insurance Company Ltd. There are two more specialised insurers belonging to public sector, namely, Export Credit Guarantee Corporation of India for Credit Insurance and Agriculture Insurance Company Ltd for Crop Insurance

Insurance penetration of India i.e. Premium collected by Indian insurers is 3.96 % of GDP in FY 2012-13. Per capita premium underwritten i.e. insurance density in India during FY 2012-13 is US\$ 53.2.

Life Insurance Business Performance:

	2012-13		2011-12	
	Public Sector	Private Sector	Public Sector	Private Sector
Premium Underwritten (₹Crore)	2,08,803.58	78,398.91	2,02,889.28	84,182.83
New Policies Issued (in Lakh)	3,67.82	74.05	357.5	84.42
Number of Offices	3,526	6,759	3,455	7,712
Benefits Paid (₹Crore)	1,34,922	57,571	1,17,497	35,635
Individual Death Claims (Number of Policies)	750,576	1,27,906	7,31,336	1,22,864
Individual Death Claims Amount Paid (₹Crore)	7,222.9	2, 147.32	6,559.51	1,849.23
Group Death Claims (Number of lives)	2,45,467	1,19,970	244314	1,58,093
Group Death Claims Amount Paid (₹Crore)	1,697.37	949.08	1,586.75	794.99
Claim Settlement Ratio (in %)	99.25	99.74	97.42	89.34

Non-Life Insurance Business Performance:

	2012-13		2011-12	
	Public Sector	Private Sector	Public Sector	Private Sector
Premium Underwritten (₹Crore)	35,022.12	27,950.69	30,560.74	22,315.03
New Policies Issued (in Lakh)	689.68	380.56	528.41	329.3
Number of Offices	6,190	1,466	5,281	1,394
Incurred Claim Ratio	79.56	84.79	89.22	88.22
Number of Grievances	20,164	60,358	12,721	82,790
Grievances Resolved During the Year	19,057	60,230	11,110	82,741
Grievance Resolved (in %)	94.51	99.79	87.33	99.94

* *Specialised and Standalone Health Insurers are not included*

Source: http://www.policyholder.gov.in/Indian_Insurance_Market.aspx.

OUR BUSINESS

Overview

We are a well-diversified financial services company in India offering services across brokerage (across the asset classes of equities (cash and derivatives), commodities and currency), investment banking, wealth management, distribution of third party financial products, research, financing, depository services, insurance broking and clearing services and real estate advisory services to corporate, institutional, high net worth individuals and other retail clients. As of September 30, 2014, we service our clients through a network of 50 branches including an overseas office at Dubai, UAE and 2,443 registered sub-brokers and authorized persons with a PAN-India presence.

Established in the year 1994, our Company has a long track record in the financial services industry in India. Our Company's Shares were offered to the public through an initial public offering in 1995, and are currently listed on Delhi Stock Exchange Limited, Ludhiana Stock Exchange Limited, Calcutta Stock Exchange Limited and Ahmedabad Stock Exchange Limited.

Over the years, we have diversified our product and service offerings through a mix of organic growth and strategic transactions. Our products and services can broadly be classified under the following heads:

- Brokerage and commission business, which comprises of equity brokerage, commodity brokerage, currency brokerage, insurance broking, distribution of financial products, depository and clearing services;
- Capital business, which comprises of trading and arbitrage business and treasury and financing operations; and
- Advisory business, which comprises of investment banking, wealth management, research services and real estate broking.

We are structured to operate our current businesses through the following entities:

Business Entity	Primary business focus	Ownership of SMC Global	Memberships / Registration
SMC Global Securities Limited	<ul style="list-style-type: none"> • Equities - Cash and Derivatives brokerage, • Currency brokerage, • Trading and Arbitrage, • Depository services, • Clearing services, • Distribution of financial products; and • Whole Sale and Retail Debt Market 	-	<p>Stock Broker (Equities – Cash and Derivatives, Currency) membership of:</p> <ul style="list-style-type: none"> • NSE; • BSE; • MCX-SX; • USE; and • Ludhiana Stock Exchange. <p>Depository Participant registration of:</p> <ul style="list-style-type: none"> • NSDL; and • CDSL. <p>Participant of:</p> <ul style="list-style-type: none"> • NCDEX Comtrack <p>AMFI registered mutual fund distributor.</p>
SMC Comtrade Limited	<ul style="list-style-type: none"> • Commodities brokerage, • Trading and Arbitrage, and • Clearing services. 	100%*	<p>Commodity broker membership of:</p> <ul style="list-style-type: none"> • NCDEX, • MCX, • NMCE, • ICEX,

Business Entity	Primary business focus	Ownership of SMC Global	Memberships / Registration
			<ul style="list-style-type: none"> • ACE, • NCDEX-Spot; • UCX; and • NSEL
SMC Comex International DMCC	<ul style="list-style-type: none"> • Trading and Arbitrage, and • Clearing services. 	100%**	DGCX
SMC Insurance Brokers Private Limited	Insurance broking (life and non-life)	97.58%**	IRDA registered Direct Insurance Broker. IRDA Approved Person with Central Insurance Repository Limited (CIRL)& CAMS Repository Services Limited
SMC Investments & Advisors Limited	Wealth management	100%	SEBI registered portfolio management services; SEBI registered sub-broker; and AMFI registered mutual fund advisor.
SMC Capitals Limited	Investment banking and advisory	100%	SEBI registered Merchant Banker.
Moneywise Financial Services Private Limited	Financing services	100%	RBI registered NBFC (non-accepting deposits).
SMC Real Estate Advisors Limited (Formerly known as SMC Securities Private Limited)	Real Estate advisory	100%***	N.A
SMC Finvest Limited	Core Investment Company (CIC)	100%	CIC as per RBI Norms and does not warrant a registration with the RBI

* 85% of shareholding held by our Company and 15% held through SMC Finvest Limited

**Through SMC Comtrade Limited

*** Through SMC Finvest Limited

The table below sets out an operational overview of certain of our business

(In ₹ million, except specified otherwise)

Particulars	Period ended on June 30, 2014	FY 2014	FY 2013	FY 2012
Total Equity Trading Volumes of Exchanges*	152,840,043	509,169,084	419,617,167	356,365,983
Our Equity Trading Volume	8,172,705	31,278,185	30,275,703	20,395,698
Our Market Share (%)	5.3%	6.1%	7.2%	5.7%
Total Commodity Trading Volumes of Exchanges**	14,425,117	98,045,339	166,514,933	175,459,603
Our Commodity Trading Volume	684,699	4,084,694	6,340,153	7,301,768
Our Market Share (%)	4.7%	4.2%	3.8%	4.2%
Total Currency Trading Volumes of Exchanges***	10,877,780	69,808,582	87,096,933	98,776,720

Particulars	Period ended on June 30, 2014	FY 2014	FY 2013	FY 2012
Our Currency Trading Volume	1,912,837	10,066,308	6,708,549	3,959,959
Our Market Share (%)	17.6%	14.4%	7.7%	4.0%
Total number of Active Accounts with CDSL	9,123,553 [#]	8,777,049	8,327,482	7,917,184
Our number of Active Accounts with CDSL	247,831 [#]	241,263	233,700	227,387
Our Market Share with CDSL (%)	2.7% [#]	2.7%	2.8%	2.9%

*Equity trading volume comprises of equity cash and equity derivative turnover at NSE, BSE and MCX-SX

** Commodities trading volume comprises of MCX, NCDEX, ACE

***Currency trading volume comprises of NSE, BSE, MCX-SX and USE

The above volumes include our turnover as clearing and trading member.

[#] Data as on September 30, 2014

Our total consolidated operating income for the period ended on June 30, 2014, and the fiscal years 2014, 2013 and 2012 was ₹ 884.80 million, ₹ 2924.50 million, ₹ 2913.76 million and ₹ 2870.15 million, respectively. Our revenue mix across the categories for the period ending June 30, 2014 and the last three fiscal years is as follows:

(In ₹ million)

	Period ended on June 30, 2014	Fiscal 2014	Fiscal 2013	Fiscal 2012
Brokerage and Commission Business	414.43	1420.94	1496.55	1485.04
Capital Business				
• Trading and Arbitrage Income	408.49	1161.52	1025.66	1018.46
• Treasury and Financing Income	45.91	303.80	303.98	261.95
Advisory Business	15.97	38.24	87.57	104.70
Total	884.80	2924.50	2913.76	2870.15

Over the past few years, we have been awarded the following awards:

Sl. No.	Award	Year	Source
1	Best Commodity Broker of the year	2014	Assocham Excellence Awards
2	Best Equity Broking house in Derivative Segment in India	2013, 2012	BSE IPF-D&B Equity Broking Awards
3	Fastest Growing Equity Broking House - Large Firm	2013	BSE IPF-D&B Equity Broking Awards
4	Emerging Investment Banker of the year	2013	ASSOCHAM - SMEs Excellence Awards
5	Best Equity Broking House in India	2012 & 2010	BSE IPF - D&B Equity Broking Awards
6	Best Currency Broker in India	2012 & 2010	Bloomberg - UTV Financial Leadership Awards
7	Broking House with the Largest Distribution Network in India	2012, 2011 & 2010	BSE IPF-D&B Equity Broking Awards
8	Best Research Analyst Award in Equity Fundamentals -Infrastructure	2013	Zee Business - India's Best Market Analyst Awards
9	Best Equity Research Analyst in IPO segment and Best Commodity Research Analyst- Viewer's Choice	2012	Zee Business India's Best Market Analyst Awards

Sl. No.	Award	Year	Source
10	Award for Continuous Innovation in HR Strategy at Work	2013	World HRD Congress
11	Learning and Talent Technology Excellence Award	2012	Star News HR and Leadership Awards
12	India's Best Wealth Management Company	2011	Business Sphere
13	Fastest Growing Retail Distribution Network in Financial Services	2010	Business Sphere
14	Major Volume Driver Award	2006-07, 2005-06 & 2004-2005	Bombay Stock Exchange

Competitive Strengths

We believe the following are our core competitive strengths:

Wide range of financial products and services

Through a wide-range of products and services, we cater to corporate, institutional, high net worth individuals and other retail clients. We offer broking and commission generating products and services across various asset classes such as equity, commodities and currency, and other services such as depository services, clearing services, insurance broking, and the distribution of third-party financial products. We also offer investment banking, research, wealth management and real estate advisory services to our clients.

As one of the financial institutions in India in the broking and financial products distribution segment, we believe that our ability to identify emerging trends in the Indian capital markets sector and creating business lines and service offerings around them, has given us a competitive edge over other participants in the industry. We believe the wide range of products and services that we offer enables us to build stronger relationships with our clients and cross sell our products. In addition, our diverse portfolio reduces our dependence on any particular product, service or customer and allows us to exploit synergies across our businesses.

Large and diverse distribution network

As of September 30, 2014, we service our clients through a network of 50 branches including overseas office at Dubai and 2,443 registered sub-brokers and authorized persons with a PAN-India presence. Additionally, to support our distribution of third party financial products, we have more than 23,000 registered associates/service providers who are engaged with us on a non-exclusive basis under our banner.

In order to expand our network in India and efficiently monitor our operations, we have established our own branches at major cities, which then look after the operations of the regional sub-broker and authorized persons network. The reach of our offices allows us to service our existing customers and attract new customers through personal relationships cultivated by proximity and frequent interaction by our employees and business partners. Our widespread office network allows us to apply best practices developed in one region to others. We service multiple products through our offices, which reduces operating costs and improves total sales. In addition to our geographical spread, we offer an online trading platform namely www.smctradeonline.com and application software that can be downloaded on tablets (SMC Tabtrade) and phones (SMC Mobitrade) to provide better services to our customers.

Strong and well-established brand

We believe that the SMC brand is well established and reputed brand in the broking and financial services sector throughout India. We believe that our clients associate our brand with high quality services, competitiveness as well as our corporate values of integrity, trust and honesty. Our expertise in our field and the individual solutions that we provide to our customers, has aided us in increasing customer loyalty, earn repeat business and customer referrals. As a part of our marketing initiative, we have an advertising agreement with Bennett, Coleman & Co Limited, which provides us with advertising and coverage rights in their print and non-print media. We believe that our brand marketing exercises over the years have helped us retain our existing

customers and gain new ones.

Experienced board of directors and management team

As on the date of this Draft Red Herring Prospectus, our Board consists of 15 directors, most of whom have extensive experience in the financial services sector. Our individual Promoters, Mr. Subhash Chand Aggarwal and Mr. Mahesh Chand Gupta, are qualified chartered accountants with over two decades of experience each in the financial services industry. We believe that our senior and middle management personnel have significant experience and in-depth industry knowledge and expertise and are supported by a capable and motivated pool of employees. We have also introduced various learning and development programs which include training programs based on a systematic identification and review of existing gaps in the talent base. We believe that our management's entrepreneurial spirit, leadership skills, insight into the market and customer needs provides us with a competitive advantage which will help us implement our business strategies.

Our Technology Infrastructure

Information technology systems are crucial to the success of our business operations and help us improve our overall productivity. We believe that our technology systems enable us to effectively monitor and control risks and manage our nationwide operations. Our branches are connected through a VPN through VSAT, radio frequency and the internet and our central servers are located at Delhi. Some of our servers are co-located at exchanges to enable effective execution of transactions. We have a dedicated IT team which is responsible for the operations and maintenance of our technology platforms, including third party software that we use for mobile, tablet and online trading. We have a business continuity plan in case of any major outage of our existing IT infrastructure. We have an in-house software team which is responsible for back office support functions to our trading desks. We also have a dedicated team to provide technical assistance and manage our customer relationships.

Our Strategies

Pursue strategic partnerships to increase our revenues

We plan to supplement our growth by continuing to pursue strategic alliances and joint ventures. We will continue to look for opportunities that we believe will enhance our operations, growth and profitability. In the year 2008, we entered into an agreement with Punjab National Bank ("**PNB**"), to offer our online brokerage services to PNB's retail banking clients. Additionally, we have an arrangement with Honda Cars India Limited (formerly, Honda SIEL Cars India Limited) ("**Honda**") since the year 2009 to sell motor insurance policies to their customers which enabled us to sell approximately 2,51,000 policies from Honda car retail outlets for the fiscal year 2014.

Increasing our product portfolio and presence

We have introduced a number of new products in our portfolio in the last few years such as insurance brokerage, wealth management advisory services, financing services and real estate advisory services. Thereby, we have managed to move from a pure brokerage business to being a full-service financial advisor for our clients with capabilities to advise across various products such as equities, commodities, currency, insurance, wealth management, real estate advisory, financing and third party distribution etc. We will continue to leverage our product capabilities as opportunities to cross-sell products and deeper relationships with our customers.

Our Company has also entered into an agreement with Saxo Bank A/S, Denmark ("**Saxo Bank**"), to provide broking services to investors who wish to access global financial markets. Indian Investors can invest in foreign delivery based securities by providing Saxo Bank's global financial market platform which is present in 25 countries across the globe. Saxo Bank is a fully licensed and regulated European bank specializing in online trading and investment across global financial markets. With varied choice of platforms from Saxo Bank, our Indian clients have access to some of industry's active trader tools including in-depth equity research, stock screener, risk management tools and technical and fundamental analytics etc.

We are also focused on increasing our international operations and leveraging our current international presence to expand our product portfolio. We are one of the 'Deemed Designated Depository Participants' (DDPs) (formerly known as Qualified Depository Participants), servicing Foreign Portfolio Investors (FPIs). We believe that by increasing our international operations, we can harness this opportunity of providing services to the

FPI's with an objective of increasing our profitability.

Continue to de-risk our business model by focusing on business growth across major asset classes

During the recent downturn in the economy, we have witnessed significant volatility across the three major asset classes – equities, commodities and currencies. However, it is also known that all these asset classes experience different market cycles at various points in time. Thus, while equities were not the flavour of the season after the 2008 global financial meltdown, commodities trading saw a significant jump in trading activity overall. With a view to gradually de-risk our business model from an over-dependence on just one of the asset classes such as equities, we have, over the past few years, focussed on increasing our commodities and currency trading businesses as well. As a conscious strategy going forward, we will continue to focus equally on all these asset classes as well as add any other asset classes that may emerge in order to maintain a relatively de-risked business model. For instance, we have recently ventured into real estate advisory business which in comparison to three major asset classes mentioned above, is relatively a de-risked business model.

Continue to attract and retain talented employees

We are focussed on acquisition and retention of the talent pool within the organisation. Strong assessment of the candidate is done before they join our Company. Significant amount of time is invested in employee's development through induction and various other training programmes. Employees are kept engaged through various rewards and recognition programs organised from time to time. We have a strong recruitment team which focuses on recruitment in all divisions within the organisation.

SMC has been awarded the "Learning and Talent Technology Excellence" Award by Star News for best practices in fiscal year 2012 and "Award for continuous innovation in HR strategy at work "in EBA (Employer Branding Awards)" organised by World HRD congress in the year 2013.

Continue to implement advanced processes and systems

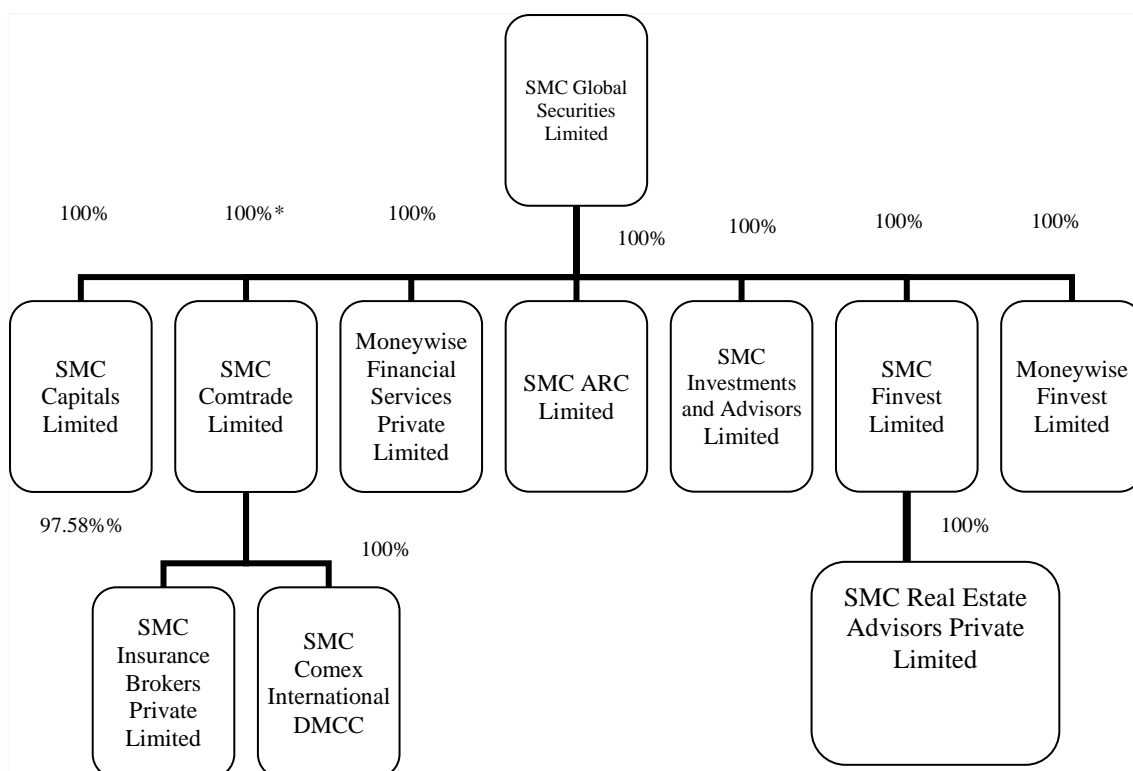
We are focused on increasing the use of technology in all our operations and business pursuits to meet our customer requirements on a real-time basis. We intend to continue implementing technology led processing systems to make our services more efficient and augment the benefits of our relationship based approach. We have deployed and aim to further develop strong technology systems that enable us to respond to market opportunities and challenges swiftly, increase customer satisfaction and improve our risk management capabilities.

Improve our operational efficiency

We have invested in technology to drive our operational efficiency and we consistently review and realign our business plans to ensure optimal performance. Over the last few years, we have rationalized manpower across our businesses and reduced or discontinued our operations at non-performing geographical locations in order to effectively utilize our capital and other resources. We are also focused on attracting and reactivating our old dormant accounts. We expect that our experienced management team coupled with our execution and operational skills will drive higher operational efficiencies in all our businesses.

Our Corporate structure and subsidiaries:

As of September 30, 2014, our Promoter and Promoter Group entities own 58.62% of our equity share capital. The following chart outlines our current corporate shareholding structure:



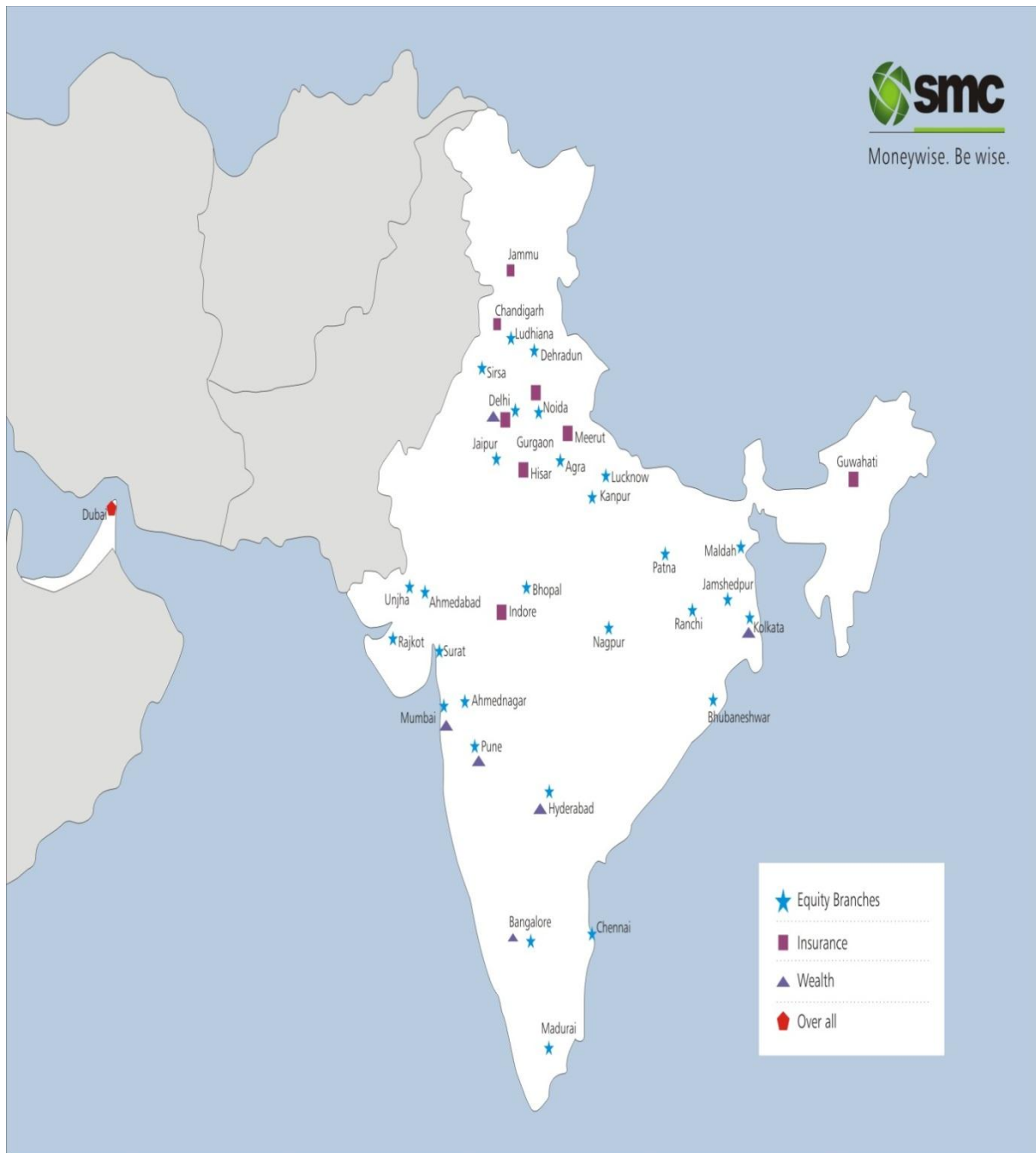
** 85% of shareholding held by our Company and 15% held through SMC Finvest Limited*

For further details, please refer to the section titled 'History and Other Corporate Matters' beginning on page 162 of this Draft Red Herring Prospectus.

Our Business Operations

Network

As of September 30, 2014, we service our broking clients through a network of 50 branches including one overseas office at Dubai, UAE and 2443 registered sub-brokers and authorized persons with a PAN-India presence. The map below is a graphic representation of our branches:



Our Financial Products and Services

Our products and services are classified under the following heads:

- Brokerage and Commission Business
- Capital Business
- Advisory Business

Brokerage and Commission Business

Equities, Commodities and Currency Brokerage

Our dedicated sales team and relationship managers provide research and sales support to our clients and keeps them informed about market conditions. We also have dedicated desks of dealers, who provide personalized trade and execution services to traders, retail investors, high net worth individuals and institutional investors. Our registered customers can avail of our online trading facilities at our website at www.smctradeonline.com or

through our application based software that can be installed by the investor on their respective computers or on mobile handsets (SMC Mobitrade) and tablets (SMC Tabtrade). These customers also have access to real time quotes, personalized portfolio tracking tools, charting and quote applications, real time market commentary, real time quotes and news.

We have a network of 2,443 registered sub-brokers and authorized persons with a PAN-India presence.

Equities brokerage

Our Company is a member of NSE, BSE and the MCX- SX in equities (cash and derivative segments). We offer broking services to our retail customers, high net worth individuals (both resident and non-resident Indians), Foreign Portfolio Investors, institutional and corporate clients. As of September 30, 2014, we had 333,182 registered customers and as of October 13, 2014 we have 10,733 terminals at various exchanges.

Particulars	Period ended June 30, 2014	Fiscal 2014
Number of Registered Customers (As on)	327,574	324,176
Volume of Equity Trading (in ₹ million)	8,172,705	31,278,185
Total Income from Equity Brokerage (in ₹ million)	226.34	571.81

Commodities brokerage

We provide commodity broking services to our clients through our wholly-owned subsidiary company, SMC Comtrade Limited, which is a member of MCX, NCDEX, ACE, NMCE, ICEX, NCDEX-SPOT, UCX and NSEL. We have VAT registrations in 11 different states to facilitate physical delivery of commodities to our clients. SMC Comtrade Limited has a 100% subsidiary, SMC Comex International DMCC, which is a member of the Dubai Gold and Commodity Exchange (DGCX). We provide brokerage services for variety of commodities, including agricultural products, bullion, metals, oil and oil seeds and energy products. Our dedicated relationship managers provide personalized services, which allows for the fast and efficient execution of transactions. As of September 30, 2014, we had 55,844 registered customers for our commodities brokerage services. Further, our Company is also a participant of NCDEX Comtrack, a commodity management system, where clients can hold delivery of physical commodity in electronic mode.

Particulars	Period ended June 30, 2014	Fiscal 2014
Number of Registered Customers (As on)	54,858	53,580
Volume of Commodities Trading (in ₹ million)	6,84,699	40,84,694
Total Income from Commodities Brokerage (in ₹ million)	42.58	223.07

Currency brokerage

Our Company is a member of all four currency exchanges in India i.e. NSE, BSE, MCX-SX and the USE. We provide trading facilities to our clients in various currencies such as USD, EUR, JPY and GBP. We also provide research support for our trading clients in this segment. As of September 30, 2014, we had 62,048 registered customers. SMC Comex International DMCC, our wholly-owned subsidiary, is a member of the Dubai Gold and Commodity Exchange (DGCX) thereby giving an opportunity to our international clients to trade in INR, USD, EUR, JPY and GBP.

Particulars	Period ended on June 30, 2014	Fiscal 2014
Number of Registered Customers (As on)	60,083	58,622
Volume of Currency Trading (in ₹ million)	19,12,837	1,00,66,308
Total Income from Currency Brokerage (in ₹ million)	11.39	130.86

Institutional Broking

Our institutional desk is located in Mumbai and comprises of a dedicated research team of professionals which analyses various market sectors to identify potential equity and debt investment and trading ideas for our institutional clients. We are empanelled with various institutional clients, which include mutual funds, bank treasuries, foreign institutional investors, public and private insurance companies and other financial institutions.

Insurance Broking

We offer a range of insurance solutions through our subsidiary, SMC Insurance Brokers Private Limited (“**SMC Insurance Brokers**”) which holds a direct insurance broker license from the Insurance Regulatory and Development Authority (IRDA). SMC Insurance Brokers provides an array of life insurance and general insurance products to individual clients, small and medium enterprises and other corporate clients in India. We are also registered with IRDA as an ‘Approved Person’ with CAMS Repository Services Limited and Central Insurance Repository Limited. As on September 30, 2014, SMC Insurance Brokers had 9 offices throughout India and 549 employees.

SMC Insurance Brokers also has a tie-up with a tele-marketing company to sell insurance products like life, motor, health etc. operating from Delhi and Noida. In a bid to further augment reach to the new age consumers in the digital space, SMC Insurance Brokers provides online facilities to potential customers through its web portal www.smcinsurance.com, for the purchase of different policies from different insurance companies. During the fiscal year 2014, SMC Insurance Brokers sold approximately 4,36,000 general insurance policies and approximately 7,000 life insurance policies.

SMC Insurance Brokers has an arrangement with Honda to sell motor insurance policies to their customers and has sold approximately 2,51,000 policies during the same period. SMC Insurance Brokers has also been mandated to provide insurance broking services to the clients of Lease Plan India Private Limited. SMC Insurance Brokers has signed a memorandum of understanding with Fino Fintech Foundation in the year 2012 in order to facilitate the spread of its geographical coverage and penetration of insurance products to customers located in rural areas and small towns.

Particulars	Period ended June 30, 2014	Fiscal 2014
Number of Policies sold (units)	1,23,577	4,43,000
Income from Insurance Brokerage (in ₹ million)	77.58	315.45

Distribution of Financial Products

We offer third party distribution services of various financial products such as mutual funds, public offerings of equity/debt, corporate fixed deposits and bonds through our large distribution network across India. As of September 30, 2014, we have over 23,000 registered associates who are marketing various financial products under our banner.

Leveraging our large retail distribution network, we have acted as syndicate members to various public equity offerings and have acted as lead brokers in various public debt offerings. We have been instrumental in mobilizing funds through the distribution of equity and debt products in the capital markets since April 2005. During the fiscal year 2014, leveraging our large retail distribution network, we have:

1. acted as syndicate member to various public equity offerings;
2. acted as lead brokers in various public debt offerings; and
3. involved in mobilising funds in various fixed deposit schemes of manufacturing companies and NBFCs.

We have been registered with the Association of Mutual Funds in India as a mutual fund distributor and have been empanelled with various asset management companies to sell their products through our network.

(In ₹ million)

Particulars	Period end June 30, 2014	Fiscal 2014
Income from Distribution of Financial Products	19.09	74.83

Depository services

Our Company offers depository services to our broking customers as well as to non-broking customers, as a value-added service. We are a depository participant of both depositories, the CDSL and NSDL. Our broking clients have the facility to settle their trades in a secure and paperless manner through our depository service. Depository services are available to our customers through our country wide network of business locations. As of September 30, 2014, we have 2,47,831 active depository participant customers in CDSL which turns out to a market share of 2.7%.

Particulars	As on June 30, 2014	As on March 31, 2014
Number of Demat Accounts (CDSL) (As on)	244,287	2,41,263
Income from Depository services (in ₹ million)	11.22	30.64

Clearing Services

We are registered as clearing member of NSE (F&O, currency segments), BSE (F&O, currency segments), MCX, NCDEX, NMCE, ACE, USE, NCDEX SPOT, DGCX and MCX-SX (F&O, currency segments). We provide clearing services to trading members in different segments of the exchanges. We believe that the relationships we establish through our clearing services with various trading members on different stock exchanges, has helped us improve our brand recognition and allows for the cross selling of our financial products.

Capital Business**Trading and Arbitrage Services**

We have a dedicated team for advising as well as executing any arbitrage opportunity available in different products such as equity, commodities and currencies on different exchanges in India. Apart from providing arbitrage services to our clients, we also carry out arbitrage trading in our own trade book.

We follow a multi-strategy investment approach and aim to achieve superior risk-adjusted returns to manage our capital funds as per our risk management policy. We do so by investing in low-risk strategies, maintaining positions which we can liquidate within a few days and pursuing investments with low correlation to the return in the Indian capital markets. We have traditionally run this pool of capital through a distributed execution approach with a very low risk profile. We structure our investments to maintain sufficient liquidity in our portfolio to support the capital needs of our other businesses. Our operations are backed by a dedicated quantitative analytics team. We are also engaged in trading of bullion and agro commodities in open market through SMC Comtrade Limited, one of our subsidiaries.

(In ₹ million)

Particulars	Period ended June 30, 2014	Fiscal 2014
Income from Trading and Arbitrage Services	403.69	1100.64

Treasury and Financing Services

We offer financing services to various customers, including our broking customers, through our 100% subsidiary, Moneywise Financial Services Private Limited (“**MFSPL**”). MFSPL is a Non-Banking Financial Company (NBFC), registered with RBI as a non-deposit taking NBFC.

We are engaged principally in providing loans against securities and commodities. There are two sub-streams of financing: (i) Firstly, loans against existing securities; and (ii) loan for investment in public offerings (IPOs/FPOs), in which we have created a niche market for ourselves. A retail investor can open an account with a margin so as to apply for and participate in public offerings and bond issues, without stretching their immediate liquidity positions. We have also started providing loan against property.

Our gross loan under management grew from ₹ 275.36 million as on March 31, 2012 to ₹ 460.69 million as on March 31, 2014 and our interest income grew from ₹ 52.13 million as on March 31, 2012 to ₹ 68.70 million as on March 31, 2014. As of September 30, 2014, we have around 3,793 registered clients. We provide our financing services in various equity and debt public offerings.

(In ₹ million)

Particulars	Period ended June 30, 2014	Fiscal 2014
Total Income from Treasury	50.68	221.83
Total Income from Financing Services	17.52	68.70

Advisory Business

Investment Banking

We offer investment banking services through our 100% subsidiary, SMC Capitals Limited. SMC Capitals Limited is a SEBI registered merchant banker and operates from its offices located at Mumbai and Delhi.

We provide services in the areas of Equity Capital Market, M&A advisory services, Private Equity and Debt Syndication. The Investment banking group is led by professionals having more than 15 years of experience in the business. Our investment banking business provides a broad range of services. Our fees for these services are earned as a percentage of funds raised, or on a fixed fee basis for process management. The investment banking team consists of 7 professionals, who have significant experience in the industry.

During FY 2013-14, SMC Capitals advised Mahindra & Mahindra Group in establishing a joint venture with Univeg, a Euro 3 bn fresh produce major, headquartered in Belgium, for setting up a fresh produce business in India and on the Merchant Banking front, have managed a buyback offer (through the tender route) by VLS Finance Limited, an Open Offer to the shareholders of Gujarat Automotive Gears Limited by Him Tecknoforge Limited & others and managed public issues of NCDs by reputed NBFCs namely, Muthoot Fincorp Limited, IIFL Limited, IIFL Housing Finance Limited, SREI Infrastructure Finance Limited and Shriram Transport Finance Co. Limited in the capacity of Lead Manager as well as Co-Lead Manager. SMC Capitals has also provided valuation services to a number of companies during FY 2013-14.

In the recent past, we had successfully executed transactions whereby we have raised funds for corporates through private equity placements, external commercial borrowings and public offerings. We are also active in terms of raising short term debt for our clients through commercial papers and private placement of debt.

(In ₹ million)

Particulars	Period ended June 30, 2014	Fiscal 2014
Total Income from Investment Banking	15.30	26.69

Wealth Management

We offer portfolio and wealth management services through our wholly-owned subsidiary SMC Investments and Advisors Limited (“**SMC Wealth**”), which is registered with SEBI as Portfolio Manager. We offer discretionary and non-discretionary portfolio management services and wealth advisory services through our offices located at Delhi, Mumbai, Kolkata, Bangalore, Pune and Hyderabad. We also offer customized investment solutions to HNIs and corporate clients. SMC Wealth is also a SEBI registered sub-broker and also empanelled with various asset management companies for selling their mutual fund products as an AMFI registered advisor.

(In ₹ million)

Particulars	Period ended June 30, 2014	Fiscal 2014
Total Income from Wealth Management	0.68	3.10

Real Estate Advisory

We offer real estate broking and advisory services through our wholly-owned subsidiary SMC Real Estate Advisors Private Limited (Formerly known as SMC Securities Private Limited) ("**SMC Real Estate**"). SMC Real Estate has its registered office in Noida and corporate office in New Delhi. We are empanelled with various renowned developers and real estate service providers with an objective to provide diverse real estate solutions on PAN India basis to our valued client's best suited to their needs and requirements.

Research

Our research team services our retail brokerage, wealth management and institutional broking businesses. As of September 30, 2014, we had a 21 member research team based in Delhi and Mumbai. Of this team, 8 members have been dedicated to commodity research and currency research while a 2 member research team is based in Mumbai which provides research backup to our institutional clients.

We have tie ups with Bloomberg, Reuters and Dow Jones for providing research feeds. In addition our research team also provides various trading calls on daily basis, fundamental as well as technical short term/mid-term/long term investment strategies to our registered clients. We also publish a weekly magazine called 'Wise Money', on a private circulation basis to selective clients. The publication provides an insight into the financial markets and offers trading strategies to our clients.

Competition

We face competition in all of our businesses. Our primary competitors include Kotak Securities, Motilal Oswal, India Infoline, Angel Broking, Religare, JM Financial, Edelweiss, Karvy, ICICI Securities, HDFC Securities and Indiabulls.

Risk Management

Risk Management is the back bone of any organization. Inadequate risk management can result in severe consequences for companies as well as individuals. To control the same, we have a well-documented Risk Management Policy. The Risk Management Policy is regularly reviewed by Management and same is updated from time to time as per changing Market conditions.

Exposure is allowed on the basis of collateral, of the client, available with us. As the dealer has direct contact with the client, he/she can decide whether to allow additional exposure to the client and the extent thereof as per the risk management policy. The limits provided to clients are monitored in real time by our head office to control excess exposure to the client, at any point of time.

The client needs to be educated and informed about the risk(s) involved. Training sessions are also conducted from time to time for New Sub-brokers, for clarification on RMS Policy. Our Risk Management Team continuously tracks the live market conditions & informs Branches/ Sub-broker about the potential Risk of Clients and takes action accordingly.

Real-Time Risk Management

Risk Analysis and Management System is pro-active and real time solutions are required that provides advanced analytics and quantification of Value at Risk (VaR). This also enables the Exchanges to effectively identify and mitigate risks, associated with traders' portfolio. SMC is equipped with high degree control software called **SAVIOUR**. It provides live market impacts on net worth of Client. Some important reports of **SAVIOUR** that are used frequently:

- Client wise margin report
- Branch/party wise/scrip wise position
- Client wise short sell position
- Ban/illiquid client wise position
- Span shortage margin report
- Scrip wise/client wise price circuit report
- Ageing report-Exceed exposure limit
- Exchange wise UCC report

- Derivative violation report
- Client wise stock report

Back office & Operations

We have a centralized system for back-office and accounting procedures. We are using a back office software named 'FOCUS', specifically designed as per our requirements. FOCUS is capable to cater to high transaction volume and has been developed with all the Reporting & Risk Management capabilities. It provides for:

- Errors free MIS for smooth functioning of various tasks;
- Margin shortage files for exchange reporting & penalties;
- Facility to intimate client via SMS for their margin shortage, proposed risks, ageing status and others; and
- Various reports for uploading in front office (ODIN) like Deposit, DP, Pool etc.

Insurance

We maintain a number of insurance policies to cover our assets and mitigate the risks that we face in various aspects of our operations. We are exposed to the risk of cybercrimes and errors and omissions by our employees. In addition, we are also exposed to the risks of equipment loss and damage from fire, burglary and other natural disasters which may lead to service interruption. We manage such risks through insurance that covers our electronic equipment, including VSATs as well as other office equipment. We have insured our office branches along with office furniture and fixtures and have also obtained insurance cover for our directors and officers. We are also insured under stock brokers' indemnity insurance.

Employees

As of September 30, 2014, we employed 2,521 including outsourced people across our Company and its subsidiaries. Our employees are not represented by trade unions and thus not covered by any collective agreements. We have not experienced any strikes, work stoppages, labour disputes or actions by or with our employees, and we believe that relations with our employees are satisfactory. As part of our strategy to improve our operational strategy, we regularly organize training programs for our employees.

Intellectual Property

We were assigned various intellectual properties vide a deed for partial assignment of trademarks and copyrights wherein our Company obtained ownership rights to the extent of 60% and post our merger with SAM Global Securities Limited, our Company's ownership in the intellectual property rights has increased to 80%. The remaining interest is owned by two of our Promoters, Mr. Subhash Chand Aggarwal and Mr. Mahesh Chand Gupta. Our Company has applied under a recordal application on TM-24 of registered trademarks dated June 08, 2011, pursuant to the merger between SAM Global Securities Limited to transfer 30 trademarks and 2 copyrights in its name. For further details, please refer to the section titled 'Government and Other Approvals' beginning on page 382.

Internet Based Trading

Online Trading is also known as Internet Trading, E-Broking and Internet Based Trading (IBT). Now Online Trading is not confined to equity trading only but products like commodities, currency, IPO, Mutual Funds and Bonds etc. are all available online. We have internet based online trading platform which is provided to the investors (both big and small) through the internet; to trade themselves (that is buy and sell) in the various financial instruments available with and through the stock exchange they choose to transact. These online trading platforms enable client(s) to transact on all exchanges.

Online Trading is also supported with Call-n-Trade facility to help customers trade over the Phone too. All the above is done in a seamless fashion; and aside from being very efficient for the investor, it also reduces the transaction cost for both the investor and the intermediary providing the service.

Current Information Technology Setup and Strength

Our Company is having two fully equipped data centres supporting company's different IT functions. We have also hosted our servers in different datacentre i.e. NSE, BSE, VSNL etc. for efficient arbitrage trading and to provide seamless intranet trading to our online trading customers. 200 Mbps internet bandwidth has been deployed to connect our online customers coming through internet to connect trading and back office portal. Our Company is having more than 144 VSATs though various trading terminals are connecting to company's datacentre. All critical equipment has been recognized and redundancy has been built at each level to provide maximum uptime.

Cutting edge technology servers of IBM/DELL/HP are being used to deploy mission critical applications. CISCO routers, fortinet firewalls, Foundry Switches are being used in HA mode and cold standby mode to provide seamless network connectivity.

Network monitoring tools (NMS) has been deployed to monitor the network and bandwidth monitoring tools has been deployed to monitor the bandwidth of different links i.e. lease line, internet etc. Sixty eight professionals have been deployed to support the I.T. infrastructure of the company.

Property

Our Company has obtained lease for various parts (being ground floor, part of basement and third floor) of our Registered Office from (i) Mr B.B Chadha vide lease deed dated May 15, 2008; (ii) M/S Classic Estates Private Limited vide an assignment agreement dated August 27, 2009; (iii) Mr. Rajiv Gupta and Mr. Manish Gupta vide lease agreement dated December 12, 2012; (iv) M/S K.K Gupta & Sons (HUF) vide lease agreement dated December 17, 2012; and (v) M/C P.K Gupta & Sons (HUF) vide lease agreement dated December 17, 2012 ("**Lease Agreement**"). The Lease Agreement is valid till October 2016.

Except, 2 branch offices in Delhi and 1 branch office in Kolkata, our other branch offices are located at premises taken on lease or licensed to us. All of our owned properties are free from encumbrances and have clear title. For further details, please refer to the section titled 'Financial Indebtedness' beginning on page 346 of this Draft Red Herring Prospectus.

KEY INDUSTRY REGULATIONS

The following description is a summary of the relevant regulations and policies as prescribed by the Government of India and other regulatory bodies that are applicable to the business of our Company and its Subsidiaries. The information detailed below has been obtained from various legislations, including rules and regulations promulgated by regulatory bodies, and the bye laws of the respective local authorities that are available in the public domain. The regulations set out below may not be exhaustive and are merely intended to provide general information to the investors and are neither designed nor intended to substitute for professional legal advice. For details of government approvals obtained by us, see the section titled “Government and Other Approvals” on page 382 of this Draft Red Herring Prospectus.

Securities Contract Regulation Act, 1956

The Securities Contract (Regulation) Act, 1956 (“**SCRA**”) seeks to prevent undesirable transactions in securities by regulating the business of dealing in securities and other related matters. The SCRA provides for grant of recognition for stock exchanges by the Central Government. Every recognized stock exchange is required to have in place a set of rules relating to its constitution and bye-laws for the regulation and control of contracts. The said act deals with recognition, de- recognition, regulation / control on the stock exchanges, empowers the stock exchanges for making its own bye laws, rules and the provisions pertaining to listing of securities, delisting of securities and dealing in securities. The said enactment also provides for appellate mechanism.

The bye-laws inter-alia provide for:

- (i) the opening and closing of markets and the regulation of the hours of trade;
- (ii) the fixing, altering or postponing of days for settlements;
- (iii) the determination and declaration of market rates, including the opening, closing highest and lowest rates for securities;
- (iv) the terms, conditions and incidents of contracts, including the prescription of margin requirements, if any, and conditions relating thereto, and the forms of contracts in writing;
- (v) the regulation of the entering into, making, performance, recession and termination of contracts, including contracts between members or between a member and his constituent.

Depository Regulation

The Depositories Act, 1996

The Depositories Act, 1996 (as amended from time to time) provides for regulation of depositories in securities and other related matters. Every person subscribing to securities offered by an issuer has the option either to receive the security certificates or hold securities with a depository. All securities held by a depository are required to be de-materialised and in a fungible form. A depository after obtaining a certificate of commencement of business from SEBI can enter into an agreement with one or more participants as its agent. Any person, through a participant, may enter into an agreement with any depository for availing its services.

Depository Regulations

The Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, as amended from time to time (“**Depository Regulations**”) provide *inter alia* the eligibility criteria and the procedure for obtaining the certificate of registration to carry on business as a depository participant. They also provide various rights and obligations of the depository participants. On registration, the depository participant is required to adhere to a code of conduct prescribed under the Depository Regulations. The depository is deemed to be the registered owner for the purposes of effecting transfer of ownership of security on behalf of a beneficial owner. The depository does not have any voting rights or any other rights in respect of securities held by it. The beneficial owner of the securities is entitled to all the rights and benefits and is subjected to all the liabilities in respect of his securities held by a depository.

Stock Broker Regulations

The Securities and Exchange Board of India (Stock Brokers and Sub-Brokers) Regulations, 1992 (“**Stock Broker Regulations**”) provides that no person shall carry on activity as a stock broker unless he holds a certificate granted by SEBI under the Stock Broker Regulations. SEBI, last amended these Regulations on October 8, 2014 vide the SEBI (Stock Brokers and Sub Brokers) (Amendment) Regulations 2014.

Further, the Stock Broker Regulations provides the eligibility criteria and conditions required to be satisfied in order to obtain the certificate of registration. They further provide the procedure for obtaining the certificate of registration to carry on business as a stock broker and/or a sub-broker who is required to be affiliated to a stock broker registered under the aforesaid regulations. On registration, the stockbroker and sub-broker are required to adhere to a code of conduct prescribed under the Stock Broker Regulations. In addition, a stock broker and/or a sub-broker are required to abide by the rules, regulations and bye-laws of the stock exchange or stock exchanges of which it is a member.

Apart from the registration of stockbrokers and sub-brokers, the Stock Broker Regulations provide for registration of Trading or clearing members and self-clearing members.

- A trading member is a member of the derivatives exchange or derivatives segment of a stock exchange and who settles the trade in the clearing corporation or clearing house through a clearing member.
- A clearing member is a member of a clearing corporation or clearing house of the derivative exchange or derivatives segment of an exchange, which clears and settles transactions in securities.
- A self-clearing member is a member of a clearing corporation or clearing house of the derivatives exchange or derivatives segment of a stock exchange who may clear and settle transactions on its own account or on account of its clients only, and shall not clear or settle transactions in securities for any other trading member(s)

In accordance with the latest amendment, a Clearing Member, registered with SEBI, shall not require separate registration, to function as a Stock Broker, in a Stock Exchange, where such Clearing Member has been admitted as a 'member', subject to grant of approval by the concerned Stock Exchange. Similarly a Stock Broker, registered with SEBI, need not seek separate registration to function in any other Stock Exchange, subject to approval from the concerned Stock Exchange.

The code of conduct specified for stock brokers is applicable mutatis mutandis to the trading and clearing members. The minimum net worth for being a trading cum clearing members at BSE is ₹ 30 million. Further SEBI vide circular CIR/ MRD/ DRMNP/ 36/ 2012 dated December 19, 2012 made it mandatory for the Stock Brokers to maintain a Base Minimum Capital ("BMC") with the stock exchanges in accordance with their profiles i.e. whether trading on proprietary account only, or trading on behalf of clients only, or both including with or without algorithmic trading. The BMC as prescribed by SEBI, is required to be kept in the form of cash (minimum 12.5%), fixed deposit receipts or bank guarantee(s) issued by bank(s) (minimum 37.5%) and balance in the form of eligible shares. The eligible shares for the purpose of the security portion of the BMC are A and B group securities forming part of Group 1 classified as per the parameters of volatility and liquidity as stipulated in SEBI Circular No MRD/DoP/SE/Cir-07/2005 dated February 23, 2005. BMC is not available for adjustment towards margins. The following table list out the requirements for the maintenance of the BMC.

Categories	BMC Deposit
Only proprietary Trading without Algorithmic trading	₹ 1 million
Trading only on behalf of client (without proprietary trading) and without Algorithmic trading	₹ 1.5 million
Proprietary trading and trading on behalf of Client without Algorithmic trading	₹ 2.5 million
All trading Members/Brokers with algorithmic trading	₹ 5 million

Portfolio Manager Regulations

The Securities and Exchange Board of India (Portfolio Managers) Regulations, 1993 ("Portfolio Manager Regulations") provide that no person shall carry on activity as a portfolio manager unless he holds a certificate granted by SEBI under the Portfolio Manager Regulations. A portfolio manager has been defined as a person who, pursuant to a contract or arrangement with a client, advises or directs or undertakes on behalf of the client (whether as a discretionary portfolio manager or otherwise) the management or administration of a portfolio of securities or the funds of the client.

The Portfolio Manager Regulations lay down *inter alia* the eligibility criteria, conditions for grant of certificate to a Portfolio Manager and their general responsibilities. Further, the Portfolio Manager Regulations prescribe a

code of conduct which shall be followed by every Portfolio Manager. A Portfolio Manager must fulfil the prescribed capital adequacy requirement of net worth of not less than ₹ 20 million.

Insurance Broker Regulations

The Insurance Regulatory and Development Authority (Insurance Brokers) Regulations, 2013, as amended from time to time ("**Insurance Broker Regulations**") provide *inter alia* for licensing and capital requirements for persons who are insurance brokers. These regulations require that a company interested in entering the business of dealing in insurance or reinsurance to apply to the Insurance Regulatory Development Authority for a license and also prescribe a code of conduct which such insurance brokers may follow.

Capital Requirements

A direct insurance broker should have a minimum paid up capital of ₹ 5 million. Further, no part of the capital of an insurance broker shall be held by a non-Indian interest beyond 26% at any time. For the purposes, calculations of non-Indian interest shall be made in the same manner as specified in Insurance Regulatory and Development Authority (Registration of Indian Insurance Companies) Regulations, 2000 for an insurer.

Ceiling on Remuneration

No insurance broker shall be paid or contract to be paid by way of remuneration (including royalty or license fees or administration charges or such other compensation), an amount exceeding the limits as laid down in Regulation 25 of the Insurance Broker Regulations.

Ceiling on business from a single client

The business of the insurance broker shall be carried in such a manner that, not more than 50 % of the premium (quantum, receipts, etc. as the case may be) in the first year of business, should emanate from any one client. For the purposes of this regulation, the term "client" shall include, in the case of a firm or a company, an associate or a subsidiary or a group concern under the same management. The decision of the IRDA as to whether a company, a business or an organisation is under the same management would be final.

Deposit Requirements

Every insurance broker shall before the commencement of his business, deposit and keep deposited with any scheduled bank a sum equivalent to 20% of the initial capital in fixed deposit, which shall not be released to him unless the prior permission of the IRDA is obtained.

Professional Indemnity Insurance requirements

Every insurance broker shall take out, maintain, and continue to maintain a professional indemnity insurance cover throughout the validity of the period of the license granted to him by the IRDA. The insurance cover must indemnify the insurance broker against:

- any error or omission or negligence on his part or on the part of his employees and directors;
- any loss of money or other property for which the broker is legally liable in consequence of any financial or fraudulent act or omission;
- any loss of documents and costs and expenses incurred in replacing or restoring such documents; and
- dishonest or fraudulent acts or omissions by brokers' employees or former employees.

The indemnity cover:

- shall be on a yearly basis for the entire period of license;
- shall not contain any terms to the effect that payments of claims depend upon the insurance broker having first met the liability; and

- shall indemnify in respect of all claims made during the period of the insurance regardless of the time at which the event giving rise to the claim may have occurred.

An indemnity insurance cover not fully conforming to the above requirements shall be permitted by the IRDA in special cases for reasons to be recorded by it in writing.

The limit of indemnity for any one claim and in the aggregate for the year in the case of insurance brokers shall, for a direct insurance broker, be three times the remuneration received at the end of every financial year subject to a minimum limit of ₹ 5 million. Further, the uninsured excess in respect of each claim shall not exceed 5 % of the capital employed by the insurance broker in the business.

Commodities Broking Regulations

Commodities trading, is governed by the Forward Contracts (Regulation) Act, 1952 (“**FCRA**”) and the Forward Contracts (Regulation) Rules, 1954 (“**FCRR**”). The FCRA provides, *inter alia*, for the establishment of the Forward Markets Commission (“**FMC**”). Associations interested in dealing with forward contracts, such as commodity exchanges like the MCX and NCDEX must make applications in the prescribed format as provided under the FCRR.

A trading-cum-clearing member or an institutional clearing member of such an exchange is a person who has the right to clear transactions in contracts that are executed in the trading system of the exchange. A trading-cum-clearing member is therefore subject to the rules and bye-laws framed by the exchanges in order to govern the trade in commodities. In case of difference between the provisions of any rules, the regulations or bye-laws of the exchange and the provisions of FCRA or FCRR, the provisions of the FCRA or FCRR shall prevail, except where the FCRA or FCRR allows the application or enforcement of the rules, articles, bye-laws or regulations of the exchange.

Internet Trading Regulations

Internet based trading was approved by SEBI through its Circular No. SMDRP/POLICY/CIR-06/2000 dated January 31, 2000 under which stock brokers registered with the SEBI and who is interested in providing internet based trading services must obtain permission from the concerned stock exchanges. Prior to the grant of the permission, the concerned stock exchange will have to ensure that certain minimum conditions such as a minimum net worth of ₹ 5 million, security and confidentiality of the data used by the broker by the use of encryption technology, adequate backup systems and data storage capacity. The web site of the broker who is providing such a facility should contain information for investor protection together with certain other mandatory security features as prescribed under the Regulations. Further, SEBI vide, Circular No. CIR/MRD/DP/25/2010 dated August 27, 2010 and CIR/MRD/DP/ 8 /2011 dated June 30, 2011 came up with requirements to set up a security framework for securities trading over the internet using wireless technology, pursuant to the circular, the stock exchanges are required to ensure that safety and client authentication and identification methods are put in place by the stock brokers. Also the exchanges are required to have certain systems in place for handling of complaints. Implementation of a two factor authentication process for login sessions, for all orders emanating using Internet Protocol have been incorporated in the security framework. Further, the brokers are required to capture the IP (Internet Protocol) address (from where the orders are originating), for all IBT/ STWT orders and are required to have adequate safety features to ensure it is not susceptible to internal/ external attacks. SEBI, with a view to consolidate the various circulars regarding online trading and the framework issued a Master Circular CIR/MRD/DP/17/2014 dated May 20, 2014. Chapter 2 of the said Master Circular provides an updated set of guidelines for internet trading, electronic contract notes, straight-through processing mechanism, algorithmic trading and smart order routing. The primary agenda sought to be achieved by the implementation of this legal framework, has been to reduce the risk of market manipulation through the route of online trading and to re-enforce investor confidence in the online mechanism, which facilitate trading of marketable securities.

Merchant Banking

Merchant Banker Regulations

No merchant banking activities can be carried out by any person as a Merchant Banker unless he holds a certificate granted by SEBI under the Securities and Exchange Board of India (Merchant Bankers) Regulations,

1992, as amended from time to time (“**Merchant Banker Regulations**”). Further, the Merchant Banker Regulations provides the eligibility criteria, procedure for obtaining the certificate of registration to carry on business as a Merchant Banker. Based on the satisfaction of the specified capital adequacy requirements (i.e. ₹ 50.00 million), SEBI grants registration for merchant banking activities.

According to the category identified, the Merchant Bankers are permitted to carry out certain activities as are prescribed in the Merchant Banker Regulations. Further, the Merchant Bankers are required to adhere to a code of conduct prescribed under the Merchant Banker Regulations.

Underwriting

The SEBI (Underwriters) Regulations, 1993, as amended from time to time (“**Underwriters Regulations**”) provides that no person shall act as underwriter unless he holds a certificate granted by the Board under these regulations. Furthermore it also provides that every stock broker or merchant banker holding a valid certificate of registration under Section 12 of the SEBI Act, 1992 shall be entitled to act as an underwriter without obtaining a separate certificate under the Underwriters Regulation. Further, the Underwriters Regulations provide for the procedure for application, registration and renewal of Certificate of registration. The net worth of the Applicant should not be less than ₹ 2 million. Every underwriter shall at all times abide by the Code of Conduct as specified in Schedule III of these SEBI (Underwriters) Regulations, 1993

Mutual Funds

Mutual Funds Regulations

The Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 govern the law pertaining to the business of mutual funds in India. The SEBI, with a view to improving professional standards, has made it mandatory for all mutual funds to appoint agents/distributors who have obtained certification from the AMFI. In case of firms/companies, the requirement of certification is made applicable to the persons engaged in sales and marketing.

The AMFI has issued guidelines in consonance with the SEBI Master Circular on Mutual Funds, as was last amended by CIR/MD/DF/18/2014 dated October 1, 2014 in this regard. The primary objective of these guidelines is to ensure that mutual funds do not use unethical means to sell market or induce any Investor to buy units of their scheme(s) and mobilize funds on the strength of professional fund management and practice as well as sound risk management policies. These guidelines are mandatory. Mutual funds are required to ensure compliance with these guidelines both by intermediaries distributing their products and through them, sub-broker acting on behalf of such intermediaries.

Mutual Fund distribution by NBFCs

NBFCs can market and distribute mutual fund products as agents of mutual funds, with prior approval of the RBI as provided for under RBI Circular (DNBS (PD) CC No. 84/03.10.27/2006-07), dated December 4, 2006, for an initial period of two years and a review thereafter. NBFCs must however, comply with certain minimum requirements which are mentioned below:

- i. Minimum net owned fund of Rs.100 crore;
- ii. The company should have made net profit as per last two years audited balance sheet;
- iii. The percentage of net NPAs to net advances of the NBFC as per the last audited balance sheet should not be more than 3%;
- iv. The non-deposit-taking NBFCs (NBFCs-ND) should have CRAR of 10% and deposit taking NBFCs (NBFCs-D) should have CRAR of 12% or 15%, as applicable to the company.

Further, the NBFC should comply with the SEBI guidelines/regulations, including their code of conduct, for distribution of mutual fund products. In this regard, the NBFCs should not adopt any restrictive practice forcing its customers to opt for a particular mutual fund product sponsored by it and the customers should be allowed to exercise their own choice. In addition, the participation by a company’s customer in mutual fund products

should be purely on a voluntary basis and this information should be stated in all publicity material distributed by the company in a prominent way. There are other aspects of mutual fund distribution which must be complied with, such as adherence to KYC guidelines and the provisions of the Prevention of Money Laundering Act, 2000. Moreover, the company must comply with Public Deposit Regulations and the Prudential Norms and any other instructions/ provisions of the RBI Act, to the extent applicable.

NBFC Regulations

The Reserve Bank of India Act

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

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

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

As per the RBI Act, a ‘financial institution’ has been defined as a company which includes a non-banking institution carrying on as its business or part of its business the financing activities, whether by way of making loans or advances or otherwise, of any activity, other than its own and it is engaged in the activities of loans and advances, acquisition of shares/ stock/ bonds/ debentures/ securities issued by the Government of India or other local authorities or other marketable securities of like nature, leasing, hire-purchase, insurance business, chit business but does not include any institution whose principal business is that of carrying out any agricultural or industrial activities or the sale/purchase/construction of immovable property.

With effect from 1997, NBFCs were not permitted to commence or carry on the business of a non-banking financial institution without obtaining a Certificate of Registration (“**CoR**”). For the purposes of imparting greater financial soundness and achieving the economies of scale in terms of efficiency of operations and higher managerial skills, RBI has raised the requirement of minimum net owned fund from ₹ 2.5 million to ₹ 20 million for the NBFC which commences business on or after April 21, 1999. Further, every NBFC is required to submit to the RBI a certificate, from its statutory auditor within one month from the date of finalization of the balance sheet and in any case not later than December 30 of that year, stating that it is engaged in the business of non-banking financial institution requiring it to hold a CoR.

Regulation of NBFCs registered with the RBI

NBFCs are primarily governed by the RBI Act, the Non-Banking Financial (Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007, as amended (the “**Prudential Norms**”), the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998, as amended (“**Public Deposit Directions**”). In addition to these regulations, NBFCs are also governed by various circulars, notifications, guidelines and directions issued by the RBI from time to time.

Fair Practices Code:

The RBI has framed the fair practice guidelines, to promote good and fair practices by setting minimum standards to be adhered to by NBFCs in dealing with customers. These guidelines require NBFCs to ensure that they meet the commitments and standards specified therein for the products and services they offer and in the procedures and practices their staff follows, their products and services meet relevant laws and regulations in letter and spirit, and their dealings with customers rest on ethical principles of integrity and transparency.

RBI vide a Master Circular DNBS (PD) CC No. 389/03.10.001/2014-15 dated July 1, 2014, has come out with consolidated guidelines governing the NBFCs and their various activities and are required to be framed and approved by the Board of Directors of all NBFCs. NBFCs venturing into the Insurance business are required to comply with the requirements pursuant to the aforementioned circular, with a view to ensure safeguards being

put in place. An NBFC or a group of NBFCs are restricted to holding 50% as an upper cap with regards to investment in a joint venture with insurance being the underlying business, along with prior RBI approval being a pre-requisite. Other restrictions such as with regards to the issuance of credit cards, the NBFCs are required to register with RBI and have a minimum net owned fund of ₹1000 million.

Know Your Customers (“KYC”) Guidelines and Prevention of Money Laundering Measures

The RBI has extended the KYC guidelines to NBFCs and advised all NBFCs to adopt the same with suitable modifications depending upon the nature of the activities undertaken by them and ensure that a proper policy framework on KYC and Anti-Money Laundering measures is put in place. The KYC policies are required to have the following key elements, namely, a customer acceptance policy, customer identification procedures, monitoring of transactions and risk management, adherence to KYC guidelines by the persons authorized by NBFCs including brokers/ agents, due diligence of persons authorized by NBFCs including brokers/ agents, customer service in terms of identifiable contact with persons authorized by NBFCs including brokers/ agents.

As per RBI Master Circular UBD.BPD. (PCB).MC.No.16/12.05.001/2014-15 dated July 1, 2014 on 'Know Your Customer' (“KYC”) Guidelines – Master Circular – 'Know Your Customer' (KYC) Guidelines – Anti Money Laundering Standards (AML) - 'Prevention of Money Laundering Act, 2002 - Obligations of NBFCs in terms of Rules made thereunder and the circular bearing number DNBS(PD).CC.No.298/03.10.42/2012-13 on Risk Categorization and updation of Customer Profiles dated July 26, 2012 provide for a comprehensive framework on the matter. The circulars provide that whenever there is suspicion of money laundering, terrorist financing, or when other factors give rise to a belief that the customer does not, in fact, pose a low risk, NBFCs should carry out full scale customer due diligence before opening an account. In the circumstances when a NBFC believes that it would no longer be satisfied that it knows the true identity of the account holder, the NBFC should also file a ‘suspicious transaction report’ with the Financial Industrial Unit, India. Also, in the event of an existing customer or the beneficial owner of an existing account, subsequently becoming a politically exposed person, NBFCs are required to obtain senior management approval to continue the business relationship and subject the account to the customer due diligence measures including enhanced monitoring on an ongoing basis.

As per the Master Circular dated July 1, 2014, NBFCs are required to ensure the following:

- Compliance with KYC norms of the RBI;
- The creation of a process of due diligence in respect of persons authorised by NBFCs including brokers/agents etc. collecting deposits on behalf of such NBFC through a uniform policy for appointment and detailed verification;
- All deposit receipts should bear the name and registered office address of the NBFC and must invariably indicate the name of the persons authorised by NBFCs including brokers/agents etc. and their addresses who mobilised the deposit and the link office with the telephone number of such officer and/or persons authorised by NBFCs including brokers/agents etc.; and
- Appropriate steps should be taken to evolve a system for proper maintenance and preservation of account information and such information should be preserved for at least ten years from the date of cessation of transaction between the NBFC and the client. Records pertaining to the identity of the customer and necessary records of all transactions, both domestic or international, which will permit reconstruction of individual transactions (including the amounts and types of currency involved if any) so as to provide, if necessary, evidence for prosecution of persons involved in criminal activity.

Corporate Governance Guidelines

Pursuant to the Public Deposit Directions all NBFCs accepting public deposits are required to adhere to certain corporate governance norms including constitution of an audit committee, a nomination committee, a risk management committee and certain other norms in connection with disclosure and transparency and connected lending.

The RBI has also issued directions to the auditors of NBFCs vide its Master Circular No. DNBS (PD) CC No.382/ 03.02.001/2014-15 dated July 01, 2014. The Non- Banking Financial Companies Auditor’s Report (Reserve Bank) Directions, 2008 have been issued to safeguard public interest and for the purpose of proper

assessment of books of accounts of NBFCs. According to the Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2008, all non-deposit accepting NBFCs shall ensure that the auditor includes a statement on the following matters, namely: -

- Whether the Board of Directors has passed a resolution for non- acceptance of any public deposits.
- Whether the company has accepted any public deposits during the relevant period/year;
- Whether the company has complied with the prudential norms relating to income recognition, accounting standards, asset classification and provisioning for bad and doubtful debts as applicable to it in terms of Non-Banking Financial (Non- Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.
- In respect of Systemically Important Non-deposit taking NBFCs as defined in paragraph 2(1)(xix) of the Non-Banking Financial (Non- Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007
- Whether the capital adequacy ratio as disclosed in the return submitted to the Bank in form NBS- 7, has been correctly arrived at and whether such ratio is in compliance with the minimum CRAR prescribed by the Bank;
- Whether the company has furnished to the Bank the annual statement of capital funds, risk assets/exposures and risk asset ratio (NBS-7) within the stipulated period.

Regulation of Foreign Investment in India

Foreign investment in Indian securities is governed by the provisions of the Foreign Exchange Management Act, 1999, as amended ("**FEMA**") read with the applicable FEMA Regulations along with the RBI Master Circular Number 15/2014-15 on Foreign investments dated July 1, 2014. The Foreign Direct Investment ("**FDI**") Policy of 2014, issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India ("**DIPP**") with effect from April 17, 2014 ("**FDI Policy 2014**"), consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DIPP. The Government proposes to update the consolidated circular on FDI Policy once every year and therefore, FDI Policy 2014 will be valid until the DIPP issues an updated circular.

Foreign investment is permitted (except in the prohibited sectors) in Indian companies either through the automatic route or the approval route, where approval from the Government of India or the Reserve Bank of India ("**RBI**") is required, depending upon the sector in which foreign investment is sought to be made.

Under the automatic route, the foreign investor or the Indian company does not require any approval from the RBI or Government of India for investments. Under the approval route, prior approval of the Government of India through Foreign Investment Promotions Board ("**FIPB**") is required. Where FDI is allowed on an automatic basis without the approval of the FIPB, the RBI would continue to be the primary agency for the purposes of monitoring and regulating foreign investment.

Foreign investment in NBFC is allowed under the automatic route in only the following activities:

- (i) Merchant Banking
- (ii) Under Writing
- (iii) Portfolio Management Services
- (iv) Investment Advisory Services
- (v) Financial Consultancy
- (vi) Stock Broking
- (vii) Asset Management
- (viii) Venture Capital
- (ix) Custodian Services
- (x) Factoring
- (xi) Credit Rating Agencies
- (xii) Leasing & Finance
- (xiii) Housing Finance

- (xiv) Foreign Exchange Broking
- (xv) Credit Card Business
- (xvi) Money Changing Business
- (xvii) Micro Credit
- (xviii) Rural Credit

Further, the minimum capitalization norms under the Consolidated FDI Policy have been prescribed as follows:

- If foreign direct investment is up to 51%, US\$ 0.5 million to be brought in upfront;
- If foreign direct investment is more than 51% and up to 75%, US\$ 5 million to be brought in upfront; and
- If foreign direct investment is more than 75% and up to 100%, US\$ 50 million, of which US\$ 7.5 million to be brought in upfront and the balance in 24 months.
- NBFCs (i) having foreign investment more than 75% and up to 100%, and (ii) with a minimum capitalisation of US \$ 50 million, can set up step down subsidiaries for specific NBFC activities, without any restriction on the number of operating subsidiaries and without bringing in additional capital.

Insider Trading Regulations

The SEBI (Prohibition of Insider Trading) Regulations, 1992 prohibits dealing, communicating and counselling on matters related to insider trading i.e. dealing by any person or company in securities of any other company when the person or the company is in the possession of such unpublished information that is price sensitive in nature of such company. An insider is a person who is connected with the company and is reasonably expected to have certain price sensitive information in respect of the securities of the company or has received or has access to certain unpublished price sensitive information. Any information is referred to as price sensitive information if it is likely to materially affect the price of the securities of the company to which it relates. The Insider Trading Regulations essentially prescribes a model code of conduct to be followed by all companies and organisations associated with the securities markets. Under the Insider Trading Regulations, all listed companies and organisations associated with the securities market including *inter alia* intermediaries as defined under the SEBI Act, asset management companies, trustees of mutual funds is under an obligation to formulate certain internal procedures and conduct following the Model Code of Conduct as provided under the these Regulations and will further abide with the code of Corporate Disclosure Practices.

FPI Regulations

Foreign Portfolio Investors (“**FPI**”) including institutions such as pension funds, investment trusts, asset management companies, nominee companies and incorporated/institutional Portfolio Managers are allowed to make portfolio investments in all securities of listed and unlisted companies in India. Investments by registered FPI or non-resident Indians made through a stock exchange are known as portfolio investments. Foreign investors wishing to invest and trade in Indian securities in India under the portfolio investment route are required to register with the SEBI under the SEBI (Foreign Portfolio Investors) Regulations 2014 (“**FPI Regulations**”). With the enactment of the FPI Regulations, all QFI and FII accounts and sub accounts have been sought to be included in the wider definition of FPI. All FPI’s under the FPI Regulations shall get a single window clearance from the Designated Depository Participants (“**DDP**”) authorized by SEBI which will register FPIs on behalf of SEBI. However, FII and sub accounts can continue to trade on the old certificates until they expire or they procure a registration under the FPI Regulations, whichever is earlier.

FPI Regulations divide the FPI’s into three categories, i.e. Category 1, Category 2 and Category 3:

- **Category 1 FPI** includes government and government-related investors such as central banks, Governmental agencies, sovereign wealth funds or international and multilateral organizations or agencies.
- **Category 2 FPI** includes appropriately regulated broad based funds, appropriately regulated persons, broad based funds that are not appropriately regulated, university funds and pension funds and university related endowments already registered with SEBI as FIIs or sub-accounts.
- **Category 3 FPI** includes all others which are not eligible under Category I and II foreign portfolio investors such as endowments, charitable societies, charitable trusts, foundations, corporate bodies, trusts, individuals and family offices.

FPIs that are registered with SEBI are required to comply with the provisions of the FPI Regulations. A registered FPI may buy, subject to certain ownership restrictions, and sell freely, securities issued by any Indian company (excluding companies in certain sectors). The total holding of each FPI/SEBI approved sub-account shall not exceed 10 per cent of the total paid-up capital of an Indian company and the total holdings of all FPI/sub-accounts of FPIs aggregated shall not exceed 24 per cent of the paid-up capital. The threshold of 24 per cent can be increased to the sectoral cap or statutory limit applicable to the Indian company concerned by resolution of such company's board of directors followed by the passing of a special resolution by such company.

Stock Exchange Rules, Regulations and Bye-laws

Being a trading member of Exchange of different stock exchanges we are governed by the rules and regulations and the bye laws of the exchange as amended from time to time. Exchange is empowered under the Securities Contract and Regulation Act, 1956 to make its own bye laws / rules to deal with its members and also the regulations to govern / regulate the relations between the members and the constituent.

Listing Agreements

Being a listed entity the issuer has to comply the Listing agreements as amended from time to time. Since our Company is listed on DSE, ASE, CSE and LSE therefore the rules, regulations and bye laws of the abovementioned stock exchanges are also applicable to our Company.

Labour Law Regulations

Some of the labour laws applicable to the company and its workforce have been discussed below:

Employees (Provident Fund and Miscellaneous Provisions) Act, 1952

The Employees (Provident Fund and Miscellaneous Provisions) Act, 1952, as amended ("EPF Act") applies to establishments employing over 20 employees and such other establishments and industrial undertakings as notified by the GoI from time to time. It requires all such establishments to be registered with the State provident fund commissioner and requires such employers and their employees to contribute in equal proportion to the employees' provident fund the prescribed percentage of basic wages and dearness and other allowances payable to employees. The EPF Act also requires the employer to maintain registers and submit a monthly return to the State provident fund commissioner.

Employees State Insurance Act, 1948

The Employees State Insurance Act, 1948, as amended (the "ESI Act") provides for certain benefits to employees in case of sickness, maternity and employment injury. All employees in establishments covered by the ESI Act are required to be insured, with an obligation imposed on the employer to make certain contributions in relation thereto. In addition, the employer is also required to register itself under the ESI Act and maintain prescribed records and registers.

Payment of Gratuity Act, 1972

The Payment of Gratuity Act, 1972, as amended ("**Gratuity Act**") establishes a scheme for the payment of gratuity to employees engaged in every factory, mine, oil field, plantation, port and railway company, every shop or establishment in which ten or more persons are employed or were employed on any day of the preceding twelve months and in such other establishments in which ten or more employees are employed or were employed on any day of the preceding twelve months, as notified by the Central Government from time to time. Penalties are prescribed for non-compliance with statutory provisions.

Under the Gratuity Act, an employee who has been in continuous service for a period of five years will be eligible for gratuity upon his retirement, resignation, superannuation, death or disablement due to accident or disease. However, the entitlement to gratuity in the event of death or disablement will not be contingent upon an employee having completed five years of continuous service. The maximum amount of gratuity payable may not exceed ₹ 1 million.

The Minimum Wages Act, 1948

The Minimum Wages Act, 1948, as amended, provides a framework for State governments to stipulate the minimum wage applicable to a particular industry. The minimum wage may consist of a basic rate of wages and a special allowance; or a basic rate of wages and the cash value of the concessions in respect of supplies of essential commodities; or an all-inclusive rate allowing for the basic rate, the cost of living allowance and the cash value of the concessions, if any. Workmen are to be paid for overtime at overtime rates stipulated by the appropriate government. Contravention of the provisions of this legislation may result in imprisonment for a term up to six months or a fine up to ₹ 500 or both.

Industrial Disputes Act, 1947

The Industrial Disputes Act, 1947, as amended ("**ID Act**") provides the procedure for investigation and settlement of industrial disputes. When a dispute exists or is apprehended, the appropriate Government may refer the dispute to a labour court, tribunal or arbitrator, to prevent the occurrence or continuance of the dispute, or a strike or lock-out while a proceeding is pending. The labour courts and tribunals may grant appropriate relief including ordering modification of contracts of employment or reinstatement of workmen.

The Payment of Bonus Act, 1965

The Payment of Bonus Act, 1965, as amended provides for payment of minimum bonus to factory employees and every other establishment in which 20 or more persons are employed and requires maintenance of certain books and registers and filing of monthly returns showing computation of allocable surplus, set on and set off of allocable surplus and bonus due.

The Contract Labour (Regulation and Abolition) Act, 1970

Our Company uses the services of certain licensed contractors who in turn employ contract labour whose number exceeds 20. Accordingly, our Company is regulated by the provisions of the Contract Labour (Regulation and Abolition) Act, 1970, as amended ("**CLRA**") which requires our Company to be registered as a principal employer and prescribes certain obligations with respect to welfare and health of contract labour. The CLRA requires the principal employer of an establishment to which the CLRA applies to make an application to the concerned officer for registration of the establishment. In the absence of registration, contract labour cannot be employed in the establishment. Likewise, every contractor to whom the CLRA applies is required to obtain a license and not to undertake or execute any work through contract labour except under and in accordance with the license issued. The CLRA imposes certain obligations on the contractor in relation to establishment of canteens, rest rooms, drinking water, washing facilities, first aid, other facilities and payment of wages. However, in the event the contractor fails to provide these amenities, the principal employer is under an obligation to provide these facilities within a prescribed time period. Penalties, including both fines and imprisonment, may be levied for contravention of the provisions of the CLRA.

The Shops and Establishments Act

Under the provisions of local shops and establishments legislations applicable in the states in which establishments are set up, establishments are required to be registered. Such legislations regulate the working and employment conditions of the workers employed in shops and establishments including commercial establishments and provide for fixation of working hours, rest intervals, overtime, holidays, leave, termination of service, maintenance of shops and establishments and other rights and obligations of the employers and employees.

Intellectual Property

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, trademark protection under the Trade Marks Act, 1999 and design protection under the Design Act, 2000. The above enactments provide for protection of intellectual property by imposing civil and criminal liability for infringement.

Copyright Act, 1957

The Copyright Act, 1957 ("Copyright Act") came into force on January 21, 1958 and the Copyright Rules, 1958 were formulated to amend and consolidate the laws relating to copyright in India. Copyright is a bundle of rights that are granted for limited periods of time and subject to certain permitted exceptions in original literary, dramatic, musical and artistic works, cinematograph films and sound recordings. Copyright is a negative right which gives the owner the right to prevent others from copying or infringing the work of the owner. Copyright comes into existence as soon as a work is created and no formality is required to be completed for acquiring copyright. The term of the copyright vary for different works. The term in published literary, dramatic, musical, and artistic works is the lifetime of author plus 60 years after his death. Registration of copyright is not necessary; however, a certificate of registration of copyright and the entries made therein serve as prima facie evidence in a court of law with reference to any dispute relating to ownership and infringement of copyright.

Trade Marks Act, 1999

The Trade Mark Act, 1999 which came into force on December 30, 1999 govern the law pertaining to trade marks in India. A trade mark is essentially any mark capable of being represented graphically and distinguishing goods or services of one person from those of others and includes a device, brand, heading, label, ticket, name, signature, word, letter, numeral, shape of goods, packaging or combination of colours or combination thereof. Once a mark is registered, it is valid in India only, for a period of 10 years and can be renewed from time to time in perpetuity. Registration of a trademark grants the owner a right to exclusively use the trademark as a mark of goods and services and prevents the fraudulent use of deceptively similar marks by any third party.

HISTORY AND OTHER CORPORATE MATTERS

Our Company was incorporated on December 19, 1994 as SMC Global Securities Limited with the Registrar of Company, N.C.T of Delhi & Haryana. Our Company received a certificate of commencement of business on January 2, 1995.

For information on our Company's activities, services, market, growth, managerial competence, standing with reference to prominent competitors, major suppliers and customers, please see the sections titled "Our Management", "Our Business" and "Industry Overview" on pages 179, 135 and 124, respectively.

Our Company has 1,340 members as on the date of this Draft Red Herring Prospectus.

Changes in Registered Office

Date of change	Details of the change in the address of Registered Office
September 7, 1995	Registered office of our Company changed from "3072/39, Gola Market, Darya Ganj, Delhi-110002" to "17, Netaji Subhash Marg, Darya Ganj, New Delhi-110002".
October 1, 2008	Registered office of our Company changed from "17, Netaji Subhash Marg, Darya Ganj, New Delhi-110002" to "11/6B, Shanti Chamber, Pusa Road, New Delhi-110005".

The changes in the registered office address mentioned above were made to enable greater operational efficiency.

Our Main Objects

1. To act as stock and share brokers and to acquire and hold one or more memberships in stock/security exchange, National Stock Exchange, O.T.C.E.I. (Over the Counter Exchange of India), trade associations, commodity exchanges, clearing houses or association or otherwise in India or any part of the world, to secure membership privileges therefrom.
2. Subject to the approval of the Securities and Exchange Board of India and other authorities where ever required, to carry on the business of stock share broking and its allied matters such as acting as underwriters, sub-underwriters, brokers to the issue of securities, dealers in securities, buying, selling, transferring, hypothecating and holding of shares, debentures, and securities of all kinds and description, of issue of shares/debentures and securities of all kinds, lead managers, brokers and sub-brokers, of stocks and new issue of shares, debentures and securities of all kinds and description, Advisors and Registrar to the issue of securities, share transfer agents, investment business and investment counselling, portfolio managers, corporate counselling, brokers to fixed deposits, inter-corporate investment canvassers, financial consultants, financial and discount brokers, Advisors and Consultants to the issue of securities of all kinds and description in their all aspects in India or abroad and to manage, arrange merger and acquisition.
3. To carry on the arbitrage business and the business of investment in India and abroad and for that purpose to invest in, acquire, subscribe for, hold shares, bonds, stocks, securities, debentures, debentures stock issued or guaranteed by any company constituted and carrying on the business in India or elsewhere in the world, any Government, state, port trust, Public Body or authority supreme, financial institutions, Municipal, Local or otherwise whether in India or abroad.
4. Subject to the approval of the Securities and Exchange Board of India (SEBI) and other authorities wherever required, to act as depository participant of depository (s) and to undertake all activities, functions and responsibilities related thereto and further to do all other allied matters incidental or ancillary to the same.

The existing and proposed activities of our Company are within the scope of the objects clause of the Memorandum of Association.

For details relating to our business, description of our activities, services, products, marketing, competition, markets of each segment, inter alia, please refer to the sections titled "Our Business" and "Industry Overview" on pages 135 and 124 of this Draft Red Herring Prospectus, respectively.

Amendments to the Memorandum of Association

Since our incorporation, the following changes have been made to our Memorandum of Association:

Date of Resolution	Amendments
February 2, 1995	Increase in the authorized share capital of our Company from ₹ 1,00,00,000 divided into 10,00,000 Equity Shares of ₹ 10 each to ₹ 3,00,00,000 divided into 30,00,000 Equity Shares of ₹ 10 each.
February 25, 1995	Increase in the authorized share capital of our Company from ₹ 3,00,00,000 divided into 30,00,000 Equity Shares of ₹ 10 each to ₹ 5,00,00,000 divided into 50,00,000 Equity Shares of ₹ 10 each.
August 27, 2005	Increase in the authorized share capital of our Company from ₹ 5,00,00,000 divided into 50,00,000 Equity Shares of ₹ 10 each to ₹ 20,00,00,000 divided into 2,00,00,000 Equity Shares of ₹ 10 each.
September 25, 2006	Alteration in the authorized share capital of our Company from ₹ 20,00,00,000 divided into 2,00,00,000 Equity Shares of ₹ 10 each to ₹ 20,00,00,000 divided into 1,50,00,000 Equity Shares of ₹ 10 each and 50,00,000 preference shares of ₹ 10 each.
February 26, 2009	Increase in the authorized share capital of our Company from ₹ 20,00,00,000 divided into 1,50,00,000 Equity Shares of ₹ 10 each and 50,00,000 preference shares of ₹ 10 each to ₹ 33,01,00,000 divided into 2,80,10,000 Equity Shares of ₹ 10 each and 50,00,000 preference shares of ₹ 10 each.
August 10, 2012	Alteration in authorized share capital of the company from ₹ 33,01,00,000 divided into 2,80,10,000 Equity Shares of ₹ 10 each and 50,00,000 preference shares of ₹ 10 each to ₹ 33,01,00,000 divided into 14,00,50,000 Equity Shares of ₹ 2 each and 50,00,000 preference shares of ₹ 10 each.

Key Milestones

The table below sets forth some of the key events in our history:

Calendar Year	Details
1995	Our Company started providing a trading platform for equities to its clients.
2003	We started providing our clients with a trading platform in commodities.
2006	We began the distribution of IPOs and mutual fund products along with life and general insurance products.
2007	We began our institutional and NRI trading and advisory services.
2007	Agreement with Millennium India Acquisition Company Inc. (now known as Millennium Investment & Acquisition Company Inc.) for investment in our Company
2007	We started our overseas branch at Dubai, UAE, established for brokerage and trading activities in that region
2008	We set up our online trading platform.
2008	We started our wealth management services and NBFC operations.
2008	We started our investment banking business.
2008	Investment into our Company by Bennett, Coleman & Co. Limited
2009	Amalgamation of SAM Global Securities Limited with our Company
2009	Investment into our Company by Sanlam International Investment Partners Limited
2013	We started providing services for real estate advisory and broking business

Awards/ certifications received by us across our various business operations

Over the past few years, we have been awarded the following awards:

Sl. No.	Award	Year	Source
1	Best Commodity Broker of the year	2014	Assocham Excellence Awards
2	Best Equity Broking house in Derivative Segment in India	2013, 2012	BSE IPF-D&B Equity Broking Awards
3	Fastest Growing Equity Broking House -Large Firm	2013	BSE IPF-D&B Equity Broking Awards
4	Emerging Investment Banker of the year	2013	ASSOCHAM - SMEs Excellence Awards
5	Best Equity Broking House in India	2012 & 2010	BSE IPF - D&B Equity Broking Awards
6	Best Currency Broker in India	2012 & 2010	Bloomberg - UTV Financial Leadership Awards
7	Broking House with the Largest Distribution Network in India	2012, 2011 & 2010	BSE IPF-D&B Equity Broking Awards
8	Best Research Analyst Award in Equity Fundamentals - Infrastructure	2013	Zee Business - India's Best Market Analyst Awards
9	Best Equity Research Analyst in IPO segment and Best Commodity Research Analyst- Viewer's Choice	2012	Zee Business India's Best Market Analyst Awards
10	Award for Continuous Innovation in HR Strategy at Work	2013	World HRD Congress
11	Learning and Talent Technology Excellence Award	2012	Star News HR and Leadership Awards
12	India's Best Wealth Management Company	2011	Business Sphere
13	Fastest Growing Retail Distribution Network in Financial Services	2010	Business Sphere
14	Major Volume Driver Award	2006-07, 2005-06 & 2004-2005	Bombay Stock Exchange

Schemes of Arrangement

In the year 1986, the erstwhile SAM Global Securities Limited (“**SAM Global**”) was established as Assam Power and Electricals Limited. It was renamed as SAM Global pursuant to a fresh certificate of incorporation issued on April 10, 2000. SAM Global was primarily engaged in the business of broking, providing depository participant services and proprietary trading and arbitrage. SAM Global was a member of BSE Limited and a depository participant of CDSL and NSDL. Pursuant to a scheme of amalgamation sanctioned by the Honourable High Court of Delhi on January 9, 2009, SAM Global was amalgamated with our Company with effect from January 1, 2008. The purpose of the amalgamation was to consolidate the business operations of SAM Global and our Company enabling us to provide depository participant services and cash and derivatives broking services on the BSE so as to complement our then existing NSE related services.

In terms of the Scheme of Amalgamation, SAM Global's entire business and undertaking including all its assets, contracts, properties, investments, benefits, employees, debts, liabilities, duties and obligations of any nature were transferred to our Company, and became the business, assets, contracts, properties, investments, benefits, employees, debts, liabilities, duties and obligations of our Company. On the effective date, the erstwhile SAM Global Securities Limited was dissolved without being wound up. Pursuant to amalgamation of SAM with the Company, the Company was listed on the Guwahati Stock Exchange in India. Subsequently, in 2012 the Guwahati Stock Exchange ceased operations and our Company, as a result was no longer listed on the GSE.

Raising of capital by our Company

Other than as disclosed under the sections titled “Capital Structure” and “Financial Indebtedness” on pages 78 and 346 respectively of this Draft Red Herring Prospectus, we have not raised any capital either in the form of equity or debt.

Time and Cost Overruns

The nature of our business does not include implementation of projects and therefore we believe there have been no time and cost overruns in the implementation of our projects.

Default/ rescheduling of borrowings with financial Institutions/ Banks

Our Company has not defaulted/ rescheduled any loans/ borrowings with any financial institution/ bank. We have not converted our loans into equity.

Lock-out, Strikes, etc.

There have been no lock-outs, strikes etc. during the last five years preceding the date of this Draft Red Herring Prospectus.

Injunctions or restraining orders

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

Changes in the activities of our Company during the last five years

There have been no changes in the activities undertaken by our Company during a period of five (5) years prior to the date of filing of this Draft Red Herring Prospectus which may have had a material effect on the profits or loss of our Company or affected our business including discontinuance of lines of business, loss of agencies or markets and similar factors.

Summary of Key Agreements

1. Shareholders Agreement between our Company, Mr. Subhash Chand Aggarwal, Mr. Mahesh Chand Gupta and Bennett, Coleman & Co. Limited

The Company, Mr. Subhash Chand Aggarwal, Mr. Mahesh Chand Gupta, other promoter group individuals and Bennett, Coleman & Co. Limited (“**BCCL**”) have entered into a shareholders’ agreement dated March 10, 2008 (“**Bennett Coleman SHA**”) in terms of which BCCL has agreed to acquire equity shares of our Company representing 2.098% of the issued and paid up share capital of our Company. BCCL has also entered into a share purchase agreement dated December 18, 2010 with one of our promoter group companies, Pulin Investment Private Limited to purchase 2,03,000 shares of our Company (“**Pulin SPA**”). The Bennett Coleman SHA and an amendment agreement dated November 12, 2013 along with the Pulin SPA between the parties, *inter alia*, provide that:

- (i) Except in the case of certain permitted transfers, in the event the promoters propose to sell their equity shares to a third party, BCCL has the right to sell an equal number of its shares at a price and on terms substantially set out in the SHA.
- (ii) The Company shall have its shares listed on the BSE and/or the NSE by March 31, 2015, failing which BCCL and our Company shall appoint a reputed consultant to value the shares of our Company and the Promoters shall either buy-back the shares or find a third party buyer to buy the BCCL shares at the price arrived at by the third party consultant or at a price not less than the price which ensures a 12% annualized return, whichever is higher
- (iii) The Bennett Coleman SHA shall terminate upon the listing of the equity shares of our Company either on the BSE or the NSE or if BCCL ceases to hold at least 1.049% of the issued and paid-up share capital of our Company.

2. Shareholders Agreement between our Company, Mr. Subhash Chand Aggarwal, Mr. Mahesh Chand Gupta and Millennium India Acquisition Company Inc.

The Company, Mr. Subhash Chand Aggarwal, Mr. Mahesh Chand Gupta, other promoter group individuals and Millennium India Acquisition Company Inc. (now known as Millennium Investment & Acquisition Company Inc.) (“**Millennium**”) have entered into a share holders agreement dated May 12, 2007 (“**Millennium SHA**”) in terms of which Millennium has agreed to acquire equity shares of our Company representing 14.90% of the total issued and paid up equity share capital of our Company. Pursuant to amendment agreements dated July 13, 2011, October 27, 2012, June 10, 2013 and November 22, 2013, the terms of the Millennium SHA were amended and *inter alia* provide that:

- (i) The Company and the promoters have decided to extend the date of the listing of the equity shares of our Company, on the BSE and/or the NSE up till March 31, 2015 in such a manner that the listing takes place pursuant to a follow on public offer of at least 10% equity shares of our Company, on a fully diluted basis.
- (ii) The Company shall file its red herring prospectus within 30 days of obtaining SEBI clearance.
- (iii) Millennium shall be entitled to nominate and maintain one non-executive director to the Board (investor director) and a quorum of the Board shall include at least one investor director for the discussion of any specified matter.
- (iv) The presence of an authorized Millennium representative in person or through proxy shall be necessary at general meetings where any specified matters are being discussed.
- (v) The Company shall not inter alia, pledge, mortgage or otherwise encumber any securities of our Company without the prior written consent of Millennium.
- (vi) In case the promoters or the promoter group propose to transfer any of their securities in our Company, Millennium shall have the right to sell an equal number of shares.
- (vii) If Millennium proposes to sell their shares, the promoters of our Company have a right of first offer to buy the shares from Millennium.
- (viii) If the promoters propose to sell their shares in a further public offering of our Company, Millennium shall have the right to sell an equal number of shares in the proposed offer.
- (ix) The Millennium SHA shall terminate upon the listing of the equity shares on the BSE and/or the NSE.
- (x) In the event the promoters commit a material breach and then fail to rectify the same, Millennium shall have the right to sell of its securities of our Company to the promoters in 60 days pursuant to which Millennium shall have the right to appoint an independent valuer for determining the fair market value of the equity shares of our Company. The Promoters shall be obliged to purchase all the Equity Shares of our Company held by Millennium at a 5% premium to the fair market value.

3. Share Subscription Agreement between our Company, Mr. Subhash Chand Aggarwal, Mr. Mahesh Chand Gupta and Millennium India Acquisition Company Inc.

The Company, Mr. Subhash Chand Aggarwal, Mr. Mahesh Chand Gupta, other promoter group individuals and Millennium India Acquisition Company Inc. (now known as Millennium Investment & Acquisition Company Inc.) (“**Millennium**”) have entered into a share subscription agreement dated May 12, 2007 (“**Millennium SSA**”) in terms of which Millennium has agreed to acquire equity shares of our Company representing 14.90% of the total issued and paid up equity share capital of our Company. Pursuant to amendment agreements dated July 13, 2011, October 27, 2012, July 10, 2013 and November 22, 2013, the terms of the Millennium SSA were amended and *inter alia* provide that:

- (i) The Company and the promoters have decided to extend the date of the listing of the equity shares of our Company, on the BSE and/or the NSE up till March 31, 2015, in such a manner that the listing takes place pursuant to a follow on public offer of at least 10% equity shares of our Company, on a fully diluted basis.
- (ii) The Millennium SSA can be terminated by Millennium, if by March 31, 2015, conditions exist to list the shares on the BSE and/or NSE and the promoters decide not to seek such listing for their own reasons or unless such listing is postponed at the request of Millennium.

4. Right to Sell Agreement between Mr. Subhash Chand Aggarwal, Mr. Mahesh Chand Gupta and Millennium India Acquisition Company Inc.

Pursuant to the Millennium SSA, dated May 12, 2007 as last amended on November 22, 2013. Mr. Subhash Chand Aggarwal, Mr. Mahesh Chand Gupta (“**Promoters**”) and Millennium India Acquisition

Company Inc. (now known as Millennium Investment & Acquisition Company Inc.) (“**Millennium**”) have entered into a right to sell agreement dated November 22, 2013 (“**Millennium RSA**”) with respect to 1% of the equity shares of our Company. The terms of the Millennium RSA *inter alia* provide that:

- (i) The Parties to the Millennium RSA along with the Company have decided to extend the date of the listing of the equity shares of our Company, on the BSE and/or the NSE up till March 31, 2015, in such a manner that the listing takes place pursuant to a follow on public offer of at least 10% equity shares of our Company, on a fully diluted basis, pursuant to the follow on public offer. (“**Trigger Event**”)
- (ii) Upon the failure of the occurrence of the Trigger Event, Millennium would have a right but not an obligation to sell 1,131,345 equity shares of our Company (“**Sale Shares**”), at the mutually agreed price of ₹123 per equity share, (“**Consideration**”) which shall be bought by the Promoters.
- (iii) Upon the failure of occurrence of the Trigger Event, Millennium, may by the issuance of a written notice, issued within 180 days of failure of such occurrence, require the Promoters to purchase the Sale Shares or a part thereof, for the Consideration amount (“**Right to Sell**”).
- (iv) The Promoters shall be bound to purchase the Sale Shares either themselves or through nominees, for the Consideration amount, within 10 days of the receipt of the written notice. The transaction shall be consummated within 10 days after having undertaken all necessary compliances, including valuation from an Indian Exchange perspective. (“**Sale Period**”)
- (v) The failure on part of the Promoters to purchase the Sale Shares, within the Sale Period, shall make them liable to pay an interest at the rate of 15% per annum, on the Consideration, till the date of actual payment to Millennium.

5. Share Subscription Agreement between our Company, Sanlam International Investment Partners Limited, Mr. Subhash Chand Aggarwal, Mr. Mahesh Chand Gupta and other individual shareholders

The Company, Sanlam Investment Management (Proprietary) Limited (later its nominee Sanlam International Investment Partners Limited) (“**SIM Investor**”), Mr. Subhash Chand Aggarwal, Mr. Mahesh Chand Gupta and other individual shareholders entered into a share subscription agreement dated September 14, 2008, under which SIM Investor agreed to acquire equity shares to a tune of 1% of the total paid up capital of the Company. This shareholding became 1.06% due to cancellation of some shares on amalgamation of SAM Global Securities Ltd. This agreement was further substantiated on December 1, 2010 in terms of which SIM Investor agreed to acquire equity shares of our Company representing 4.27% of the issued paid up capital of the Company. Further with a subsequent Share Subscription Agreement between SIM Investor, Mr. Subhash Chand Aggarwal, Mr. Mahesh Chand Gupta and other individual shareholders, dated May 30, 2011 the SIM Investor agreed to further acquire equity shares of our Company representing 3.25% of the issued and paid-up capital of our Company. As the SIM investor already held 1.06% shares of our Company prior to the executions of the aforementioned Share Subscription Agreement, the consolidated holding of SIM Investor in our Company increased to 8.58% of the total paid up capital.

6. Shareholders Agreement between our Company, Sanlam International Investment Partners Limited, Mr. Mahesh Chand Gupta, Mr. Subhash Chand Aggarwal and individual / corporate shareholder entities

The Company, Sanlam International Investment Partners Limited (“**SIM Investor**”), Mr. Mahesh Chand Gupta, Mr. Subhash Chand Aggarwal and individual/corporate shareholder entities have entered into a shareholders’ agreement dated December 1, 2010, in terms of which the SIM Investor agreed to purchase 4.27% of the issued share capital of the Company. The terms of this Agreement, *inter alia* provided that:

- (i) As long as the SIM Investor retains not less than 2.64% of the paid-up share capital and/or holds not less than 40% the issued shares in any joint venture with our Company in India, the promoters of our Company shall grant the SIM Investor the first opportunity to participate in any further joint venture in the financial services industry.
- (ii) As long as our Company holds not less than 40% of the issued shares in any joint venture with the SIM Investor in India, and the SIM Investor retains not less than 2.64% of the paid-up share capital of our Company, the SIM Investor shall grant our Company the first opportunity to participate in any further joint venture in the financial services industry.
- (iii) The SIM Investor has the right to sell an equal proportion of equity shares if our Company contemplates a further public offering at any time in which the Promoters offload their equity shares,

- (iv) Except for certain permitted transfers, the promoters and the promoter group of our Company shall not pledge, lien or charge any securities of our Company or the SMC Group companies, without the prior written consent of the SIM Investor.
- (v) If the SIM Investor proposes to sell its shares in our Company to a third party, the promoters have a right of first refusal to buy the shares from the SIM Investor.

7. Shareholders Agreement between our Company, Sanlam International Investment Partners Limited, Mr. Mahesh Chand Gupta, Mr. Subhash Chand Aggarwal and individual / corporate shareholder entities

Subsequent to the expiry of the aforementioned agreement, the Company, Sanlam International Investment Partners Limited (“**SIM Investor**”), Mr. Mahesh Chand Gupta, Mr. Subhash Chand Aggarwal and individual/corporate shareholder entities have entered into a shareholders’ agreement dated December 1, 2010, in terms of which the SIM Investor agreed to purchase 5.28% of the entire issued share capital of the Company. Pursuant to amendment agreements dated January 18, 2013, August 19, 2013 and December 16, 2013, the terms of this Agreement were amended and *inter alia* provide that:

- (i) The Company and the promoters have decided to extend the date of the listing of the equity shares of our Company, on the BSE and/or the NSE up till March 31, 2015.
- (ii) As long as the SIM Investor retains not less than 2.64% of the paid-up share capital and/or holds not less than 40% the issued shares in any joint venture with our Company in India, the promoters of our Company shall grant the SIM Investor the first opportunity to participate in any further joint venture in the financial services industry.
- (iii) As long as our Company holds not less than 40% of the issued shares in any joint venture with the SIM Investor in India, and the SIM Investor retains not less than 2.64% of the paid-up share capital of our Company, the SIM Investor shall grant our Company the first opportunity to participate in any further joint venture in the financial services industry.
- (iv) The SIM Investor has the right to sell an equal proportion of equity shares if our Company contemplates a further public offering at any time in which the Promoters offload their equity shares.
- (v) Except for certain permitted transfers, the promoters and the promoter group of our Company shall not pledge, lien or charge any securities of our Company or the SMC Group companies, without the prior written consent of the SIM Investor.
- (vi) If the SIM Investor proposes to sell its shares in our Company to a third party, the promoters have a right of first refusal to buy the shares from the SIM Investor.

Subsidiaries of Our Company

1. SMC Comtrade Limited

The following table represents the changes in the name of the company since incorporation:

Date	Name
March 21, 1997	Ambuja Finpro Private Limited
July 13, 2006	SMC Comex Private Limited
October 17, 2006	SMC Comtrade Limited

SMC Comtrade Limited is engaged in the business of trading in agricultural products, metals including precious metals, petroleum and energy products and all other commodities, in spot markets and in futures and all kinds of derivatives of all the above commodities. The authorized share capital of SMC Comtrade Limited is ₹10,00,00,000 divided into 1,00,00,000 equity shares of ₹10 each and the paid up capital of SMC Comtrade Limited is ₹ 10,00,00,000 (divided into 1,00,00,000 equity shares of ₹ 10 each).

Shareholding Pattern

The shareholding pattern of SMC Comtrade Limited:

Name of the Shareholder	No. of equity shares	% shareholding
SMC Global Securities Limited	84,99,994	85.00
SMC Finvest Limited	15,00,000	15.00
Subhash Chand Aggarwal	1	Negligible
Mahesh Chand Gupta	1	Negligible
Sushma Gupta	1	Negligible
Hemlata Aggarwal	1	Negligible
M.G. Aggarwal	1	Negligible
S.S. Gupta	1	Negligible
Total	100,00,000	100.00

Financial Information

The summary audited financial statements of SMC Comtrade Limited for the period ended on June 30, 2014 and the last three years are as follows:

(₹ in million)

Particulars	Period ended		Year ended	
	June 30, 2014	March 31, 2014	March 31, 2013	March 31, 2012
Share Capital	100.00	100.00	85.00	45.00
Reserves	1,191.90	1,178.22	956.44	688.91
Net worth	1,291.90	1,278.22	1,041.44	733.91
Revenue	123.56	559.05	608.84	739.76
EBITDA	32.37	99.38	27.47	33.31
PAT	14.18	41.54	1.10	6.75

SMC Comtrade Limited is not a 'sick industrial company' under the provisions of the SICA. Also, no winding up proceedings are pending or have been initiated against the company in accordance with the provisions of the Companies Act. Further, no application has been made in respect of the company to the Registrar of Companies for striking off its name.

2. SMC Insurance Brokers Private Limited

The following table represents the changes in the name of the company since incorporation:

Date	Name
March 20, 1995	Anirudh Financial Consultants Private Limited
July 23, 1998	Kinetic Projects Private Limited
January 30, 2002	R.K. Deepak & Associates Private Limited
March 30, 2004	DSP Insurance Brokers Private Limited
June 1, 2007	SMC Insurance Brokers Private Limited

SMC Insurance Brokers Private Limited is engaged in the business of carrying out all activities connected with insurance broking for general and life insurance for their clients. The authorized share capital of SMC Insurance Brokers Private Limited is ₹ 45,00,00,000 divided into 4,50,00,000 equity shares of ₹ 10 each and the paid up capital of SMC Insurance Brokers Private Limited is ₹ 41,40,00,000 (divided into 4,14,00,000 equity shares of ₹10 each).

Shareholding Pattern

The shareholding pattern of SMC Insurance Brokers Private Limited:

Name of the Shareholder	No. of equity shares	% shareholding
SMC Comtrade Limited	4,03,99,900	97.58
Pravin Agarwal	10,00,000	2.41
Mahesh Chand Gupta	100	Negligible
Total	4,14,00,000	100.00

Financial Information

The summary audited financial statements of SMC Insurance Brokers Private Limited for the period ended on June 30, 2014 and the last three years are as follows:

Particulars	(₹ in million)			
	Period ended June 30, 2014	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2012
Share Capital	414.00	414.00	414.00	414.00
Reserves	(144.13)	(144.00)	(190.10)	(244.06)
Net worth	269.87	270.00	223.90	169.94
Revenue	78.00	316.04	278.93	206.16
EBITDA	9.62	78.63	81.20	14.39
PAT	3.27	46.10	53.97	2.32

SMC Insurance Brokers Private Limited is not a 'sick industrial company' under the provisions of the SICA. Also, no winding up proceedings are pending or have been initiated against the company in accordance with the provisions of the Companies Act. Further, no application has been made in respect of the company to the Registrar of Companies for striking off its name.

3. Moneywise Financial Services Private Limited

Moneywise Financial Services Private Limited was originally incorporated as Sati Sales Private Limited on March 22, 1996 under the Companies Act. Pursuant to a fresh certificate of incorporation issued on July 22, 2008, the company was renamed as Moneywise Financial Services Private Limited. The company is registered as a non-deposit NBFC with the RBI and is engaged in the business of making loans and advances, lending money against a mortgage of immovable property or pledge of movable property.

The authorized share capital of Moneywise Financial Services Private Limited is ₹ 20,00,00,000 divided into 2,00,00,000 equity shares of ₹10 each and the paid up capital of Moneywise Financial Services Private Limited is ₹ 18,36,46,500 (divided into 1,83,64,650 equity shares of ₹ 10 each).

Shareholding Pattern

The shareholding pattern of Moneywise Financial Services Private Limited:

Name of the Shareholder	No. of equity shares	% shareholding
SMC Global Securities Limited	1,83,64,550	99.99
Mr. Ajay Garg	100	Negligible
Total	1,83,64,650	100.00

Financial Information

The summary audited financial statements of Moneywise Financial Services Private Limited for the period ended on June 30, 2014 and the last three years are as follows:

(₹ in million)

Particulars	Period ended	Year ended		
	June 30, 2014	March 31, 2014	March 31, 2013	March 31, 2012
Share Capital	183.65	183.65	133.65	133.65
Reserves	578.82	570.95	388.48	374.60
Net worth	762.47	754.60	522.13	508.25
Loan portfolio size (only for Money wise)	-	-	-	-
Revenue	23.35	95.69	45.17	63.14
EBITDA	16.04	67.02	23.12	9.37
PAT	7.94	32.47	13.89	2.72

Moneywise Financial Services Private Limited is not a 'sick industrial company' under the provisions of the SICA. Also, no winding up proceedings are pending or have been initiated against the company in accordance with the provisions of the Companies Act. Further, no application has been made in respect of the company to the Registrar of Companies for striking off its name.

4. SMC Investments and Advisors Limited

The following table represents the changes in the name of the company since incorporation:

Date	New Name
August 28, 1997	SMC Global Limited
January 4, 2008	SMC Wealth Management Services Limited
January 24, 2011	SANLAM Investment and Advisors Limited
June 9, 2011	SMC Investments and Advisors Limited

SMC Investments and Advisors Limited is engaged in the business of portfolio management, portfolio manager, portfolio advisory services, corporate advisory services and the business of wealth management. The authorized share capital of SMC Investments and Advisors Limited is ₹ 16,00,00,000 divided into 1,60,00,000 equity shares of ₹ 10 each and the paid up capital of SMC Investments and Advisors Limited is ₹ 15,00,00,000 (divided into 1,50,00,000 equity shares of ₹ 10 each).

Shareholding Pattern

The shareholding pattern of SMC Investments and Advisors Limited is as follows:

Name of the Shareholder	No. of equity shares	% shareholding
SMC Global Securities Limited	1,49,99,994*	99.99
Mahesh Chand Gupta	1	Negligible
Subhash Chand Aggarwal	1	Negligible
Himanshu Gupta	1	Negligible
Sushma Gupta	1	Negligible
Hemlata Aggarwal	1	Negligible
Shweta Aggarwal	1	Negligible
Total	1,50,00,000	100.00

Financial Information

The summary audited financial statements of SMC Investments and Advisors Limited for the period ended on June 30, 2014 and the last three years are as follows:

(₹ in million)

Particulars	Period ended		Year ended	
	June 30, 2014	March 31, 2014	March 31, 2013	March 31, 2012
Share Capital	150.00	150.00	150.00	150.00
Reserves	(22.56)	(16.31)	2.65	40.47
Net worth	127.44	133.69	152.65	190.47
Revenue	15.35	70.65	68.74	69.79
EBITDA	(4.02)	(15.44)	(31.29)	(84.55)
PAT	(5.43)	(18.96)	(37.82)	(95.46)

SMC Investments and Advisors Limited is not a 'sick industrial company' under the provisions of the SICA. Also, no winding up proceedings are pending or have been initiated against the company in accordance with the provisions of the Companies Act. Further, no application has been made in respect of the company to the Registrar of Companies for striking off its name.

5. SMC Capitals Limited

The following table represents the changes in the name of the company since incorporation:

Date	New Name
December 6, 1994	Shubh Finsec Private Limited
December 15, 2005	NEXGEN Capitals Limited
August 22, 2008	SMC Capitals Limited

SMC Capitals Limited is engaged in the business of acting as merchant bankers, underwriters, sub-underwriters, brokers to issue of certificates, buying, selling, transferring, hypothecating and holding of shares, debentures and securities of all kinds. The authorized share capital of SMC Capitals Limited is ₹ 10,00,00,000 divided into 1,00,00,000 equity shares of ₹10 each and the paid up capital of SMC capitals Limited is ₹ 10,00,00,000 (divided into 1,00,00,000 equity shares of ₹10 each).

Shareholding Pattern

The shareholding pattern of SMC Capitals Limited:

Name of the Shareholder	No. of equity shares	% shareholding
SMC Global Securities Limited	99,99,400	99.99
Subhash Chand Aggarwal	100	Negligible
Mahesh Chand Gupta	100	Negligible
Sushma Gupta	100	Negligible
Hemlata Aggarwal	100	Negligible
Himanshu Gupta	100	Negligible
Shweta Aggarwal	100	Negligible
Total	1,00,00,000	100.00

Financial Information

The summary audited financial statements of SMC Capitals Limited for the period ended on June 30, 2014 and the last three years are as follows:

(₹ in million)

Particulars	Period ended	Year ended		
	June 30, 2014	March 31, 2014	March 31, 2013	March 31, 2012
Share Capital	100.00	100.00	90.42	90.42
Reserves	(9.01)	(11.75)	(3.58)	(4.43)
Net worth	90.99	88.25	86.84	85.99
Revenue	16.17	30.09	72.39	52.00
EBITDA	5.81	(25.77)	3.67	17.61
PAT	3.83	(17.76)	2.04	(12.84)

SMC Capitals Limited is not a 'sick industrial company' under the provisions of the SICA. Also, no winding up proceedings are pending or have been initiated against the company in accordance with the provisions of the Companies Act. Further, no application has been made in respect of the company to the Registrar of Companies for striking off its name.

6. SMC Comex International DMCC

SMC Comex International DMCC was incorporated on November 16, 2005 pursuant to a certificate issued by the Registrar of Companies of the Dubai Metals and Commodities Centre Authority. SMC Comex International DMCC is engaged in all such business as the Dubai Metals and Commodities Centre Authority may permit it to carry on.

The authorized share capital of SMC Comex International DMCC is AED 20,00,000 divided into 2,000 equity shares of AED 1,000 each and the paid up capital of SMC Comex International DMCC is AED 20,00,000 (divided into 2,000 equity shares of AED 1,000 each).

Shareholding Pattern

The shareholding pattern of SMC Comex International DMCC:

Name of the Shareholder	No. of equity shares	% shareholding
SMC Comtrade Limited	2,000	100.00
Total	2,000	100.00

Financial Information

The summary audited financial statements of SMC Comex International DMCC for the period ended on June 30, 2014 and the last three years are as follows:

(₹ in million)

Particulars	Period ended	Year ended		
	June 30, 2014	March 31, 2014	March 31, 2013	March 31, 2012
Share Capital	32.57	32.58	19.11	17.97
Reserves	(0.47)	(55.92)	(44.83)	(83.94)
Net worth	32.10	(23.34)	(25.72)	(65.97)
Revenue	77.24	73.24	103.21	48.38
EBITDA	56.16	0.76	45.24	19.07
PAT	55.44	(6.38)	44.42	18.28

7. Moneywise Finvest Limited

Moneywise Finvest Limited was originally incorporated as Sanlam Trustee Company (India) Limited on November 6, 2009 under the Companies Act. Pursuant to a fresh certificate of incorporation issued on January 11, 2012, the company was renamed as Moneywise Finvest Limited. Moneywise Finvest Limited's main object permits it to carry out the business of carrying on all forms of short term, medium term and long term financing, asset financing and other allied activities.

The authorized share capital of Moneywise Finvest Limited is ₹ 5,00,00,000 divided into 50,00,000 equity shares of ₹ 10 each and the paid up capital of Moneywise Finvest Limited is ₹1,00,00,000 (divided into 10,00,000 equity shares of ₹ 10 each).

Shareholding Pattern

The shareholding pattern of Moneywise Finvest Limited:

Name of the Shareholder	No. of equity shares	% shareholding
SMC Global Securities Limited	9,99,993*	99.99
Jai Gopal	1	Negligible
Mohit Shyngle	1	Negligible
Rajesh Pahuja	1	Negligible
Buddhi Lal	1	Negligible
M.K. Gupta	1	Negligible
Anurag Bansal	1	Negligible
Pradeep Aggarwal	1	Negligible
Total	10,00,000	100.00

**Pursuant to agreement dated May 30, 2011 entered into between our Company and Sanlam Investment Management (Pty.) Limited, our Company acquired 61% equity shares of Moneywise Finvest Limited from Sanlam Investment Management (Pty.) Limited, thereby making it a Wholly Owned Subsidiary of our Company.*

Financial Information

The summary audited financial statements of Moneywise Finvest Limited for the period ended on June 30, 2014 and the last three years are as follows:

Particulars	Year ended			
	Period ended June 30, 2014	March 31, 2014	March 31, 2013	March 31, 2012
Share Capital	10.00	10.00	10.00	10.00
Reserves	1.65	1.42	0.87	0.38
Net worth	11.65	11.42	10.87	10.38
Revenue	0.30	0.73	0.61	0.66
EBITDA	0.29	0.68	0.58	0.61
PAT	0.23	0.55	0.49	0.60

Moneywise Finvest Limited is not a 'sick industrial company' under the provisions of the SICA. Also, no winding up proceedings are pending or have been initiated against the company in accordance with the provisions of the Companies Act. Further, no application has been made in respect of the company to the Registrar of Companies for striking off its name.

8. SMC Finvest Limited

SMC Finvest Limited was originally incorporated as Sanlam Investment Management (India) Limited on November 6, 2009 under the Companies Act. Pursuant to a fresh certificate of incorporation issued on February 6, 2012, the company was renamed as SMC Finvest Limited. SMC Finvest Limited's main object permits it to carry out the business of carrying on all forms of short term, medium term and long term financing, asset

financing and other allied activities. The Reserve Bank of India, vide its letter dated August 25, 2014, recognised SMC Finvest Limited as a 'Core Investment Company' not requiring registration ("RBI Letter"). As per the RBI Letter, SMC Finvest Limited is required to satisfy the conditions prescribed in Core Investment Companies (Reserve Bank) Directions, 2011. Also, the RBI, vide the RBI Letter, advised the Company to approach the RBI for registration as a 'Core Investment Company' once its total assets exceed ₹ 1,000 million either individually or in aggregate along with other Core Investment Companies in the Group which raises or holds public funds.

The authorized share capital of SMC Finvest Limited is ₹ 60,00,00,000 divided into 6,00,00,000 equity shares of ₹10 each and the paid up capital of SMC Finvest Limited is ₹ 41,00,00,000 (divided into 4,10,00,000 equity shares of ₹ 10 each).

Shareholding Pattern

The shareholding pattern of SMC Finvest Limited:

Name of the Shareholder	No. of equity shares	% shareholding
SMC Global Securities Limited	4,09,99,994*	99.99
Subhash Chand Aggarwal	1	Negligible
Mahesh Chand Gupta	1	Negligible
Rakesh Gupta	1	Negligible
Shweta Aggarwal	1	Negligible
Ajay Garg	1	Negligible
Anurag Bansal	1	Negligible
Total	4,10,00,000	100.00

*Pursuant to agreement dated May 30, 2011 entered into between our Company and Sanlam Investment Management (Pty.) Limited, our Company acquired 61% equity shares of SMC Finvest Limited from Sanlam Investment Management (Pty.) Limited, thereby making it a Wholly Owned Subsidiary of our Company.

Financial Information

The summary audited financial statements of SMC Finvest Limited for period ended on June 30, 2014 and the last three years are as follows:

Particulars	Period ended		Year ended	
	June 30, 2014	March 31, 2014	March 31, 2013	March 31, 2012
Share Capital	410.00	410.00	410.00	410.00
Reserves	16.82	15.51	(2.04)	(24.14)
Net worth	426.82	425.51	407.96	385.86
Revenue	2.97	29.10	26.29	35.46
EBITDA	1.89	25.28	19.05	27.34
PAT	1.30	17.56	22.10	21.26

(₹ in million)

SMC Finvest Limited is not a 'sick industrial company' under the provisions of the SICA. Also, no winding up proceedings are pending or have been initiated against the company in accordance with the provisions of the Companies Act. Further, no application has been made in respect of the company to the Registrar of Companies for striking off its name.

*Sanlam Investment Management Pty. Limited has, vide letters dated August 2, 2010 and April 7, 2011, informed SEBI of its decision to withdraw its application to set up its mutual fund business in India. It has also informed SEBI that Moneywise Finvest Limited (formerly known as Sanlam Trustee Company (India) Limited) and SMC Finvest Limited (formerly known as Sanlam Investment Management (India) Limited) shall not be associated with the mutual fund application with SEBI. SEBI has vide its letter dated June 3, 2011 acknowledged the withdrawal of the mutual fund application.

9. SMC ARC Limited

SMC ARC Limited was incorporated on May 25, 2009 under the Companies Act. The main objects of SMC ARC Limited is to engage in the business of asset reconstruction and management in India or outside India and to acquire, hold, manage, assign or dispose of loans, financial assistance or financial assets, with or without underlying the securities of banks, financial institutions or other bodies, corporate, corporate societies, association of persons, firms or individuals.

The authorized share capital of SMC ARC Limited is ₹ 2,50,00,000 divided into 25, 00,000 equity shares of ₹ 10 each and the paid up capital of SMC ARC Limited is ₹ 2,50,00,000 (divided into 25,00,000 equity shares of ₹ 10 each).

Shareholding Pattern

The shareholding pattern of SMC ARC Limited:

Name of the Shareholder	No. of equity shares	% shareholding
SMC Global Securities Limited	24,99,994	99.99
Subhash Chand Aggarwal	1	Negligible
Mahesh Chand Gupta	1	Negligible
Sushma Gupta	1	Negligible
Hemlata Aggarwal	1	Negligible
Damodar Krishan Aggarwal	1	Negligible
Ajay Garg	1	Negligible
Total	25,00,000	100.00

Financial Information

The summary audited financial statements of SMC ARC Limited for period ended on June 30, 2014 and the last three years are as follows:

Particulars	Period ended		Year ended	
	June 30, 2014	March 31, 2014	March 31, 2013	March 31, 2012
Share Capital	25.00	25.00	25.00	25.00
Reserves	(1.05)	(1.80)	(0.95)	(1.27)
Net worth	23.95	23.20	24.05	23.73
Revenue	0.90	(0.98)	0.55	2.54
EBITDA	0.80	(1.33)	0.07	1.09
PAT	0.75	(0.85)	0.31	0.60

SMC ARC Limited is not a 'sick industrial company' under the provisions of the SICA. Also, no winding up proceedings are pending or have been initiated against the company in accordance with the provisions of the Companies Act. Further, no application has been made in respect of the company to the Registrar of Companies for striking off its name.

10. SMC Real Estate Advisors Private Limited

SMC Real Estate Advisors Private Limited (formerly known as SMC Securities Private Limited) was incorporated on February 8, 2013 under the Companies Act as a wholly owned subsidiary of SMC Finvest Limited and its name was changed from SMC Securities Private Limited to SMC Real Estate Advisors Private Limited vide a fresh certificate of incorporation dated May 29, 2014 issued by the Registrar of Companies, Kanpur, Uttar Pradesh. The main objects of SMC Real Estate Advisors Private Limited is to engage in the business of providing real estate broking and advisory services, various types of financial and other allied services.

SMC Real Estate Advisors Private Limited has been incorporated with an authorised capital of ₹ 10,00,00,000 divided into 10,00,000 equity shares of ₹ 100 each. The present paid up capital of SMC Real Estate Advisors Private Limited is ₹ 10,00,00,000 (divided into 10,00,000 equity shares of ₹ 100 each).

Shareholding Pattern

The shareholding pattern of SMC Real Estate Advisors Private Limited:

Name of the Shareholder	No. of equity shares	% shareholding
SMC Finvest Limited	9,99,999	99.99
Damodar Krishan Aggarwal	1	Negligible
Total	10,00,000	100.00

Financial Information

The summary audited financial statements of SMC Real Estate Advisors Private Limited for period ended on June 30, 2014 and the last three years are as follows:

Particulars	(₹ in million)			
	Period ended		Year ended	
	June 30, 2014	March 31, 2014	March 31, 2013	March 31, 2012
Share Capital	100.00	100.00	100.00	NA
Reserves	(4.30)	4.43	(1.39)	NA
Net worth	95.70	104.43	98.61	NA
Revenue	3.93	73.89	(1.40)	NA
EBITDA	(12.35)	8.73	(2.02)	NA
PAT	(8.73)	5.82	(1.39)	NA

SMC Real Estate Advisors Private Limited is not a 'sick industrial company' under the provisions of the SICA. Also, no winding up proceedings are pending or have been initiated against the company in accordance with the provisions of the Companies Act. Further, no application has been made in respect of the company to the Registrar of Companies for striking off its name.

Accumulated profits or losses not accounted for

The accumulated profits or losses of our Subsidiaries have been accounted for by our Company in the restated audited consolidated financial statements of our Company included in this Draft Red Herring Prospectus. For further details, please refer to the section titled "Financial Statements" on page 206 of this Draft Red Herring Prospectus.

Sales or purchases exceeding 10% in aggregate of the total sales or purchases of our Company

Except as stated in the section titled “**Financial Statements – Restated Consolidated Related Party Transactions**” in section titled “**Financial Statements**” beginning on page 206 of this Draft Red Herring Prospectus, there are no sales or purchases between our Subsidiaries exceeding 10% in aggregate in value of the total sales or purchases of our Company.

Financial and Strategic Partners

The Selling Shareholder, Bennett, Coleman & Co. Limited and Sanlam International Investment Partners Limited are the financial investors of our Company. For details of the agreements entered into by our Company with the financial investors, please see the section “History and other Corporate Matters” on page 162 of this Draft Red Herring Prospectus.

OUR MANAGEMENT

Board of Directors

The Articles of Association provides that we shall not have less than three Directors and not more than twenty Directors. We currently have fifteen Directors on our Board.

The following table sets forth details of the Board of Directors as of the date of filing of this Draft Red Herring Prospectus with SEBI:

Name, Designation, Occupation, DIN, Address and Term	Nationality	Age (Years)	Other Directorships /Partnerships
Mr. Subhash Chand Aggarwal Chairman & Managing Director Address: C-335, Saraswati, Vihar, New Delhi 110034 DIN: 00003267 Occupation: Business Term: Not liable to retire by rotation	Indian	58	1. SMC Share Brokers Limited 2. SMC Finvest Limited
Mr. Mahesh Chand Gupta Vice-Chairman & Managing Director Address: C-40, Anand Vihar, I.P. Extension, Delhi-110092 DIN: 00003082 Occupation: Business Term: Not liable to retire by rotation	Indian	57	1. SMC Share Brokers Limited 2. SMC Insurance Brokers Private Limited 3. SMC Capitals Limited 4. Capital Laminates Private Limited
Mr. Ajay Garg Whole-time Director Address: House No. 47, Second Floor, Road No. 43, Punjabi Bagh (West), New Delhi, 110026 DIN: 00003166 Occupation: Service Term: Liable to retire by rotation	Indian	40	1. SMC Insurance Brokers Private Limited 2. Moneywise Financial Services Private Limited 3. Dee Faces Herbal Private Limited
Mr. Anurag Bansal Whole-time Director Address: C-2104, Lakshachandi Heights, Gokuldham, Goregaon (East), Mumbai, 400063 DIN: 00003294 Occupation: Service Term: Liable to retire by rotation	Indian	39	1. SMC ARC Limited 2. Moneywise Finvest Limited 3. Pulin Investments Private Limited
Mr. Pradeep Aggarwal Whole-time Director Address: D-98, Pushpanjali Enclave, Pitampura, New Delhi 110034	Indian	45	1. SMC Comtrade Limited 2. P.P. Comtrade Private Limited 3. SMC Real Estate Advisors Private Limited 4. Signature Builders Private Limited

Name, Designation, Occupation, DIN, Address and Term	Nationality	Age (Years)	Other Directorships /Partnerships
DIN: 00203822			
Occupation: Service			
Term: Liable to retire by rotation			
Mr. Finney Cherian Nominee and Non-Executive Director	American	50	1. Moneywise Financial Services Private Limited
Address: 159, South Drive, Manhasset Hills, New York 11040			
DIN: 02011132			
Occupation: Service			
Term: Liable to retire by rotation			
Mr. Narain Dass Gupta Independent & Non-Executive Director	Indian	68	1. DARCL Logistics Limited 2. Daffodil Software Limited 3. Transrail Logistics Limited 4. Paragon Asset Reconstruction Private Limited
Address: SU-113, Vishakha Enclave, Pitampura, New Delhi 110088			
DIN: 01522375			<i>Partnership:</i>
Occupation: Chartered Accountant			1. Dass Gupta & Associates, Chartered Accountants
Term: Date of Expiration of current term: March 31, 2019			
Mr. Hari Das Khunteta Independent & Non-Executive Director	Indian	62	1. Usher Eco Power Limited 2. NSL Nagapatnam Power and Infratech Private Limited 3. SMC Investments And Advisors Limited 4. SMC Capitals Limited
Address: A-3, Jal Vidyut Apartments, Sector 21-C, Part-III, Faridabad, Haryana 121001			
DIN: 00061925			
Occupation: Professional			
Term: Date of Expiration of current term: March 31, 2019			
Mr. Johannes Hendrik Petrus Van Der Merwe Non-Executive Director	South African	49	NIL
Address: TE 20, Aristeaalan, Bellville, South Africa-7536			
DIN: 03048724			
Occupation: Service			
Term: Liable to retire by rotation			
Mr. Roop Chand Jindal Independent & Non-Executive Director	Indian	66	<i>Partnership:</i>
Address: 49-A, BD Estate, Timarpur, New Delhi 110054			1. Bubber Jindal & Co, Chartered Accountants
DIN: 01450916			

Name, Designation, Occupation, DIN, Address and Term	Nationality	Age (Years)	Other Directorships /Partnerships
Occupation :Chartered Accountant			
Term: Date of Expiration of current term: March 31, 2019			
Mr. Pawan Kumar Bansal Independent & Non-Executive Director Address: A-156, Ist Floor, New Friends Colony, New Delhi 110025 DIN: 00420629 Occupation: Industrialist Term: Date of Expiration of current term: March 31, 2019	Indian	49	1. Capital Power Infrastructure Limited 2. Kuber Merchandises Private Limited 3. Pivotal Infotech Private Limited 4. Capital Power Systems Limited 5. Global Power Transformers Limited 6. Capital Electricals Limited 7. Mayur Electricals Industries Private Limited 8. SMC Comtrade Limited 9. Moneywise Financial Services Private Limited 10. SMC Real Estate Advisors Private Limited
Mr. Kundan Mal Agarwal Independent & Non-Executive Director Address: Flat No 8614, Sector-C, Pkt-8. -8, Vasant Kunj, New Delhi 110070 DIN: 00043115 Occupation: Chartered Accountant Term: Date of Expiration of current term: March 31, 2019	Indian	65	1. Share Bazar Financial Services Limited 2. Sona Finance Private Limited 3. Ganpati Stock Private Limited 4. Moneywise Financial Services Private Limited 5. SMC Finvest Limited 6. SMC Comtrade Limited
Mr. Satish Chandra Gupta Independent & Non-Executive Director Address: A-1/135, Inderpuri, New Delhi 110012 DIN: 00025780 Occupation: Retired Banker Term: Date of Expiration of current term: March 31, 2019	Indian	67	1. Emmsons International Limited 2. ISMT Limited 3. Brahmaputra Infrastructure Limited 4. Gita Energy Generation Private Limited 5. Orbit Corporation Limited 6. Prudent ARC Limited 7. Ahinsha Buildtech Private Limited 8. Orbit Highcity Private Limited 9. Kohinoor Foods Limited 10. Kamawala Housing Construction Limited 11. Hotel Queen Road Private Limited 12. SMC Investments And Advisors Limited
Mr. Chandra Wadhwa Independent & Non-Executive Director Address: 705, Double Sotrey, New Rajinder Nagar,	Indian	56	1. Wadhwa Financial Services Private Limited 2. SMC Capitals Limited 3. SMC Insurance Brokers

Name, Designation, Occupation, DIN, Address and Term	Nationality	Age (Years)	Other Directorships /Partnerships
New Delhi 110060			Private Limited
DIN: 00764576			Partnership:
Occupation: Cost Accountant			1. Chandra Wadhwa & Co.
Term: Date of Expiration of current term: March 31, 2019			
Dr. Madhu Vij Independent and Non-Executive Director	Indian	59	1. Singer India Limited
Address: 18/8, Kalkaji, New Delhi 110019			
DIN: 00025006			
Occupation: Service			
Term: Date of Expiration of current term: March 31, 2019			

None of our Directors hold current and/ or past directorship(s) for a period of five years in listed companies whose shares have been or were suspended from being traded on the BSE or the NSE or in listed companies who have been / were delisted from stock exchanges.

Relationship between Directors

None of the Directors are related to each other.

Brief Profile of our Directors

Mr. Subhash Chand Aggarwal is the Chairman & Managing Director of our Company. He is one of our Promoters and has been a Director of our Company since December 19, 1994. He is a fellow member of the Institute of Chartered Accountants of India since 1986. He is the chairman of the India European Union Business Promotion Council of ASSOCHAM, co-chairman of the National Council of Capital Markets and a senior member of the management committee of ASSOCHAM. He has also acted as a member of the expert group on behalf of ASSOCHAM Working Group constituted by the Ministry of Corporate Affairs and the Cost Accounting Board.

Mr. Mahesh Chand Gupta is the Vice Chairman and Managing Director of our Company. He did his bachelors in commerce from Delhi University and is a fellow member of the Institute of Chartered Accountants of India since 1981. He is one of our Promoters and is the managing director of our Company since September 1, 2007. He looks after the policy, vision and major part of the operational activities of the group.

Mr. Ajay Garg is the Whole Time Director of our Company. He is a member of the Institute of Chartered Accountants of India since 1996.

Mr. Anurag Bansal is the Whole Time Director of our Company. He is a member of the Institute of Chartered Accountants of India since 2003.

Mr. Pradeep Aggarwal is the Whole Time Director of our Company. He graduated from the University of Delhi with a Bachelor of Arts in 1992.

Mr. Finney Cherian is a Nominee and Non-Executive Director of our Company. He holds a Masters in Business Administration in international finance from St. John's University, New York.

Mr. Narain Dass Gupta is an Independent and Non-Executive Director of our Company. He is a fellow member of the Institute of Chartered Accountants of India. He was also appointed as the President of the Institute of Chartered Accountants of India in 2001.

Mr. Hari Das Khunteta is a Non-Executive Director of our Company. He is a member of the Institute of Chartered Accountants of India since 1976.

Mr. Johannes Hendrik Petrus Van Der Merwe is a Non-Executive Director of our Company.

Mr. Roop Chand Jindal is an Independent and Non-Executive Director of our Company. He is a fellow member of the Institute of Chartered Accountants of India since 1975. He is also a partner at Bubber Jindal & Co, Chartered Accountants.

Mr. Pawan Kumar Bansal is an Independent and Non-Executive Director of our Company.

Mr. Kundan Mal Agarwal is an Independent and Non-Executive Director of our Company. He is a fellow member of the Institute of Chartered Accountants of India since 1974.

Mr. Satish Chandra Gupta is an Independent and Non-Executive Director of our Company. He was also a former Chairman & Managing Director of Punjab National Bank.

Mr. Chandra Wadhwa is an Independent and Non-Executive Director of our Company. He is a fellow member of the Institute of Cost Accountants of India and the Institute of Company Secretaries of India since 1985.

Dr. Madhu Vij is a professor at the Faculty of Management Studies, University of Delhi. She holds a Doctorate degree, a Master's degree in Commerce and a Master's Degree in Philosophy from the University of Delhi. She has also been an Independent Director at MOIL Limited. She has also participated and attended various National and International conferences including Global Colloquium on 'Participant Centered Learning' at Harvard Business School, Boston, USA from 26 July 2009 to 5 August 2009. She has been granted with various honours and awards at national and international levels and has also authored various books.

Borrowing Powers of the Board

The Articles of Association, subject to the provisions of the Companies Act, authorise the Board, at its discretion, to generally raise or borrow or secure the payment of any sum or sums of money for our purposes. However, the Board of Directors shall not without the sanction of the Shareholders exceed the aggregate of our paid up capital and free reserves.

The consent of the Shareholders was accorded, *vide* resolution passed at the AGM held on September 26, 2014, authorizing the Board of Directors to borrow at any time amount not exceeding ₹ 10,000 million over and above our paid up capital and free reserves.

Details of Service Contracts

We have not entered into any service contracts with the present Board of Directors.

Remuneration of the Directors

During the fiscal year 2014, we have not paid any remuneration and sitting fees to the present Board of Directors, except as follows:

Name of the Director	Sitting Fees (₹)	Commission on profit (₹)	Remuneration and other allowances (₹)	Performance Linked Incentives (₹)	Monetary Value of Perquisites (₹)
Mr. Subhash Chand Aggarwal	Nil	Nil	65,00,000	Nil	Nil
Mr. Mahesh Chand Gupta	Nil	Nil	65,00,000	Nil	Nil
Mr. Ajay Garg	Nil	Nil	30,00,000	Nil	Nil
Mr. Anurag Bansal	Nil	Nil	32,50,000	Nil	Nil

Name of the Director	Sitting Fees (₹)	Commission on profit (₹)	Remuneration and other allowances (₹)	Performance Linked Incentives (₹)	Monetary Value of Perquisites (₹)
Mr. Pradeep Aggarwal	Nil	Nil	42,50,675	Nil	Nil
Mr. Finney Cherian	Nil	Nil	Nil	Nil	Nil
Mr. Narain Dass Gupta	15,000	Nil	Nil	Nil	Nil
Mr. Hari Das Khunteta	60,000	Nil	Nil	Nil	Nil
Mr. Johannes Hendrik Petrus Van Der Merwe	Nil	Nil	Nil	Nil	Nil
Mr. Roop Chand Jindal	30,000	Nil	Nil	Nil	Nil
Mr. Pawan Kumar Bansal	15,000	Nil	Nil	Nil	Nil
Mr. Kundan Mal Agarwal	60,000	Nil	Nil	Nil	Nil
Mr. Satish Chandra Gupta	45,000	Nil	Nil	Nil	Nil
Mr. Chandra Wadhwa	45,000	Nil	Nil	Nil	Nil
Dr. Madhu Vij	Nil	Nil	Nil	Nil	Nil

Shareholding of Directors in our Company

Except as disclosed below, none of our Directors hold any Equity Shares of our Company:

Name of the Directors	Number of Equity Shares held	% of total paid up Equity Share Capital
1. Subhash Chand Aggarwal	1,00,95,500	8.92
2. Mahesh Chand Gupta	1,02,48,500	9.06
3. Pradeep Aggarwal	1,07,830	0.10
4. Ajay Garg	8,41,600	0.74
5. Anurag Bansal	2,50,000	0.22

None of the Directors hold qualification shares in our Company.

As on date of filing of this Draft Red Herring Prospectus, our Directors hold the following number of Equity Shares of our Subsidiaries:

Name of the Director	Name of the Subsidiary	No. of equity shares
Subhash Chand Aggarwal	SMC Capitals Limited	100*
	SMC Finvest Limited	1*
	SMC ARC Limited	1*
	SMC Comtrade Limited	1*
	SMC Investment and Advisors Limited	1*
Mahesh Chand Gupta	SMC Capitals Limited	100*
	SMC Finvest Limited	1*
	SMC Insurance Brokers Limited	100
	SMC ARC Limited	1*
	SMC Comtrade Limited	1*
	SMC Investment and Advisors Limited	1*

Name of the Director	Name of the Subsidiary	No. of equity shares
Ajay Garg	SMC Finvest Limited	1*
	Moneywise Financial Services Private Limited	100
	SMC ARC Limited	1*
Anurag Bansal	Moneywise Finvest Limited	1*
	SMC Finvest Limited	1*
Pradeep Aggarwal	Moneywise Finvest Limited	1*
	SMC Finvest Limited	1*

* As a nominee of our Company.

Payment or benefit to Directors

Except as disclosed in the “Annexure XVII - Related Party Transactions” under “Financial Statements” on page 206, no amount or benefit has been paid or given within the two preceding years or is intended to be paid or given to any of our officers except the normal remuneration for services rendered as Directors, officers or employees.

Interest of the Directors

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

There are no service contracts between us and any of the Directors for payment of benefit upon termination of employment.

Our Directors may also be regarded as interested in the Equity Shares, if any, held by them or that may be subscribed by and allotted to the companies, firms, and trusts, if any, in which they are interested as directors, members, promoters, and /or trustees pursuant to this Issue.

Some of our Directors also hold directorships in the Promoter Group. Except Mr. Finney Cherian and Mr. Johannes Hendrik Petrus Van Der Merwe, none of our Directors have been appointed on our Board pursuant to any arrangement with our major shareholders, customers, suppliers or others.

Except as stated in this section titled “Management” or “Annexure XVII - Related Party Transactions” under “Financial Statements” on page 206, our Directors do not have any other interest in our business.

Our Directors have no interest in any property acquired by us within two years of the date of this Draft Red Herring Prospectus. Our Directors are not interested in the appointment of or acting as Registrar and Bankers to the Issue or any such intermediaries registered with SEBI.

Changes in the Board in the last three years

The following changes have occurred in Board of Directors in the last three years:

Name	Date of Appointment (Re-appointment)	Date of Cessation	Reason for change
Mr. D.P. Roy	May 27, 2010	October 19, 2011	Resignation
Mr. Rakesh Gupta	May 30, 2003	March 09, 2012	Resignation
Mr. R.L. Sudhir	September 3, 2012	January 30, 2013	Resignation
Mr. Satish Chandra Gupta	May 30, 2011	-	Appointment
Mr. Johannes Hendrik Petrus Van Der Merwe	November 16, 2011	-	Appointment
Mr. Chandra Wadhwa	September 03, 2012	-	Appointment

Name	Date of Appointment (Re-appointment)	Date of Cessation	Reason for change
Mr. Hari Das Khunteta	October 12, 2012	-	Appointment
Mr. Pradeep Aggarwal	June 1, 2012	-	Re-Appointment
Mr. Mahesh Chand Gupta	September 1, 2012		Re-Appointment
Mr. Ajay Garg	March 28, 2014	-	Re-Appointment
Mr. Anurag Bansal	March 28, 2014	-	Re-Appointment
Dr. Madhu Vij	September 23, 2014	-	Appointment

Corporate Governance

We have complied with the provisions of the Listing Agreement including Clause 49 of the Listing Agreement and other requirements under the Listing Agreement in relation to the meetings of the Audit Committee and the Stakeholders Relationship Committee. The Company also has the following committees' viz., Nomination and Remuneration Committee, Corporate Social Responsibility (CSR) Committee and the Public Issue and Listing Committee. The Board of Directors consists of a total of fifteen Directors of which eight are independent Directors (as defined under Clause 49), which constitutes over 50% of the Board of Directors. This is in compliance with the requirements of Clause 49.

The details of the aforementioned committees are given below:

Committees of the Board

A. Audit Committee

The Audit Committee was originally constituted pursuant to the Board resolution dated May 30, 2003, reconstituted on February 6, 2012 and was last reconstituted on May 26, 2014. It presently comprises of the following members:

Name of the Directors	Designation
Mr. Satish Chandra Gupta	Chairman
Mr. Kundan Mal Agarwal	Member
Mr. Roop Chand Jindal	Member
Mr. Narain Dass Gupta	Member
Mr. Hari Das Khunteta	Member

Our Company Secretary is the secretary of the Audit Committee. The scope and function of the Audit Committee is in accordance with Section 177 of the Companies Act 2013 and Clause 49 of the Listing Agreement and its terms of reference include the following:

- (i) the recommendation for appointment, remuneration and terms of appointment of auditors of the company.
- (ii) review and monitor the auditor's independence and performance, and effectiveness of audit process.
- (iii) examination of the financial statement and the auditors' report thereon.
- (iv) approval or any subsequent modification of transactions of the company with related parties.
- (v) scrutiny of inter-corporate loans and investments.
- (vi) valuation of undertakings or assets of the company, wherever it is necessary.
- (vii) evaluation of internal financial controls and risk management systems.
- (viii) monitoring the end use of funds raised through public offers and related matters.
- (ix) Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- (x) Recommending to the Board, the appointment, re-appointment and if required, the replacement or removal of the Statutory Auditor and fixation of audit fees.

- (xi) Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors.
- (xii) Reviewing, with management, the annual financial statements before submission to the Board for approval, with particular reference to:
 - Matters required being included in the Directors' Responsibility Statement to be included in 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 exercise of judgment by management.
 - Significant adjustments made in the financial statements arising out of audit findings.
 - Compliance with listing and other legal requirements relating to financial statements.
 - Disclosure of any related party transactions.
 - Qualifications in the draft audit report.
- (xiii) Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
- (xiv) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
- (xv) Reviewing with the management, performance of statutory and internal auditors and adequacy of internal control systems.
- (xvi) 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.
- (xvii) Discussion with internal auditors on any significant findings and follow up thereon.
- (xviii) 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.
- (xix) Discussions with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- (xx) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- (xxi) To review the functioning of the Whistle Blower mechanism, in case the same is already in place.
- (xxii) Approval of appointment of CFO (i.e. the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background etc. of the candidate.
- (xxiii) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

B. Stakeholders Relationship Committee

The Stakeholders Relationship Committee (formerly known as Investor's Grievances Committee) was constituted pursuant to the Board resolution dated April 28, 2003 and was reconstituted on May 25, 2007 and further reconstituted on May 26, 2014. The Stakeholders Relationship Committee is responsible for redressal of shareholder grievances and presently comprises of the following members:

Name of the Directors	Designation
Mr. Kundan Mal Agarwal	Chairman
Mr. Hari Das Khunteta	Member

Name of the Directors	Designation
Mr. Roop Chand Jindal	Member
Mr. Pawan Kumar Bansal	Member

The Company Secretary is the secretary of the Stakeholders Relationship Committee. The scope and terms of reference of the Stakeholders Relationship Committee is as follows:

- (i) Look into various investors related issues including redressal of complaints of shareholders / investors relating to :
 - (a) Transfer of shares
 - (b) Non-receipt of balance sheet
 - (c) Non-receipt of declared dividends
 - (d) Issue of duplicate share certificate etc.
 - (e) Other queries
- (ii) To expedite the process of transfer and transmission of securities and other matters like consolidation of share certificates, issue of duplicate share certificates, de-materialization / re-materialization of shares, the Board of the Company shall delegate the power to the Registrar and Share Transfer Agent of the Company.

C. Nomination and Remuneration Committee

The Nomination and Remuneration Committee (Formerly Known as Remuneration Committee) was constituted pursuant to the Board resolution dated May 30, 2003 and was reconstituted on May 25, 2007 and further reconstituted on May 26, 2014. It presently comprises of the following members:

Name of the Directors	Designation
Mr. Chandra Wadhwa	Chairman
Mr. Narain Das Gupta	Member
Mr. Roop Chand Jindal	Member
Mr. Kundan Mal Agarwal	Member
Mr. Pawan Kumar Bansal	Member

The Company Secretary is the secretary of the Nomination and Remuneration Committee. The scope and terms of the Nomination and Remuneration Committee is in accordance with Section 178 of the Companies Act 2013. The terms of reference of the Nomination and Remuneration Committee include the following:

- (i) To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal;
- (ii) To carry out evaluation of every director's performance.
- (iii) To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees. The Committee, while formulating the policy shall ensure that—
 - (a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
 - (b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - (c) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.
- (i) To recommend to the Board, the remuneration (including any modification therein) payable to the Managing Director or Whole-Time Director or Manager of the Company;
- (ii) Such other functions/area/term as desired/referred by the Board from time to time or required under applicable law/listing agreement, for time being in force.

Further, the Remuneration Committee has been authorized to determine our Company's policy on remuneration of directors including compensation payment and other related issues.

D. Corporate Social Responsibility (CSR) Committee :

The Corporate Social Responsibility Committee was constituted by our Board on May 26, 2014. The scope and functions of the Corporate Social Responsibility Committee is in accordance with Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014 to perform the duties which may be performed by the Committee under the Companies Act, 2013 and any other duties assigned to it by the Board from time to time.

The Corporate Social Responsibility Committee presently comprises of the following members:

Name of the Directors	Designation
Mr. Subhash Chand Aggarwal	Chairman
Mr. Mahesh Chand Gupta	Vice- Chairman
Mr. Satish Chandra Gupta	Member
Mr. Kundan Mal Agarwal	Member

E. Public Issue and Listing Committee

The role of Public Issue and Listing Committee is to take all decisions relating to the Issue as it may, in its absolute discretion, deem fit and proper in the best interest of our Company, without requiring any further approval of the Board of Directors of our Company or its equity shareholders.

The Public Issue and Listing Committee was constituted pursuant to the Board resolution dated May 26, 2014. It presently comprises of the following members:

Name of the Directors	Designation
Mr. Hari Das Khunteta	Chairman
Mr. Kundan Mal Agarwal	Member
Mr. Satish Chandra Gupta	Member
Mr. Subhash Chand Aggarwal	Member
Mr. Anurag Bansal	Member
Mr. Mahesh Chand Gupta	Member
Mr. Chandra Wadhwa	Member

The Company Secretary shall be the secretary of the Public Issue and Listing Committee. The scope and terms of reference of the Public Issue and Listing Committee is as follows:

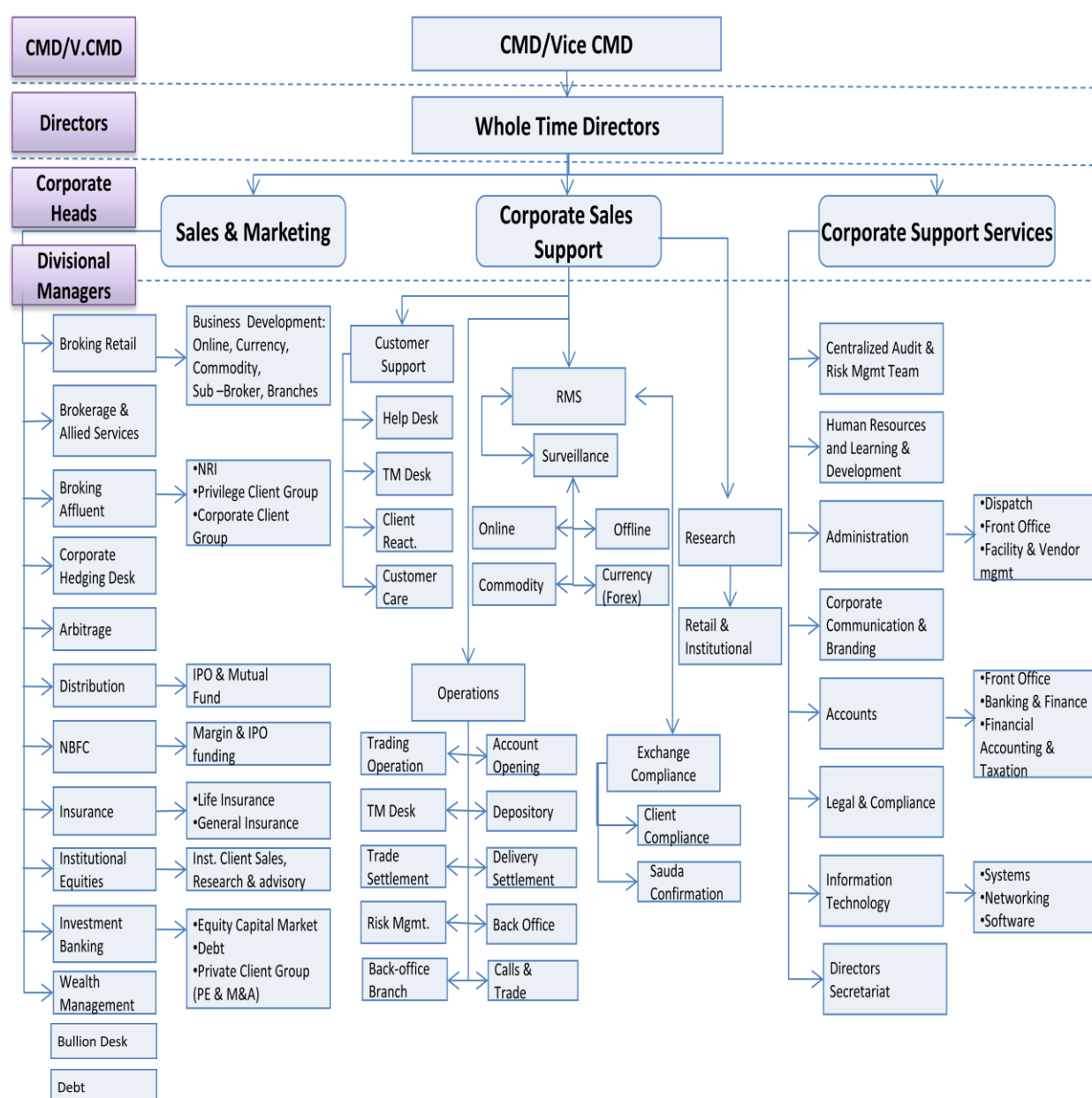
- (i) Evaluating the viability of the proposed Further Public Offer (“FPO”) of our Company vis-à-vis market conditions, investors interest and recommend to the Board on the timing of the proposed FPO, the number of equity shares that may be offered under the Issue, the objects of the Issue, allocation of the equity shares to a specific category of persons and the estimated expenses on the Issue as a percentage of Issue size.
- (ii) Identify, appoint and enter into necessary agreements/ arrangements with the book running lead managers, underwriters, syndicate members, brokers/ sub brokers, bankers, escrow collection bankers, registrars, legal advisors, placement agents, depositories, trustees, custodians, advertising agencies, monitoring agency, stabilization agent and all such persons or agencies as may be involved in or concerned with and to negotiate and finalize the terms of their appointment, including mandate letter, finalization and execution of the memorandum of understandings, etc.
- (iii) Finalizing remuneration of all such intermediaries, advisors, agencies and persons as may be involved in or concerned with the Issue, if any, by way of commission, brokerage, fees or the like and opening bank accounts, share/ securities accounts, escrow or custodian accounts, in India or abroad.

- (iv) Guiding the intermediaries in the preparation and finalization of the Draft Red Herring Prospectus, the Red Herring Prospectus, the Prospectus and the preliminary and final international wrap and approving the same including any amendments, supplements, notices or corrigenda thereto, together with any summaries thereto.
- (v) Finalizing and arranging for the submission of the Draft Red Herring Prospectus, the Red Herring Prospectus, the Prospectus and the preliminary and final international wrap and any amendments, supplements, notices or corrigenda thereto, to the SEBI, the Stock Exchanges, the Registrar of Companies and other appropriate Government and regulatory authorities, institutions or bodies.
- (vi) Making applications for the listing of shares in one or more of the stock exchange(s) for the listing of equity shares of our Company and to execute and to deliver or arrange the delivery of necessary documentation to the stock exchange(s) concerned.
- (vii) Seeking, 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 Issue, if any.
- (viii) Determining and finalizing the price band for the Issue, any revision to the price band and the final Issue price after bid closure, determining the bid opening and closing dates and determining the price at which the equity shares are offered or issued/ allotted to investors in the Issue.
- (ix) Making applications to the Foreign Investment Promotion Board, the RBI and such other authorities as may be required for the purpose of allotment of shares to non-resident investors.
- (x) Opening with the bankers to the Issue such accounts as are required by the regulations issued by the SEBI.
- (xi) To provide/grant/finalize or assist in alliance with prospective buyers to facilitate the exit route to Millennium Investment & Acquisition Company Inc., USA through FPO or any other possible means.
- (xii) To carry out all such acts, deeds, matters and things and execute all such other documents, etc. as it may, in its absolute discretion, deem necessary or desirable for such purpose, including without limitation, finalize the basis of allocation and to allot the shares to the successful allottees as permissible in law, issue of share certificates in accordance with the relevant rules.
- (xiii) To settle all questions, difficulties or doubts that may arise in regard to such issues or allotment as it may, in its absolute discretion deem fit.
- (xiv) To delegate any of the powers mentioned above to our Company executives.
- (xv) The Company Secretary of our Company shall act as Secretary to the Public Issue and Listing Committee and shall keep the Board informed about the decisions of the Committee.
- (xvi) Any vacancy in the committee shall be provided for by the Board, as long as there is not less than two independent and non-executive directors, who shall be members of the committee.

Policy on Prevention of Insider Trading

We are in compliance with the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 1992. Mr. Suman Kumar, Executive Vice President (Corporate Affairs), 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.

Managerial Organizational Structure



Key Managerial Personnel and Senior Management Personnel

Our Key Managerial Personnel include Mr. Subash Chand Aggarwal, our Chairman and Managing Director; Mr. Mahesh Chand Gupta, our Vice-Chairman & Managing Director; Mr. Vinod Kumar Jamar, Chief Financial Officer; and Mr. Suman Kumar, Executive Vice President (Corporate Affairs), Company Secretary and Compliance Officer.

Our Senior Management Personnel include Mr. Ashok Kumar Aggarwal, Senior Vice President (Depository Participant Operations); Mr. Jagannadham Thunuguntla, our strategist and head of research; Mr. Mohit Shyngle, Senior Vice President (Business Development); and Mr. Mahesh Kumar Gupta, Senior Vice President (Marketing).

Brief Biographies of our Key Managerial Personnel and our Senior Management Personnel

Key Management Personnel

All the key management personnel are permanent employees of our Company. In addition to the Managing Directors, Whole Time Directors, whose details have been provided above under the section titled “Our

Management – Brief Profile of the Directors” on page 179, the details of the other key management personnel, as of the date of this Draft Red Herring Prospectus, are set forth below:

Vinod Kumar Jamar, aged 52 years, is member of Institute of Chartered Accountant of India since 1991. He is currently acting as Chief Financial Officer in our Company. The gross compensation paid to him for fiscal year 2014 was ₹ 2.97 million.

Suman Kumar, aged 39 years, holds an LL.B. degree from Delhi University and is also a member of Institute of Company Secretaries of India since 2003. He is currently acting as Executive Vice President (Corporate Affairs), Company Secretary and Compliance Officer. The gross compensation paid to him for fiscal year 2014 was ₹ 2.26 million.

Senior Management Personnel

The details of our Senior Management Personnel as of the date of this Draft Red Herring prospectus are as follows:

Ashok Kumar Aggarwal, aged 58 years, is a fellow member of the Institute of Chartered Accountants of India since 1980. He is currently acting as senior vice president and looks after depository participant operations. Prior to joining our Company, he was practising as a chartered accountant. The gross compensation paid to him for fiscal year 2014 was ₹ 2.05 million.

Jagannadham Thunuguntla, aged 32 years, is member of Institute of Chartered Accountants of India since 2004 and Institute of Cost Accountants of India since 2003. He is currently acting as our strategist and head of research. Mr. Jagannadham has been associated with SMC since 2007. Prior to joining our Company, he was head of the investment banking operations in SMC Capitals Limited. The gross compensation paid to him for fiscal year 2014 was ₹ 2.77 million.

Mohit Shyngle, aged 41 years, is currently acting as senior vice president and looks after sub-broker network and business development. The gross compensation paid to him for fiscal year 2014 was ₹ 2.56 million.

Mahesh Kumar Gupta, aged 46 years, holds B.Com degree from Maharshi Dayanand University, Rohtak and also has an M.B.A. (Finance & Marketing) from Sikkim Manipal University. He is currently acting as senior vice president and looks after marketing financial products through our distribution network. The gross compensation paid to him for fiscal year 2014 was ₹ 2.86 million.

Nature of Family Relationship between the Key Managerial Personnel and Senior Management Personnel and the Directors

None of our Key Managerial Personnel and Senior Management Personnel and the Directors, is related to each other.

Shareholding of the Key Managerial Personnel and Senior Management Personnel

Except as stated below, none of our Key Managerial Personnel and Senior Management Personnel hold any Equity Shares of our Company:

Sr. No.	Name	No. of Shares	% of total paid up Equity Share Capital
1.	Subhash Chand Aggarwal	10,095,500	8.92
2.	Mahesh Chand Gupta	10,248,500	9.06
3.	Vinod Kumar Jamar	Nil	-
4.	Ashok Kumar Aggarwal	25,000	0.02
5.	Suman Kumar	Nil	-
6.	Jagannadham Thunuguntla	Nil	-
7.	Mohit Shyngle	Nil	-
8.	Mahesh Kumar Gupta	Nil	-

Changes in our Key Managerial Personnel and Senior Management Personnel

The changes in our Key Managerial Personnel and Senior Management Personnel during the last three years are as follows:

Sr. No.	Name of employee	Designation	Date of change	Reason
1.	Ashok Kumar Aggarwal	Senior Vice President - Taxation & Compliance	August 1, 2012	Appointment
2.	Himanshu Gupta	Senior Vice President - Operations	September 30, 2014	Resignation*

* Mr. Himanshu Gupta resigned from his post of Senior Vice President at the Company and was appointed as the Chief Financial Officer of SMC Comtrade Limited, with effect from October 1, 2014, in the Annual General Meeting held on September 26, 2014.

Bonus or Profit Sharing Plan for the Directors, Key Managerial Personnel and Senior Management Personnel

We do not have a performance linked bonus or a profit sharing plan for our Directors, Key Managerial Personnel and Senior Management Personnel.

Interest of the Key Management Personnel

Except as disclosed in the sections titled “Our Management” starting on page 179, none of the key management personnel has any interest in our Company and / or the Subsidiaries.

Except statutory benefits upon termination of their employment in our Company, resignation or superannuation, as the case may be, and certain post-retirement benefits, no officer of our Company is entitled to any benefit upon termination of such officer’s employment in our Company or superannuation.

Payment of benefit to Officers of our Company

No amount or benefit has been paid or given to any officer of our Company in last two years or is intended to be paid, other than in the ordinary course of their employment.

Employee Stock Option Plan

We do not have any employee stock option schemes as on the date of filing this Draft Red Herring Prospectus.

Service Contracts

We have not entered into any service contract with any of the key management personnel for provision of benefits or payments of any amount upon termination of employment.

Loans taken by Directors / Key Managerial Personnel / Senior Management Personnel

None of the Directors / Key Managerial Personnel/ Senior Management Personnel has taken loan from our Company.

PROMOTER AND GROUP COMPANIES

Our Promoters

Mr. Subhash Chand Aggarwal, Mr. Mahesh Chand Gupta, Ms. Sushma Gupta and Mr. Damodar Krishan Aggarwal are Promoters of our Company.

The details of our promoters are provided below:

Mr. Subhash Chand Aggarwal



Mr. Subhash Chand Aggarwal, aged 58 years, is the Chairman & Managing Director of our Company. He is a resident Indian National.

For details of Mr. Subhash Chand Aggarwal, please see the section titled “Our Management” beginning on page 179.

Address: C-335, Saraswati Vihar, Delhi-110034

Passport number: J0496657.

Voter ID number: DL/03/018/279803.

Driving license number : Not Available

Mr. Mahesh Chand Gupta



Mr. Mahesh Chand Gupta, aged 57 years, is the Vice-Chairman & Managing Director of our Company. He is a resident Indian national.

For details of Mr. Mahesh Chand Gupta, please see the section titled “Our Management” beginning on page 179.

Address: C-40, Anand Vihar, I.P. Extension, Delhi-110092

Passport number: L6741642.

Voter ID No: DL/04/043/216191.

Driving license number : Not Available

Ms. Sushma Gupta



Ms. Sushma Gupta, aged 59 years, is one of the founder members of our Company. She holds post graduate degree in science. She has served our Company from 1995 to 2007 in various capacities. She is a whole time Director of SMC Comtrade Limited. She is a resident Indian national.

Address: C-39, Anand Vihar, I.P. Extension, Delhi-110092

Passport number : J0935100

Voter ID No : DL/04/043/216204

Driving license number : Not Available

Mr. Damodar Krishan Aggarwal



Mr. Damodar Krishan Aggarwal, aged 52 years, is one of our Promoters. He is a fellow member of the Institute of Chartered Accountants of India. He has more than 20 years of experience in Equity and Commodity Broking and Arbitrage. Currently, he is the Chairman and Managing Director of SMC Investments & Advisors Limited and SMC Capitals Limited. He is also a director on the board of SMC Comtrade Limited. He is a resident Indian national.

Address: C-335, Saraswati Vihar, Delhi-110034

Passport number : G8997919

Voter ID No : ACB0670729

Driving license number: DL-0820100048140 (P).

We confirm that the details of the permanent account number, bank account numbers and passport numbers of our Promoters have been submitted to the Stock Exchanges on which the Equity Shares are proposed to be listed at the time of filing the Draft Red Herring Prospectus with the Stock Exchanges.

Relationship amongst the promoters

Mr. Damodar Krishan Aggarwal is the brother of Mr. Subhash Chand Aggarwal and Ms. Sushma Gupta is wife of Mr. Mahesh Chand Gupta.

Change in the management and control

There has not been any change in the management or control of our Company.

Interest of Promoters

Our Promoters are interested in our Company to the extent of their respective shareholding. For details on the shareholding of our Promoters in our Company, please see the section titled “Capital Structure” on page 78.

Further, our Promoters, some of who are also our Directors and some are directors of our subsidiaries may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of the Board or a Committee thereof as well as to the extent of other remuneration, reimbursement of expenses payable to them. For further details please see the section titled “Our Management” on page 179.

Further, our Promoters are also directors on the boards, or are members, or are partners, of certain Promoter Group entities and may be deemed to be interested to the extent of the payments made by our Company, if any, to these Promoter Group entities. For the payments that are made by our Company to certain Promoter Group entities, please see the section titled “Financial Statements - Related Party Transactions” on page 206.

None of our Group Companies have any interest in the promotion of our Company.

None of our Group Companies is interested in the properties acquired by our Company in the two years preceding the filing of this Draft Red Herring Prospectus or proposed to be acquired by our Company

None of our Group Companies is interested in any transactions for the acquisition of land, construction of building or supply of machinery.

Payment of benefits to Promoters

Except as stated in “Financial Statements - Related Party Transactions” on page 206 of this Draft Red Herring Prospectus, there has been no payment of benefits to our Promoters during the two years prior to the filing of this Draft Red Herring Prospectus.

Confirmations

Our Promoters have not been debarred from accessing the capital markets by SEBI. Further none of the Promoters was or is a promoter or person in control of any other company which is debarred from accessing the capital market under any order or directions made by SEBI. Our Promoters have not been declared as wilful defaulters by the RBI or any other government authority and there are no violations of securities laws (in India or overseas) committed by our Promoters in the past or are pending against them.

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

Our Promoters have disassociated with following companies in the last three years. The details of disassociation are as follows:

Name of Company	Relationship	Nature of Disassociation	Date of Disassociation
Agbros Polymers Private Limited	12.39% shares was held by our Promoter & Promoter Group	Sale of 9.32% of shareholding by members of our promoter group	September 27, 2012
Svan Securities Private Limited	37.89% shares was held by Agbros Polymers Private Limited	By virtue of disassociation with Agbros Polymers Private Limited	September 27, 2012
Sky High Finlease Private Limited	46.15% shares held by Svan Securities Private Limited	By virtue of disassociation with Agbros Polymers Private Limited and Svan Securities Private Limited	September 27, 2012

PROMOTER GROUP

In addition to our Promoters, the following natural persons (being the immediate relatives of our Promoters), HUFs, partnerships, companies and other entities shall form part of our Promoter Group:

a) Immediate Relatives of our Promoters

Name of the Promoter	Name of the Relative	Relationship with the Promoter
Mr. Subhash Chand Aggarwal	Mr. Madan Gopal Aggarwal	Father
	Ms. Ginni Devi	Mother
	Mr. Damodar Krishan Aggarwal	Brother
	Ms. Snehalata Aggarwal	Sister
	Ms. Hemlata Aggarwal	Spouse
	Mr. Pranay Aggarwal	Son
	Ms. Shweta Aggarwal	Daughter
	Ms. Aditi Aggarwal	Daughter
	Ms. Shruti Aggarwal	Daughter
	Mr. Ramavtar Tibrewal	Father of spouse
	Ms. Vimaldevi Tibrewal	Mother of spouse
	Mr. Hemant Tibrewal	Brother of spouse
	Mr. Lalit Tibrewal	Brother of spouse
	Ms. Manju Saraf	Sister of spouse
Mr. Mahesh Chand Gupta	Ms. Bhagwati Devi	Mother
	Ms. Sushma Gupta	Spouse
	Mr. Himanshu Gupta	Son
	Ms. Meetu Goel	Daughter
Ms. Sushma Gupta	Ms. Kalawati Devi Dadu	Mother
	Mr. Mahesh Chand Gupta	Spouse
	Mr. Sarvesh Dadu	Brother
	Mr. Mahesh Dadu	Brother
	Mr. Naresh Dadu	Brother
	Ms. Kusum Lata	Sister
	Ms. Savita Aggarwal	Sister
	Mr. Himanshu Gupta	Son
	Ms. Meetu Goel	Daughter

Name of the Promoter	Name of the Relative	Relationship with the Promoter
Mr. Damodar Krishan Aggarwal	Mr. Madan Gopal Aggarwal	Father
	Ms. Ginni Devi	Mother
	Mr. Subhash Chand Aggarwal	Brother
	Ms. Snehalata Aggarwal	Sister
	Ms. Archana Aggarwal	Wife
	Mr. Ayush Aggarwal	Son
	Ms. Anshika Aggarwal	Daughter
	Ms. Rama Mangla	Mother of spouse
	Mr. Arvind Mangla	Brother of spouse
	Mr. Abhay Mangla	Brother of spouse
	Mr. Anirudh Mangla	Brother of spouse
	Dr. Meenu Kumar	Sister of spouse
	Ms. Neeru Kumar	Sister of spouse

b) Companies, Firms and HUFs forming part of our promoter Group

The following companies form part of our Promoter Group

1. MVR Share Trading Private Limited
2. Pulin Investments Private Limited
3. Excellent Agencies Private Limited
4. Dee Faces Herbal Private Limited
5. Jai Ambey Share Broking Limited
6. SMC Share Brokers Limited
7. Abhichaya Investments Private Limited
8. Funny Time Finvest Private Limited
9. Shivraj Exim Private Limited
10. Sainty Financial Services Private Limited
11. ASM Pipes Private Limited
12. MAR Fashion Private Limited

The following Firms/HUFs form part of our Promoter Group

1. Mahesh Chand Gupta HUF

c) Any other entity who is indicated under Promoter group in the Clause 35A filings with Stock Exchanges other than mentioned in point (a) and (b) above

1. Mr. Ajay Garg
2. Mr. Anurag Bansal

Group Companies

Companies forming part of Group Companies

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

Our Group Companies

1. MVR Share Trading Private Limited
2. Pulin Investments Private Limited
3. Dee Faces Herbal Private Limited
4. Jai Ambey Share Broking Limited

5. SMC Share Brokers Limited
6. Shivraj Exim Private Limited

The details of our Group Companies are set forth below:

1. MVR Share Trading Private Limited (“MVR”)

Corporate Information

MVR was originally incorporated as MVR Consultants Private Limited on December 9, 1991 under the provisions of the Companies Act, 1956 with the Registrar of Companies, New Delhi. The name of the company subsequently changed to MVR Share Trading Private Limited w.e.f. August 17, 2005. The registered office of MVR is at 3rd Floor, 11/6B, Shanti Chambers, Pusa Road, New Delhi 110005. MVR is principally engaged in the business of Investment and dealing in shares.

Interest of our Promoters

Our Promoters are interested to the extent of their shareholding in MVR. The details of their shareholding, as on September 30, 2014 are as follows:

Sr. No.	Name of the shareholder	No. of shares held	In %
1	Subhash Chand Aggarwal	84,150	25.47
2	Mahesh Chand Gupta	85,250	25.80
3	Archana Aggarwal	80,000	24.21
4	Hemlata Aggarwal	1,000	0.30
5	Reema Garg	40,000	12.11
6	Anurag Bansal	40,000	12.11
Total		3,30,400	100.00

Financial Information

The summary audited financial statements of MVR for the last three years are as follows:

(₹ in million)

Particulars	Fiscal 2014	Fiscal 2013	Fiscal 2012
Equity Share Capital (par value ₹ 10 per equity share)	3.30	3.30	3.30
Reserves and Surplus (excluding revaluation reserve if any)	17.10	17.10	17.10
Profit and Loss Account (debit balance)	(8.89)	(8.86)	(7.73)
Net Reserve	8.21	8.24	9.37
Total Income	0.03	(0.05)	0.10
Profit/(Loss) after Tax	(0.03)	(1.13)	(1.06)
Earnings Per Share (EPS) (basic and diluted)	(0.08)	(3.43)	(3.20)
Net worth	11.52	11.54	12.68
Net Asset Value (NAV) per share	34.86	34.94	38.37

Interest in our Company

MVR does not have any interest, including any business or other interest in our Company. Further, it has no interest in our promotion.

MVR does not have any interest in any property acquired by our Company within the last two years from the date of this Draft Red Herring Prospectus or proposed to be acquired by our Company.

2. Pulin Investments Private Limited (“Pulin”)

Corporate Information

Pulin was incorporated on December 22, 1995 under the provisions of the Companies Act, 1956 with the Registrar of Companies, New Delhi. The registered office of Pulin is at 9B, Netaji Subhash Marg, Darya Ganj, New Delhi - 110002

The main objects of Pulin are to engage in the business of dealing in shares.

Interest of our Promoters

Our Promoters are interested to the extent of their shareholding in Pulin. The details of Pulin's shareholding, as on September 30, 2014 are as follows:

Sr. No.	Name of the shareholder	No. of shares held	%
1	Subhash Chand Aggarwal	1,05,300	25.80
2	Mahesh Chand Gupta	1,05,300	25.80
3	Damodar Krishan Aggarwal	66,690	16.34
4	Padam Chand Aggarwal	57,140	14.00
5	Ajay Garg	38,610	9.46
6	Anurag Bansal	35,100	8.60
Total		4,08,140	100.00

Financial Information

The summary audited financial statements of Pulin for the last three years are as follows:

(₹ in million)

Particulars	Fiscal 2014	Fiscal 2013	Fiscal 2012
Equity Share Capital (par value ₹10 per equity share)	4.08	4.08	4.08
Reserves and Surplus (excluding revaluation reserve if any)	-	-	-
Profit & Loss Account (Debit Balance)	(0.90)	(0.87)	(1.34)
Net Reserve	(0.90)	(0.87)	(1.34)
Total Income	(0.002)	0.55	(1.09)
Profit/(Loss) after Tax	(0.03)	0.47	(1.10)
Earnings Per Share (EPS) (basic and diluted) (in ₹)	(0.07)	1.16	(2.70)
Net worth	3.18	3.21	2.74
Net Asset Value (NAV) per share (in ₹)	7.80	7.87	6.71

Interest in our Company

Pulin holds 50,95,860 equity shares constituting 4.50% of total paid up capital our Company. Besides that, Pulin does not have any interest, including any business or other interest in our Company. Further, it has no interest in our promotion.

Pulin does not have any interest in any property acquired by our Company within the last two years from the date of this Draft Red Herring Prospectus or proposed to be acquired by our Company.

3. Dee Faces Herbal Private Limited (“Dee Faces”)

Corporate Information

Dee Faces was incorporated on April 29, 2005 under the provisions of the Companies Act, 1956 with the Registrar of Companies, New Delhi. The registered office of Dee Faces is at Road No. 47, 14A, 2nd Floor, West Punjabi Bagh, New Delhi - 110026

The main objects of Dee Faces are to be engaged in the business of manufacturing and trading of herbal products. However the company is currently doing stock and commodity trading, which is its ancillary object.

Interest of our Promoters

Our Promoters are interested to the extent of their shareholding in Dee Faces. The details of Dee Faces's shareholding, as on September 30, 2014 is as follows:

Sr. No.	Name of the shareholder	No. of shares held	%
1	Damodar Krishan Aggarwal	3,737	37.37
2	Ajay Garg	3,737	37.37
3	Arpit Agarwal	1,263	12.63
4	Sneh Lata Garg	1,263	12.63
Total		10,000	100.00

Financial Information

The summary audited financial statements of Dee Faces for the last three years are as follows:

(₹ in Million)

Particulars	Fiscal 2014	Fiscal 2013	Fiscal 2012
Equity Share Capital (par value ₹10 per equity share)	0.11	0.11	0.11
Reserves and Surplus (excluding revaluation reserve if any)	2.79	2.79	2.79
Profit and Loss Account	0.26	0.35	0.28
Net Reserve	3.05	3.14	3.07
Total Income	0.11	0.94	0.56
Profit/(Loss) after Tax	(0.09)	0.07	0.37
Earnings Per Share (EPS) (basic and diluted) (in ₹)	(9.37)	7.18	36.67
Net worth	3.16	3.25	3.18
Net Asset Value (NAV) per share (in ₹)	315.97	325.34	318.16

Interest in our Company

Dee Faces does not have any interest, including any business or other interest, in our Company. Further, it has no interest in our promotion.

Dee faces does not have any interest in any property acquired by our Company within the last two years from the date of this Draft Red Herring Prospectus or proposed to be acquired by our Company.

4. Jai Ambey Share Broking Limited ("Jai Ambey")

Corporate Information

Jai Ambey was incorporated on February 24, 1995 under the provisions of the Companies Act, 1956 with the Registrar of Companies, New Delhi. The registered office of Jai Ambey is at UG-3, Sasco Bhawan, Azadpur Commercial Complex, New Delhi – 110033.

Jai Ambey is engaged in the business of stock broker and is registered stock broker on Delhi Stock Exchange.

Interest of our Promoters

Our Promoters are interested to the extent of their shareholding in Jai Ambey. The details of Jai Ambey's shareholding, as on September 30, 2014 is as follows:

S.No.	Name of the shareholder	No. of shares held	%
1.	Damodar Krishan Aggarwal	4,00,100	51.25
2.	Subhash Chand Aggarwal	100	0.01
3.	Kamla Devi Aggarwal	100	0.01
4.	N.D Aggarwal	75,100	9.62
5.	R.K Aggarwal	134,900	17.28
6.	Shyam Aggarwal	100	0.01
7.	Rajeev Aggarwal	100	0.01
8.	Rajesh Aggarwal HUF	100	0.01
9.	Ravi Aggarwal	100	0.01
10.	Ridisha Marketing Private Limited	100,000	12.81
11.	Svan Securities Private Limited	70,000	8.97
Total		7,80,700	100.00

Financial Information

The summary audited financial statements of Jai Ambey for the last three years are as follows:

(₹ in Million)

Particulars	Fiscal 2014	Fiscal 2013	Fiscal 2012
Equity Share Capital (par value ₹10 per equity share)	7.81	7.81	7.81
Reserves and Surplus (excluding revaluation reserve if any)	-	-	-
Profit and Loss Account	1.90	1.42	1.39
Net Reserve	1.90	1.42	1.39
Total Income	2.28	2.21	3.57
Profit/(Loss) after Tax	0.48	0.03	0.06
Earnings Per Share (EPS) (basic and diluted) (in ₹)	0.61	0.04	0.08
Net worth	9.71	9.23	9.19
Net Asset Value (NAV) per share (in ₹)	12.43	11.82	11.78

Interest in our Company

Jai Ambey holds 16,16,670 equity shares constituting 1.43% of total paid up capital our Company. Besides that Jai Ambey does not have any interest, including any business or other interest, in us. Further, it has no interest in our promotion.

Jai Ambey does not have any interest in any property acquired by our Company within the last two years from the date of this Draft Red Herring Prospectus, or proposed to be acquired by our Company.

5. SMC Share Brokers Limited ("SMC Share Brokers")

Corporate Information

SMC Share Brokers was incorporated on July 13, 1995 under the provisions of the Companies Act, 1956 with the Registrar of Companies, New Delhi. The registered office of SMC Share Brokers is at 17, Netaji Subhash Marg, Darya Ganj, New Delhi – 110002

SMC Share Brokers is engaged in the business of stock broking and is registered stock broker on Delhi Stock Exchange.

Interest of our Promoters

Our Promoters are interested to the extent of their shareholding in SMC Share Brokers. The detail of SMC Share Brokers shareholding, as on September 30, 2014 is as follows:

Sr.No.	Name Of The Shareholder	No. of shares held	%
1	Subhash Chand Aggarwal	2,49,700	35.66
2	Mahesh Chand Gupta	2,50,100	35.72
3	Sushma Gupta	50,000	7.14
4	Ginni Devi	100	0.01
5	Archana Aggarwal	100	0.01
6	Hemlata Aggarwal	50,000	7.14
7	SMC Comtrade Limited.	1,00,000	14.28
8	Alka Aggarwal	100	0.01
9	M.G. Aggarwal	100	0.01
Total		7,00,200	100.00

Financial Information

The summary audited financial statements of SMC Share Brokers for the last three years are as follows:

(₹ in Million)			
Particulars	Fiscal 2014	Fiscal 2013	Fiscal 2012
Equity Share Capital (par value ₹10 per equity share)	7.00	7.00	7.00
Reserves and Surplus (excluding revaluation reserve if any)	16.50	16.50	16.50
Profit & Loss Account	2.22	2.32	2.44
Net Reserve	18.72	18.82	18.94
Total Income	0.01	0.009	(0.03)
Profit/(Loss) after Tax	(0.09)	(0.12)	(0.35)
Earnings Per Share (EPS) (basic and diluted) (in ₹)	(0.13)	(0.18)	(0.50)
Net worth	25.73	25.82	25.94
Net Asset Value (NAV) per share (in ₹)	36.74	36.88	37.05

Interest in our Company

SMC Share Brokers holds 2,25,000 equity shares constituting 0.20% of total paid up capital of our Company. Besides that SMC Share Brokers does not have any interest, including any business or other interest, in us. Further, it has no interest in our promotion.

SMC Share Brokers does not have any interest in any property acquired by our Company within the last two years or proposed to be acquired by our Company.

6. Shivraj Exim Private Limited ("Shivraj")

Corporate Information

Shivraj was incorporated on 29th April 2005 under the provisions of the Companies Act, 1956 with the Registrar of Companies, New Delhi. The registered office of Shivraj is at C-335, Saraswati Vihar, New Delhi – 110088.

The main object of Shivraj is to be engaged in the business of import and export of all kind of materials.

Interest of our Promoters

Our Promoters are interested to the extent of their shareholding in Shivraj. The detail of Shivraj's shareholding, as on September 30, 2014 is as follows:

S.No.	Name of the shareholder	No. of shares held	%
1	Archana Aggarwal	9,900	99.00
2	Anuradha Goel	100	1.00
Total		10,000	100.00

Financial Information

The summary audited financial statements of Shivraj for the last three years are as follows:

(₹ in Million)

Particulars	Fiscal 2014	Fiscal 2013	Fiscal 2012
Equity Share Capital (par value ₹10 per equity share)	0.10	0.10	0.10
Share forfeiture account (Net)	0.11	0.11	0.11
Reserves and Surplus (excluding revaluation reserve if any)	21.57	21.57	21.57
Profit and Loss Account (debit balance)	(0.45)	(1.47)	(1.46)
Net Reserves	21.12	20.10	20.11
Total Income	1.03	-	-
Profit/(Loss) after Tax	1.02	(0.009)	(0.01)
Earnings Per Share (EPS) (basic and diluted) (in ₹)	102.26	(0.95)	(0.92)
Net worth	21.33	20.31	20.32
Net Asset Value (NAV) per share (in ₹)	2133.06	2030.80	2031.75

Interest in our Company

Shivraj holds 43,01,210 equity shares constituting 3.80% of total paid up capital of our Company. Besides that Shivraj does not have any interest, including any business or other interest, in our Company. Further, it has no interest in our promotion.

Shivraj does not have any interest in any property acquired by our Company within the last two years from the date of this Draft Red Herring Prospectus or proposed to be acquired by our Company.

Group Companies with negative net worth

None of our Group Companies has negative net worth as on March 31, 2014.

Sick companies

None of the Group Companies listed above has been declared as a sick company under the SICA. There are no winding up proceedings against any of the Promoter Group companies. Further, no application has been made by any of them to RoC to strike off their names.

None of our Group Companies had remained defunct for a period preceding five years from the date of filing this Draft Red Herring Prospectus.

Common Pursuits

Except for Jai Ambey Share Broking Limited and SMC Share Brokers Limited, which are registered as stock brokers and have a membership with the Delhi Stock Exchange Limited which none of our Group Companies have any interest in any venture that is involved in any activities similar to those conducted by our Company and our Subsidiaries. However, currently Jai Ambey Share Broking Limited and SMC Share Brokers Limited are members of a different stock exchange than of our Company and also not carrying any stock broking activity due to there being no activity on the Delhi Stock Exchange Limited. We shall adopt the necessary procedures and practices as permitted by law to address any conflict situations, as and when they may arise.

Litigation

For details regarding litigation involving Promoters, see the section titled “Outstanding Litigation and Material Developments”, beginning on page 349.

Related party transactions

For details of related party transactions, see the section titled “Financial Statements” beginning on page 206.

Public issue or rights issue

None of our Group Companies has made any public or rights issue in the last three years preceding the date of filing this Draft Red Herring Prospectus. Further, none of our Group Companies are listed on any stock exchanges.

DIVIDEND POLICY

The declaration and payment of dividend will be recommended by the Board of Directors and approved by the shareholders of the Company at their discretion and will depend on a number of factors, including the results of operations, earnings, capital requirements and surplus, general financial conditions, contractual restrictions, applicable Indian legal restrictions and other factors considered relevant by the Board. The Board may also from time to time pay interim dividend. All dividend payments are made in cash to the shareholders of the Company. The dividends declared by the Company during the last five Fiscals and for the period ended on June 30, 2014 are set out in the following table:

Particulars	Period ended					
	June 30, 2014	FY 2014	FY 2013	FY 2012	FY 2011	FY 2010
Face Value per Equity Share (₹)	-	2	-	-	-	-
Dividend (%)	-	Interim Dividend - 12% Final Dividend – 12%	-	-	-	-
Dividend amount (₹ in million)	-	Interim Dividend – 27.15 Final Dividend – 27.15	-	-	-	-
Dividend Distribution Tax (₹ in million)	-	Interim Dividend – 4.61 Final Dividend – 4.62	-	-	-	-

SECTION VI – FINANCIAL INFORMATION

FINANCIAL STATEMENTS

Auditors' report as required by Part I of Chapter III of the Companies Act 2013

To,
The Board of Directors
SMC Global Securities Limited
(CIN No. L74899DL1994PLC063609)
11/6B, Shanti Chambers,
Pusa Road,
New Delhi - 110005

Dear Sirs,

1. We have examined the restated financial information of SMC Global Securities Limited (“the Company”) annexed to this report for the purposes of inclusion in the offer document prepared by the Company in connection with its proposed Follow on Public Offer (“FPO”). such financial information, which has been approved by the Board of Directors of the Company, has been prepared in accordance with the requirements of:
 - (a) Sub-clauses (i) and (iii) of clause (b) of sub-section (1) of section 26 of the Companies Act, 2013 (‘the Act’) read with Rule 4 of Companies (Prospectus and Allotment of Securities) Rules (‘the Rules’), 2014 and
 - (b) the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (“the Regulations”) issued by the Securities and Board of India (“SEBI”) on August 26, 2009, as amended from time to time in pursuance of Section 30 of the Securities and exchange Board of India Act, 1992.
2. We have examined such restated financial information taking into consideration:
 - (a) The terms of reference received from the Company vide their letter dated September 29, 2014, requesting us to carry out work on such financial information, proposed to be included in the offer document of the Company in connection with its proposed FPO; and
 - (b) The Guidance Note (Revised) on Reports in Company Prospectuses issued by The Institute of Chartered Accountants of India.
3. The Company proposes to make an FPO of equity shares having face value ₹2 each at an issue price to be arrived at by a Book Building Process (referred to as the “the Issue”) or any other method as may be prescribed by the SEBI ICDR Regulations.
4. The restated financial information of the Company has been compiled by the management from:
 - (a) the audited unconsolidated balance sheets of the Company as at June 30, 2014, March 31, 2014, March 31, 2013, March 31, 2012, March 31, 2011 and March 31, 2010 and the related audited unconsolidated statement of profit and loss and cash flow statements for the period ended on June 30, 2014 and year ended on March 31, 2014, March 31, 2013, March 31, 2012, March 31, 2011 and March 31, 2010. Audit for the year ended on March 31, 2014, March 31, 2013, March 31, 2012, March 31, 2011 and March 31, 2010 was conducted by the Previous Auditor (Atul & Rajinder) and accordingly reliance has been placed on the financial information examined by them for the said years.
 - (b) the audited consolidated balance sheets of the Company and its subsidiaries (collectively hereinafter referred to as the “Group”) as at June 30, 2014, March 31, 2014, March 31, 2013, March 31, 2012, March 31, 2011 and March 31, 2010 and the related audited consolidated statement of profit and loss and cash flow statements for the period ended on June 30, 2014 and year ended on March 31, 2014, March 31, 2013, March 31, 2012, March 31, 2011 and

March 31, 2010. Audit for the year ended on March 31, 2014, March 31, 2013, March 31, 2012, March 31, 2011 and March 31, 2010 was conducted by the Previous Auditor (Atul & Rajinder) and accordingly reliance has been placed on the financial information examined by them for the said years.

- (c) Other financial and other records of the Company, to the extent considered necessary, for the presentation of the restated financial statements under the requirements of the Chapter III of Companies Act, 2013/Revised Schedule VI, of the Companies Act, 1956, in relation to the years ended on March 31, 2011 and March 31, 2010.

We did not audit the financial statements and other financial information of 7 subsidiaries and 3 step down subsidiaries, included in the Consolidated Financial Statements for the period ended on June 30, 2014 and year ended March 31, 2014, March 31, 2013, March 31, 2012, March 31, 2011 and March 31, 2010, which constitute total assets of ₹ 4,532.48 million, ₹ 4,293.41 million, ₹ 4,471.86 million, ₹ 4,599.18 million, ₹ 3,092.12 million, 3,174.28 million, respectively, total revenue of ₹ 341.77 million, ₹ 1,247.50 million, ₹ 1,203.33 million, ₹ 1,217.91 million, ₹ 939.11 million and ₹ 560.74 million, respectively, and net cash inflow/(outflow) of ₹ (38.07) million, ₹ (4.33) million, ₹ (345.79) million, ₹ 376.63 million, ₹ 37.57 million and ₹ 25.32 million, respectively. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us by the Management of the Group and accordingly reliance has been placed on the financial statements of the subsidiaries audited by them for the said period/years.

5. In accordance with the requirements of sub-clauses (i) and (iii) of clause (b) of sub-section (1) of section 26 of the Companies Act, 2013 read with Rule 4 of Companies (Prospectus and allotment of Securities) Rules, 2014 and the terms of our engagement agreed with you, we report that:

- (a) We have examined the restated unconsolidated summary statement of assets and liabilities of the Company as at June 30, 2014, March 31, 2014, March 31, 2013, March 31, 2012, March 31, 2011 and March 31, 2010 and the related restated unconsolidated summary statement of profits and losses and cash flows for the period ended on June 30, 2014 and year ended on March 31, 2014, March 31, 2013, March 31, 2012, March 31, 2011 and March 31, 2010 as set out in Annexure 1 to 3 (collectively the “Restated Unconsolidated Summary Statements”); and
- (b) We have also examined the restated consolidated summary statement of assets and liabilities of the Group as at June 30, 2014, March 31, 2014, March 31, 2013, March 31, 2012, March 31, 2011 and March 31, 2010 and the related restated consolidated summary statement of profits and losses and cash flows for the period ended on June 30, 2014 and year ended on March 31, 2014, March 31, 2013, March 31, 2012, March 31, 2011 and March 31, 2010 and as set out in Annexure 32 to 34 (collectively the “Restated Consolidated Summary Statements”).

The Restated Unconsolidated Summary Statements and the Restated Consolidated Summary Statements are hereinafter collectively referred to as “Restated Summary Statements”.

6. Based on our examination, we further report that:

- (a) The restated financial information have to be read in conjunction with the Statement of Significant Accounting Policies and Statement of Notes appearing in Annexure 4, 5, 35 and 36 to this report;
- (b) There are no changes in accounting policies during the period ended on June 30, 2014 and the years ended on March 31, 2014 and 2013 which would require adjustment in the Restated Summary Statements except changes for the years ended on March 31, 2012, 2011 and 2010 as shown in Annexure 6 for unconsolidated and Annexure 37 for consolidated financial statements;
- (c) Adjustments for the material amounts in the respective financial years to which they relate have been adjusted in the attached Restated Summary Statements as shown in Annexure 6 for unconsolidated and Annexure 37 for consolidated financial statements.

- (d) There are no extraordinary items which need to be disclosed separately in the Restated Summary Statements;
- (e) There are no qualification except the following in the auditors' report on the consolidated financial statements of the Company as at June 30, 2014 and for each of the years ended on March 31, 2014, 2013, 2012, 2011 and 2010 which require any adjustments to the Restated Consolidated Summary Statements;

Clause 4 and 6 of Auditors' Report for the financial year ended on March 31, 2010

In the Clause 4 of auditors' report for the year ended on March 31, 2010, the auditor had modified the report and included the following comments:

"4. Based on the audit report of one of the subsidiary i.e. SMC Investments and Advisors Limited ("SMCI"), SMCI has accounted for deferred tax asset amounting to ₹ 31.10 million as at March 31, 2010 and is confident that subsequent realization of DTA created is virtually certain in future years based on existing business model and future business plans. The same is not in line with the requirements of Accounting Standard (AS-22) for "Accounting for Taxes on Income" to determine virtual certainty. Had the observation made by the auditor is considered, the loss after taxes for the year would have been higher by ₹ 31.10 million and 'DTA' would have been decreased by the similar amount."

Further in Clause 6 of auditors' report for the year ended on March 31, 2010 the auditor had modified the report and stated that:-

"6. Based on our audit and on consideration of reports of other auditors on separate financial statements and on the other financial information of the components of the Group as referred to above, and to the best of our information and according to the explanations given to us, in our opinion, the attached consolidated financial statements subject to para 4 above give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2010;*
- (b) in the case of the consolidated Profit and Loss Account, of the loss of the Group for the year ended on that date; and*
- (c) in the case of the consolidated Cash Flow Statement, of the cash flow of the Group for the year ended on that date."*

Adjustments pertaining to the above have been made in the Restated Consolidated Summary Statements.

- (d) Other audit qualifications in the unconsolidated statements for the period ended on June 30, 2014 and for the years ended on March 31, 2014, 2013, 2012, 2011 and 2010, which does not require any corrective adjustment in the financial information, are as follows.*

Annexure to Auditor's Report for the Financial Year ended on March 31, 2011

Clause 21

We have been informed that a manager/employee of Company's depository operations had misappropriated securities of amount of ₹2.4 million from client accounts during the year under audit. Investigations are in progress and the manager has been dismissed. The Company has withheld his terminal benefits and the Company is also adequately covered by comprehensive crimes and liability policy with the insurers.

7. We have not audited any financial statements of the Company or consolidated financial statements of the Group as of any date or for any period subsequent to June 30, 2014. Accordingly, we express no opinion on the financial position, results of operations or cash flows of the Company or the Group as of any date or for any period subsequent to June 30, 2014.
8. We have examined the restated unconsolidated financial information of the Company listed below, as at June 30, 2014 and each of the years ended on March 31, 2014, 2013, 2012, 2011 and 2010 which, as approved by the Board of Directors and annexed to this report, is proposed to be included in the offer document :
 - (i) Restated Unconsolidated Statement of Significant Accounting policies , enclosed as Annexure 4;
 - (ii) Restated Unconsolidated Summary Statement of notes on financial statements of the Company, enclosed as Annexure 5;
 - (iii) Restated Unconsolidated Statement of Material Adjustment, enclosed as Annexure 6;
 - (iv) Restated Unconsolidated Statement of Share Capital, enclosed as Annexure 7;
 - (v) Restated Unconsolidated Statement of Reserves & Surplus, enclosed as Annexure 8;
 - (vi) Restated Unconsolidated Statement of Fixed Assets, enclosed as Annexure 9;
 - (vii) Restated Unconsolidated Statement of Investments, enclosed as Annexure 10;
 - (viii) Restated Unconsolidated Statement of Deferred Tax Assets / Deferred Tax Liability (Net), enclosed as Annexure 11;
 - (ix) Restated Unconsolidated Statement of Long-Term Loans and Advances and Other Non-current assets, enclosed as Annexure 12;
 - (x) Restated Unconsolidated Statement of Trade Receivables, enclosed as Annexure 13;
 - (xi) Restated Unconsolidated Statement of Inventories, enclosed as Annexure 14;
 - (xii) Restated Unconsolidated Statement of Cash and Bank Balance, enclosed as Annexure 15;
 - (xiii) Restated Unconsolidated Statement of Short-Term Loans and Advances and Other current Assets, enclosed as Annexure 16;
 - (xiv) Restated Unconsolidated Statement of Borrowings, enclosed as Annexure 17;
 - (xv) Restated Unconsolidated Statement of Long-Term provisions and other long- term liabilities, enclosed as Annexure 18;
 - (xvi) Restated Unconsolidated Statement of Trade Payables, Other current liabilities and Short Term Provisions, enclosed as Annexure 19;
 - (xvii) Restated Unconsolidated Statement of Revenue from operations, enclosed as Annexure 20;
 - (xviii) Restated Unconsolidated Statement of Other Income, enclosed as Annexure 21;
 - (xix) Restated Unconsolidated Statement of Exchange & Other Regulatory Expenses, enclosed as Annexure 22;
 - (xx) Restated Unconsolidated Statement of Employee benefits expense, enclosed as Annexure 23;
 - (xxi) Restated Unconsolidated Statement of Other expenses, enclosed as Annexure 24;
 - (xxii) Restated Unconsolidated Statement of Depreciation and Amortization, enclosed as Annexure 25;
 - (xxiii) Restated Unconsolidated Statement of Finance Cost, enclosed as Annexure 26;
 - (xxiv) Restated Unconsolidated Statement of Dividend, enclosed as Annexure 27;
 - (xxv) Restated Unconsolidated Statement of Accounting Ratios, enclosed as Annexure 28;
 - (xxvi) Restated Unconsolidated Capitalization statement, as appearing in Annexure 29;
 - (xxvii) Restated Unconsolidated Statement of Related Party Transactions, enclosed as Annexure 30;
 - (xxviii) Restated Unconsolidated Statement of Tax Shelter, enclosed as Annexure 31
9. We have also examined the restated consolidated financial information of the Group listed below, as at

June 30, 2014 and each of the years ended on March 31, 2014, 2013, 2012, 2011 and 2010 which, as approved by the Board of Directors and annexed to this report, is proposed to be included in the offer document :

- (i) Restated Consolidated Statement of Significant Accounting Policies, enclosed as Annexure 35;
 - (ii) Restated Consolidated Summary Statement of notes on financial statements, enclosed as Annexure 36;
 - (iii) Restated Consolidated Statement of Material Adjustments, enclosed as Annexure 37;
 - (iv) Restated Consolidated Statement of Share Capital, enclosed as Annexure 38;
 - (v) Restated Consolidated Statement of Reserves & Surplus, enclosed as Annexure 39;
 - (vi) Restated Consolidated Statement of Fixed Assets, enclosed as Annexure 40;
 - (vii) Restated Consolidated Statement of Investments, enclosed as Annexure 41;
 - (viii) Restated Consolidated Statement of Deferred Tax Assets / Deferred Tax Liability (Net), enclosed as Annexure 42;
 - (ix) Restated Consolidated Statement of Long-term Loans and Advances and Other Non-current assets, enclosed as Annexure 43;
 - (x) Restated Consolidated Statement of Trade Receivables, enclosed as Annexure 44;
 - (xi) Restated Consolidated Statement of Inventories, enclosed as Annexure 45;
 - (xii) Restated Consolidated Statement of Cash and Bank Balance, enclosed as Annexure 46;
 - (xiii) Restated Consolidated Statement of Short-Term Loans and Advances and Other current Assets, enclosed as Annexure 47;
 - (xiv) Restated Consolidated Statement of Borrowings, enclosed as Annexure 48;
 - (xv) Restated Consolidated Statement of Long-Term provisions , enclosed as Annexure 49;
 - (xvi) Restated Consolidated Statement of Trade Payables, Other current liabilities and Short Term Provisions, enclosed as Annexure 50;
 - (xvii) Restated Consolidated Statement of Revenue from operations, enclosed as Annexure 51;
 - (xviii) Restated Consolidated Statement of Other Income, enclosed as Annexure 52;
 - (xix) Restated Consolidated Statement of Exchange & Other Regulatory Expenses, enclosed as Annexure 53;
 - (xx) Restated Consolidated Statement of Employee benefits expense, enclosed as Annexure 54;
 - (xxi) Restated Consolidated Statement of Other expenses, enclosed as Annexure 55;
 - (xxii) Restated Consolidated Statement of Depreciation and Amortization, enclosed as Annexure 56;
 - (xxiii) Restated Consolidated Statement of Finance Cost, enclosed as Annexure 57;
 - (xxiv) Restated Consolidated Statement of Dividend, enclosed as Annexure 58;
 - (xxv) Restated Consolidated Statement of Accounting Ratios, enclosed as Annexure 59;
 - (xxvi) Restated Consolidated Capitalisation statement, as appearing in Annexure 60;
 - (xxvii) Restated Consolidated Statement of Related Party Transactions, enclosed as Annexure 61;
 - (xxviii) Restated Consolidated Statement of Segment Reporting disclosure, enclosed as Annexure 62;
 - (xxix) Additional information required under Schedule III of Companies Act, 2013, enclosed as Annexure 63
10. We report that the consolidated financial information of the Group as at June 30, 2014, March 31, 2014, March 31, 2013, March 31, 2012, March 31, 2011 and March 31, 2010 have been prepared by the Group in accordance with the requirements of AS 21 “Consolidated Financial Statements” and investment in associates have been accounted for in accordance with AS 13 instead of equity method as defined in AS 23 “Accounting for investment in Associates in the Consolidated Financial Statements” [notified Pursuant to the Companies (Accounting Standard) Rules, 2006 (as amended)] for the reason that the associates operates under severe long term restrictions that significantly impair its ability to transfer funds to the investors.
 11. In our opinion, the financial information of the Group as attached to this report, read with the significant accounting policies and notes to accounts and other notes contained in the aforesaid Annexures, has been prepared in accordance with sub-clauses (i) and (iii) of clause (b) of sub-section (1) of section 26 of the Companies Act, 2013 read with Rule 4 of Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Regulations issued by SEBI. We did not perform audit tests for the purpose of expressing an opinion on individual balances of account or summaries of selected transactions, and accordingly, we express no such opinion thereon.
 12. This report should not be in any way construed as a re-issuance or re-dating of any of the previous

audit reports issued by us nor should it be construed as a new opinion on any of the financial statements referred to therein.

13. This report is intended solely for your information and for inclusion in the offer document in connection with the proposed FPO of the equity shares of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For R Gopal & Associates
Firm Registration Number: 000846C
Chartered Accountants

S. K. Agarwal
Partner
Membership No.:093209
Place : Delhi
Date: October 15, 2014

ANNEXURE 1: RESTATED UNCONSOLIDATED SUMMARY STATEMENT OF ASSETS AND LIABILITIES

₹ in million							
Particulars	Annexure	As at					
		30-Jun-14	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10
A Non- Current Assets							
Fixed assets	9						
Tangible assets		136.51	168.01	198.46	244.49	280.27	311.55
Intangible assets		14.72	15.24	18.46	23.88	27.42	30.94
		151.23	183.25	216.92	268.37	307.69	342.49
Non-current investments	10 A	2,652.44	2,716.54	2,525.94	1,661.93	1,574.97	1,252.31
Deferred tax Assets (Net)	11	40.57	17.59	14.93	5.45	-	-
Long-term loans and advances	12 A	374.40	449.71	542.43	617.79	752.97	795.11
Other non-current assets	12 B	-	-	-	-	0.16	10.03
Trade Receivables	13 A	170.30	200.74	269.93	356.89	308.23	311.63
		3,388.94	3,567.83	3,570.15	2,910.43	2,944.02	2,711.57
B Current assets							
Current Investment	10 B	55.13	53.61	-	-	-	-
Inventories	14	1,287.20	1,182.07	748.79	974.01	1,016.92	1,672.89
Trade receivables	13 B	2,256.30	2,041.31	1,243.46	2,099.79	1,759.93	1,121.06
Cash and Bank Balances	15	1,796.18	1,805.13	2,233.02	1,714.50	1,720.34	1,152.31
Short-term loans and advances	16 A	218.01	193.37	451.16	268.41	353.22	727.44
Other current assets	16 B	20.34	21.21	20.49	18.15	22.55	19.97
		5,633.16	5,296.70	4,696.92	5,074.86	4,872.96	4,693.67
C Total assets (C = A + B)		9,022.10	8,864.53	8,267.07	7,985.29	7,816.98	7,405.24
D Non-current Liabilities							
Long-term borrowings	17 A	2.70	-	0.35	525.97	525.74	0.04
Deferred tax liabilities (Net)	11	-	-	-	-	5.62	11.66
Long-term provisions	18 A	29.33	27.92	23.29	23.98	18.42	16.38
Other Long-term Liabilities	18 B	60.00	60.00	-	-	-	-
		92.03	87.92	23.64	549.95	549.78	28.08
E Current liabilities							
Short-term borrowings	17 B	265.35	284.67	197.97	603.01	926.36	1,021.21
Trade Payable	19 A	1,097.85	816.47	820.09	724.89	942.03	893.15
Other current liabilities	19 B	2,220.58	2,357.15	1,995.31	1,351.23	1,128.52	1,242.81
Short-term provisions	19 C	80.66	54.67	28.73	59.78	58.77	43.00
		3,664.44	3,512.96	3,042.10	2,738.91	3,055.68	3,200.17
F Total liabilities (F = D + E)		3,756.47	3,600.88	3,065.74	3,288.86	3,605.46	3,228.25
Net Worth (C – F)		5,265.63	5,263.65	5,201.33	4,696.43	4,211.52	4,176.99

₹ in million							
Particulars	Annexure	As at					
		30-Jun-14	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10
Net Worth represented by							
G Shareholders' funds							
Share capital							
Equity share capital	7	226.27	226.27	226.27	109.46	104.78	104.78
Money received against Convertible Equity Share Warrant		-	-	-	-	-	124.00
Total Share Capital		226.27	226.27	226.27	109.46	104.78	228.78
H Reserves and Surplus							
Securities Premium Reserve	8	3,444.45	3,444.45	3,444.45	3,151.25	2,687.18	2,687.18
Capital Reserves (On Amalgamation)		104.10	104.10	104.10	104.10	104.10	104.10
Capital Reserves (On Forfeiture)		124.00	124.00	124.00	124.00	124.00	-
General Reserve		624.01	624.01	609.01	609.01	609.01	609.01
Net Surplus in the statement of profit and loss		742.80	740.82	693.50	598.61	582.45	547.92
Total Reserves and Surplus		5,039.36	5,037.38	4,975.06	4,586.97	4,106.74	3,948.21
Net Worth (G + H)		5,265.63	5,263.65	5,201.33	4,696.43	4,211.52	4,176.99

Note:

1 The above statement should be read with the Significant Accounting Policies to the Restated Unconsolidated Summary Statement of Assets and Liabilities, Statement of Profit and Loss and Statement of Cash Flows as appearing in Annexure – 4, 5 and 6.

For R Gopal & Associates
Chartered Accountants
Firm Registration No.: 000846C

For and on behalf of Board of Directors

S. K. Agarwal
Partner
Membership No.: 093209

Subhash Chand Aggarwal
Chairman & Mg. Director
DIN: 00003267

Mahesh Chand Gupta
Vice-Chairman & Mg. Director
DIN: 00003082

Place: New Delhi
Date: October 15, 2014

Vinod Kumar Jamar
Chief Financial Officer

Suman Kumar
Company Secretary

ANNEXURE 2: RESTATED UNCONSOLIDATED SUMMARY STATEMENT OF PROFIT AND LOSS

		₹ in million					
Particulars	Annexure	Period ended	Year ended				
		30-Jun-14	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10
Incomes:							
Revenue from operations	20	563.38	1,750.15	1,758.69	1,712.89	2,058.54	2,129.28
Other income	21	5.19	62.41	24.99	24.10	15.51	10.44
		568.57	1,812.56	1,783.68	1,736.99	2,074.05	2,139.72
Expenses:							
Stock Exchange & Other Regulatory Expenses	22	271.40	802.58	760.78	779.83	937.43	1,125.86
Employee benefits expense	23	84.67	335.91	379.67	399.29	536.51	477.47
Other expenses	24	125.14	378.65	320.43	283.92	308.87	276.16
		481.21	1,517.14	1,460.88	1,463.04	1,782.81	1,879.49
Earnings before interest, tax, depreciation and amortization (EBITDA)		87.36	295.42	322.80	273.95	291.24	260.23
Depreciation and amortization expense	25	16.41	39.59	50.62	62.46	73.06	72.42
Finance costs	26	31.21	100.09	141.27	186.40	165.30	92.24
		47.62	139.68	191.89	248.86	238.36	164.66
Restated Profit Before Tax		39.74	155.74	130.91	25.09	52.88	95.57
Tax expense/ (income)							
(1) Current tax		33.84	32.53	45.46	19.97	24.37	37.02
(2) Deferred tax		(13.84)	(2.67)	(9.47)	(11.07)	(6.05)	(3.69)
(3) Wealth tax		0.01	0.03	0.03	0.03	0.03	0.03
Total tax expense		20.01	29.89	36.02	8.93	18.35	33.36
Restated Profit After Tax		19.73	125.85	94.89	16.16	34.53	62.21

Note:

- The above statement should be read with the Significant Accounting Policies to the Restated Unconsolidated Summary Statement of Assets and Liabilities, Statement of Profit and Loss and Statement of Cash Flows as appearing in Annexure – 4, 5 and 6.

For R Gopal & Associates
Chartered Accountants
Firm Registration No.: 000846C

For and on behalf of Board of Directors

S. K. Agarwal
 Partner
 Membership No.: 093209

Subhash Chand Aggarwal
 Chairman & Mg. Director
 DIN: 00003267

Mahesh Chand Gupta
 Vice-Chairman & Mg. Director
 DIN: 00003082

Place: New Delhi
 Date: October 15, 2014

Vinod Kumar Jamar
 Chief Financial Officer

Suman Kumar
 Company Secretary

ANNEXURE 3: RESTATED UNCONSOLIDATED SUMMARY STATEMENT OF CASH FLOWS

₹ in million						
Particulars	Period ended	Year ended				
	30-Jun-14	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10
A CASH FLOW FROM OPERATING ACTIVITIES						
Restated profit before Tax	39.74	155.74	130.91	25.09	52.88	95.57
Non Cash adjustments to reconcile profit before tax to net cash flows						
Depreciation & Amortization	16.41	39.59	50.62	62.46	73.06	72.42
Deferred revenue expenses amortized	-	-	0.16	9.87	9.87	9.87
Provision for Gratuity	1.14	3.72	(1.58)	1.79	1.44	7.40
Provision for Leave encashment	0.34	1.28	(0.25)	4.25	0.77	-
(Profit)/Loss on sale of Fixed assets	(0.53)	3.32	0.08	5.22	(0.18)	(0.02)
Provision for Doubtful Debts	27.50	42.75	31.94	42.54	15.44	5.00
Interest Expenses on Secured Loans	25.93	79.99	127.79	173.75	150.94	75.32
(Profit)/Loss on sale of Investments	26.58	(2.61)	(0.11)	-	-	(1.95)
Operating Profit before Working Capital changes (as restated)	137.11	323.78	339.56	324.97	304.22	263.61
Movements in working capital						
Liabilities and Provisions	170.73	443.79	709.38	6.10	(49.82)	418.80
Trade Receivables	(212.04)	(771.41)	911.35	(431.06)	(650.90)	(366.34)
Loans & advances and Other Assets	80.37	703.11	(575.26)	222.86	(149.08)	282.15
Inventories	(105.13)	(433.28)	225.22	42.91	655.97	(672.73)
Cash flow from / (used in) Operations	71.04	265.99	1,610.25	165.78	110.39	(74.51)
Direct Taxes Paid (net of refunds)	(33.85)	(32.56)	(45.49)	(20.00)	(24.40)	(37.05)
Net Cash Generated/ (used in) Operating Activities (A)	37.19	233.43	1,564.76	145.78	85.99	(111.56)
B CASH FLOW FROM/ (USED) IN INVESTING ACTIVITIES						
(Purchase)/Sale of Fixed Assets (net basis)	(10.77)	(9.25)	0.75	(28.37)	(38.06)	(141.27)
(Purchase)/Sale of Investments (net basis)	36.00	(241.60)	(863.90)	(86.95)	(322.66)	(826.04)
Net Cash generated/ (used in) Investing Activities (B)	25.23	(250.85)	(863.15)	(115.32)	(360.72)	(967.31)
C CASH FLOW FROM/(USED IN) FINANCING ACTIVITIES						
Proceeds from Issue of Share Capital (including premium)	-	-	410.01	468.75	-	434.00
Interest on Secured Loans	(25.93)	(79.99)	(127.79)	(173.75)	(150.94)	(75.32)
Proceeds from short-term borrowings	(19.32)	86.70	(405.04)	(323.35)	(94.85)	733.73
Proceeds from Long Term Borrowings from Banks	2.71	(0.35)	(525.62)	0.23	525.70	(0.16)

₹ in million						
Particulars	Period ended	Year ended				
	30-Jun-14	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10
Dividend Paid and Tax thereon	-	(63.53)	-	-	-	-
Net cash generated from/(used in) financing activities (C)	(42.54)	(57.17)	(648.44)	(28.12)	279.91	1,092.25
Net Increase/ (Decrease) in Cash & Cash Equivalent (A+B+C)	19.88	(74.59)	53.17	2.34	5.18	13.38
Cash and Cash Equivalent at the beginning of the year/period	22.62	97.21	44.04	41.70	36.52	23.14
Cash and cash Equivalent at the end of the year/period (refer Annexure 15)	42.50	22.62	97.21	44.04	41.70	36.52

Note:

- 1 Restated Unconsolidated Cash Flows statement of the Company has been prepared under the 'Indirect method' as set out in Accounting Standard – 3.
- 2 The above statement should be read with the Significant Accounting Policies to the Restated Unconsolidated Summary Statement of Assets and Liabilities, Statement of Profit and Loss and Statement of Cash Flows as appearing in Annexure – 4, 5 and 6.

For R Gopal & Associates

Chartered Accountants

Firm Registration No.:

000846C

For and on behalf of Board of Directors

S. K. Agarwal

Partner

Membership No.: 093209

Subhash Chand Aggarwal

Chairman & Mg. Director

DIN: 00003267

Mahesh Chand Gupta

Vice-Chairman & Mg. Director

DIN: 00003082

Place: New Delhi

Date: October 15, 2014

Vinod Kumar Jamar

Chief Financial Officer

Suman Kumar

Company Secretary

ANNEXURE 4: STATEMENT OF UNCONSOLIDATED RESTATED SIGNIFICANT ACCOUNTING POLICIES

1. Corporate Information

SMC Global Securities Limited (the “Company” or “SMC Global”) is a limited liability Company incorporated and domiciled in India. The Company is a trading member of the National Stock Exchange of India Limited (“NSE”) and Bombay Stock Exchange Limited (“BSE”) in the capital market and trading and clearing member in the futures and options market. Further, the Company is trading and clearing member of NSE, BSE, MCX and USE Stock Exchange Limited in currency segment of the Exchange and also provides depository participant services through Central Depository Services (India) Limited and National Securities Depository Limited.

The Company’s shares are listed on the Delhi Stock Exchange, Ludhiana Stock Exchange, Ahmedabad Stock Exchange and Calcutta Stock Exchange in India.

The Company engages in proprietary transactions and offers a wide range of services to meet client’s needs including brokerage services, clearing member services, distribution of financial products such as mutual funds and initial public offerings.

2. Significant Accounting policies

2.1 Basis of preparation

- (a) The restated unconsolidated summary statement of assets and liabilities of the Company as at June 30, March 31, 2014, 2013, 2012, 2011 and 2010 and the related restated unconsolidated summary statement of profits and loss and Statement of Cash Flows for the period ended on June 30, 2014 and for each of the years ended on March 31, 2014, 2013, 2012, 2011 and 2010 [herein collectively referred to as ‘Restated unconsolidated summary statements’)] have been extracted by the management from the financial statements of the Company for the period ended on June 30, 2014 and for each of the years ended on March 31, 2014, 2013, 2012, 2011 and 2010.
- (b) These restated unconsolidated summary statements have been prepared to comply in all material respects with the requirements of section 26 of the Companies Act, 2013, read with Rules 4 of Companies(Prospectus and Allotment of Securities) Rules, 2014 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (‘the Regulations’).
- (c) These Restated Summary Financial Statements have been prepared after incorporating:

Material regroupings

Appropriate adjustments have been made in the Restated Unconsolidated Summary Statements, wherever required, by regrouping of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with those of as per the audited financials of the Company for the period ended on June 30, 2014.

Other Adjustments

(i) Prior period items

In the financial statements for the period ended on June 30, 2014 and years ended on March 31, 2014, March 31, 2013, March 31, 2012, March 31, 2011 and March 31, 2010, certain items of income/ expenses have been identified as prior period adjustments. These adjustments were recorded in the year when identified. However, for the purpose of Restated Unconsolidated Summary Statements, such prior period adjustments have been appropriately adjusted in the respective years to which the transactions pertain to.

(ii) **Income tax and Deferred Tax adjustments for earlier years**

Short or excess provision of prior taxes provided in each of the accounting year has been adjusted in the respective financial years for which the taxes were under / over provided. The above change to the accounting policy has resulted in net deferred tax assets in the restated financial statements. A major proportion of such deferred tax assets emanate from tax paid by the Company on its collected revenue in the previous financial years.

(iii) **Change in Accounting Policies**

- During the year 2009-10, method of valuation of inventory was changed and the same was valued at cost or market value whichever lower. Further from year 2010-11 onwards, inventory continues to be valued at market price.
- During the year 2011-12, the Company has changed its method of recognizing income from Depository business from “receipt basis” to “accrual basis” and continues to follow the same.

(d) The audited Unconsolidated Financial Statements for the period ended 30th June, 2014 has been prepared in accordance with Schedule III of the Companies Act, 2013, for the year ended on March 31, 2014/2013/2012 in accordance with Revised Schedule VI of the Companies Act, 1956 and for the year ended on March 31, 2011/2010 in accordance pre-revised Schedule VI of the Companies Act, 1956. For the purpose of inclusion in the offer document, audited consolidated financial statements are prepared in accordance with Schedule III of the Companies Act, 2013. The adoption of Schedule III of the Companies Act, 2013 do not impact recognition and measurement principles followed for preparation of financial statements. However, for the financial year ended on March 2011/2010, adoption of Revised Schedule VI of the Companies Act, 1956 and then Schedule III of the Companies Act, 2013 has significant impact on presentation and disclosures made in the financial statements for these years.

(e) The financial statements have been prepared to comply in all material respects with the Accounting Standards notified u/s 133 of the Companies Act, 2013, read with Rule 7 of the Companies(Accounts) Rule, 2014 (corresponding to section 211(3c) of the Companies Act, 1956, read with Companies(Accounting Standards) Rules, 2006). The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year, except for changes in accounting policy.

2.2 Use of estimates

The presentation of Financial Statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of financial statements and the reported amount of revenue and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which results are known / materialized.

2.3 Fixed assets

In accordance with AS-10 ‘Accounting for Fixed Assets’, fixed assets including intangible assets are stated at cost of acquisition including taxes, duties, identifiable direct expenses and expenses on installation, and are net of CENVAT Credit claimed thereon. Additions to the fixed assets have been accounted for on the date of installation and its use irrespective of date of invoice.

2.4 Depreciation/Amortization

Tangible Fixed Assets

Pursuant to Companies Act, 2013 ('the Act') being effective from 1 April 2014, the Company has revised depreciation rates on tangible fixed assets as per the useful life specified in Part 'C' of Schedule II of the Act.

In accordance with AS-6 “Depreciation”, depreciation on tangible fixed assets is computed on written down value method at such rate as computed considering useful life provided in the Schedule - II of the Act. During the preceding years, the Company was providing depreciation on written down value basis at the rate prescribed in Schedule XIV of the Companies Act, 1956.

Pursuant to Companies Act, 2013 (‘the Act’) being effective from April 1, 2014, the Company has revised depreciation rates on tangible fixed assets as per useful life specified in Part ‘C’ of Schedule II of the Act. And due to the same there has been a change in the estimated useful life of depreciable tangible assets which affects the depreciation in the current period and in each period during the remaining useful life of the assets. As the change is only in regard to accounting estimate requiring an adjustment of the carrying amount of tangible assets. The same do not require adjustment in the financial information for the years ended on March 31, 2014, 2013, 2012, 2011 and 2010.

As a result of change in rate, the depreciation charge for the period ended on June 30, 2014 is higher by ₹8.61 million. In respect of assets whose useful life had already exhausted as on 1 April 2014, depreciation of ₹17.75 million (net of tax impact of ₹ 9.15 million) has been adjusted in Reserves and Surplus in accordance with requirements of Para 7 of Schedule II of the Act.

Intangible Fixed Assets

In accordance with AS-6 “Depreciation”, depreciation on intangible fixed assets continues to be computed on written down value method at the following rates:-

- | | | |
|-----|-------------------|-----|
| (a) | Computer Software | 40% |
| (b) | Trade Mark Logo | 40% |

No amortization has been provided on Goodwill.

2.5 Investments

In accordance with AS-13 ‘Accounting for Investments’, investments are classified into non-current investments and current investments. Non-current investments are stated at cost and provision, wherever required, has been made to recognize any decline other than temporary in the value of such investments. Current investments, if any, are carried at lower of the cost and fair value and provision, wherever required, has been made to recognize any decline in carrying value.

2.6 Inventories

- (a) Inventories of securities are valued at market value and of bonds are valued at lower of cost or market value.
- (b) Closing stock of shares includes stocks pledged against secured loan from banks and kept as margin/securities with stock exchange and does not include stocks held on behalf of clients/constituents.

2.7 Revenue recognition (AS-9)

- (a) Revenue on account of trading in securities is recognized on the basis of each trade executed at the stock exchange during the financial year.
- (b) In respect of non-delivery based transactions such as derivatives, the profit & loss is accounted for on marked to market basis on the closure of each trade date.
- (c) Revenue from broking activities is accounted for on the trade date of transaction.
- (d) Income from interest on fixed deposits is recognized on accrual basis.
- (e) Dividend from investment is accounted for as income when the right to receive dividend is established.

- (f) Depository income is accounted for on accrual basis.
- (g) In respect of other heads of income the Company follows the practice of recognizing income on accrual basis.
- (h) Revenue excludes service tax.

2.8 Foreign currency transactions

Revenue and expenses are recorded at the exchange rate prevailing on the date of the transaction. Monetary items denominated in foreign currencies are restated at the exchange rate prevailing on the balance sheet date. Exchange differences arising on settlement of the transaction and on account of restatement of monetary items are recognized in the Statement of Profit and Loss.

2.9 Employee benefits

- (a) Provident Fund is a defined contribution scheme and the contributions as required by the statute are charged to the Statement of Profit and Loss as incurred.
- (b) Gratuity Liability is a defined obligation and is partly funded. The Company accounts for liability for future gratuity benefits based on an actuarial valuation as at the Balance Sheet date.
- (c) The undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered by an employee is recognized during the period when the employee renders the services.
- (d) Unavailed Leave Liability is a defined obligation and is not funded. The Company accounts for liability for future benefits based on actuarial valuation as at the Balance Sheet date.

2.10 Leases

Lease Rentals in respect of operating lease arrangements are charged to the Statement of Profit & Loss in accordance with the Accounting Standard – 19 on Accounting for Leases.

2.11 Miscellaneous expenditure

Deferred revenue expenditures are being written off in equal instalment over a period of 5 years.

2.12 Provision, contingent liabilities and contingent assets

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

2.13 Borrowing costs

In accordance with AS-16 on “Borrowing Cost”, borrowing costs that are attributable to acquisition, construction or production of qualifying assets, are capitalized as part of the cost of such qualifying assets. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for intended use. All other borrowing costs are charged to the Statement of profit and loss.

2.14 Impairment of asset

Wherever events or changes in circumstances indicate that the carrying value of fixed assets may be impaired, such assets are being subject to a test of recoverability based on discounted cash flows expected from use or disposal thereof. If the assets are impaired, the Company recognizes an impairment loss as a difference between the carrying value and fair value net of cost of sale in accordance with AS-28 ‘Impairment of Assets’.

2.15 Taxation

- (a) Provision of current Income Tax has been measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961.
- (b) Wealth tax has been calculated as per applicable tax regulations applicable during the year.
- (c) The Company has provided for deferred tax charge/credit that reflects the tax differences because of timing differences between accounting income and taxation income for the year. The deferred tax charge or credit and corresponding deferred tax liability or asset are recognized using the tax rates laid down by the law, that has been enacted or substantially enacted by the balance sheet date, in accordance with AS-22 'Accounting for Taxes on Income'.

2.16 Earning per share

Basic earnings per share are computed using the weighted average number of equity shares outstanding during the year. Diluted earnings per share computed using the weighted average number of equity and dilutive potential equity equivalent shares outstanding during the year, except where the results would be anti- dilutive.

2.17 Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.18 Other accounting policies

Accounting policies not referred to otherwise are consistent with generally accepted accounting principles.

ANNEXURE 5: RESTATED SUMMARY STATEMENT OF NOTES ON FINANCIAL STATEMENTS OF THE COMPANY

(a) Commitments

₹ in million						
Particulars	As at					
	30-Jun-14	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10
Contracts remaining to be executed on account of capital						
- For investment in subsidiaries	-	-	7.22	525.99	-	48.00
- For purchase of office building	-	0.53	-	-	-	-

(b) Contingent liabilities

₹ in million						
Particulars	As at					
	30-Jun-14	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10
Corporate guarantee executed by the Company for credit facility extended to a subsidiary	583.75	533.75	601.25	546.25	470.00	369.25
ESI demand in dispute	3.11	3.11	3.11	3.11	3.11	-
Total	586.86	536.86	604.36	549.36	473.11	369.25

Note:

- 1 The above statement should be read with the Significant Accounting Policies to the Restated Unconsolidated Summary Statement of Assets and Liabilities, Statement of Profit and Loss and Statement of Cash Flows as appearing in Annexure – 4, 5 and 6.
- 2 The Company has given counter guarantee towards credit facility of subsidiary Company, M/s SMC Comtrade Limited.
- 3 An ESI demand of ₹ 3.11million is being agitated by the Company in Additional Senior Civil Judge (Central) Delhi.
- 4 Management believes that, based on legal advice, the outcome of these contingencies will be favourable and that outflow of economic resources is not probable.

(c) Earning and expenditure in foreign currency

₹ in million						
Particulars	Period ended	Year ended				
	30-Jun-14	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10
a. Earning in Foreign Currency	-	-	-	-	-	-
b. Expenditure in Foreign Currency						
- Expenses on Foreign Travelling	-	0.02	0.03	-	0.08	0.38
- Management & Advisory Services	-	23.13	26.90	44.31	-	-
- Purchase of Investment	-	7.22	518.77	-	-	-

(d) Fixed deposits include :

₹ in million						
Particulars	As at					
	30-Jun-14	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10
Fixed Deposit with Schedule Banks under lien in favour of the Bank as margin Deposit for the guarantees issued/credit facilities or otherwise	1,610.28	1,523.04	1,892.44	1,206.59	1,017.14	749.68
Fixed Deposits pledge with stock exchanges as margin	143.40	259.47	243.37	463.87	661.50	311.06

(e) Provision for doubtful debts

₹ in million						
Particulars	As at					
	30-Jun-14	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10
Opening Provision	14.13	23.05	1.05	0.13	3.33	9.65
Created for the period/year	27.50	43.85	31.94	42.54	14.33	5.00
Bad debts written off	0.05	55.26	9.93	41.62	17.53	11.32
Recovery of Bad Debts	-	2.49	-	-	-	-
Provision for doubtful debts (Net)	41.58	14.13	23.06	1.05	0.13	3.33

No provision has been made in respect of certain overdue trade receivables amounting to ₹ 170.30 million as at June 30, 2014, since the Company has taken suitable measures to recover the said dues including filing of legal cases wherever considered appropriate.

(f) Segment accounting

(i) Business Segment

- (a) The business segment has been considered as the primary segment.
- (b) The Company's primary business segments are reflected based on principal business activities, the nature of service, the differing risks and returns, the organization structure and the internal financial reporting system.
- (c) The Company's primary business comprises of dealing in shares, securities and derivatives either on its own or on behalf of its constituents and other related ancillary services.

Accordingly the primary business segment has been identified as below:

- Capital Markets: comprises of brokerage income earned on secondary market transactions done on behalf of clients, services rendered as depository participant and proprietary trading in securities and derivatives.
- And since it is the only reportable segment as envisaged in Accounting Standard 17 'Segment Reporting'. Accordingly, no separate disclosure for Segment reporting is required to be made in the financial statements of the Company.

(ii) Geographical Segment

The Company operates in one Geographical Segment namely "within India" and hence no separate information for geographic segment wise disclosure is required.

(g) Gratuity

₹ in million						
Particulars	As at					
	30-Jun-14	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10
Gross Liability	24.40	23.26	20.88	22.41	23.24	22.00
Contribution	-	0.50	(0.30)	0.40	-	0.50

₹ in million						
Particulars	As at					
	30-Jun-14	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10
Value of Funds	0.09	0.08	1.42	1.38	4.00	4.19
Provision debited to Statement of Profit & Loss	1.13	3.72	(1.58)	1.79	1.44	7.40

(h) Earnings per share

In accordance with AS-20 "Earning per Share", the basic & diluted earnings per share is being calculated as under:-

Particulars	Period ended	Year ended				
	30-Jun-14	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10
Net Profit attributable to Equity Shareholders (₹ in million)	19.73	125.85	94.89	16.16	34.53	62.21
Weighted Average No. of Equity Shares						
- For Basic EPS	11,31,34,450	11,31,34,450	11,22,37,898	10,63,54,540	10,47,83,870	10,44,25,030
- For Diluted EPS	11,31,34,450	11,31,34,450	11,22,37,898	10,63,54,540	10,47,83,870	10,75,87,830
Nominal Value per share	₹2	₹2	₹2	₹2	₹2	₹2
Basic EPS (₹)	0.17	1.11	0.85	0.15	0.33	0.60
Diluted EPS (₹)	0.17	1.11	0.85	0.15	0.33	0.58

Note: Earnings per share calculations are in accordance with Accounting Standard 20 - Earnings per share. As per AS-20, in case of bonus shares, the number of shares outstanding before the event is adjusted for the proportionate change in the number of equity shares outstanding as if the event has occurred at the beginning of the earliest period reported. Weighted average number of equity shares outstanding during all the previous years have been considered accordingly.

- (i) In the opinion of the Board of Directors and to the best of their knowledge and belief the realizable value of inventories, trade receivables (current & non-current) and loans & advances (current & non-current), in ordinary course of business, is not less than the value stated in the Balance Sheet.

ANNEXURE 6: NOTES ON MATERIAL ADJUSTMENT

Particulars	₹ in million					
	Period ended		Year ended			
	30-Jun-14	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10
(A) Net Profit /(Loss) as per audited financial Statements	21.39	125.69	106.00	7.84	37.00	29.62
Adjustments due to change in accounting policies						
Change in accounting policies	-	-	-	11.67	(1.94)	31.14
Other adjustments						
Prior period items	(2.52)	1.62	1.18	(0.38)	(7.11)	1.89
(B) Total adjustments	(2.52)	1.62	1.18	11.29	(9.05)	33.03
(C) Tax impact of adjustments	0.86	(0.53)	(0.38)	(3.66)	3.01	(11.23)
(D) Tax under provision / over provision		(0.93)	(1.35)	0.94	2.45	0.03
(E) Adjustment due to correction in deferred tax treatment			(10.56)	(0.25)	1.12	10.76
Re-stated Profit (A+B+ C+D+E)	19.73	125.85	94.89	16.16	34.53	62.21

Note:

- 1 The above statement should be read with the Significant Accounting Policies to the Restated Unconsolidated Summary Statement of Assets and Liabilities, Statement of Profit and Loss and Statement of Cash Flows as appearing in Annexure – 4,5 and 6.
- 2 The audited Unconsolidated Financial Statements for the period ended 30th June, 2014 has been prepared in accordance with Schedule III of the Companies Act, 2013, for the year ended on March 31, 2014/2013/2012 in accordance with Revised Schedule VI of the Companies Act, 1956 and for the year ended on March 31, 2011/2010 in accordance pre-revised Schedule VI of the Companies Act, 1956. For the purpose of inclusion in the offer document, audited unconsolidated financial statements are prepared in accordance with Schedule III of the Companies Act, 2013. The adoption of Schedule III of the Companies Act, 2013 do not impact recognition and measurement principles followed for preparation of financial statements. However, for the financial year ended on March 2011/2010, adoption of Revised Schedule VI of the Companies Act, 1956 and then Schedule III of the Companies Act, 2013 has significant impact on presentation and disclosures made in the financial statements for these years.

ANNEXURE 7: RESTATED UNCONSOLIDATED STATEMENT OF SHARE CAPITAL

Particulars	As at											
	30-Jun-14		31-Mar-14		31-Mar-13		31-Mar-12		31-Mar-11		31-Mar-10	
	Number	(Amount in ₹million)	Number	(Amount in ₹million)	Number	(Amount in ₹million)	Number	(Amount in ₹million)	Number	(Amount in ₹million)	Number	(Amount in ₹million)
(a) Authorised Share Capital												
Preference Shares of ₹ 10 each	50,00,000	50.00	50,00,000	50.00	50,00,000	50.00	50,00,000	50.00	50,00,000	50.00	50,00,000	50.00
Equity Shares of ₹ 10/- each	-	-	-	-	-	-	2,80,10,000	280.10	2,80,10,000	280.10	2,80,10,000	280.10
Equity Shares of ₹ 2/- each	14,00,50,000	280.10	14,00,50,000	280.10	14,00,50,000	280.10	-	-	-	-	-	-
	14,50,50,000	330.10	14,50,50,000	330.10	14,50,50,000	330.10	3,30,10,000	330.10	3,30,10,000	330.10	3,30,10,000	330.10
(b) Issued, Subscribed & fully paid up												
Equity Shares of ₹ 10/- each fully paid up	-	-	-	-	-	-	1,09,45,758	109.46	1,04,78,387	104.78	1,04,78,387	104.78
Equity Shares of ₹ 2/- each fully paid up	11,31,34,450	226.27	11,31,34,450	226.27	11,31,34,450	226.27	-	-	-	-	-	-
	11,31,34,450	226.27	11,31,34,450	226.27	11,31,34,450	226.27	1,09,45,758	109.46	1,04,78,387	104.78	1,04,78,387	104.78
(c) Reconciliation of Number of Equity Shares Outstanding												
Balance at the beginning of the year	11,31,34,450	226.27	11,31,34,450	226.27	1,09,45,758	109.46	1,04,78,387	104.78	1,04,78,387	104.78	89,92,146	89.92
Add: Shares issued during the year	-	-	-	-	3,67,687	3.68	4,67,371	4.68	-	-	14,86,241	14.86
Add: Sub-division of Shares	-	-	-	-	4,52,53,780	-	-	-	-	-	-	-
Add: Bonus shares issued during the year	-	-	-	-	5,65,67,225	113.13	-	-	-	-	-	-
Balance at the end of the period/year	11,31,34,450	226.27	11,31,34,450	226.27	11,31,34,450	226.27	1,09,45,758	109.46	1,04,78,387	104.78	1,04,78,387	104.78

(d) Shares held by shareholders holding more than 5% shares

Name of Shareholder	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Millennium Investment & Acquisition Company Inc.	1,47,36,035	13.03	1,47,36,035	13.03	1,58,67,380	14.03	15,86,738	14.5	15,86,738	15.14	15,86,738	15.14
Mahesh C. Gupta	1,02,48,500	9.06	1,02,48,500	9.06	1,02,48,500	9.06	10,24,850	9.36	10,24,850	9.78	10,24,850	9.78
Subhash Chand Aggarwal	1,00,95,500	8.92	1,00,95,500	8.92	1,00,95,500	8.92	10,09,550	9.22	10,09,550	9.63	10,09,550	9.63
Sushma Gupta	75,66,550	6.69	75,66,550	6.69	75,66,550	6.69	7,56,655	6.91	7,56,655	7.22	7,56,655	7.22
Hemlata Aggarwal	77,20,550	6.82	77,20,550	6.82	77,20,550	6.82	7,72,055	7.05	7,72,055	7.37	7,72,055	7.37
Sainty Financial Services (P) Limited	-	-	60,00,000	5.30	60,00,000	5.30	6,00,000	5.48	6,00,000	5.73	6,00,000	5.73
Funnytime Finvest Prtvate Limited	90,00,000	7.96	30,00,000	2.65	30,00,000	2.65	30,00,000	2.74	30,00,000	2.86	30,00,000	2.86
Sanlam International Investment Partners Limited	94,60,590	8.36	94,60,590	8.36	94,60,590	8.36	5,78,372	5.28	1,11,001	1.06	1,11,001	1.06
Pulin Investments (P) Limited	50,95,860	4.50	50,93,860	4.50	53,18,860	4.70	5,30,786	4.85	5,30,786	5.07	-	-
MVR Consultants (P) Limited	-	-	-	-	-	-	-	-	-	-	6,18,000	5.90

(e) Terms/Rights attached to Equity Shares

The Company has only one class of Equity Shares having a par Value of ₹ 2 per share. In the Event of Liquidation of the Company, the holders of Equity Shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(f) Details of change in share capital:

- During the FY 2009-10, 4,67,371 Convertible Equity share warrant were issued to Sanlam international Investment Partners Limited at ₹265.31 each having option of conversion into equity share of ₹ 10 each after making further payment of ₹2,387 each, but due to inability of the investor to make the payment before expiry of the last date, the amount was forfeited during FY 2010-11 and the forfeited amount of ₹ 124.00 million has been transferred to Capital Reserve (on forfeiture).
- The Company has allotted 4,67,371 equity shares of ₹ 10 each at premium of ₹ 992.95 per share, total consideration of ₹ 468.75million, on November 30, 2011 to Sanlam International Investment Partners Limited.

- 1.3 The Company has allotted 3,67,687 equity shares of ₹ 10 each at premium of ₹ 1,105.10 per share, total consideration of ₹ 410.01million, on June 29, 2012 to Sanlam International Investment Partners Limited, pursuant to share subscription agreement dated May 30, 2011.
- 1.4 The shares of the Company, having face value of ₹ 10 each were sub-divided into five shares of ₹ 2 each on August 10, 2012. Consequently 1,13,13,445 shares of ₹ 10 each were converted into 5,65,67,225 shares of ₹ 2 each on the record date i.e., August 10, 2012.
- 1.5 The Company had allotted Bonus shares in the ratio of 1:1 by capitalizing Securities Premium Reserve on August 11, 2012. Consequently subscribed share capital was increased from ₹ 113.13 million (5,65,67,225 shares of ₹ 2 each) to subscribed share capital of ₹ 226.27 million (1,31,34,450 shares of ₹ 2 each).

ANNEXURE 8: RESTATED UNCONSOLIDATED STATEMENT OF RESERVE & SURPLUS:

Particulars	₹ in million					
	As at					
	30-Jun-14	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10
Securities Premium Reserve						
Opening Balance	3,444.45	3,444.45	3,151.25	2,687.18	2,687.18	2,378.29
Addition during the Year	-	-	406.33	464.07	-	308.89
Utilised for issuing as fully paid bonus shares	-	-	(113.13)	-	-	-
Closing Balance (A)	3,444.45	3,444.45	3,444.45	3,151.25	2,687.18	2,687.18
Capital Reserves (On Amalgamation)						
Opening Balance	104.10	104.10	104.10	104.10	104.10	104.10
Addition during the year	-	-	-	-	-	-
Closing Balance (B)	104.10	104.10	104.10	104.10	104.10	104.10
Capital Reserves (On Forfeiture)						
Opening Balance	124.00	124.00	124.00	124.00	-	-
Addition during the year	-	-	-	-	124.00	-
Closing Balance (C)	124.00	124.00	124.00	124.00	124.00	-
General Reserve						
Opening Balance	624.01	609.01	609.01	609.01	609.01	609.01
Addition during the Year	-	15.00	-	-	-	-
Closing Balance (D)	624.01	624.01	609.01	609.01	609.01	609.01
Surplus						
Opening balance	740.82	693.50	598.61	582.45	547.92	485.71
Profit for the year	19.73	125.85	94.89	16.16	34.53	62.21
Transition adjustment of Fixed Assets as per Companies act 2013 (net of deferred tax)	(17.75)	-	-	-	-	-
Transfer to General Reserve	-	(15.00)	-	-	-	-
Interim Dividend	-	(27.15)	-	-	-	-
Proposed Dividend-Final	-	(27.15)	-	-	-	-
Tax on Dividend	-	(9.23)	-	-	-	-
Closing Balance (E)	742.80	740.82	693.50	598.61	582.45	547.92
Total (A+B+C+D+E)	5,039.36	5,037.38	4,975.06	4,586.97	4,106.74	3,948.21

Note:

- The figures disclosed above are based on the restated unconsolidated summary statement of assets and liabilities of the Company.
- The above statement should be read with the Significant Accounting Policies to the Restated Unconsolidated Summary Statement of Assets and Liabilities, Statement of Profit and Loss and Statement of Cash Flows as appearing in Annexure – 4, 5 and 6.
- The above statement should also be read with the Notes appearing in Restated Unconsolidated Statement of Share Capital as appearing in Annexure – 7.

ANNEXURE 9: RESTATED UNCONSOLIDATED STATEMENT OF FIXED ASSET

₹ in million											
For the period ended on June 30, 2014											
Particulars	Gross block			Depreciation					Net block		
	As at	Additions during the period	Disposals during the period	As at	As at	Charged for the period	On Disposals	Effect of Depreciation as per Companies Act 2013	As at	As at	As at
	1-Apr-14			30-Jun-14	1-Apr-14				30-Jun-14	30-Jun-14	31-Mar-14
Tangible Assets											
Office Building	51.04	5.67	-	56.71	14.71	0.51	-	-	15.22	41.49	36.33
Office Equipment	95.45	1.23	1.75	94.93	50.64	6.92	1.31	22.50	78.75	16.18	44.81
Furniture & Fixtures	124.81	0.01	0.18	124.64	74.41	4.08	0.10	-	78.39	46.25	50.40
Computer Hardware	165.34	0.19	3.42	162.11	144.06	2.77	3.25	4.36	147.94	14.17	21.28
Vehicle	12.35	4.96	1.60	15.71	8.76	0.60	1.52	0.04	7.88	7.83	3.59
VSAT	36.73	-	-	36.73	25.13	1.01	-	-	26.14	10.59	11.60
Total Tangible Assets	485.72	12.06	6.95	490.83	317.71	15.89	6.18	26.90	354.32	136.51	168.01
Intangible Assets											
Computer Software	52.94	-	-	52.94	47.70	0.52	-	-	48.22	4.72	5.24
Trade Mark Logo	0.02	-	-	0.02	0.02	-	-	-	0.02	-	-
Goodwill	10.00	-	-	10.00	-	-	-	-	-	10.00	10.00
Total Intangible Assets	62.96	-	-	62.96	47.72	0.52	-	-	48.24	14.72	15.24

₹ in million											
For the year ended on March 31, 2014											
Particulars	Gross block			Depreciation					Net block		
	As at	Additions during the year	Disposals during the year	As at	As at	Charged for the year	On Disposals	Effect of Depreciation as per Companies Act 2013	As at	As at	As at
	1-Apr-13			31-Mar-14	1-Apr-13				31-Mar-14	31-Mar-14	31-Mar-13
Tangible Assets											
Office Building	51.04	-	-	51.04	12.80	1.91	-	-	14.71	36.33	38.24
Office Equipment	97.30	2.33	4.18	95.45	45.46	7.27	2.09	-	50.64	44.81	51.84
Furniture & Fixtures	127.68	4.07	6.94	124.81	67.64	10.81	4.04	-	74.41	50.40	60.04
Computer Hardware	168.74	4.51	7.91	165.34	138.62	13.02	7.58	-	144.06	21.28	30.12
Vehicle	12.34	0.22	0.21	12.35	7.64	1.22	0.10	-	8.76	3.59	4.70
VSAT	36.81	-	0.08	36.73	23.29	1.88	0.04	-	25.13	11.60	13.52
Total Tangible Assets	493.91	11.13	19.32	485.72	295.45	36.11	13.85	-	317.71	168.01	198.46
Intangible Assets											
Computer Software	52.68	0.26	-	52.94	44.22	3.48	-	-	47.70	5.24	8.46
Trade Mark Logo	0.02	-	-	0.02	0.02	-	-	-	0.02	-	-
Goodwill	10.00	-	-	10.00	-	-	-	-	-	10.00	10.00
Total Intangible Assets	62.70	0.26	-	62.96	44.24	3.48	-	-	47.72	15.24	18.46

₹ in million											
For the year ended on March 31, 2013											
Particulars	Gross block			Depreciation					Net block		
	As at	Additions during the year	Disposals during the year	As at	As at	Charged for the year	On Disposals	Effect of Depreciation as per Companies Act 2013	As at	As at	As at
	1-Apr-12			31-Mar-13	1-Apr-12				31-Mar-13	31-Mar-13	31-Mar-12
Tangible Assets											
Land	10.02	-	10.02	-	-	-	-	-	-	-	10.02
Office Building	51.14	-	0.10	51.04	10.81	2.02	0.03	-	12.80	38.24	40.33
Office Equipment	100.54	2.78	6.02	97.30	39.86	8.40	2.80	-	45.46	51.84	60.68
Furniture & Fixtures	126.79	3.02	2.13	127.68	55.67	12.99	1.02	-	67.64	60.04	71.12
Computer Hardware	164.29	7.32	2.87	168.74	123.16	18.01	2.55	-	138.62	30.12	41.13
Vehicle	13.58	0.83	2.07	12.34	7.80	1.47	1.63	-	7.64	4.70	5.78
VSAT	36.58	0.31	0.08	36.81	21.15	2.18	0.04	-	23.29	13.52	15.43
Total Tangible Assets	502.94	14.26	23.29	493.91	258.45	45.07	8.07	-	295.45	198.46	244.49
Intangible Assets											
Computer Software	55.60	0.17	3.09	52.68	41.72	5.55	3.05	-	44.22	8.46	13.88
Trade Mark Logo	0.02	-	-	0.02	0.02	-	-	-	0.02	-	-
Goodwill	10.00	-	-	10.00	-	-	-	-	-	10.00	10.00
Total Intangible Assets	65.62	0.17	3.09	62.70	41.74	5.55	3.05	-	44.24	18.46	23.88

₹ in million											
For the year ended on March 31, 2012											
Particulars	Gross block			Depreciation					Net block		
	As at	Additions during the year	Disposals during the year	As at	As at	Charged for the year	On Disposals	Effect of Depreciation as per Companies Act 2013	As at	As at	As at
	1-Apr-11			31-Mar-12	1-Apr-11				31-Mar-12	31-Mar-12	31-Mar-11
Tangible Assets											
Land	10.02	-	-	10.02	-	-	-	-	-	10.02	10.02
Office Building	51.14	-	-	51.14	8.68	2.13	-	-	10.81	40.33	42.46
Office Equipment	101.24	3.59	4.29	100.54	32.00	9.85	1.99	-	39.86	60.68	69.24
Furniture & Fixtures	129.90	7.21	10.32	126.79	45.19	15.52	5.04	-	55.67	71.12	84.71
Computer Hardware	160.29	14.11	10.11	164.29	109.44	22.71	8.99	-	123.16	41.13	50.85
Vehicle	13.03	2.56	2.01	13.58	8.03	1.43	1.66	-	7.80	5.78	5.00
VSAT	36.66	-	0.08	36.58	18.67	2.51	0.03	-	21.15	15.43	17.99
Total Tangible Assets	502.28	27.47	26.81	502.94	222.01	54.15	17.71	-	258.45	244.49	280.27
Intangible Assets											
Computer Software	50.83	4.77	-	55.60	33.41	8.31	-	-	41.72	13.88	17.42
Trade Mark Logo	0.02	-	-	0.02	0.02	-	-	-	0.02	-	-
Goodwill	10.00	-	-	10.00	-	-	-	-	-	10.00	10.00
Total Intangible Assets	60.85	4.77	-	65.62	33.43	8.31	-	-	41.74	23.88	27.42

₹ in million											
For the year ended on March 31, 2011											
Particulars	Gross block			Depreciation					Net block		
	As at	Additions during the year	Disposals during the year	As at	As at	Charged for the year	On Disposals	Effect of Depreciation as per Companies Act 2013	As at	As at	As at
	1-Apr-10			31-Mar-11	1-Apr-10				31-Mar-11	31-Mar-11	31-Mar-10
Tangible Assets											
Land	10.02	-	-	10.02	-	-	-	-	-	10.02	10.02
Office Building	59.69	-	8.55	51.14	7.03	2.45	0.80	-	8.68	42.46	52.66
Office Equipment	95.53	8.93	3.22	101.24	22.14	10.85	0.99	-	32.00	69.24	73.39
Furniture & Fixtures	117.37	14.89	2.36	129.90	29.36	16.82	0.99	-	45.19	84.71	88.01
Computer Hardware	145.30	17.10	2.11	160.29	82.30	28.63	1.49	-	109.44	50.85	63.00
Vehicle	11.95	2.69	1.61	13.03	7.86	1.50	1.33	-	8.03	5.00	4.09
VSAT	36.17	0.49	-	36.66	15.79	2.88	-	-	18.67	17.99	20.38
Total Tangible Assets	476.03	44.10	17.85	502.28	164.48	63.13	5.60	-	222.01	280.27	311.55
Intangible Assets											
Computer Software	44.42	6.41	-	50.83	23.48	9.93	-	-	33.41	17.42	20.94
Trade Mark Logo	0.02	-	-	0.02	0.02	-	-	-	0.02	-	-
Goodwill	10.00	-	-	10.00	-	-	-	-	-	10.00	10.00
Total Intangible Assets	54.44	6.41	-	60.85	23.50	9.93	-	-	33.43	27.42	30.94

₹ in million											
For the year ended on March 31, 2010											
Particulars	Gross block			Depreciation					Net block		
	As at 1-Apr-09	Additions during the year	Disposals during the year	As at 31-Mar-10	As at 1-Apr-09	Charged for the year	On Disposals	Effect of Depreciation as per Companies Act 2013	As at 31-Mar-10	As at 31-Mar-10	As at 31-Mar-09
Tangible Assets											
Land	-	10.02	-	10.02	-	-	-	-	-	10.02	-
Office Building	41.19	18.50	-	59.69	4.74	2.29	-	-	7.03	52.66	36.45
Office Equipment	72.04	24.12	0.63	95.53	12.32	9.95	0.13	-	22.14	73.39	59.72
Furniture & Fixtures	83.58	35.74	1.95	117.37	14.27	15.63	0.54	-	29.36	88.01	69.31
Computer Hardware	112.39	34.70	1.79	145.30	53.38	29.41	0.49	-	82.30	63.00	59.01
Vehicle	12.27	0.14	0.46	11.95	6.76	1.44	0.34	-	7.86	4.09	5.51
VSAT	36.17	-	-	36.17	12.50	3.29	-	-	15.79	20.38	23.67
Total Tangible Assets	357.64	123.22	4.83	476.03	103.97	62.01	1.50	-	164.48	311.55	253.67
Intangible Assets											
Computer Software	23.22	21.51	0.31	44.42	13.28	10.40	0.20	-	23.48	20.94	9.94
Trade Mark Logo	0.02	-	-	0.02	0.01	0.01	-	-	0.02	-	0.01
Goodwill	10.00	-	-	10.00	-	-	-	-	-	10.00	10.00
Total Intangible Assets	33.24	21.51	0.31	54.44	13.29	10.41	0.20	-	23.50	30.94	19.95

Note:

1. The figures disclosed above are based on the restated unconsolidated summary statement of assets and liabilities of the Company.
2. The above statement should be read with the Significant Accounting Policies to the Restated Unconsolidated Summary Statement of Assets and Liabilities, Statement of Profit and Loss and Statement of Cash Flows as appearing in Annexure – 4, 5 and 6.

ANNEXURE 10: RESTATED UNCONSOLIDATED STATEMENT OF INVESTMENTS

10 A: Non-Current Investments

₹ in million						
Particulars	As at					
	30-Jun-14	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10
Investment Property	10.69	10.69	10.69	-	-	-
Trade Investments (Valued at cost)						
Investment in Equity Instruments (Unquoted)						
In subsidiary Companies	2,527.36	2,527.36	2,300.97	1,482.20	1,442.20	1,018.40
In other Companies	51.32	51.32	51.32	51.32	51.32	210.42
Non- Trade Investments (Valued at Cost)						
Investment In Equity Instruments (Quoted)	63.07	127.17	162.96	81.45	81.45	23.49
Investment in Portfolio Management Service (Quoted)						
Equity	-	-	-	37.97	-	-
Mutual Fund	-	-	-	8.99	-	-
Total	2,652.44	2,716.54	2,525.94	1,661.93	1,574.97	1,252.31

Aggregate book value of quoted investment as on June 30, 2014 is ₹63.07 million.

Aggregate market value of quoted investments as on June 30, 2014 is ₹ 61.75 million.

Aggregate book value of unquoted investment as on June 30, 2014 is ₹2,578.68 million.

10 B: Current Investment

₹ in million						
Particulars	As at					
	30-Jun-14	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10
(at lower of cost or fair value)						
Investment in Portfolio Management Service (Quoted)						
Equity	49.20	32.60	-	-	-	-
Mutual Fund	5.93	21.01	-	-	-	-
Total	55.13	53.61	-	-	-	-

Aggregate book value of quoted investments as on June 30, 2014 is ₹55.13 million.

Aggregate market value of quoted investments as on June 30, 2014 is ₹ 61.46 million.

Note:

- The figures disclosed above are based on the restated unconsolidated summary statement of assets and liabilities of the Company.
- The above statement should be read with the Significant Accounting Policies to the Restated Unconsolidated Summary Statement of Assets and Liabilities, Statement of Profit and Loss and Statement of Cash Flows as appearing in Annexure – 4,5 and 6.

ANNEXURE 11: RESTATED UNCONSOLIDATED STATEMENT OF DEFERRED TAX ASSET / DEFERRED TAX LIABILITY (NET)

₹ in million						
Particulars	As at		31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10
	30-Jun-14	31-Mar-14				
Deferred Tax Assets :						
Disallowances under Income Tax Act	24.99	14.47	15.34	8.95	6.29	7.02
Carried Forward Losses	0.21	0.20	0.20	-	-	-
Related to Fixed Assets	15.37	2.92	-	-	-	-
A	40.57	17.59	15.54	8.95	6.29	7.02
Deferred Tax Liabilities :						
Related to Fixed Assets	-	-	0.61	3.45	8.65	12.07
Deferred Revenue Expenses	-	-	-	0.05	3.26	6.61
B	-	-	0.61	3.50	11.91	18.68
Net Deferred Tax Asset/ (Liability) (A-B)	40.57	17.59	14.93	5.45	(5.62)	(11.66)

Note:

- 1 The figures disclosed above are based on the restated unconsolidated summary statement of assets and liabilities of the Company.
- 2 The above statement should be read with the Significant Accounting Policies to the Restated Unconsolidated Summary Statement of Assets and Liabilities, Statement of Profit and Loss and Statement of Cash Flows as appearing in Annexure – 4, 5 and 6.

ANNEXURE 12: RESTATED UNCONSOLIDATED STATEMENT OF LONG-TERM LOANS AND ADVANCES AND OTHER NON – CURRENT ASSETS

12 A (i) : Long-term loans and advances

Particulars	₹ in million					
	As at					
	30-Jun-14	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10
Security Deposits	48.26	48.67	65.91	25.14	62.33	25.01
Advances Recoverable in cash or in kind	297.95	351.56	446.96	567.26	679.27	696.09
Balance with Statutory Authorities	28.19	31.93	23.97	8.55	8.71	71.48
Advance tax and TDS	-	17.55	5.59	16.84	2.66	2.53
Total Long-term loans and advances	374.40	449.71	542.43	617.79	752.97	795.11

12 A (ii) : Amount due from Parent Company / Group Company / Directors / Relative of directors

Particulars	₹ in million					
	As at					
	30-Jun-14	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10
From Promoters	-	-	-	-	-	-
Group Companies	39.24	39.24	39.24	43.58	0.03	4.04
Directors	-	-	-	-	-	-
Total	39.24	39.24	39.24	43.58	0.03	4.04

12 B : Other non-current assets

Particulars	₹ in million					
	As at					
	30-Jun-14	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10
Unamortized Expenses	-	-	-	-	0.16	10.03
Total Other non-current assets (B)	-	-	-	-	0.16	10.03

Note:

- 1 The figures disclosed above are based on the Restated Unconsolidated Summary Statement of Assets and Liabilities of the Company.
- 2 The above statement should be read with the Significant Accounting Policies to the Restated Unconsolidated Summary Statement of Assets and Liabilities, Statement of Profit and Loss and Statement of Cash Flows as appearing in Annexure – 4,5 and 6.
- 3 List of persons/ entities classified as 'Promoters' and 'Promoter Group Companies' has been determined by the Management and relied upon by the Auditors. The Auditors have not performed any procedure to determine whether the list is accurate and complete.

ANNEXURE 13: RESTATED UNCONSOLIDATED STATEMENT OF TRADE RECEIVABLES

13 A (i) :Non-Current Trade Receivables:

₹ in million						
Particulars	As at					
	30-Jun-14	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10
Trade Receivables (Non Current)						
Outstanding for a period exceeding one year						
Unsecured, considered good*	170.30	200.74	269.93	356.89	308.23	311.63
Unsecured, considered doubtful	41.58	14.13	23.05	1.05	0.13	3.33
Less: Provision for doubtful debts	(41.58)	(14.13)	(23.05)	(1.05)	(0.13)	(3.33)
Total	170.30	200.74	269.93	356.89	308.23	311.63

* No provision has been made in respect of certain overdue trade receivables amounting to ₹ 170.30 million as at June 30, 2014, since the Company has taken suitable measures to recover the said dues including filing of legal cases wherever considered appropriate.

13 A (ii) :Amount due from Parent Company / Group Company / Directors / Relative of directors

₹ in million						
Particulars	As at					
	30-Jun-14	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10
From Promoters	-	-	-	-	-	-
Group Companies	-	-	-	-	-	-
Directors	-	-	-	-	-	-
Total	-	-	-	-	-	-

Note:

- 1 The figures disclosed above are based on the Restated Unconsolidated Summary Statement of Assets and Liabilities of the Company.
- 2 The above statement should be read with the Significant Accounting Policies to the Restated Unconsolidated Summary Statement of Assets and Liabilities, Statement of Profit and Loss and Statement of Cash Flows as appearing in Annexure – 4, 5 and 6.
- 3 List of persons/ entities classified as 'Promoters' and 'Promoter Group Companies' has been determined by the Management and relied upon by the Auditors. The Auditors have not performed any procedure to determine whether the list is accurate and complete.

13 B (i) : Current Trade Receivables:

₹ in million						
Particulars	As at					
	30-Jun-14	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10
Trade Receivables (Current)						
Unsecured						
Debt outstanding for more than six months						
Considered good	2.62	3.78	8.98	22.17	40.57	137.63
Considered doubtful	-	-	-	-	-	-
Other Debts						
Considered good	2,253.68	2,037.53	1,234.48	2,077.62	1,719.36	983.43

₹ in million						
Particulars	As at					
	30-Jun-14	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10
Considered doubtful	-	-	-	-	-	-
Total	2,256.30	2,041.31	1,243.46	2,099.79	1,759.93	1,121.06

13 B (ii) : Amount due from Parent Company / Group Company / Directors / Relative of directors

₹ in million						
Particulars	As at					
	30-Jun-14	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10
From Promoters	-	-	0.02	0.02	0.06	4.73
Group Companies	0.11	-	-	1.75	224.72	425.61
Directors	-	-	-	-	-	-
Total	0.11	-	0.02	1.77	224.78	430.34

Note:

- 1 The figures disclosed above are based on the Restated Unconsolidated Summary Statement of Assets and Liabilities of the Company.
- 2 The above statement should be read with the Significant Accounting Policies to the Restated Unconsolidated Summary Statement of Assets and Liabilities, Statement of Profit and Loss and Statement of Cash Flows as appearing in Annexure – 4, 5 and 6.
- 3 List of persons/ entities classified as 'Promoters' and 'Promoter Group Companies' has been determined by the Management and relied upon by the Auditors. The Auditors have not performed any procedure to determine whether the list is accurate and complete.

ANNEXURE 14: RESTATED UNCONSOLIDATED STATEMENT OF INVENTORIES

₹ in million						
Particulars	As at					
	30-Jun-14	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10
Inventories						
Stock-in-trade of Securities	1,279.81	1,133.75	748.79	974.01	1,016.92	1,672.89
Stock-in-trade of Bonds	7.39	48.32	-	-	-	-
Total	1,287.20	1,182.07	748.79	974.01	1,016.92	1,672.89

Note:

- 1 The figures disclosed above are based on the Restated Unconsolidated Summary Statement of Assets and Liabilities of the Company.
- 2 The above statement should be read with the Significant Accounting Policies to the Restated Unconsolidated Summary Statement of Assets and Liabilities, Statement of Profit and Loss and Statement of Cash Flows as appearing in Annexure – 4, 5 and 6.

ANNEXURE 15: RESTATED UNCONSOLIDATED STATEMENT OF CASH AND BANK BALANCES

₹ in million						
Particulars	As at					
	30-Jun-14	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10
Cash and cash equivalents						
Cash on hand	1.82	1.58	1.90	2.95	1.40	3.68
Balance with scheduled banks:	-	-	-	-	-	-
Current account	40.37	20.73	92.93	39.58	33.77	30.47
Foreign Currency in hand	0.01	0.01	0.02	0.01	0.01	-
Fixed deposit less than three months	0.30	0.30	2.36	1.50	6.52	2.37
Sub- Total	42.50	22.62	97.21	44.04	41.70	36.52
Other bank balances						
Bank deposits with maturity of more than 3 months but less than 12 month	-	-	-	-	-	55.05
Margins Deposited with Exchanges or against guarantees and other commitments	1,753.68	1,782.51	2,135.81	1,670.46	1,678.64	1,060.74
Sub- Total	1,753.68	1,782.51	2,135.81	1,670.46	1,678.64	1,115.79
Total cash and bank balances	1,796.18	1,805.13	2,233.02	1,714.50	1,720.34	1,152.31

Note:

- 1 The figures disclosed above are based on the restated unconsolidated summary statement of assets and liabilities of the Company.
- 2 The above statement should be read with the Significant Accounting Policies to the Restated Unconsolidated Summary Statement of Assets and Liabilities, Statement of Profit and Loss and Statement of Cash Flows as appearing in Annexure – 4, 5 and 6.

ANNEXURE 16: RESTATED UNCONSOLIDATED STATEMENT OF SHORT-TERM LOANS AND ADVANCES AND OTHER CURRENT ASSETS

16 A (i): Short-term loans and advances

₹ in million						
Particulars	As at					
	30-Jun-14	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10
Loans and advances to related parties	1.19	-	313.90	180.06	131.82	429.92
Balance with Statutory Authorities	1.68	1.97	1.77	0.08	0.28	0.23
Advances Recoverable in cash or in kind	149.92	161.98	98.10	30.87	162.09	276.91
Prepaid Expenses	65.22	29.42	37.39	57.40	59.03	20.38
Total Short-term loans and advances	218.01	193.37	451.16	268.41	353.22	727.44

16 A (ii) : Amount due from Parent Company / Group Company / Directors / Relative of directors

₹ in million						
Particulars	As at					
	30-Jun-14	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10
From Promoters	-	-	-	-	-	-
Group Companies	1.43	-	313.90	433.01	-	11.44
Directors	-	-	-	-	-	-
Total	1.43	-	313.90	433.01	-	11.44

16 B : Other current assets

₹ in million						
Particulars	As at					
	30-Jun-14	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10
Accrued Interest on FDR	20.09	20.97	20.49	17.99	12.68	10.10
Accrued Interest on Bonds	0.25	0.24	-	-	-	-
Unamortized Expenses	-	-	-	0.16	9.87	9.87
Total Other current assets (B)	20.34	21.21	20.49	18.15	22.55	19.97

Note:

- 1 The figures disclosed above are based on the Restated Unconsolidated Summary Statement of Assets and Liabilities of the Company.
- 2 The above statement should be read with the Significant Accounting Policies to the Restated Unconsolidated Summary Statement of Assets and Liabilities, Statement of Profit and Loss and Statement of Cash Flows as appearing in Annexure – 4,5 and 6.
- 3 List of persons/ entities classified as 'Promoters' and 'Promoter Group Companies' has been determined by the Management and relied upon by the Auditors. The Auditors have not performed any procedure to determine whether the list is accurate and complete.

ANNEXURE 17: RESTATED UNCONSOLIDATED STATEMENT OF BORROWINGS

17 A : Long-term borrowings:

Particulars	₹ in million					
	As at					
	30-Jun-14	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10
Term Loans* (Secured Against Vehicles)						
From Banks	4.26	0.35	0.97	1.95	1.24	0.20
Less: Current Maturities disclosed under the head "Other Current Liabilities" (Annexure 19 B)	(1.56)	(0.35)	(0.62)	(0.98)	(0.50)	(0.16)
Sub total	2.70	-	0.35	0.97	0.74	0.04
Secured Term loans						
Term loan from Banks	-	-	100.00	525.00	525.00	-
Less: Current Maturities disclosed under the head "Other Current Liabilities" (Annexure 19 B)	-	-	(100.00)	-	-	-
Sub total	-	-	-	525.00	525.00	-
Total	2.70	-	0.35	525.97	525.74	0.04

* Term Loan as at June 30, 2014, repayable in 36 equated monthly instalments bearing interest @ 9.33% to 10.50% p.a.

17 B : Short-term borrowings:

Particulars	₹ in million					
	As at					
	30-Jun-14	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10
Secured						
Short Term Loan from Banks secured against Shares #	265.35	284.67	0.17	166.01	266.36	326.21
Short Term Loan from Banks secured against FDR	-	-	197.80	337.00	660.00	242.50
Short Term Loan from other parties secured against Shares	-	-	-	100.00	-	452.50
Total	265.35	284.67	197.97	603.01	926.36	1,021.21

As at June 30, 2014, repayable on demand, bearing interest rate varying from 10.50% to 11.75% p.a. and also secured against personal guarantee of the Directors of the Company.

Note:

- The figures disclosed above are based on the Restated Unconsolidated Summary Statement of Assets and Liabilities of the company.
- The above statement should be read with the Significant Accounting Policies to the Restated Unconsolidated Summary Statement of Assets and Liabilities, Statement of Profit and Loss and Statement of Cash Flows as appearing in Annexure – 4, 5 and 6.
- There are no unsecured loans outstanding to Directors / Promoters / Promoter Group Companies / Group

Companies / Relatives of Promoters / Relatives of Directors / Subsidiary Companies.

- 4 List of persons/ entities classified as 'Promoters' and 'Promoter Group Companies' has been determined by the Management and relied upon by the Auditors. The Auditors have not performed any procedure to determine whether the list is accurate and complete.

ANNEXURE 18: RESTATED UNCONSOLIDATED STATEMENT OF LONG-TERM PROVISIONS AND OTHER LONG TERM LIABILITIES

18 A. Long term Provisions

₹ in million						
Particulars	As at					
	30-Jun-14	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10
Provision for employee benefits						
Gratuity	23.22	22.14	18.70	19.35	17.71	16.38
Leave Encashment	6.11	5.78	4.59	4.63	0.71	-
Total Long term Provisions (A)	29.33	27.92	23.29	23.98	18.42	16.38

18 B. Other Long term Liabilities

₹ in million						
Particulars	As at					
	30-Jun-14	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10
Security & Deposits Received from related party	60.00	60.00	-	-	-	-
Total Other Long term Liabilities (B)	60.00	60.00	-	-	-	-

Amount due from Parent Company / Group Company / Directors / Relative of directors

₹ in million						
Particulars	As at					
	30-Jun-14	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10
From Promoters	-	-	-	-	-	-
Group Companies	60.00	60.00	-	-	-	-
Directors	-	-	-	-	-	-
Total	60.00	60.00	-	-	-	-

Note:

- The figures disclosed above are based on the Restated Unconsolidated Summary Statement of Assets and Liabilities of the Company.
- The above statement should be read with the Significant Accounting Policies to the Restated Unconsolidated Summary Statement of Assets and Liabilities, Statement of Profit and Loss and Statement of Cash Flows as appearing in Annexure – 4, 5 and 6.
- List of persons/ entities classified as 'Promoters' and 'Promoter Group Companies' has been determined by the Management and relied upon by the Auditors. The Auditors have not performed any procedure to determine whether the list is accurate and complete.

ANNEXURE 19: RESTATED UNCONSOLIDATED STATEMENT OF TRADE PAYABLES, OTHER CURRENT LIABILITIES AND SHORT –TERM PROVISIONS

19 A (i) : Trade payable

₹ in million						
Particulars	As at					
	30-Jun-14	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10
Trade payables						
Total outstanding dues of micro and small enterprises	-	-	-	-	-	-
Total outstanding dues of trade payables other than micro and small enterprises	1,097.85	816.47	820.09	724.89	942.03	893.15
Total	1,097.85	816.47	820.09	724.89	942.03	893.15

19 A (ii) :Amount due from Parent Company / Group Company / Directors / Relative of directors

₹ in million						
Particulars	As at					
	30-Jun-14	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10
From Promoters	-	-	-	-	-	-
Group Companies	134.04	108.83	38.00	2.49	1.58	12.50
Total	134.04	108.83	38.00	2.49	1.58	12.50

19 B (i) :Other Current Liabilities

₹ in million						
Particulars	As at					
	30-Jun-14	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10
Other Current Liabilities						
Book Overdraft from Bank	52.89	101.15	253.60	256.45	146.52	116.63
Current Maturities of Long Term Borrowings	1.56	0.35	100.62	0.98	0.50	0.16
Security & Deposits Received from clients	23.51	22.44	23.43	30.34	31.51	25.97
Advances /Margin Received from Clients	1,737.79	1,807.13	1,593.94	1,033.63	909.37	971.80
Unearned Income	23.76	4.32	5.42	6.92	16.46	9.73
Unpaid Dividend	0.22	0.22	-	-	-	-
Payable to Statutory authorities	14.65	16.62	18.30	22.91	24.16	18.00
Other Liabilities:						
Payable to related party on current accounts	366.20	404.92	-	-	-	100.52
Total	2,220.58	2,357.15	1,995.31	1,351.23	1,128.52	1,242.81

19B (ii) :Amount due from Parent Company / Group Company / Directors / Relative of directors

₹ in million						
Particulars	As at					
	30-Jun-14	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10
From Promoters	-	-	-	-	-	-
Group Companies	371.20	415.36	12.94	-	0.08	100.52

₹ in million						
Particulars	As at					
	30-Jun-14	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10
Directors	-	-	-	-	-	-
Total	371.20	415.36	12.94	-	0.08	100.52

19 C : Short Term Provisions

₹ in million						
Particulars	As at					
	30-Jun-14	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10
Provision for employee benefits						
Salary and Perquisites	22.55	21.58	27.77	57.67	57.14	41.55
Provision For Gratuity	1.09	1.04	0.75	1.68	1.54	1.42
Provision For Leave Encashment	0.28	0.26	0.18	0.40	0.06	-
Others						
Provision for Income Tax	24.57	-	-	-	-	-
Provision for Wealth Tax	0.01	0.03	0.03	0.03	0.03	0.03
Provision for CSR	0.40	-	-	-	-	-
Proposed Dividend	27.15	27.15	-	-	-	-
Tax on Dividend	4.61	4.61	-	-	-	-
Total	80.66	54.67	28.73	59.78	58.77	43.00

Note:

- 1 The figures disclosed above are based on the Restated Unconsolidated Summary Statement of Assets and Liabilities of the Company.
- 2 The above statement should be read with the Significant Accounting policies to the Restated Unconsolidated Summary Statement of Assets and Liabilities, Statement of Profit and Loss and Statement of Cash Flows as appearing in Annexure – 4, 5 and 6.
- 3 List of persons/ entities classified as 'Promoters' and 'Promoter Group Companies' has been determined by the Management and relied upon by the Auditors. The Auditors have not performed any procedure to determine whether the list is accurate and complete.

ANNEXURE 20: RESTATED UNCONSOLIDATED STATEMENT OF REVENUE FROM OPERATIONS

						₹ in million
Particulars	Period ended	Year ended				
	30-Jun-14	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10
Revenue from operations:						
Income from Brokerage	254.83	751.89	732.39	730.61	957.87	958.36
Income from Proprietary Trading	238.96	613.49	651.45	640.46	758.35	879.88
Income from Distribution of Financial products	9.68	32.37	48.94	55.09	66.04	47.63
Income from Depository Business	11.30	30.91	35.88	53.74	55.16	48.39
Treasury Income	42.89	183.54	194.22	157.27	118.79	130.25
Dividend Earned	4.80	60.88	12.65	5.87	6.78	7.59
Income from Exchange	0.52	20.80	15.03	1.53	-	-
Income from Reverse Book Building	0.35	2.13	2.53	1.84	2.42	1.36
Other Operating Income						
Income from Investment in PMS	1.49	(1.55)	15.74	(3.05)	-	-
Dividend on Investment	0.06	2.95	1.08	1.26	1.27	-
Profit on Sale of Investment	(26.58)	2.61	0.11	-	-	1.95
Currency Advisory Services	-	0.42	0.01	-	0.20	0.13
Delay Payment Charges	25.08	49.71	48.66	68.27	91.66	53.74
Total Revenue from operations	563.38	1,750.15	1,758.69	1,712.89	2,058.54	2,129.28

Note:

- 1 The figures disclosed above are based on the restated unconsolidated summary statement of Profit & Loss of the Company.
- 2 The above statement should be read with the Significant Accounting Policies to the Restated Unconsolidated Summary Statement of Assets and Liabilities, Statement of Profit and Loss and Statement of Cash Flows as appearing in Annexure – 4, 5 and 6.

ANNEXURE 21: RESTATED UNCONSOLIDATED STATEMENT OF OTHER INCOME

₹ in million						
Particulars	Period ended	Year ended				
	30-Jun-14	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10
Rent Received	4.45	16.56	7.50	-	-	-
Interest on Income Tax Refund	0.11	1.40	1.65	0.39	1.24	5.18
Liability no Longer Required	0.05	4.91	14.15	2.57	1.01	1.91
Profit on sale of Fixed asset	0.53	-	-	-	0.18	0.02
Stale Cheque w/off	-	-	-	5.73	-	-
Cheque Suspense w/off	-	-	-	-	1.33	-
Charges for Logo display on website	-	38.25	-	15.32	8.71	-
Other Misc. Income	0.05	1.29	1.69	0.09	3.04	3.33
Total Other Income	5.19	62.41	24.99	24.10	15.51	10.44

Note:

- 1 The above statement should be read with the Significant Accounting Policies to the Restated Unconsolidated Summary Statement of Assets and Liabilities, Statement of Profit and Loss and Statement of Cash Flows as appearing in Annexure – 4, 5 and 6.
- 2 The figures disclosed above are based on the restated unconsolidated summary statement of Profit & Loss of the Company.

ANNEXURE 22: RESTATED UNCONSOLIDATED STATEMENT OF EXCHANGE AND OTHER REGULATORY EXPENSES

₹ in million						
Particulars	Period ended	Year ended				
	30-Jun-14	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10
Client Introduction Charges	118.77	353.38	334.01	332.35	431.49	445.57
Exchange & Other Regulatory Charges	73.33	221.38	157.58	182.11	183.20	168.62
VPN, Leaseline, Internet & VSAT Expenses	2.25	9.35	9.29	2.13	6.42	18.43
Securities Transaction Tax	76.90	217.79	259.43	262.51	315.40	492.29
Demat Charges	0.15	0.68	0.47	0.73	0.92	0.95
Total	271.40	802.58	760.78	779.83	937.43	1,125.86

Note:

- 1 The figures disclosed above are based on the restated unconsolidated summary statement of Profit & Loss of the Company.
- 2 The above statement should be read with the Significant Accounting Policies to the Restated Unconsolidated Summary Statement of Assets and Liabilities, Statement of Profit and Loss and Statement of Cash Flows as appearing in Annexure – 4, 5 and 6.

ANNEXURE 23: RESTATED UNCONSOLIDATED STATEMENT OF EMPLOYEE BENEFIT EXPENSES

₹ in million						
Particulars	Period ended	Year ended				
	30-Jun-14	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10
Salaries and incentives	79.99	317.58	364.96	377.10	510.02	449.85
Employers' Contributions to -						
Provident fund	1.91	7.82	8.24	9.17	9.81	8.20
ESI	0.48	2.24	2.90	4.59	7.15	3.98
Gratuity	1.43	4.68	(1.88)	2.49	1.44	7.90
Staff welfare expenses	0.86	3.59	5.45	5.94	8.09	7.54
Total	84.67	335.91	379.67	399.29	536.51	477.47

Note:

- 1 The figures disclosed above are based on the restated unconsolidated summary statement of Profit & Loss of the Company.
- 2 The above statement should be read with the Significant Accounting Policies to the Restated Unconsolidated Summary Statement of Assets and Liabilities, Statement of Profit and Loss and Statement of Cash Flows as appearing in Annexure – 4, 5 and 6.

ANNEURE 24: RESTATED UNCONSOLIDATED STATEMENT OF OTHER EXPENSES

₹ in million						
Particulars	Period ended	Year ended				
	30-Jun-14	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10
Advertisement	24.99	72.34	15.04	9.71	32.58	20.82
Business Promotion	23.62	57.69	40.56	7.75	37.84	39.08
Provision for Doubtful Debts	27.50	42.75	31.94	42.54	15.44	5.00
Computer Repair & Maintenance	2.81	11.12	13.67	9.49	11.97	10.37
Conveyance & Traveling Expenses	2.51	10.31	12.63	14.06	11.44	10.11
Director Sitting Fee	0.10	0.27	0.54	0.35	0.12	0.14
Donations	-	0.23	-	0.01	6.71	1.52
Electricity & Water Charges	6.72	24.04	23.38	15.35	23.31	22.73
Insurance	0.34	1.25	0.94	1.00	1.05	1.09
Legal & Professional Charges	6.36	39.92	40.65	36.14	10.62	22.24
Bank Charges	0.23	5.89	17.03	17.71	12.05	1.64
Stock Exchange Listing Fee	0.03	0.12	0.14	0.24	0.19	0.26
Loss On Sale / Discarded Fixed Assets	-	3.32	0.08	5.22	-	-
Office Repair & Maintenance	4.58	15.25	17.71	22.79	27.64	26.75
Printing and Stationery	0.72	8.75	10.37	6.81	8.49	9.11
Rent	15.24	54.13	66.59	49.28	63.51	54.13
Rates & Taxes	0.23	3.67	0.99	1.11	1.47	1.31
Membership Fees & Subscription	0.19	0.73	0.71	0.84	0.73	0.43
Communication Expenses	7.39	21.22	20.28	30.16	30.74	36.14
Vehicle Running & Maintenance	0.67	2.74	2.63	3.11	2.59	1.98
Foreign Exchange Currency Fluctuation	-	-	-	-	-	0.44
CSR Expenses	0.40	-	-	-	-	-
Miscellaneous Expenses	0.38	2.40	4.03	0.13	0.31	0.80
Auditor's remuneration:	-	-	-	-	-	-
As Statutory Auditor	0.09	0.35	0.25	0.20	0.15	0.15
As Tax Auditor	0.02	0.08	0.05	0.05	0.05	0.05
As Fee for Other Services	0.02	0.08	0.06	-	-	-
Deferred Revenue Expenditure Amortized	-	-	0.16	9.87	9.87	9.87
Total	125.14	378.65	320.43	283.92	308.87	276.16

Note:

- 1 The figures disclosed above are based on the restated unconsolidated summary statement of Profit & Loss of the Company.
- 2 The above statement should be read with the Significant Accounting Policies to the Restated Unconsolidated Summary Statement of Assets and Liabilities, Statement of Profit and Loss and Statement of Cash Flows as appearing in Annexure – 4, 5 and 6.

ANNEXURE 25: RESTATED UNCONSOLIDATED SUMMARY OF DEPRECIATION AND AMORTISATION EXPENSES

₹ in million						
Particulars	Period ended		Year ended			
	30-Jun-14	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10
Depreciation on Tangible Assets	15.89	36.11	45.07	54.15	63.13	62.01
Amortisation of Intangible Assets	0.52	3.48	5.55	8.31	9.93	10.41
Total	16.41	39.59	50.62	62.46	73.06	72.42

Note:

- 1 The figures disclosed above are based on the restated unconsolidated summary Statement of Profit & Loss of the Company.
- 2 The above statement should be read with the Significant Accounting Policies to the Restated Unconsolidated Summary Statement of Assets and Liabilities, Statement of Profit and Loss and Statement of Cash Flows as appearing in Annexure – 4, 5 and 6.

ANNEXURE 26: RESTATED UNCONSOLIDATED STATEMENT OF FINANCE COSTS

₹ in millions						
Particulars	Period ended		Year ended			
	30-Jun-14	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10
Interest expense	25.93	79.99	127.79	173.75	150.94	75.32
Other Borrowing Cost	5.28	20.10	13.48	12.65	14.36	16.92
Total	31.21	100.09	141.27	186.40	165.30	92.24

Note:

- 1 The figures disclosed above are based on the restated unconsolidated summary statement of Profit & Loss of the Company.
- 2 The above statement should be read with the Significant Accounting Policies to the Restated Unconsolidated Summary Statement of Assets and Liabilities, Statement of Profit and Loss and Statement of Cash Flows as appearing in Annexure – 4, 5 and 6.

ANNEXURE 27: RESTATED UNCONSOLIDATED STATEMENT OF DIVIDEND

The declaration and payment of dividend will be recommended by the Board of Directors and approved by the shareholders of the Company at their discretion and will depend on a number of factors, including the results of operations, earnings, capital requirements and surplus, general financial conditions, contractual restrictions, applicable Indian legal restrictions and other factors considered relevant by the Board. [Further, pursuant to the terms of the loans obtained by the Company, prior written consent of the lenders of the Company is required to pay any dividends.] The Board may also from time to time pay interim dividend. All dividend payments are made in cash to the shareholders of the Company. The dividends declared by the Company during the last five Fiscals and period ended on June 30, 2014, are set out in the following table:

Particulars	Period ended	Year ended				
	30-Jun-14	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10
Face Value per Equity Share (₹)	-	2	-	-	-	-
Dividend (%)						
- Interim Dividend	-	12%	-	-	-	-
- Final Dividend	-	12%	-	-	-	-
Dividend amount (₹ in million)						
- Interim Dividend	-	27.15	-	-	-	-
- Final Dividend	-	27.15	-	-	-	-
Dividend Distribution Tax (₹ in million)						
- Interim Dividend	-	4.61	-	-	-	-
- Final Dividend	-	4.62	-	-	-	-

ANNEXURE 28: RESTATED UNCONSOLIDATED STATEMENT OF ACCOUNTING RATIOS

Particulars		Period ended		Year ended			
		30-Jun-14	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10
Basic Earnings Per Share(₹)	A/B	0.17	1.11	0.85	0.15	0.33	0.60
Diluted Earnings Per Share(₹)	A/C	0.17	1.11	0.85	0.15	0.33	0.58
(See Note 4 below)							
Net Profit after Tax (after preference dividend and related tax) as restated attributable to equity shareholders (₹ in million)	A	19.73	125.85	94.89	16.16	34.53	62.21
Weighted average no. of equity shares outstanding during the Year / Period	B	11,31,34,450	11,31,34,450	11,22,37,898	10,63,54,540	10,47,83,870	10,44,25,030
Weighted average no. of equity shares which should be considered for Diluted EPS	C	11,31,34,450	11,31,34,450	11,22,37,898	10,63,54,540	10,47,83,870	10,75,87,830
No. of equity shares outstanding at the end of Period / Year	E	11,31,34,450	11,31,34,450	11,31,34,450	1,09,45,758	1,04,78,387	1,04,78,387
Net worth at the end of Year / Period (₹ in million)	D	5,265.63	5,263.65	5,201.33	4,696.43	4,211.52	4,176.99
Net Asset Value Per Share(₹)	D/E	46.54	46.53	45.97	429.06*	401.92*	398.63*
Net worth at the end of Year / Period (after considering share splits and bonus issue) (₹ in million)		5,265.63	5,263.65	5,201.33	4,696.43	4,211.52	4,176.99
No. of equity shares outstanding at the end of Period / Year (after considering share splits and bonus issue)		11,31,34,450	11,31,34,450	11,31,34,450	10,94,57,580	10,47,83,870	10,47,83,870
Net Asset Value Per Share (after considering share splits and bonus issue) (₹)		46.54	46.53	45.97	42.91	40.19	39.86
Return on Net worth - in %	A/D*100	0.37	2.39	1.82	0.34	0.82	1.49

* Net Asset Value per share is before considering share split and bonus issue.

Notes:

1. The ratios have been computed as below:

(a) Basic Earnings Per Share (₹) =
$$\frac{\text{Net Profit after Tax (as restated) attributable to shareholders}}{\text{Weighted average number of equity shares outstanding during the year}}$$

(b) Diluted Earnings Per Share (₹) =
$$\frac{\text{Net Profit after Tax (as restated) attributable to shareholders}}{\text{Weighted average number of diluted equity shares outstanding during the year}}$$

(c) Return on net worth (%) =
$$\frac{\text{Net Profit after Tax (after preference dividend and related tax) as restated}}{\text{Net worth at the end of the year excluding preference share capital and cumulative preference dividend}}$$

(d) Net asset value per share (₹) =
$$\frac{\text{Net worth at the end of the year excluding preference share capital}}{\text{Total number of equity shares outstanding at the end of the year/Period}}$$

2. Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the year adjusted by the number of equity shares issued during year 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/ period.
3. Net Worth for ratios mentioned in note 1(c) and 1(d) represents sum of Equity Share Capital, Reserves and Surplus (other than revaluation reserve, if any).
4. Earnings per share calculations are in accordance with Accounting Standard 20 - Earnings per share. As per AS 20, in case of bonus shares, the number of shares outstanding before the event is adjusted for the proportionate change in the number of equity shares outstanding as if the event has occurred at the beginning of the earliest period reported. Weighted average number of equity shares outstanding during all the previous years have been considered accordingly.
5. The figures disclosed above are based on the Restated Unconsolidated Summary Statements of the Company.
6. The above statement should be read with the Notes to the Restated Unconsolidated Summary Statement of Assets and Liabilities, Statement of Profit and Loss and Statement of Cash Flows as appearing in Annexure – 4, 5 and 6.

ANNEXURE 29: RESTATED UNCONSOLIDATED CAPITALISATION STATEMENT

Particulars	₹ in million	
	As adjusted for FPO (Refer below note 2)	
	As at June 30, 2014	As at June 30, 2014
Debt		
Long Term Borrowings (A)	2.70	2.70
Short Term Borrowings (B)	265.35	265.35
Total Debt (C)	268.05	268.05
Shareholders' Funds:		
Equity Share Capital	226.27	[•]
Reserves & Surplus	5,039.36	[•]
Total Shareholder's Funds (D)	5,265.63	[•]
Long Term Debt/Equity (A/D)	0.00051	[•]
Total Debt/Equity (C/D)	0.05	[•]

Note:

- 1 The above has been computed on the basis of the Restated Unconsolidated Summary Statements of the Company.
- 2 The corresponding post FPO capitalization data for each of the amounts given in the above table is not determinable at this stage pending the completion of the Book Building process and hence the same have not been provided in the above statement.

ANNEXURE 30: RESTATED UNCONSOLIDATED STATEMENT OF RELATED PARTY TRANSACTIONS

List of related parties and transactions as per requirements of Accounting Standard – 18, ‘Related Party Disclosures’

Particulars	Period ended		Year ended			
	June 30, 2014	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010
Key Management Personnel	1) Mr. Subhash Chand Aggarwal	1) Mr. Subhash Chand Aggarwal	1) Mr. Subhash Chand Aggarwal	1) Mr. Subhash Chand Aggarwal	1) Mr. Subhash Chand Aggarwal	1) Mr. Subhash Chand Aggarwal
	2) Mr. Mahesh Chand Gupta	2) Mr. Mahesh Chand Gupta	2) Mr. Mahesh Chand Gupta	2) Mr. Mahesh Chand Gupta	2) Mr. Mahesh Chand Gupta	2) Mr. Mahesh Chand Gupta
	3) Mr. Ajay Garg	3) Mr. Ajay Garg	3) Mr. Ajay Garg	3) Mr. Ajay Garg	3) Mr. Ajay Garg	3) Mr. Ajay Garg
	4) Mr. Pradeep Aggarwal	4) Mr. Pradeep Aggarwal	4) Mr. Pradeep Aggarwal	4) Mr. Pradeep Aggarwal	4) Mr. Pradeep Aggarwal	4) Mr. Pradeep Aggarwal
	5) Mr. Anurag Bansal	5) Mr. Anurag Bansal	5) Mr. Anurag Bansal	5) Mr. Anurag Bansal	5) Mr. Anurag Bansal	5) Mr. Anurag Bansal
	6) Mr. Himanshu Gupta	6) Mr. Himanshu Gupta	6) Mr. Himanshu Gupta	6) Mr. Rakesh Gupta	6) Mr. Rakesh Gupta	6) Mr. Rakesh Gupta
	7) Ms. Shweta Aggarwal	7) Ms. Shweta Aggarwal	7) Ms. Shweta Aggarwal	7) Mr. Himanshu Gupta	7) Mr. Himanshu Gupta	7) Mr. Ravi Aggarwal
	8) Mr. Vinod Kumar Jamar			8) Ms. Shweta Aggarwal	8) Ms. Shweta Aggarwal	8) Ms. Shweta Aggarwal
	9) Mr. Suman Kumar			9) Ms. Aditi Aggarwal	9) Ms. Aditi Aggarwal	9) Mr. Finney Cherian
					10) Mr. Finney Cherian	
Companies where control exists	1) SMC Comtrade Limited	1) SMC Comtrade Limited	1) SMC Comtrade Limited	1) SMC Comtrade Limited	1) SMC Comtrade Limited	1) SMC Comtrade Limited
	2) SMC Insurance Brokers Private Limited	2) SMC Insurance Brokers Private Limited	2) SMC Insurance Brokers Private Limited	2) SMC Insurance Brokers Private Limited	2) SMC Insurance Brokers Private Limited	2) SMC Insurance Brokers Private Limited
	3) SMC ARC Limited	3) SMC ARC Limited	3) SMC ARC Limited	3) SMC ARC Limited	3) SMC ARC Limited	3) SMC ARC Limited
	4) SMC Investments and Advisors Limited	4) SMC Investments and Advisors Limited	4) SMC Investments and Advisors Limited	4) SMC Investments and Advisors Limited	4) SMC Investments and Advisors Limited	4) SMC Investments and Advisors Limited
	5) Moneywise Financial Services Private Limited	5) Moneywise Financial Services Private Limited	5) Moneywise Financial Services Private Limited	5) Moneywise Financial Services Private Limited	5) Moneywise Financial Services Private Limited	5) Moneywise Financial Services Private Limited
	6) SMC Capitals Limited	6) SMC Capitals Limited	6) SMC Capitals Limited	6) SMC Capitals Limited	6) SMC Capitals Limited	6) SMC Capitals Limited
	7) SMC Comex International DMCC	7) SMC Comex International DMCC	7) SMC Comex International DMCC	7) SMC Comex International DMCC	7) SMC Comex International DMCC	7) SMC Comex International DMCC
	8) Moneywise Finvest Limited	8) Moneywise Finvest Limited	8) Moneywise Finvest Limited	8) Moneywise Finvest Limited	1) SMC Comtrade Limited	1) SMC Comtrade Limited

Particulars	Period ended		Year ended			
	June 30, 2014	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010
	9) SMC Finvest Limited	9) SMC Finvest Limited	9) SMC Finvest Limited	9) SMC Finvest Limited	2) SMC Insurance Brokers Private Limited	2) SMC Insurance Brokers Private Limited
	10) SMC Real Estate Advisors Private Limited*	10) SMC Real Estate Advisors Private Limited	10) SMC Real Estate Advisors Private Limited			
Associates	1) MVR Share Trading Private Limited	1) MVR Share Trading Private Limited	1) MVR Share Trading Private Limited	1) MVR Share Trading Private Limited	1) Moneywise Finvest Limited	1) Moneywise Finvest Limited
					2) SMC Finvest Limited	2) SMC Finvest Limited
					3) MVR Share Trading Private Limited	3) MVR Share Trading Private Limited

Details of Transactions with Related Parties:

Particulars	₹ in million					
	Period ended		Year ended			
	30-Jun-14	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10
Investments in Companies where Control exists						
SMC Capitals Limited	-	19.17	-	40.00	1.00	20.00
SMC Comtrade Limited	-	-	300.00	-	25.00	95.00
SMC ARC Limited	-	-	-	-	-	25.00
SMC Investments and Advisors Limited	-	-	300.00	-	-	229.97
Moneywise Financial Services Private Limited	-	200.00	-	-	-	250.00
Moneywise Finvest Limited	-	-	5.90	-	-	-
SMC Finvest Limited	-	7.22	212.87	-	-	-
Investment in Associates						
Moneywise Finvest Limited	-	-	-	-	-	3.90
SMC Finvest Limited	-	-	-	-	-	159.90
Loans & Advances to related parties (Net)						
SMC Insurance Brokers Private Limited	1.19	-	-	-	-	-
SMC Capitals Limited	-	-	21.38	-	-	-
SMC Comtrade Limited	-	-	-	10.88	-	-
Loans & Advances recovered from related parties (Net)						
SMC Comtrade Limited	-	292.52	161.89	-	-	-
SMC Capital Limited	-	21.38	-	-	-	-
MVR Share Trading Private Limited	-	-	4.34	7.91	-	-
Loans & Advances from related parties (Net)						
SMC Comtrade Limited	-	404.92	-	-	-	-
Moneywise Financial Services	82.39	-	-	-	-	-

₹ in million						
Particulars	Period ended	Year ended				
	30-Jun-14	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10
Private Limited						
SMC Capitals Limited	0.02	-	-	-	-	-
Loans & Advances repaid to related parties						
SMC Comtrade Limited	121.13	-	-	-	-	-
Security Deposit received						
SMC Insurance Brokers Private Limited	-	60.00	-	-	-	-
Rent received						
SMC Insurance Brokers Private Limited	3.75	15.00	7.50	-	-	-
Moneywise Financial Services Private Limited	0.23	0.15	-	-	-	-
Management fees on PMS (paid)						
SMC Investments and Advisors Limited	0.18	0.14	1.34	-	-	-
Finance costs						
SMC Investments and Advisors Limited	0.11	0.03	-	-	-	-
SMC Comtrade Limited	8.28	-	-	-	-	-
Moneywise Financial Services Private Limited	1.65	-	-	-	-	-
Key Management Personnel						
Director Remuneration						
Mr. Subhash Chand Aggarwal	1.75	6.50	6.00	6.50	6.50	5.70
Mr. Mahesh Chand Gupta	1.75	6.50	6.00	6.50	6.50	5.70
Mr. Rakesh Gupta	-	-	-	4.20	4.23	3.49
Mr. Pradeep Aggarwal	1.14	4.25	3.92	4.25	4.25	3.33
Mr. Anurag Bansal	0.88	3.25	3.00	3.00	3.25	2.85
Mr. Ajay Garg	0.88	3.00	3.00	2.69	3.00	2.85
Remuneration						
Mr. Himanshu Gupta	0.53	1.95	1.80	1.60	-	-
Ms. Shweta Aggarwal	0.53	1.95	1.80	2.00	2.10	1.60
Ms. Aditi Aggarwal	-	-	-	1.20	-	-
Mr. Vinod Kumar Jamar	0.92	-	-	-	-	-
Mr. Suman Kumar	0.70	-	-	-	-	-
Brokerage Received						
SMC Real Estate Advisors Private Limited*	19.00	47.68	1.42	-	-	-
SMC ARC Limited	-	0.55	0.79	0.70	0.21	-
SMC Comtrade Limited	0.01	0.52	0.08	-	-	-
SMC Investments & Advisors Limited	0.06	1.08	-	-	-	-
SMC Finvest Limited	-	0.02	-	-	-	-
Moneywise Financial Services Private Limited	-	0.03	0.01	0.05	0.06	2.11
Income From Operation						
Demat Charges						
SMC Comtrade Limited	0.08	0.25	0.27	6.50	6.74	3.68
Commission on Fund Mobilization						
SMC Capital Limited	-	-	-	7.45	3.46	1.97
Commission paid						
SMC Finvest Limited	-	0.56	-	-	-	-

₹ in million						
Particulars	Period ended	Year ended				
	30-Jun-14	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10
SMC Investments & Advisors Limited	0.77	0.93	1.29	-	-	-
Client Introduction Charges Paid						
SMC Investments and Advisors Limited	0.50	8.07	27.77	14.17	15.59	2.89
Net Reimbursement of expenses received						
Companies where Control exists						
SMC Investments and Advisors Limited	0.07	0.24	1.91	5.20	9.00	0.56
SMC Insurance Brokers Private Limited	-	1.19	8.59	-	-	-
SMC Real Estate Advisors Private Limited*	0.08	24.76	-	-	-	-
SMC Comtrade Limited	0.33	-	-	307.18	129.15	-
SMC ARC Limited	-	-	-	1.30	1.40	0.30
Moneywise Financial Services Private Limited	-	0.80	-	40.95	16.83	-
SMC Finvest Limited (formerly known as Sanlam Investment Management (India) Limited)	0.08	0.30	1.88	0.50	-	-
SMC Capitals Limited	-	0.01	6.14	-	-	-
Net Reimbursement of expenses paid						
Companies where Control exists						
SMC Comtrade Limited	-	3.14	5.71	-	-	-
SMC Investments and Advisors Limited	0.52	0.20	0.16	-	-	-
SMC Capitals Limited	0.09	0.35	0.11	-	-	-
Associate Companies						
Moneywise Finvest Limited (formerly known as Sanlam Trustee Company (India) Limited)	-	-	-	-	-	0.50
SMC Finvest Limited(formerly known as Sanlam Investment Management (India) Limited)	-	-	-	-	2.88	48.77
Purchase of Fixed Assets						
SMC Investments and Advisors Limited	-	0.21	0.14	-	-	-
SMC Insurance Brokers Private Limited	-	0.53	-	-	-	-

₹ in million							
Balance Outstanding	Particulars	As at					
		30-Jun-14	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10
SMC ARC Limited	Short Term Loans & Advances	-	-	-	1.05	-	-
SMC ARC Limited	Trade Receivables (current)	-	-	-	1.75	-	-
SMC ARC Limited	Trade Payable	-	-	10.69	-	0.74	12.50
SMC Investments and Advisors Limited	Short Term Loans & Advances	-	-	-	0.19	-	-
SMC Investments and Advisors Limited	Long Term Loans & Advances	-	-	-	-	0.03	4.04
SMC Investments and Advisors Limited	Other Current Liabilities	5.00	5.51	-	-	-	-
SMC Investments and Advisors Limited	Trade Payable	0.11	-	-	-	-	-
SMC Investments and Advisors Limited	Trade Payable (current)	0.64	4.28	-	1.41	0.84	-
Moneywise Financial Service Private Limited	Other Current Liabilities	82.39	-	-	-	-	100.52
Moneywise Financial Service Private Limited	Trade Payable	1.65	-	-	-	-	-
Moneywise Financial Service Private Limited	Trade Payable (current)	3.21	-	-	-	131.82	4.93
SMC Capitals Limited	Other Current Liabilities	0.02	-	-	-	0.08	-
SMC Capitals Limited	Short Term Loans & Advances	-	-	21.38	-	-	-
SMC Comtrade Limited	Short Term Loans & Advances	0.24	-	292.52	431.77	-	-
SMC Comtrade Limited	Trade Receivables (current)	0.11	-	-	-	92.90	420.68
SMC Comtrade Limited	Other Current Liabilities	283.79	404.92	-	-	-	-
SMC Comtrade Limited	Trade Payable	8.28	-	-	-	-	-
SMC Comtrade Limited	Trade Payable (current)	4.20	0.12	22.10	1.08	-	-
SMC Comtrade Limited	Margin received from client	-	4.93	12.94	-	-	-
SMC Insurance Brokers Private Limited	Short Term Loans & Advances	1.19	-	-	-	-	-

		₹ in million					
Balance Outstanding	Particulars	As at					
		30-Jun-14	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10
SMC Insurance Brokers Private Limited	Long Term Provision	60.00	60.00	-	-	-	-
SMC Insurance Brokers Private Limited	Trade Payable (Current)	26.10	-	-	-	-	-
SMC Finvest Limited (formerly known as Sanlam Investment Management (India) Limited)	Short Term Loans & Advances	-	-	-	-	-	11.44
SMC Real Estate Advisors Private Limited*	Trade Payable (current)	89.85	104.43	5.21	-	-	-
MVR Share Trading Private Limited	Long Term Loans & Advances	39.24	39.24	39.24	43.58	-	-
* formerly known as SMC Securities Private Limited							

Note:

- 1 We certify that profits from related party transactions have arisen from legitimate business transactions as explained by the management and relied upon by the auditors.

ANNEXURE 31: RESTATED UNCONSOLIDATED STATEMENT OF TAX SHELTER

Particulars	₹ in million					
	Period ended		Year ended			
	30-Jun-14	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10
Restated Profit before Tax	39.74	155.74	130.91	25.09	52.88	95.57
Income Tax Rate(%)	33.990%	32.445%	32.445%	32.445%	33.218%	33.990%
Tax thereon at the above rate	13.51	50.53	42.47	8.14	17.57	32.48
Permanent Differences						
Donation	-	0.18	-	-	3.46	0.99
(Profit)/Loss on sale of Investments	26.58	(2.61)	(0.11)	-	-	(1.95)
Prior Period (Income) / Expenses	-	0.02	0.04	0.44	(0.16)	-
STT on PMS	-	0.04	0.18	-	-	-
Expenses relating to PMS	-	-	1.32	-	-	-
Dividend on Shares (PMS)	(0.06)	(2.95)	(0.47)	-	-	-
Dividend on Shares Exempted u/s 10(33)	(4.80)	(60.88)	(12.65)	-	-	-
Income on PMS	(1.49)	1.55	(17.23)	-	-	-
Expenses disallowed u/s 14A	0.04	0.73	3.26	-	-	-
Provision for CSR	0.40	-	-	-	-	-
Total Permanent differences	20.67	(63.92)	(25.66)	0.44	3.30	(0.96)
Timing Differences						
Difference between Book and Tax Depreciation	9.84	5.52	6.27	11.57	9.18	(0.81)
Gratuity	1.13	3.72	(1.58)	1.79	1.44	7.40
Leave Encashment	0.34	1.28	(0.25)	4.25	-	-
Provision for statutory Bonus not paid	-	1.24	-	-	-	-
Provision for bad Debts	27.50	46.34	31.94	42.54	14.33	5.00
Deferred Revenue expenditure written off	-	-	0.16	9.87	9.87	9.87
Excess Provision for expense	-	-	-	0.50	-	-
(Profit) / Loss on Sale of Fixed Assets	(0.53)	3.32	0.08	5.22	(0.18)	(0.02)
Bad Debts allowed	(0.05)	(55.27)	(9.93)	(41.63)	(17.52)	(11.32)
Total timing differences	38.23	6.15	26.69	34.11	17.12	10.12
Net Adjustment	58.90	(57.77)	1.03	34.55	20.42	9.17
Tax Savings Thereon	(20.02)	18.74	(0.33)	(11.21)	(6.78)	(3.12)
Tax on Short term capital gain	0.31	0.27	2.52	-	-	0.14
Impact due to prior period taxes	-	-	0.14	0.62	0.02	1.28
Rounding off Difference	-	0.47	-	-	-	-
Total Tax Charged	33.84	32.53	45.46	19.97	24.37	37.02
Current tax as per restated Statement of Profit & Loss	33.84	32.53	45.46	19.97	24.37	37.02

For R Gopal & Associates
Chartered Accountants
Firm Registration No.: 000846C

For and on behalf of Board of Directors

S. K. Agarwal
 Partner
 Membership No.: 093209

Subhash Chand Aggarwal
 Chairman & Mg. Director
 DIN: 00003267

Mahesh Chand Gupta
 Vice-Chairman & Mg. Director
 DIN: 00003082

Place: New Delhi
 Date: October 15, 2014

Vinod Kumar Jamar
 Chief Financial Officer

Suman Kumar
 Company Secretary

ANNEXURE 32: RESTATED CONSOLIDATED SUMMARY STATEMENT OF ASSETS & LIABILITIES

		₹ in million					
Particulars	Annexures	As at					
		30-Jun-14	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10
A Non- Current Assets							
Fixed assets	40						
Tangible assets		224.85	268.10	315.17	362.86	402.11	424.36
Intangible assets		21.07	22.74	27.64	38.22	48.35	52.72
		245.92	290.84	342.81	401.08	450.46	477.08
Non-current investments	41 A	229.47	287.61	294.44	253.09	359.59	243.91
Deferred tax Asset (Net)	42	152.04	123.70	132.05	136.24	118.62	84.83
Long-term loans and advances	43 A	676.74	774.95	872.22	962.67	1,039.29	896.25
Other non-current assets	43 B	-	-	-	-	0.16	10.21
Trade Receivables	44 A	175.58	205.77	283.41	373.57	332.07	322.01
		1,479.75	1,682.87	1,924.93	2,126.65	2,300.19	2,034.29
B Current assets							
Current investments	41 B	79.26	106.95	80.80	26.53	71.63	371.09
Inventories	45	1,699.55	1,448.03	1,371.73	1,370.28	1,297.19	2,203.87
Trade receivables	44 B	2,677.36	2,371.37	1,568.40	2,122.06	1,953.96	1,325.84
Cash and Bank balances	46	2,234.27	2,292.75	2,823.02	3,339.09	2,222.72	1,396.82
Short-term loans and advances	47 A	1,206.10	1,099.31	1,156.17	868.98	539.23	668.25
Other current assets	47 B	31.76	25.28	25.16	32.29	27.52	22.69
		7,928.30	7,343.69	7,025.28	7,759.23	6,112.25	5,988.56
C Total assets (C = A + B)		9,408.05	9,026.56	8,950.21	9,885.88	8,412.44	8,022.85
D Non-current liabilities							
Long-term borrowings	48 A	105.60	89.61	33.22	527.67	527.86	1.64
Long-term provisions	49	73.76	68.24	54.38	35.42	25.23	19.30
		179.36	157.85	87.60	563.09	553.09	20.94
E Current liabilities							
Short-term borrowings	48 B	315.35	284.67	297.63	958.46	932.57	1,021.21
Trade Payable	50 A	1,554.25	1,185.64	1,367.33	1,819.13	1,253.97	1,169.93
Other current liabilities	50B	2,076.53	2,221.26	2,214.81	1,628.87	1,398.31	1,306.81
Short-term provisions	50C	131.53	94.33	60.03	80.54	86.14	77.65
		4,077.66	3,785.90	3,939.80	4,487.00	3,670.99	3,575.60
F Total liabilities (F = D + E)		4,257.02	3,943.75	4,027.40	5,050.09	4,224.08	3,596.54
Net Worth (C – F)		5,151.03	5,082.81	4,922.81	4,835.79	4,188.36	4,426.31
Net Worth represented by							
G Shareholders' funds							
Share capital							
Equity share capital	38	226.27	226.27	226.27	109.46	104.78	104.78
Money Received against Convertible Equity Share Warrant		-	-	-	-	-	124.00
Total Share capital		226.27	226.27	226.27	109.46	104.78	228.78

₹ in million							
Particulars	Annexures	As at					
		30-Jun-14	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10
H Reserves and Surplus	39						
Securities Premium Reserve		3,444.89	3,444.89	3,444.89	3,151.96	2,687.89	2,687.89
Capital Reserves (On Amalgamation)		104.10	104.10	104.10	104.10	104.10	104.10
Capital Reserves (On Consolidation)		35.11	35.11	34.19	231.70	249.49	249.49
Capital Reserves (On Forfeiture)		124.00	124.00	124.00	124.00	124.00	-
Foreign Currency Fluctuation Reserve		20.83	20.84	16.82	13.09	9.36	9.55
Statutory Reserves (Reserve Fund u/s 45-IC of RBI Act 1934)		12.16	10.57	4.08	1.30	0.75	0.07
General Reserve		641.30	641.30	626.30	626.30	626.30	626.30
Net Surplus in the statement of profit and loss		535.85	469.21	328.62	119.93	126.38	253.04
Total Reserves and surplus		4,918.24	4,850.02	4,683.00	4,372.38	3,928.27	3,930.44
I Share Application Money		-	-	-	10.00	6.00	10.54
J Non-controlling interest		6.52	6.52	13.54	343.95	149.31	256.55
Net Worth (G + H + I + J)		5,151.03	5,082.81	4,922.81	4,835.79	4,188.36	4,426.31

Note:

- The above statement should be read with the Significant Accounting policies to the Restated Consolidated Summary Statement of Assets and Liabilities, Statement of Profit and Loss and Statement of Cash Flows and other significant notes as appearing in Annexure – 35, 36 and 37.

For R Gopal & Associates
Chartered Accountants
Firm Registration No.: 000846C

For and on behalf of Board of Directors

S. K. Agarwal
 Partner
 Membership No.: 093209

Subhash Chand Aggarwal
 Chairman & Mg. Director
 DIN : 00003267

Mahesh Chand Gupta
 Vice-Chairman & Mg. Director
 DIN : 00003082

Place: New Delhi
 Date: October 15, 2014

Vinod Kumar Jamar
 Chief Financial Officer

Suman Kumar
 Company Secretary

ANNEXURE 33: RESTATED CONSOLIDATED SUMMARY STATEMENT OF PROFIT & LOSS

₹ in million								
Particulars	Annexures	Period ended	Year ended					
		30-Jun-14	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10	
Incomes:								
Revenue from operations	51	884.80	2,924.50	2,913.76	2,870.15	2,948.02	2,672.49	
Other income	52	5.34	83.11	33.92	53.70	39.48	12.00	
Total Revenue		890.14	3,007.61	2,947.68	2,923.85	2,987.50	2,684.49	
Expenses:								
Exchange & Other Regulatory Expenses	53	312.15	1,009.86	983.05	1,015.70	1,096.89	1,224.66	
Employee benefits expense	54	215.13	845.43	859.11	934.95	1,115.99	904.18	
Other expenses	55	184.41	641.54	616.74	697.53	725.65	562.87	
		711.69	2,496.83	2,458.90	2,648.18	2,938.53	2,691.71	
Earnings before interest, depreciation and amortization (EBITDA)		178.45	510.78	488.78	275.67	48.97	(7.22)	
Depreciation and amortization expense	56	28.97	71.17	84.62	95.21	103.45	97.05	
Finance costs	57	26.82	124.26	155.56	207.42	175.87	97.53	
		55.79	195.43	240.18	302.63	279.32	194.58	
Restated Profit/(Loss) Before Tax		122.66	315.35	248.60	(26.96)	(230.35)	(201.80)	
Tax expense/(income)								
(1) Current tax		49.06	94.72	69.18	30.22	36.62	43.08	
(2) Deferred tax		(16.80)	8.35	4.19	(17.63)	(33.79)	(75.51)	
(3) Wealth tax		0.02	0.08	0.09	0.08	0.04	0.03	
(4) MAT Credit Entitlement		(1.47)	(14.53)	(17.18)	-	-	-	
Total tax expense		30.81	88.62	56.28	12.67	2.87	(32.40)	
Restated Profit/(Loss) After Tax before minority interests		91.85	226.73	192.32	(39.63)	(233.22)	(169.40)	
Share in profit/(loss) of minority interest		(0.08)	(1.12)	6.19	33.73	107.24	27.39	
Restated Profit/(Loss) After Tax		91.77	225.61	198.51	(5.90)	(125.98)	(142.01)	

Note:

- 1 The above statement should be read with the Significant Accounting policies to the Restated Consolidated Summary Statement of Assets and Liabilities, Statement of Profit and Loss and Statement of Cash Flows and other significant notes as appearing in Annexure – 35, 36 and 37.

For R Gopal & Associates
Chartered Accountants
Firm Registration No.: 000846C

For and on behalf of Board of Directors

S. K. Agarwal
Partner
Membership No.: 093209

Subhash Chand Aggarwal
Chairman & Mg. Director
DIN : 00003267

Mahesh Chand Gupta
Vice-Chairman & Mg. Director
DIN : 00003082

Place: New Delhi
Date: October 15, 2014

Vinod Kumar Jamar
Chief Financial Officer

Suman Kumar
Company Secretary

ANNEXURE 34: RESTATED CONSOLIDATED SUMMARY STATEMENT OF CASH FLOW

		₹ in million					
Particulars	Period ended		Year ended				
	30-Jun-14	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10	
A CASH FLOW FROM OPERATING ACTIVITIES							
Restated profit/(loss) before Tax	122.66	315.35	248.60	(26.96)	(230.35)	(201.80)	
Non Cash adjustments to reconcile profit before tax to net cash flows							
Depreciation	28.97	71.17	84.62	95.21	103.45	97.05	
Deferred revenue expenditure written off	-	-	0.16	10.05	10.30	10.94	
Provision for Doubtful Debts	35.38	53.34	40.63	47.91	22.78	7.21	
Interest Expenses	20.61	99.92	137.47	190.57	158.14	19.12	
(Profit)/ Loss on Sale of Fixed Assets	(0.58)	7.67	7.87	8.74	1.45	1.66	
Provision for Gratuity	3.12	11.31	11.30	4.32	4.55	9.22	
Provision for Leave Encashment	1.06	3.78	4.31	4.25	2.43	-	
Provision for Standard Assets	0.19	0.27	0.07	0.52	0.28	-	
Provision for NPA	1.37	9.57	4.20	2.04	-	-	
Cenvat Credit Unavailed	0.14	0.70	1.58	0.94	1.59	0.46	
Liability no Longer Required written back	(0.05)	(5.60)	(15.27)	(5.15)	(1.01)	(1.88)	
(Profit)/ Loss on Sale of Investments	26.10	(0.88)	(0.59)	(3.24)	(10.61)	4.38	
Dividend on Long Term Investments	(0.95)	(5.54)	(3.56)	(7.72)	(2.75)	(0.50)	
Operating Profit/(Loss) before Working Capital changes (as restated)	238.02	561.06	521.39	321.48	60.25	(54.14)	
Movement in working capital							
Liabilities and Provisions	262.28	(136.83)	132.18	796.37	183.71	56.51	
Trade Receivables	(311.18)	(778.67)	603.20	(257.53)	(660.94)	432.68	
Loans & advances and Other Assets	23.73	595.10	27.94	(1,007.70)	(792.07)	167.13	
Inventories	(251.52)	(76.30)	(1.45)	(73.09)	906.68	(1,185.11)	
Cash flow from /(used in) Operations	(38.67)	164.36	1,283.26	(220.47)	(302.37)	(582.93)	
Direct Taxes Paid (net of refunds)	(47.61)	(80.27)	(52.09)	(30.30)	(36.66)	(43.11)	
Net Cash Generated/ (used in) Operating Activities (A)	(86.28)	84.09	1,231.17	(250.77)	(339.03)	(626.04)	
B CASH FLOW FROM (USED IN) INVESTING ACTIVITIES							
Sale/(Purchase) of Fixed Assets (net)	(18.62)	(26.88)	(34.24)	(54.56)	(78.26)	(223.76)	
Foreign Exchange Fluctuation Reserve	(0.01)	4.03	3.72	3.74	(0.19)	(0.44)	
Dividend on Long Term Investments	0.95	5.54	3.56	7.72	2.75	0.50	

₹ in million						
Particulars	Period ended		Year ended			
	30-Jun-14	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10
(Increase)/decrease in Investments	59.74	(18.45)	(95.02)	154.84	194.38	(500.85)
Net Cash flow from (used in) Investing Activities (B)	42.06	(35.76)	(121.98)	111.74	118.68	(724.55)
C CASH FLOW FROM/(USED IN) FINANCING ACTIVITIES						
Proceeds from Issue of Share Capital (including premium)	-	-	409.74	468.75	-	434.00
Proceed from share application money	-	-	(10.00)	4.00	(4.54)	2.78
Capital Reserve on Consolidation	-	0.92	(197.51)	(17.79)	-	34.01
Interest Expenses	(20.61)	(99.92)	(137.47)	(190.57)	(158.14)	(19.12)
Proposed Dividend	-	(27.15)	-	-	-	-
Interim Dividend	-	(27.15)	-	-	-	-
Tax on Dividend	-	(9.23)	-	-	-	-
Proceeds from Long Term Borrowings from Banks (Net)	15.98	56.38	(494.44)	(0.19)	526.22	1.14
Proceeds from Short Term Borrowings	30.68	(12.96)	(660.82)	25.88	(88.64)	678.48
Net cash generated from/(used in) financing activities (C)	26.05	(119.11)	(1,090.50)	290.08	274.90	1,131.29
Increase/ (Decrease) in Cash & Cash Equivalent (A+B+C)	(18.17)	(70.78)	18.69	151.05	54.55	(219.30)
Adjustment on account of Change in Minority Interest	-	(8.14)	(311.25)	228.37	-	242.30
Net Increase/ (Decrease) in Cash & Cash Equivalent	(18.17)	(78.92)	(292.56)	379.42	54.55	23.00
Cash and Cash Equivalent at the beginning of the year/period	143.30	222.22	514.78	135.36	80.81	57.81
Cash and cash Equivalent at the end of the year/period (refer annexure 46)	125.13	143.30	222.22	514.78	135.36	80.81

Note:

- 1 Restated Consolidated Cash Flow statement has been prepared under the 'Indirect method' as set out in Accounting Standard 3 on Cash Flow Statement.
- 2 The above statement should be read with the Significant Accounting policies to the Restated Consolidated Summary Statement of Assets and Liabilities, Statement of Profit and Loss and Statement of Cash Flows and other significant notes as appearing in Annexure – 35, 36 and 37.

For R Gopal & Associates
Chartered Accountants
Firm Registration No.: 000846C

For and on behalf of Board of Directors

S. K. Agarwal
Partner
Membership No.: 093209

Subhash Chand Aggarwal
Chairman & Mg. Director
DIN : 00003267

Mahesh Chand Gupta
Vice-Chairman & Mg. Director
DIN : 00003082

Place: New Delhi
Date: October 15, 2014

Vinod Kumar Jamar
Chief Financial Officer

Suman Kumar
Company Secretary

ANNEXURE 35: RESTATED CONSOLIDATED STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

1. Corporate Information

SMC Global Securities Limited (the “Company” or “SMC Global”) is a limited liability Company incorporated and domiciled in India. The Company is a trading member of the National Stock Exchange of India Limited (“NSE”) and Bombay Stock Exchange Limited (“BSE”) in the capital market and trading and clearing member in the futures and options market. Further, the Company is trading and clearing member of NSE, BSE, MCX and USE Stock Exchange Limited in currency segment of the Exchange and also provides depository participant services through Central Depository Services (India) Limited and National Securities Depository Limited.

Its wholly owned subsidiary, SMC Comtrade is a trading and clearing member of National Commodity and Derivatives Exchange Limited (“NCDEX”), Multi Commodity Exchange of India (“MCX”), Indian Commodity Exchange Limited (“ICEX”), Ace Derivatives and Commodity Exchange Limited (“ACE”), National Multi Commodity Exchange of India Limited (“NMCE”), Universal Commodity Exchange Limited (“UCX”) and National Spot Exchange Limited (“NSEL”) in the commodity market. SMC Comex International, DMCC (“SMC Comex”), a wholly owned subsidiary of SMC Comtrade Limited holds trading and clearing membership for Dubai Gold Commodity Exchange (“DGCX”) and SMC Insurance Brokers Private Limited is subsidiary of SMC Comtrade Limited and holds direct broking license from IRDA (Insurance & Regulatory Development Authority of India) in the life and non-life insurance.

The Company is the holding Company of SMC Investments and Advisors Limited (formerly known as Sanlam Investments and Advisors (India) Limited) which is engaged in the business of portfolio management and consultancy. The Company is also holding Company of SMC Capitals Limited, registered as Category I Merchant Banker with SEBI (Securities and Exchange Board of India) and of Moneywise Financial Services Private Limited, registered as Non- Banking financial Company with Reserve Bank of India (“RBI”). The Company has also formed a wholly owned subsidiary, SMC ARC Limited. The Company is holding Company of SMC Finvest Limited (formerly known as Sanlam Investment Management (India) Limited) and Moneywise Finvest Limited (formerly known as Sanlam Trustee Company (India) Limited) engaged in the business of Financing and Investments. SMC Real Estate Advisors Private Limited (formerly known as SMC Securities Private Limited), a wholly owned subsidiary of SMC Finvest Limited (formerly known as Sanlam Investment Management (India) Limited) is engaged into real estate broking and advisory services.

The Company’s shares are listed on the Delhi Stock Exchange, Ludhiana Stock Exchange, Ahmedabad Stock Exchange and Calcutta Stock Exchange in India.

The Company engages in proprietary transactions and offers a wide range of services to meet client’s needs including brokerage services, clearing member services, distribution of financial products such as mutual funds and initial public offerings.

2. Significant Accounting policies

2.1 Basis of preparation

- (a) The restated consolidated summary statement of assets and liabilities of the Group as at June 30, 2014, March 31, 2014, 2013, 2012, 2011 and 2010 and the related restated consolidated summary statement of profits and loss and Statement of Cash Flows for the period ended on June 30, 2014 and for each of the years ended on March 31, 2014, 2013, 2012, 2011 and 2010 [herein collectively referred to as ‘Restated Consolidated summary statements’] relate to the Group and have been prepared specifically for the inclusion in the offer document to be filed by the Company with the Securities and Exchange Board of India (‘SEBI’) in connection with its proposed Follow-on Public Offer (FPO).
- (b) The restated consolidated summary statements have been prepared to comply in all material respects with the requirements of section 26 of the Companies Act, 2013, read with Rules 4 of Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (‘the Regulations’).
- (c) These Restated Consolidated Summary Financial Statements have been prepared after

incorporating:

Material regroupings

Appropriate adjustments have been made in the Restated Consolidated Summary Statements, wherever required, by regrouping of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with those of as per the audited financials of the Group for the period ended on June 30, 2014.

Other Adjustments

(i) Prior period items

In the financial statements for the period ended on June 30, 2014 and years ended on March 31, 2014, March 31, 2013, March 31, 2012, March 31, 2011 and March 31, 2010, certain items of income/ expenses have been identified as prior period adjustments. These adjustments were recorded in the year when identified. However, for the purpose of Restated Consolidated Summary Statements, such prior period adjustments have been appropriately adjusted in the respective years to which the transactions pertain to.

(ii) Income tax adjustments for earlier years

Short or excess provision of prior period taxes provided in each of the accounting year has been adjusted in the respective financial years for which the taxes were under / over provided.

(iii) Deferred Tax adjustment for earlier years

Similarly on review of deferred tax asset for absence of virtual certainty supported by convincing evidence for availability of future taxable, if any deferred tax asset has been derecognized and the same has been adjusted in the respective financial years for which DTA was created.

(iv) Change in Accounting Policies

Also adjustment on account of change in accounting policies or for correction under /over provision has been made in the respective financial years.

- During the year 2009-10, method of valuation of inventory was changed and the same was valued at cost or market value whichever lower. Further from year 2010-11 onwards, inventory continues to be valued at market price.
- During the year 2011-12, the Company has changed its method of recognizing income from Depository business from “receipt basis” to “accrual basis” and continues to follow the same.
- Since year 2009-10 onwards, the Company has changed its method of recognizing dividend income from “receipt basis” to “when right to receive dividend is established”.
- Since year 2010-11 onwards one of the subsidiaries has changed its method of accounting of insurance brokerage from “Annualized Premium” basis to “Weighted Receipt Premium” basis.

(d) The audited Consolidated Financial Statements for the period ended 30th June, 2014 has been prepared in accordance with Schedule III of the Companies Act, 2013, for the year ended on March 31, 2014/2013/2012 in accordance with Revised Schedule VI of the Companies Act, 1956 and for the year ended on March 31, 2011/2010 in accordance pre-revised Schedule VI of the Companies Act, 1956. For the purpose of inclusion in the offer document, audited consolidated financial statements are prepared in accordance with Schedule III of the Companies Act, 2013. The adoption of Schedule III of the Companies Act, 2013 do not impact recognition and measurement principles followed for preparation of financial statements. However, for the financial year ended on March 2011/2010, adoption of Revised Schedule VI of the Companies Act, 1956 and then Schedule III of the Companies Act, 2013 has significant impact on presentation and disclosures made in the financial statements for these years.

(e) The consolidated financial statements has been prepared in accordance with the principles and procedures required for the preparation and presentation of consolidated financial statements as laid down under Accounting Standard (AS) 21 Consolidated Financial Statements’ notified u/s

133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 [corresponding to Section 211(3C) of the Companies Act, 1956 read with Companies (Accounting Standards) Rules, 2006]. The consolidated financial statements have been prepared using uniform accounting policies.

- (f) The Revenue and expenses of the non-integral subsidiary are translated into Indian rupees at the average exchange rate during the period. All assets and liabilities are converted at the rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognised in the foreign currency fluctuation reserve.
- (g) The consolidated financial statements are presented to the extent possible, in the same format as that adopted by the parent for its separate financial statements. The significant accounting policies adopted by the Group for the purpose of Consolidated Financial Statements are consistent with those used in the previous years, except for changes in accounting policy explained in Annexure 35, Significant accounting policies point no. 2.1(c) (iv).
- (h) The Consolidated Financial Statements comprise the results of the Company, its subsidiaries and step down subsidiaries which have been listed as below:-

Name of Subsidiary	Date of Acquisition/ Addition	Country of Incorporation	Proportion of ownership interest*
Subsidiary of SMC Global Securities Limited			
(a) SMC Comtrade Limited	26.04.2007/ 30.01.2014~	India	100%
(b) SMC Investments and Advisors Limited [formerly known as Sanlam Investment & Advisors (India) Limited]	01.04.2008/ 23.07.2009/ 28.12.2012	India	100%
(c) Moneywise Financial Services Private Limited	01.08.2008/ 01.07.2009	India	100%
(d) SMC Capitals Limited	16.08.2008/ 02.03.2010	India	100%
(e) SMC ARC Limited	25.05.2009	India	100%
(f) SMC Finvest Limited [formerly known as Sanlam Investment Management (India) Limited]	06.11.2009/ 14.12.2012/ 20.04.2013	India	100%
(g) Moneywise Finvest Limited [formerly known as Sanlam Trustee Company (India) Limited]	06.11.2009/ 14.12.2012	India	100%
Subsidiaries of SMC Comtrade Limited			
(h) SMC Insurance Brokers Private Limited	23.04.2007	India	97.58%
(i) SMC Comex International DMCC, UAE	16.11.2005	Dubai, UAE	100%
Subsidiary of SMC Finvest Limited			
(j) SMC Real Estate Advisors Private Limited [formerly known as SMC Securities Private Limited]	08.02.2013	India	100%
* includes shares of nominee shareholders as beneficial interest has been transferred to the Company.			
~ Company holds 85% equity directly and 15% through a subsidiary Company.			

2.2 Consolidation Procedure

- (a) The Consolidated Financial Statements are prepared in accordance with Accounting Standard (AS-21) "Consolidated Financial Statements". The financial statements of the Company and its subsidiaries are combined on a line by line basis by adding together sums of like nature, comprising assets, liabilities, income and expenses (including taxes) and after eliminating intra-group balances/ transactions.
- (b) The Financial Statements of foreign step down subsidiary are prepared by them on the basis of generally accepted accounting principles, local laws and regulations as prevalent in the respective country and such financial statements are considered for consolidation. The effect of adjustments on account of variance in accounting policies of such foreign step down subsidiary vis -à-vis those of the parent is not material, and accordingly, not considered.

- (c) Subsidiaries are consolidated on the date on which effective control is transferred to the Group and are no longer consolidated from the date of disposal.
- (d) The separate financial statements of the Company, its subsidiaries and step-down subsidiaries have been drawn for the period from beginning of the financial year or date of incorporation / acquisition, whichever is later, to end of the financial year/period and have been consolidated on the basis of their audited financial statements.
- (e) The Company's cost of its investment in its subsidiaries has been eliminated against the Company's portion of equity of each subsidiary as on the date of investment in that subsidiary. Similarly, in the case of step-down subsidiary, a subsidiary's cost of its investment in its subsidiaries has been eliminated against the subsidiary's portion of equity of each subsidiary as on the date of investment in that subsidiary. The excess/short is recognized as 'Goodwill' or 'Capital Reserve' as the case may be.
- (f) Minority interest, if any, in the net profit of consolidated subsidiaries for the reporting period is identified and adjusted against the income of the group in order to arrive at the net income attributed to the owners of the parents; and the minority interest in the net assets of consolidated subsidiaries is identified and presented in the CFS separately from liabilities and the equity of the Company's shareholders. Minority interests in the net assets consist of:
 - (i) the amount of equity attributable to minorities at the date on which investment in a subsidiary is made; and
 - (ii) the minorities' share of movements in equity since the date the parents – subsidiary relationship came in existence.
- (g) For the purpose of compilation of the CFS, the foreign currency assets, liabilities, income and expenditure are translated as per Accounting Standard (AS-11) on 'Accounting for the Effects of Changes in Foreign Exchange Rates'. Exchange differences arising are recognized in the Foreign Currency Fluctuation Reserve classified under Reserves and Surplus.
- (h) As far as possible, the consolidated financial statement is being prepared using uniform accounting policies (except for the depreciation) for like transactions and other events in similar circumstances and is presented in the same manner as the Company's separate financial statements.

2.3 Use of estimates

The presentation of Consolidated Financial Statements in conformity with Indian GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities as at date of the consolidated financial statements and the reported amount of revenue and expenses during the reporting period. Actual results could differ from these estimates. Adjustment as a result of differences between actual results and estimates are recognized prospectively.

2.4 Fixed assets

In accordance with AS-10 'Accounting for Fixed Assets', fixed assets (including intangible assets) are stated at cost of acquisition including taxes, duties, identifiable direct expenses and expenses on installation, and are net of CENVAT Credit claimed thereon. Additions to the fixed assets have been accounted for on the date of installation and its use irrespective of date of invoice.

2.5 Depreciation / Amortization

Tangible Fixed Assets

In case of the Company and its Indian subsidiaries:

Pursuant to Companies Act, 2013 ('the Act') being effective from 1 April 2014, the Company and Indian subsidiaries has revised depreciation rates on tangible fixed assets as per the useful life specified in Part 'C' of Schedule II of the Act.

In accordance with AS-6 “Depreciation”, notified u/s 133 of the Act read with Rule 7 of the Companies (Accounts) Rules 2014, depreciation on tangible fixed assets is computed on written down value method, except for two Indian Subsidiaries namely SMC Capitals Limited and SMC Insurance Brokers Private Limited, where it has been computed on straight line method, at such rate as computed considering useful life provided in the Schedule - II of the Act. During the preceding years, the Company was providing depreciation on written down value or straight line method as the case may be, at the rate prescribed in Schedule XIV of the Companies Act, 1956.

Pursuant to Companies Act, 2013 (‘the Act’) being effective from April 1, 2014, the Company has revised depreciation rates on tangible fixed assets as per useful life specified in Part ‘C’ of Schedule II of the Act. And due to the same there has been a change in the estimated useful life of depreciable tangible assets which affects the depreciation in the current period and in each period during the remaining useful life of the assets. As the change is only in regard to accounting estimate requiring an adjustment of the carrying amount of tangible assets, the same do not require adjustment in the financial information for the years ended on March 31, 2014, 2013, 2012, 2011 and 2010.

As a result of change in rate, the depreciation charge for the period ended on June 30, 2014 is higher by ₹ 14.07 million. In respect of assets whose useful life had already exhausted as on 1 April 2014, depreciation of ₹ 23.62 million (net of tax impact of ₹ 11.53 million) has been adjusted in Reserves and Surplus in accordance with requirements of Para 7 of Schedule II of the Act.

Leasehold improvements are amortized over the lease period.

In case of foreign subsidiary:

Depreciation on tangible fixed assets has been provided on straight line basis as under:-

SMC Comex International DMCC, UAE	: Office Equipment	: 20 %
	: Furniture & Fixtures	: 20 %

Intangible Fixed Assets

In accordance with AS-6 “Depreciation”, notified u/s 133 of the Act read with Rule 7 of the Companies (Accounts) Rules 2014, depreciation on intangible fixed assets continues to be computed on written down value method at the following rates:-

a. Computer Software	40%
b. Trade Mark Logo	40%

No amortization has been provided on Goodwill except in case of a subsidiary SMC Investments and Advisors Limited where Goodwill is amortized over a period of three years starting from 01-01-2014.

General

Depreciation on Fixed Assets is provided on pro-rata basis with respect to the date of addition, installation or deletion.

2.6 Investments

Investments are classified into non-current investments and current investments based on intent of management at the time of making the investments which are intended to be held for more than one year are classified as non-current and those which are intended to be held for less than one year are classified as current investments.

Non-current investments are valued at cost unless there is diminution, other than temporary, in their value. Diminution is considered other than temporary based on criteria that include the extent to which cost exceeds the market value, the duration of the market decline and the financial health of and specific prospects for the issuer. Diminution in value of long term investments when considered to be other than temporary is fully provided for.

Current investments are valued at lower of cost and market value. Market value for quoted shares is determined after adjusting quoted price of shares for management estimate of impact of market parameters affecting the actual sale value e.g. volume of sale, frequency of sale etc.

Investments in associates have been accounted for in accordance with AS – 13 instead of equity method as defined in AS – 23 on “Accounting for Investments in Associates in Consolidated Financial Statements” for the reason that the associates operates under severe long term restrictions that significantly impair its ability to transfer funds to the investors.

2.7 Inventories

Inventories or stock-in-trade are valued at lower of cost and market value except inventory of securities of the Company and two of its subsidiary Companies SMC Comtrade Limited and SMC Investments & Advisors Limited, where it has been valued at market value/net realizable value. Cost comprises expenditure incurred in the normal course of business in bringing such stock to their location and conditions and includes appropriate overheads and has been determined following the cost formula on FIFO Basis. Closing stock of shares includes stocks pledged against secured loan from banks and kept as margin/securities with stock exchange and does not include stock held on behalf of its clients/constituents.

2.8 Revenue recognition

- (a) Revenue from broking activities for capital market is accounted for on the trade date of transaction and income from rendering insurance broking business is recognized on the logging in/placement of policies with the respective insurance Company irrespective of the date of policy.
- (b) Revenue on account of trading in securities and commodities is recognized on the basis of each trade executed at the stock/commodity exchange during the financial year.
- (c) In respect of non-delivery based transactions such as derivatives, the profit or loss is accounted for on marked to market basis on the closure of each trade except for subsidiary Company listed at serial no. b in clause 2.1 (h) of para 2 of Annexure 35 of Restated Financial Statements – ‘significant accounting policies’ where Profit/loss on derivative transaction is accounted for based on the ‘Announcement related to the Accounting for Derivatives’ dated March 29, 2008 of the Institute of Chartered Accountants of India.
- (d) Income from interest on fixed deposits is recognized on accrual basis.
- (e) Interest income from financing activities is recognized on accrual basis. In terms of the RBI Direction, interest income on Non-Performing assets (‘NPA’), if any is recognized only when it is actually realized.
- (f) Depository income is accounted for on accrual basis.
- (g) Revenue from management & advisory services is accounted for when the rendering of service under a contract is completed or substantially completed.
- (h) Profit/loss in the case of balance in Portfolio Management account has been accounted for as business profit/loss on its accrual when the transaction takes place and is on the basis of monthly statement received from portfolio manager.
- (i) Dividend is accounted for as income when the right to receive dividend is established.
- (j) In respect of other heads of income, the Group follows the practice of recognizing income on accrual basis.
- (k) Revenue excludes service tax & other recoverable taxes.

2.9 Foreign currency transactions

Revenue and expenses are recorded at the exchange rate prevailing on the date of the transaction. Monetary items denominated in foreign currencies are restated at the exchange rate prevailing on the balance sheet date. Exchange differences arising on settlement of the transaction and on account of restatement of monetary items are recognized in the Statement of Profit and Loss. In case of one of the subsidiary M/s SMC Comtrade Limited, exchange difference on loan receivable in foreign currency has been adjusted against specific reserve created for the purpose. Also refer to accounting policy 2.2 (g).

2.10 Employee benefits

- (a) Provident Fund is a defined contribution scheme and the contribution wherever required by the statute are charged to the Statement of Profit & Loss as incurred.
- (b) Gratuity Liability is a defined obligation and is non-funded except in case of the Company and a subsidiary Company listed at serial no. a in clause 2.1 (h) of para 2 of Annexure 35 of Restated Financial Statements – ‘significant accounting policies’, where it is partly funded. The Group accounts for liability for future gratuity benefits based on an actuarial valuation as at the Balance Sheet date except for subsidiaries listed at serial no. f and step-down subsidiary listed at serial no. i where the liability for Gratuity is being accounted on estimated basis and for subsidiaries listed at serial no. e & g where the liability for Gratuity is being accounted on payment basis wherever required by the statute.
- (c) Un-availed Leave Liability is a defined obligation and is not funded. The Group accounts for liability for future leave benefits based on an actuarial valuation as at the Balance Sheet date except for subsidiaries listed at serial no. f and step-down subsidiary listed at serial no. i where the liability for unavailed leave is being accounted on estimated basis and for subsidiaries listed at serial no. e & g where the liability for un-availed leave is being accounted on payment basis wherever required by the statute.

2.11 Leases

Lease Rentals in respect of operating lease arrangements are charged to the Statement of Profit & Loss in accordance with the Accounting Standard –19 on Accounting for Leases.

2.12 Miscellaneous expenditure

Deferred revenue expenditures are being written off in equal instalment over a period of 5 years.

2.13 Provision, contingent liabilities and contingent assets

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions are reviewed at each Balance Sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed.

Contingent assets are not recognised in the consolidated financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

2.14 Borrowing costs

In accordance with AS-16 ‘Borrowing Cost’, borrowing cost that are attributable to acquisition, construction or production of qualifying assets, are capitalized as part of the cost of such qualifying assets. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for intended use. All other borrowing costs are charged to the Statement of Profit and Loss.

2.15 Impairment of assets

Wherever events or changes in circumstances indicate that the carrying value of fixed assets may be impaired, such assets are being subject to a test of recoverability based on discounted cash flows expected from use or disposal thereof. If the assets are impaired, the Group recognizes an impairment loss as a difference between the carrying value and fair value net of cost of sale in accordance with AS-28 ‘Impairment of Assets’ and is charged as amortization.

2.16 Taxation

- (a) Provision of current Tax has been measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961.
- (b) MAT Credit, if any, is recognized where there is convincing evidence that the same can be realized in future. MAT Credit is reviewed at each balance sheet date and written down to reflect the amount that is reasonably certain to be realized.
- (c) Wealth tax has been calculated as per applicable tax regulations applicable during the year.
- (d) The Group has provided for deferred tax charge/credit that reflects the tax differences because of timing differences between accounting income and taxation income for the year. The deferred tax charge or credit and corresponding deferred tax liability or asset are recognized using the tax rates laid down by the law, that has been enacted or substantially enacted by the balance sheet date, in accordance with AS-22 'Accounting for Taxes on Income'.

2.17 Reserve bank of India prudential norms

Moneywise Financials Services Private Limited, subsidiary of the Company, is registered with the Reserve Bank of India (RBI) as a Non-Banking Financial Company (NBFC) and thus complies with the prudential norms relating to income recognition, accounting standards, asset classification and the minimum provisioning for standard, sub-standard and bad and doubtful debts, specified in the directions issued by the RBI in terms of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Direction, 2007 ('Prudential Norms'), as applicable to it.

2.18 Other accounting policies

Accounting policies not referred to otherwise are consistent with generally accepted accounting principles in India.

ANNEXURE 36: RESTATED CONSOLIDATED SUMMARY STATEMENT OF NOTES ON FINANCIAL STATEMENTS OF THE COMPANY

(a) Commitments

₹ in million						
Particulars	As at					
	30-Jun-14	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10
Contracts remaining to be executed on account of capital						
- For investment in subsidiaries	-	-	7.22	525.99	-	48.00
- For purchase of office building	-	0.53	-	-	-	-

(b) Contingent Liabilities

₹ in million						
Particulars	As at					
	30-Jun-14	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10
ESI demand in dispute	3.11	3.11	3.11	3.11	3.11	-
On Account of Sales tax demand	0.68	0.68	0.74	5.31	5.31	4.97
On account of Income Tax demand	0.68	0.68	0.84	0.40	-	-
Total	4.47	4.47	4.69	8.82	8.42	4.97

Note:

- The above statement should be read with the Significant Accounting policies to the Restated Consolidated Summary Statement of Assets and Liabilities, Statement of Profit and Loss and Statement of Cash Flows and other significant notes as appearing in Annexure – 35, 36 and 37.
- An ESI demand of ₹ 3.11 million is being agitated by the Company before Additional Senior Civil Judge (Central) Delhi.
- Sales Tax demand is being agitated by the Company before Assessing Officer (Deputy Commissioner), Commercial Taxes, Sector-3, Noida.
- Income Tax demand is being agitated by the Company before Commissioner of Income Tax, Kolkatta.
- Management believes that, based on legal advice, the outcome of these contingencies will be favorable and that outflow of economic resources is not probable.

(c) Earning and expenditure in foreign currency

₹ in million						
Particulars	Period ended		Year ended			
	30-Jun-14	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10
(a)Earning in Foreign Currency	558.40	-	-	-	-	-
(b)Expenditure in Foreign Currency						
- Expenses on Foreign Travelling	0.34	0.04	0.03	-	0.13	0.38
- Management & Advisory Services	-	23.13	26.90	44.31	-	-
- Purchase of Investment	-	7.22	518.77	-	-	-

(d) **Fixed deposits include:**

₹ in million						
Particulars	As at					
	30-Jun-14	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10
Fixed Deposit with Schedule Banks under lien in favour of the Bank as margin Deposit for the guarantees issued/credit facilities or otherwise	1,873.38	1,815.84	2,253.87	1,729.71	1,240.54	803.53
Fixed Deposits under lien with Sales Tax Authorities	0.92	0.72	0.72	0.64	0.64	F3
Fixed Deposits pledge with stock and commodity exchanges as margin	229.14	327.19	343.59	493.88	666.48	311.60
Fixed Deposits under lien with IRDA	1.20	1.20	1.20	1.20	1.20	1.20
Total	2,104.64	2,144.95	2,599.38	2,225.43	1,908.86	1,116.87

(e) **Provision for doubtful debts**

₹ in million						
Particulars	As at					
	30-Jun-14	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10
Opening Provision	27.02	27.72	5.76	0.87	7.55	17.15
Created for the year	36.99	52.50	40.63	47.84	18.78	7.08
Bad debts written off	4.89	55.69	18.67	42.94	25.46	16.67
Recovery of Bad Debts	-	2.49	-	-	-	-
Provision for doubtful debts (Net)	59.12	27.02	27.72	5.77	0.87	7.56
No provision has been made in respect of certain overdue trade receivables amounting to ₹ 175.58 million as at June 30, 2014, since the Company has taken suitable measures to recover the said dues including filing of legal cases wherever considered appropriate.						

(f) **Segment reporting**

Business Segment:

The Group's business comprises of dealing in shares, commodities, securities and derivatives either on its own behalf or on behalf of its constituents, Insurance broking services, wealth management services and other related ancillary services. Therefore reportable segments for the current year are as under:

- (a) Capital Market: Comprises of brokerage income earned on primary and secondary market, transactions done on behalf of clients, services rendered as depository participant and proprietary trading in securities, commodities and derivatives.
- (b) Insurance Broking Services: Comprises of selling of insurance products as Licensed Direct Broker.
- (c) Wealth Management Services: Comprises of rendering of wealth management services for its constituents.
- (d) Financing Activities: Comprises of loans against securities (w.e.f year ended on March 31, 2013)

Geographical Segment:

The geographical segments have been identified by the location of the customers and business operations of the group and the same have been considered as secondary segments viz within India and Outside India.

Segment information is annexed and marked as **Annexure 62**.

(g) Details of Provision of Gratuity

Particulars	₹ in million					
	As at					
	30-Jun-14	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10
Gross Liability	55.07	51.88	41.99	30.54	28.89	24.23
Contribution	-	0.80	(0.10)	0.50	-	0.60
Value of Funds	0.83	0.77	2.19	2.03	4.69	4.59
Provision debited to Statement of Profit & Loss	3.12	11.31	11.30	4.32	4.55	9.22

(h) Earnings per share

In accordance with AS-20 "Earning per Share", the basic & diluted earning per share is being calculated as under:-

Particulars	Period ended		Year ended				
	30-Jun-14	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10	
Net Profit attributable to Equity Shareholders (₹ in million)	91.77	225.61	198.51	(5.90)	(125.98)	(142.01)	
Weighted Average No. of Equity Shares							
- For Basic EPS	11,31,34,450	11,31,34,450	11,22,37,898	10,63,54,540	10,47,83,870	10,44,25,030	
- For Diluted EPS	11,31,34,450	11,31,34,450	11,22,37,898	10,63,54,540	10,47,83,870	10,75,87,830	
Nominal Value per share	₹2	₹2	₹2	₹2	₹2	₹2	₹2
Basic EPS (₹)	0.81	1.99	1.77	(0.06)	(1.20)	(1.36)	
Diluted EPS (₹)	0.81	1.99	1.77	(0.06)	(1.20)	(1.32)	

Note: Earnings per share calculations are in accordance with Accounting Standard 20 - Earnings per share. As per AS 20, in case of bonus shares, the number of shares outstanding before the event is adjusted for the proportionate change in the number of equity shares outstanding as if the event has occurred at the beginning of the earliest period reported. Weighted average number of equity shares outstanding during all the previous years have been considered accordingly.

ANNEXURE 37: NOTES ON MATERIAL ADJUSTMENTS

The Summary of results of restatement made in the consolidated audited financial statements for the respective years and its impact on the profit/ (loss) of the Group is as follows:

Particulars	₹ in million					
	Period ended		Year ended			
	30-Jun-14	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10
(A) Net Profit /(Loss) as per audited financial Statements	94.19	226.03	203.75	(49.18)	(272.99)	(172.44)
Adjustments due to change in accounting policies						
Change in accounting policies	-	-	-	11.67	17.70	17.52
Other adjustments						
Prior period items	(3.25)	1.71	1.50	(0.46)	(8.06)	3.03
(B) Total adjustments	(3.25)	1.71	1.50	11.21	9.64	20.55
(C) Tax impact of adjustments	0.86	(0.55)	(0.38)	(3.66)	3.02	(11.22)
(D) Tax under provision / over provision	-	(0.15)	(1.79)	1.90	1.68	(0.33)
(E) Adjustment due to correction in deferred tax treatment	0.05	(0.31)	(10.49)	0.10	25.43	(5.96)
(F) Adjustment due to correction in MAT Credit entitlement	-	-	(0.27)	-	-	-
Restated Profit (A+B+C+D+E+F)	91.85	226.73	192.32	(39.63)	(233.22)	(169.40)

Note:

- 1 The above statement should be read with the Significant Accounting policies to the Restated Consolidated Summary Statement of Assets and Liabilities, Statement of Profit and Loss, Statement of Cash Flows and other significant notes as appearing in Annexure – 35, 36 and 37.
- 2 The audited Consolidated Financial Statements for the period ended 30th June, 2014 has been prepared in accordance with Schedule III of the Companies Act, 2013, for the year ended on March 31, 2014/2013/2012 in accordance with Revised Schedule VI of the Companies Act, 1956 and for the year ended on March 31, 2011/2010 in accordance pre-revised Schedule VI of the Companies Act, 1956. For the purpose of inclusion in the offer document, audited consolidated financial statements are prepared in accordance with Schedule III of the Companies Act, 2013. The adoption of Schedule III of the Companies Act, 2013 do not impact recognition and measurement principles followed for preparation of financial statements. However, for the financial year ended on March 2011/2010, adoption of Revised Schedule VI of the Companies Act, 1956 and then Schedule III of the Companies Act, 2013 has significant impact on presentation and disclosures made in the financial statements for these years.

ANEXURE 38: RESTATED CONSOLIDATED STATEMENT OF SHARE CAPITAL

Particulars	As at											
	30-Jun-14		31-Mar-14		31-Mar-13		31-Mar-12		31-Mar-11		31-Mar-10	
	Number	Amount in ₹million)	Number	Amount in ₹million)	Number	Amount in ₹million)	Number	Amount in ₹million)	Number	Amount in ₹million)	Number	Amount in ₹million)
(a) Authorised Share Capital												
Preference Shares of ₹ 10 each	50,00,000	50.00	50,00,000	50.00	50,00,000	50.00	50,00,000	50.00	50,00,000	50.00	50,00,000	50.00
Equity Shares of ₹ 10 each	-	-	-	-	-	-	2,80,10,000	280.10	2,80,10,000	280.10	2,80,10,000	280.10
Equity Shares of ₹ 2 each	14,00,50,000	280.10	14,00,50,000	280.10	14,00,50,000	280.10	-	-	-	-	-	-
Total	14,50,50,000	330.10	14,50,50,000	330.10	14,50,50,000	330.10	3,30,10,000	330.10	3,30,10,000	330.10	3,30,10,000	330.10
(b) Issued, subscribed and fully paid up												
Equity Shares of ₹ 10 each fully paid up	-	-	-	-	-	-	1,09,45,758	109.46	1,04,78,387	104.78	1,04,78,387	104.78
Equity Shares of ₹ 2 each fully paid up	11,31,34,450	226.27	11,31,34,450	226.27	11,31,34,450	226.27	-	-	-	-	-	-
Total	11,31,34,450	226.27	11,31,34,450	226.27	11,31,34,450	226.27	1,09,45,758	109.46	1,04,78,387	104.78	1,04,78,387	104.78
(c) Reconciliation of Equity Share Capital												
Balance at the beginning of the year	11,31,34,450	226.27	11,31,34,450	226.27	1,09,45,758	109.46	1,04,78,387	104.78	1,04,78,387	104.78	89,92,146	89.92
Add: Shares issued during the year	-	-	-	-	3,67,687	3.68	4,67,371	4.68	-	-	14,86,241	14.86
Add: Sub division of shares	-	-	-	-	4,52,53,780	-	-	-	-	-	-	-
Add: Bonus shares issued during the year	-	-	-	-	5,65,67,225	113.13	-	-	-	-	-	-
Balance at the end of the period/year	11,31,34,450	226.27	11,31,34,450	226.27	11,31,34,450	226.27	1,09,45,758	109.46	1,04,78,387	104.78	1,04,78,387	104.78
(d) Shareholders holding more than 5% of the shares												
Name of Shareholder	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Millennium Investment	1,47,36,035	13.03	1,47,36,035	13.03	1,58,67,380	14.03	15,86,738	14.5	15,86,738	15.14	15,86,738	15.14

Particulars	As at											
	30-Jun-14		31-Mar-14		31-Mar-13		31-Mar-12		31-Mar-11		31-Mar-10	
	Number	Amount in ₹million)	Number	Amount in ₹million)	Number	Amount in ₹million)	Number	Amount in ₹million)	Number	Amount in ₹million)	Number	Amount in ₹million)
& Acquisition Company Inc.												
Mahesh C. Gupta	1,02,48,500	9.06	1,02,48,500	9.06	1,02,48,500	9.06	10,24,850	9.36	10,24,850	9.78	10,24,850	9.78
Subhash Chand Aggarwal	1,00,95,500	8.92	1,00,95,500	8.92	1,00,95,500	8.92	10,09,550	9.22	10,09,550	9.63	10,09,550	9.63
Sushma Gupta	75,66,550	6.69	75,66,550	6.69	75,66,550	6.69	7,56,655	6.91	7,56,655	7.22	7,56,655	7.22
Hemlata Aggarwal	77,20,550	6.82	77,20,550	6.82	77,20,550	6.82	7,72,055	7.05	7,72,055	7.37	7,72,055	7.37
Sainty Financial Services (P) Ltd.	-	-	60,00,000	5.30	60,00,000	5.30	6,00,000	5.48	6,00,000	5.73	6,00,000	5.73
Funnytime Finvest Private Limited	90,00,000	7.96	30,00,000	2.65	30,00,000	2.65	30,00,000	2.74	30,00,000	2.86	30,00,000	2.86
Sanlam International Investment Partners Limited	94,60,590	8.36	94,60,590	8.36	94,60,590	8.36	5,78,372	5.28	1,11,001	1.06	1,11,001	1.06
Pulin Investments (P) Limited	50,95,860	4.50	50,93,860	4.50	53,18,860	4.70	5,30,786	4.85	5,30,786	5.07	-	-
MVR Consultants (P) Limited	-	-	-	-	-	-	-	-	-	-	6,18,000	5.90

(e) Terms/Rights attached to Equity Shares

The Company has only one class of Equity Shares having a par Value of ₹ 2 per Share. In the Event of Liquidation of the Company, the holders of Equity Shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(f) Details of Change in Share Capital:

- 1.1** During the FY 2009-10, 4,67,371 Convertible Equity share warrant were issued to Sanlam international Investment Partners Limited at ₹265.31 each having option of conversion into equity share of ₹ 10 each after making further payment of ₹2,387 each, but due to inability of the investor to make the payment before expiry of the last date, the amount was forfeited during FY 2010-11 and the forfeited amount of ₹ 124.00 million has been transferred to Capital Reserve (on forfeiture).
- 1.2** The Company has allotted 4,67,371 equity shares of ₹ 10 each at premium of ₹ 992.95 per share, total consideration of ₹ 468.75 million, on November 30, 2011 to Sanlam International Investment Partners Limited.

- 1.3** The Company has allotted 3,67,687 equity shares of ₹10 each at premium of ₹ 1,105.10 per share, total consideration of ₹ 410.01 million, on June 29, 2012 to Sanlam International Investment Partners Limited, pursuant to share subscription agreement dated May 30, 2011.
- 1.4** The shares of the Company, having face value of ₹ 10 each were sub-divided into five shares of ₹ 2 each on August 10, 2012. Consequently 1,13,13,445 shares of ₹ 10 each were converted into 5,65,67,225 shares of ₹ 2 each on the record date i.e., August 10, 2012.
- 1.5** The Company had allotted Bonus shares in the ratio of 1:1 by capitalizing Securities Premium Reserve on August 11, 2012. Consequently subscribed share capital was increased from ₹ 113.13 million (5,65,67,225 shares of ₹ 2 each) to subscribed share capital of ₹ 226.27 million (1,31,34,450 shares of ₹ 2 each).

ANNEXURE 39: RESTATED CONSOLIDATED STATEMENT OF RESERVE & SURPLUS

Particulars	₹ in million					
	As at					
	30-Jun-14	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10
Securities Premium Reserve						
Balance at the beginning of the year	3,444.89	3,444.89	3,151.96	2,687.89	2,687.89	2,378.99
Addition during the Year	-	-	406.31	464.07	-	308.90
Share Issue Expenses written off	-	-	(0.25)	-	-	-
Securities Premium Utilised for issue of Bonus Shares	-	-	(113.13)	-	-	-
Balance at the end of the year (A)	3,444.89	3,444.89	3,444.89	3,151.96	2,687.89	2,687.89
Capital Reserves (On Amalgamation)						
Balance at the beginning of the year	104.10	104.10	104.10	104.10	104.10	104.10
Addition during the year	-	-	-	-	-	-
Balance at the end of the year (B)	104.10	104.10	104.10	104.10	104.10	104.10
Capital Reserves (On Consolidation)						
Balance at the beginning of the year	35.11	34.19	231.70	249.49	249.49	215.48
Adjustment during the year	-	0.92	(197.51)	(17.79)	-	34.01
Balance at the end of the year (C)	35.11	35.11	34.19	231.70	249.49	249.49
Capital Reserves (On Forfeiture)						
Balance at the beginning of the year	124.00	124.00	124.00	124.00	-	-
Addition during the year	-	-	-	-	124.00	-
Balance at the end of the year (D)	124.00	124.00	124.00	124.00	124.00	-
Foreign Currency Fluctuation Reserve						
Balance at the beginning of the year	20.84	16.82	13.09	9.36	9.55	13.24
Addition during the year	(0.01)	4.02	3.73	3.73	(0.19)	(3.69)
Balance at the end of the year (E)	20.83	20.84	16.82	13.09	9.36	9.55
Statutory Reserves (Reserve Fund u/s 45-IC of RBI Act 1934)						
Balance at the beginning of the year	10.57	4.08	1.30	0.75	0.07	0.07
Addition during the year	1.59	6.49	2.78	0.55	0.68	-
Balance at the end of the year (F)	12.16	10.57	4.08	1.30	0.75	0.07
General Reserve						
Balance at the beginning of the year	641.30	626.30	626.30	626.30	626.30	626.30
Addition during the Year	-	15.00	-	-	-	-
Deduction/Appropriations	-	-	-	-	-	-
Balance at the end of the year (G)	641.30	641.30	626.30	626.30	626.30	626.30
Surplus in the statement of Profit and loss						
Balance at the beginning of the year	469.21	328.62	119.93	126.38	253.04	395.05
Adjustment on account of Minority Interest	0.08	-	12.96	-	-	-
Profit/ (Loss) for the year	91.85	226.73	192.32	(39.63)	(233.22)	(169.40)
Transfer to Minority Interest	(0.08)	(1.12)	6.19	33.73	107.24	27.39
Transfer to General Reserves	-	(15.00)	-	-	-	-
Transfer to Statutory Reserves	(1.59)	(6.49)	(2.78)	(0.55)	(0.68)	-
Transition Adjustment of Fixed Assets as per Companies Act, 2013 (net of deffered tax)	(23.62)	-	-	-	-	-
Interim Dividend	-	(27.15)	-	-	-	-
Proposed Dividend	-	(27.15)	-	-	-	-
Tax on Dividend	-	(9.23)	-	-	-	-
Balance at the end of the year (H)	535.85	469.21	328.62	119.93	126.38	253.04
Total (A+B+C+D+E+F+G+H)	4,918.24	4,850.02	4,683.00	4,372.38	3,928.27	3,930.44

Note:

- 1 The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the Group.
- 2 The above statement should be read with the Significant Accounting policies to the Restated Consolidated Summary Statement of Assets and Liabilities, Statement of Profit and Loss, Statement of Cash Flows and other significant notes as appearing in Annexure – 35, 36 and 37.
- 3 The above statement should also be read with the Notes appearing in Restated Consolidated Statement of Share Capital as appearing in Annexure – 38.

ANNEXURE 40: RESTATED CONSOLIDATED STATEMENT OF FIXED ASSETS

₹ in million											
For the period ended on June 30, 2014											
Particulars	Gross block			Depreciation					Net block		
	As at 1-Apr-14	Additions	Disposals	As at 30-Jun-14	As at 1-Apr-14	Charged for the period	On Disposals	Effect of Companies Act, 2013	As at 30-Jun-14	As at 30-Jun-14	As at 31- Mar-14
Tangible Assets											
Office Building	58.47	5.67	-	64.14	16.35	0.58	-	-	16.93	47.21	42.12
Office Equipment	124.21	1.53	1.78	123.96	58.45	11.58	1.31	25.80	94.52	29.44	65.76
Furniture & Fixtures	172.68	0.36	0.18	172.86	90.27	5.98	0.10	-	96.15	76.71	82.41
Computer Hardware	264.68	8.21	12.77	260.12	215.54	6.69	12.07	9.30	219.46	40.66	49.14
Temporary Infrastructure	4.97	-	-	4.97	4.97	-	-	-	4.97	-	-
Vehicle	40.18	4.96	3.31	41.83	23.18	1.46	3.03	0.05	21.66	20.17	17.00
VSAT	36.82	-	-	36.82	25.15	1.01	-	-	26.16	10.66	11.67
Total Tangible Assets	702.01	20.73	18.04	704.70	433.91	27.30	16.51	35.15	479.85	224.85	268.10
Intangible Assets											
Computer Software	90.53	-	-	90.53	80.34	1.44	-	-	81.78	8.75	10.19
Trade Mark Logo	0.02	-	-	0.02	0.01	-	-	-	0.01	0.01	0.01
Goodwill	12.77	-	-	12.77	0.23	0.23	-	-	0.46	12.31	12.54
Total Intangible Assets	103.32	-	-	103.32	80.58	1.67	-	-	82.25	21.07	22.74

₹ in million											
For the year ended on March 31, 2014											
Particulars	Gross block			Depreciation					Net block		
	As at 1-Apr-13	Additions	Disposals	As at 31-Mar-14	As at 1-Apr-13	Charged for the year	On Disposals	Effect of Companies Act, 2013	As at 31-Mar-14	As at 31-Mar-14	As at 31-Mar-13
Tangible Assets											
Office Building	58.48	-	-	58.48	14.16	2.22	-	-	16.38	42.10	44.32
Office Equipment	124.87	5.00	5.69	124.18	51.51	9.44	2.50	-	58.45	65.73	73.36
Furniture & Fixtures	174.58	5.73	8.14	172.17	78.77	15.85	4.86	-	89.76	82.41	95.81
Computer Hardware	268.43	11.41	15.15	264.69	199.69	28.36	12.53	-	215.52	49.17	68.74
Temporary Infrastructure	4.53	0.45	-	4.98	4.53	0.45	-	-	4.98	-	-
Lease Hold Improvements	2.44	-	2.44	-	1.32	0.55	1.87	-	-	0.00	1.12
Vehicle	38.51	4.96	3.28	40.19	20.28	4.48	1.60	-	23.16	17.03	18.23
VSAT	36.89	-	0.08	36.81	23.30	1.89	0.04	-	25.15	11.66	13.59
Total Tangible Assets	708.73	27.55	34.78	701.51	393.56	63.24	23.40	-	433.41	268.10	315.17
Intangible Assets											
Computer Software	90.27	0.26	-	90.53	72.64	7.70	-	-	80.34	10.19	17.63
Trade Mark Logo	0.02	-	-	0.02	0.01	-	-	-	0.01	0.01	0.01
Goodwill	10.00	2.77	-	12.77	-	0.23	-	-	0.23	12.54	10.00
Total Intangible Assets	100.29	3.03	-	103.32	72.65	7.93	-	-	80.58	22.74	27.64

₹ in millions											
For the year ended on March 31, 2013											
Particulars	Gross block			Depreciation					Net block		
	As at 1-Apr- 12	Additions	Disposals	As at 31-Mar- 13	As at 1-Apr- 12	Charged for the year	On Disposals	Effect of Companies Act, 2013	As at 31-Mar- 13	As at 31-Mar- 13	As at 31-Mar-12
Tangible Assets											
Land	10.02	-	10.02	-	-	-	-	-	-	-	10.02
Office Building	58.58	-	0.10	58.48	11.85	2.34	0.03	-	14.16	44.32	46.73
Office Equipment	126.39	7.52	9.04	124.87	44.39	10.26	3.14	-	51.51	73.36	82.00
Furniture & Fixtures	162.27	15.16	2.85	174.58	62.88	17.12	1.23	-	78.77	95.81	99.39
Computer Hardware	249.91	23.24	4.72	268.43	168.84	34.89	4.04	-	199.69	68.74	81.07
Temporary structure	4.48	0.05	-	4.53	4.48	0.05	-	-	4.53	-	-
Lease hold- ing im- provements	13.01	-	10.57	2.44	4.75	1.76	5.19	-	1.32	1.12	8.26
Vehicle	36.53	4.28	2.30	38.51	16.65	5.32	1.69	-	20.28	18.23	19.88
VSAT	36.66	0.31	0.08	36.89	21.15	2.19	0.04	-	23.30	13.59	15.51
Total Tangible Assets	697.85	50.56	39.68	708.73	334.99	73.93	15.36	-	393.56	315.17	362.86
Intangible Assets											
Computer Software	93.20	0.16	3.09	90.27	64.99	10.69	3.04	-	72.64	17.63	28.21
Trade Mark Logo	0.02	-	-	0.02	0.01	-	-	-	0.01	0.01	0.01
Goodwill	10.00	-	-	10.00	-	-	-	-	-	10.00	10.00
Total Intangible Assets	103.22	0.16	3.09	100.29	65.00	10.69	3.04	-	72.65	27.64	38.22

₹ in million											
Particulars	For the year ended on March 31, 2012										
	Gross block			Depreciation					Net block		
	As at 1-Apr-11	Additions	Disposals	As at 31-Mar-12	As at 1-Apr-11	Charged for the year	On Disposals	Effect of Companies Act, 2013	As at 31-Mar-12	As at 31-Mar-12	As at 31-Mar-11
Tangible Assets											
Land	10.02	-	-	10.02	-	-	-	-	-	10.02	10.02
Office Building	58.58	-	-	58.58	9.37	2.48	-	-	11.85	46.73	49.21
Office Equipment	127.61	4.50	5.72	126.39	35.00	11.79	2.40	-	44.39	82.00	92.61
Furniture & Fixtures	161.34	12.87	11.94	162.27	49.74	18.56	5.42	-	62.88	99.39	111.60
Computer Hardware	234.19	28.65	12.93	249.91	143.45	36.59	11.20	-	168.84	81.07	90.74
Temporary Infrastructure	3.82	0.66	-	4.48	3.82	0.66	-	-	4.48	-	-
Lease Hold Improvements	16.45	0.01	3.45	13.01	2.52	3.43	1.20	-	4.75	8.26	13.93
Vehicle	30.79	9.02	3.28	36.53	14.78	4.15	2.28	-	16.65	19.88	16.01
VSAT	36.66	0.08	0.08	36.66	18.67	2.51	0.03	-	21.15	15.51	17.99
Total Tangible Assets	679.46	55.79	37.40	697.85	277.35	80.17	22.53	-	334.99	362.86	402.11
Intangible Assets											
Computer Software	88.29	4.91	-	93.20	49.95	15.04	-	-	64.99	28.21	38.34
Trade Mark Logo	0.02	-	-	0.02	0.01	-	-	-	0.01	0.01	0.01
Goodwill	10.00	-	-	10.00	-	-	-	-	-	10.00	10.00
Total Intangible Assets	98.31	4.91	-	103.22	49.96	15.04	-	-	65.00	38.22	48.35

₹ in million											
For the year ended on March 31, 2011											
Particulars	Gross block			Depreciation					Net block		
	As at 1-Apr-10	Additions	Disposals	As at 31-Mar-11	As at 1-Apr-10	Charged for the year	On Disposals	Effect of Companies Act, 2013	As at 31-Mar-11	As at 31-Mar-11	As at 31-Mar-10
Tangible Assets											
Land	10.02	-	-	10.02	-	-	-	-	-	10.02	10.02
Office Building	67.12	-	8.54	58.58	7.36	2.80	0.79	-	9.37	49.21	59.76
Office Equipment	116.90	14.07	3.36	127.61	23.40	14.80	3.20	-	35.00	92.61	93.49
Furniture & Fixtures	153.72	19.91	12.29	161.34	31.91	19.55	1.72	-	49.74	111.60	121.82
Computer Hardware	207.76	29.32	2.89	234.19	103.53	41.86	1.94	-	143.45	90.74	104.22
Temporary Infrastructure	3.82	-	-	3.82	3.82	-	-	-	3.82	-	-
Lease Hold Improvements	-	7.87	(8.58)	16.45	-	1.99	(0.53)	-	2.52	13.93	-
Vehicle	26.76	5.64	1.61	30.79	12.09	4.02	1.33	-	14.78	16.01	14.67
VSAT	36.17	0.49	-	36.66	15.79	2.88	-	-	18.67	17.99	20.37
Total Tangible Assets	622.27	77.30	20.11	679.46	197.90	87.90	8.45	-	277.35	402.11	424.36
Intangible Assets											
Computer Software	74.93	13.36	-	88.29	32.21	15.55	(2.19)	-	49.95	38.34	42.72
Trade Mark Logo	0.02	-	-	0.02	0.01	-	-	-	0.01	0.01	-
Goodwill	10.00	-	-	10.00	-	-	-	-	-	10.00	10.00
Total Intangible Assets	84.95	13.36	-	98.31	32.22	15.55	(2.19)	-	49.96	48.35	52.72

₹ in million											
For the year ended on March 31, 2010											
Particulars	Gross block			Depreciation					Net block		
	As at 1-Apr-09	Additions	Disposals	As at 31-Mar-10	As at 1-Apr-09	Charged for the year	On Disposals	Effect of Companies Act, 2013	As at 31-Mar-10	As at 31-Mar-10	As at 31-Mar-09
Tangible Assets											
Land	-	10.02	-	10.02	-	-	-	-	-	10.02	-
Office Building	42.00	25.12	-	67.12	4.87	2.48	-	-	7.35	59.77	37.13
Office Equipment	81.01	37.95	2.06	116.90	12.87	10.95	0.41	-	23.41	93.49	68.14
Furniture & Fixtures	100.85	58.52	5.65	153.72	15.30	18.15	1.55	-	31.90	121.82	85.55
Computer Hardware	146.08	63.68	2.00	207.76	63.65	40.44	0.55	-	103.54	104.22	82.43
Temporary Infrastructure	2.57	1.42	0.17	3.82	2.57	1.42	0.17	-	3.82	-	-
Vehicle	19.68	7.54	0.46	26.76	9.26	3.17	0.34	-	12.09	14.67	10.42
VSAT	36.17	-	-	36.17	12.50	3.30	-	-	15.80	20.37	23.67
Total Tangible Assets	428.36	204.25	10.34	622.27	121.02	79.91	3.02	-	197.91	424.36	307.34
Intangible Assets											
Computer Software	49.95	25.29	0.31	74.93	15.28	17.13	0.20	-	32.21	42.72	34.67
Trade Mark Logo	0.02	-	-	0.02	0.01	0.01	-	-	0.02	-	0.01
Goodwill	10.00	-	-	10.00	-	-	-	-	-	10.00	10.00
Total Intangible Assets	59.97	25.29	0.31	84.95	15.29	17.14	0.20	-	32.23	52.72	44.68

Note:

- 1 The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the Group.
- 2 The above statement should be read with the Significant Accounting policies to the Restated Consolidated Summary Statement of Assets and Liabilities, Statement of Profit and Loss and Statement of Cash Flows and other significant notes as appearing in Annexure – 35, 36 and 37.

ANNEXURE 41: RESTATED CONSOLIDATED STATEMENT OF INVESTMENTS

41 A: Non-Current Investments

₹ in million						
Particulars	As at					
	30-Jun-14	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10
Non-Current Investments						
Investment Property	10.69	10.69	10.69	-	-	-
Non- Trade Investments (Valued at Cost)						
Investment In Equity Instruments (Quoted)	144.96	203.10	222.43	134.41	134.41	23.49
Investment in Equity Instruments (Unquoted)						
In associates Companies	10.00	10.00	10.00	10.00	173.80	173.80
In other Companies	63.82	63.82	51.32	51.32	51.32	46.62
Investment in Portfolio Management Service (Quoted)						
Equity	-	-	-	37.96	-	-
Mutual Funds	-	-	-	19.40	-	-
Investment in Derivatives	-	-	-	-	0.06	-
Total	229.47	287.61	294.44	253.09	359.59	243.91

Aggregate book value of quoted investment as on June 30, 2014 is ₹ 144.96 million.

Aggregate market value of quoted investment as on June 30, 2014 is ₹ 137.71 million.

Aggregate book value of unquoted investment as on June 30, 2014 is ₹ 73.82 million.

41B: Current Investments

₹ in million						
Particulars	As at					
	30-Jun-14	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10
(At lower of Cost or Net Realisable Value)						
Investment in Portfolio Management Service (Quoted)						
Equity	69.39	49.80	66.08	9.78	10.55	9.72
Mutual Funds	9.87	57.15	8.47	-	-	361.37
Investment in units of Mutual Funds (Unquoted)	-	-	6.25	16.75	61.08	-
Total	79.26	106.95	80.80	26.53	71.63	371.09

Aggregate book value of quoted investment as on June 30, 2014 is ₹ 79.26million.

Aggregate market value of quoted investment as on June 30, 2014 is ₹92.34million.

Note:

- The figures disclosed above are based on the Restated Consolidated Summary Statement of Assets and Liabilities of the Group.
- The above statement should be read with the Significant Accounting policies to the Restated Consolidated Summary Statement of Assets and Liabilities, Statement of Profit and Loss and Statement of Cash Flows and other significant notes as appearing in Annexure – 35, 36 and 37.

ANNEXURE 42: RESTATED CONSOLIDATED STATEMENT OF DEFERRED TAX ASSET/ DEFERRED TAX LIABILITY (NET)

₹ in million						
Particulars	As at					
	30-Jun-14	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10
A. Deferred Tax Assets :						
Disallowances under Income Tax Act	42.14	29.95	141.79	13.55	7.85	9.02
Related to Fixed Assets	14.24	-	-	-	-	-
Carried Forward Losses	95.66	99.33	0.68	136.81	135.11	129.97
	152.04	129.28	142.47	150.36	142.96	138.99
B. Deferred Tax Liabilities :						
Related to Fixed Assets	-	5.58	10.42	14.07	21.03	47.68
Deferred Revenue Expenses	-	-	-	0.05	3.31	6.48
	-	5.58	10.42	14.12	24.34	54.16
	-	-	-	-	-	-
Deferred Tax Asset (Net) (A-B)	152.04	123.70	132.05	136.24	118.62	84.83

Note:

- The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the Group.
- The above statement should be read with the Significant Accounting policies to the Restated Consolidated Summary Statement of Assets and Liabilities, Statement of Profit and Loss and Statement of Cash Flows and other significant notes as appearing in Annexure – 35, 36 and 37.

ANNEXURE 43: RESTATED CONSOLIDATED STATEMENT OF LONG-TERM LOANS AND ADVANCES AND OTHER NON-CURRENT ASSETS

43 A (i): Long Term Loans And Advances

₹ in million						
Particulars	As at					
	30-Jun-14	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10
Security Deposits	88.24	87.90	115.78	52.61	94.19	60.14
Loans and advances to Related Party	39.24	39.24	39.24	43.58	-	-
Advances Recoverable in cash or in kind	406.11	493.69	593.15	588.32	691.10	699.51
Receivable under financing activities	10.25	9.07	23.40	209.01	199.15	39.30
Balance with Statutory Authorities	94.86	83.99	58.30	34.89	37.58	82.09
Advance tax and TDS	6.78	30.95	24.35	34.26	17.27	15.21
Prepaid Expenses	0.25	0.33	0.55	-	-	-
MAT Credit Entitlement	31.01	29.78	17.45	-	-	-
Total Long-term loans and advances (A)	676.74	774.95	872.22	962.67	1,039.29	896.25

43 A (ii): Amount due from Parent Company / Group Company / Directors / Relative of directors

₹ in million						
Particulars	As at					
	30-Jun-14	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10
From Promoters	-	-	-	-	-	-
Group Companies	39.24	39.24	39.24	43.58	-	-
Directors	-	-	-	-	-	-
Total	39.24	39.24	39.24	43.58	-	-

43B : Other non-current assets

₹ in million						
Particulars	As at					
	30-Jun-14	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10
Unamortized Expenses	-	-	-	-	0.16	10.21
Total Other non-current assets (B)	-	-	-	-	0.16	10.21

Note:

- 1 The figures disclosed above are based on the Restated Consolidated Summary Statement of Assets and Liabilities of the Group.
- 2 The above statement should be read with the Significant Accounting policies to the Restated Consolidated Summary Statement of Assets and Liabilities, Statement of Profit and Loss and Statement of Cash Flows and other significant notes as appearing in Annexure – 35, 36 and 37.
- 3 List of persons/ entities classified as 'Promoters' and 'Promoter Group Companies' has been determined by the Management and relied upon by the Auditors. The Auditors have not performed any procedure to determine whether the list is accurate and complete.

ANNEXURE 44: RESTATED CONSOLIDATED STATEMENT OF TRADE RECEIVABLES**44 A (i): Non-Current Trade Receivables**

₹ in million						
Particulars	As at					
	30-Jun-14	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10
Trade receivables						
Outstanding for a period exceeding one year						
Unsecured, considered good*	175.58	205.77	283.41	373.57	332.07	322.01
Unsecured, considered doubtful	54.18	26.82	27.72	5.76	0.87	7.55
Less: Provision for doubtful debts	(54.18)	(26.82)	(27.72)	(5.76)	(0.87)	(7.55)
Total	175.58	205.77	283.41	373.57	332.07	322.01

*No provision has been made in respect of certain overdue trade receivables amounting to ₹ 175.58million as at June 30, 2014, since the Company has taken suitable measures to recover the said dues including filing of legal cases wherever considered appropriate.

44 A (ii): Amount due from Parent Company / Group Company / Directors / Relative of directors

₹ in million						
Particulars	As at					
	30-Jun-14	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10
From Promoters	-	-	-	-	-	-
Group Companies	-	-	-	-	-	-
Directors	-	-	-	-	-	-
Total	-	-	-	-	-	-

Note:

- 1 The figures disclosed above are based on the Restated Consolidated Summary Statement of Assets and Liabilities of the Group.
- 2 The above statement should be read with the Significant Accounting policies to the Restated Consolidated Summary Statement of Assets and Liabilities, Statement of Profit and Loss and Statement of Cash Flows and other significant notes as appearing in Annexure – 35, 36 and 37.
- 3 List of persons/ entities classified as 'Promoters' and 'Promoter Group Companies' has been determined by the Management and relied upon by the Auditors. The Auditors have not performed any procedure to determine

whether the list is accurate and complete.

44 B (i): Current Trade Receivables

₹ in million						
Particulars	As at					
	30-Jun-14	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10
Trade receivables						
Unsecured						
Outstanding for more than six months						
Considered good	103.04	65.50	75.54	22.17	40.56	137.62
Considered doubtful	4.94	0.20	-	-	-	-
Less: Provision for Doubtful Debts	(4.94)	(0.20)	-	-	-	-
Others						
Considered good	2,574.32	2,305.87	1,492.86	2,099.89	1,913.39	1,188.22
Total	2,677.36	2,371.37	1,568.40	2,122.06	1,953.96	1,325.84

44 B (ii): Amount due from Parent Company / Group Company / Directors / Relative of directors

₹ in million						
Particulars	As at					
	30-Jun-14	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10
From Promoters	-	-	0.02	0.02	0.06	4.73
Group Companies	-	-	-	-	-	-
Directors	-	-	-	-	-	-
Total	-	-	0.02	0.02	0.06	4.73

Note:

- The figures disclosed above are based on the Restated Consolidated Summary Statement of Assets and Liabilities of the Group.
- The above statement should be read with the Significant Accounting policies to the Restated Consolidated Summary Statement of Assets and Liabilities, Statement of Profit and Loss and Statement of Cash Flows and other significant notes as appearing in Annexure – 35, 36 and 37.
- List of persons/ entities classified as 'Promoters' and 'Promoter Group Companies' has been determined by the Management and relied upon by the Auditors. The Auditors have not performed any procedure to determine whether the list is accurate and complete.

ANNEXURE 45 : RESTATED CONSOLIDATED STATEMENT OF INVENTORIES

₹ in million						
Particulars	As at					
	30-Jun-14	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10
Stock-in-trade of Securities	1,372.81	1,207.19	878.57	999.74	1,065.21	1,811.88
Stock-in-trade of Bonds	7.40	48.32	68.60	-	-	-
Stock-in-trade of Commodities	319.34	192.52	424.56	370.54	231.98	391.99
Total	1,699.55	1,448.03	1,371.73	1,370.28	1,297.19	2,203.87

Note:

- The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the Group.
- The above statement should be read with the Significant Accounting policies to the Restated Consolidated Summary Statement of Assets and Liabilities, Statement of Profit and Loss and Statement of Cash Flows and other significant notes as appearing in Annexure – 35, 36 and 37.

ANNEXURE 46: RESTATED CONSOLIDATED STATEMENT OF CASH AND BANK BALANCES

Components of cash and bank balances	₹ in million					
	As at					
	30-Jun-14	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10
Cash and cash equivalents						
Cash in hand	3.74	4.00	3.88	5.29	3.49	6.25
Bank Balance:						
Balance with Banks in Current account	120.97	138.75	215.96	207.87	115.59	72.08
Foreign Currency in hand	0.12	0.25	0.02	0.12	0.16	0.11
Fixed deposit with maturity of less than three months	0.30	0.30	2.36	301.50	16.12	2.37
	125.13	143.30	222.22	514.78	135.36	80.81
Other bank balances						
Bank deposits with maturity of more than 3 months but less than 12 month	-	-	-	235.13	165.00	185.70
Bank deposits with maturity of more than 12 months	3.00	3.00	-	363.75	13.50	13.51
In fixed deposit against commitment to IRDA	1.20	1.20	1.20	1.20	1.20	1.20
Bank Deposits with maturity more than 12 months but within one year from the reporting date	1.50	1.50	1.50	-	-	-
Margins Deposited with Exchanges or against guarantees and other commitments	2,103.44	2,143.75	2,598.10	2,224.23	1,907.66	1,115.60
	2,109.14	2,149.45	2,600.80	2,824.31	2,087.36	1,316.01
Total cash and bank balances	2,234.27	2,292.75	2,823.02	3,339.09	2,222.72	1,396.82

Note:

- The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the Group.
- The above statement should be read with the Significant Accounting policies to the Restated Consolidated Summary Statement of Assets and Liabilities, Statement of Profit and Loss and Statement of Cash Flows and other significant notes as appearing in Annexure – 35, 36 and 37.

ANNEXURE 47: RESTATED CONSOLIDATED STATEMENT OF SHORT-TERM LOANS AND ADVANCES AND OTHER CURRENT ASSETS

47 A (i) :Short-term loans and advances

₹ in million						
Particulars	As at					
	30-Jun-14	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10
Security Deposit	3.04	2.54	2.34	216.22	45.93	33.28
Loans and advances to Employees	-	-	-	0.59	0.18	0.18
Loans and advances to related parties	-	-	37.56	-	-	0.01
Receivables under financing activities	525.18	451.62	320.18	360.12	190.98	326.76
Balance with Statutory Authorities	16.76	14.59	26.94	15.28	18.05	31.52
Advances Recoverable in cash or in kind	587.00	590.52	720.58	210.91	219.70	250.52
Prepaid Expenses	74.12	40.04	48.57	65.86	64.39	25.98
Total Short-term loans and advances (A)	1,206.10	1,099.31	1,156.17	868.98	539.23	668.25

47 A (ii) : Amount due from Parent Company / Group Company / Directors / Relative of directors

₹ in million						
Particulars	As at					
	30-Jun-14	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10
From Promoters	-	-	-	-	-	-
Group Companies	-	-	37.56	-	-	11.22
Directors	-	-	-	-	-	-
Total	-	-	37.56	-	-	11.22

47B : Other current assets

₹ in million						
Particulars	As at					
	30-Jun-14	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10
Accrued Interest on FDR	31.51	25.04	25.16	32.13	17.47	12.39
Accrued Interest on Bonds	0.25	0.24	-	-	-	-
Unamortized Expenditure	-	-	-	0.16	10.05	10.30
Total Other current assets (B)	31.76	25.28	25.16	32.29	27.52	22.69

Note:

- The figures disclosed above are based on the Restated Consolidated Summary Statement of Assets and Liabilities of the Group.
- The above statement should be read with the Significant Accounting policies to the Restated Consolidated Summary Statement of Assets and Liabilities, Statement of Profit and Loss and Statement of Cash Flows and other significant notes as appearing in Annexure – 35, 36 and 37.
- List of persons/ entities classified as 'Promoters' and 'Promoter Group Companies' has been determined by the Management and relied upon by the Auditors. The Auditors have not performed any procedure to determine whether the list is accurate and complete.

ANNEXURE 48: RESTATED CONSOLIDATED STATEMENT OF BORROWINGS

48A : Long-term borrowings

₹ in million						
Particulars	As at					
	30-Jun-14	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10
Term Loans (Secured Against Vehicles)*						
From Banks	8.35	4.66	1.94	4.09	2.14	1.56
From Others	12.92	0.06	1.06	0.80	2.58	1.08
Less: Current Maturities disclosed under the head "Other Current Liabilities"	(2.46)	(1.35)	(2.40)	(2.22)	(1.86)	(1.00)
Sub total	18.81	3.37	0.60	2.67	2.86	1.64
Secured						
Term loans						
Term loan from Banks	-	-	100.00	525.00	525.00	-
Less: Current Maturities disclosed under the head "Other Current Liabilities"	-	-	(100.00)	-	-	-
Sub total	-	-	-	525.00	525.00	-
Secured against pledge of Securities #						
Loan From Financial Institution	86.79	86.24	-	-	-	-
Sub total	86.79	86.24	-	-	-	-
Unsecured						
Term loans						
From Others	-	-	32.62	-	-	-
Sub total	-	-	32.62	-	-	-
Total	105.60	89.61	33.22	527.67	527.86	1.64

*Term loan as at June 30, 2014, repayable in 36 equated monthly instalments bearing interest @ 9.33% to 10.50% p.a.

#Secured Loan against pledge of securities as at June 30, 2014 is repayable over 36 months of Loan Agreement and bearing interest @ 11% p.a.

48 B: Short-term borrowings

₹ in million						
Particulars	As at					
	30-Jun-14	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10
Secured						
Short Term Loan from Banks secured against Stock in Trade@	265.35	284.67	99.83	253.32	266.36	326.21
Short Term Loan from Banks secured against FDR	-	-	197.80	337.00	660.00	242.50
Short Term Loan from others secured against Shares	-	-	-	100.00	6.21	452.50
Overdraft from Banks	50.00	-	-	268.14	-	-
Total	315.35	284.67	297.63	958.46	932.57	1,021.21
@ As at June 30, 2014, repayable on demand bearing interest rate varying from 10.50% to 11.75 % p.a. and also						

secured against personal guarantee of the Directors of the Company.

Note:

- 1 The figures disclosed above are based on the Restated Consolidated Summary Statement of Assets and Liabilities of the Group.
- 2 The above statement should be read with the Significant Accounting policies to the Restated Consolidated Summary Statement of Assets and Liabilities, Statement of Profit and Loss and Statement of Cash Flows and other significant notes as appearing in Annexure – 35, 36 and 37.
- 3 There are no unsecured loans outstanding from Directors / Promoters / Promoter Group Companies / Group Companies / Relatives of Promoters / Relatives of Directors / Subsidiary Companies.
- 4 List of persons/ entities classified as 'Promoters' and 'Promoter Group Companies' has been determined by the Management and relied upon by the Auditors. The Auditors have not performed any procedure to determine whether the list is accurate and complete.

ANNEXURE 49: RESTATED CONSOLIDATED STATEMENT OF LONG-TERM PROVISIONS

₹ in million						
Particulars	As at					
	30-Jun-14	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10
Long Term Provisions						
Provision for employee benefits						
Gratuity	51.50	48.52	38.02	26.37	22.38	18.10
Leave Encashment	15.07	14.09	9.38	6.21	2.57	0.39
Provision for Non-Performing Assets	5.87	4.50	6.12	2.04	-	-
Provision for Contingencies	1.32	1.13	0.86	0.80	0.28	0.81
Total Long Term Provisions	73.76	68.24	54.38	35.42	25.23	19.30

Note:

- 1 The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the Group.
- 2 The above statement should be read with the Significant Accounting policies to the Restated Consolidated Summary Statement of Assets and Liabilities, Statement of Profit and Loss and Statement of Cash Flows and other significant notes as appearing in Annexure – 35, 36 and 37.

ANNEXURE 50: RESTATED CONSOLIDATED STATEMENT OF TRADE PAYABLES, OTHER CURRENT LIABILITIES AND SHORT –TERM PROVISIONS**50 A (i) : Trade Payables**

₹ in million						
Particulars	As at					
	30-Jun-14	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10
Trade payables						
Total outstanding dues of micro and small enterprises	-	-	-	-	-	-
Total outstanding dues of trade payables other than micro and small enterprises	1,554.25	1,185.64	1,367.33	1,819.13	1,253.97	1,169.93
Total	1,554.25	1,185.64	1,367.33	1,819.13	1,253.97	1,169.93

50 A (ii) : Amount due from Parent Company / Group Company / Directors / Relative of directors

₹ in million						
Particulars	As at					
	30-Jun-14	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10
From Promoters	-	-	-	-	-	-
Group Companies	-	-	-	28.50	-	-
Directors	-	-	-	-	-	-
Total	-	-	-	28.50	-	-

50 B : Other Current Liabilities

₹ in million						
Particulars	As at					
	30-Jun-14	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10
Other Current Liabilities						
Bank Overdraft from Bank	58.17	203.74	319.32	271.13	173.53	139.13
Current Maturities of Long Term Borrowings	2.46	1.35	102.40	2.22	1.86	1.00
Security & Deposits Received from clients	23.51	22.44	23.43	24.94	31.51	25.98
Advances /Margin Received from Clients	1,943.33	1,960.20	1,735.12	1,288.97	1,135.44	1,103.99
Unearned Income	23.76	4.32	5.73	6.92	16.46	9.73
Unpaid Dividend	0.22	0.22	-	-	-	-
Payable to Statutory authorities	25.08	28.99	28.81	34.69	39.51	26.98
Total	2,076.53	2,221.26	2,214.81	1,628.87	1,398.31	1,306.81

50 C :Short Term Provisions

₹ in million						
Particulars	As at					
	30-Jun-14	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10
Provision for employee benefits						
Salary and Perquisites	57.59	53.20	56.13	75.36	83.06	73.79
Provision For Gratuity	2.74	2.59	1.78	2.14	1.81	1.54
Provision For Leave Encashment	1.14	1.07	2.00	0.86	0.25	-
Others						
Provision for Income Tax	37.47	5.38	0.03	2.10	0.98	2.29
Provision For Wealth Tax	0.02	0.08	0.09	0.08	0.04	0.03
Provision for CSR	0.40	-	-	-	-	-
Proposed Dividend	27.15	27.15	-	-	-	-
Tax on Dividend	4.61	4.61	-	-	-	-
MTM Equity Payable	0.41	0.25	-	-	-	-
Total	131.53	94.33	60.03	80.54	86.14	77.65

Note:

- The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the Group.
- The above statement should be read with the Significant Accounting policies to the Restated Consolidated Summary Statement of Assets and Liabilities, Statement of Profit and Loss and Statement of Cash Flows and other significant notes as appearing in Annexure – 35, 36 and 37.

ANNEXURE 51: RESTATED CONSOLIDATED STATEMENT OF REVENUE FROM OPERATIONS

₹ in million						
Particulars	Period ended	Year ended				
	30-Jun-14	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10
Revenue from operations:						
Income from Brokerage	357.90	1,241.19	1,322.52	1,302.63	1,443.83	1,342.48
Income from Proprietary Trading	403.69	1,100.64	1,013.01	1,012.59	1,040.98	982.73
Treasury Income	50.68	221.83	237.17	201.91	134.09	145.44
Interest Income from Financing Activities	17.52	68.70	36.83	52.13	29.10	13.70
Income from Distribution of Financial products	19.09	74.83	71.28	55.42	63.30	47.63
Income from Depository Business	11.22	30.64	35.60	53.74	48.41	48.39
Income from management and advisory services	15.97	37.82	87.56	104.70	71.52	17.26
Income from Reverse Book Building	0.35	2.13	2.53	1.84	2.42	1.36
Dividend Earned	4.80	60.88	12.65	5.87	6.78	7.59
Incentive from Exchange	0.52	20.80	15.03	1.53	-	-
Other Operating Income						
Profit/ Loss on sale of Investment	(26.10)	0.88	0.59	3.24	10.61	(4.38)
Loan Processing Fees	0.25	0.62	-	-	-	-
Income from arbitrage activities	-	-	-	-	-	14.59
Income/(Loss) from PMS Account	2.61	5.25	15.23	(3.05)	-	-
Interest Income on Investments	-	0.98	10.60	-	-	-
Income from Dividend	0.95	5.54	3.56	7.72	2.75	0.50
Currency Advisory Services	-	0.42	0.01	-	0.20	0.13
Delay Payment Charges	25.35	51.35	49.59	69.88	94.03	55.07
Total Revenue from operations	884.80	2,924.50	2,913.76	2,870.15	2,948.02	2,672.49

Note:

- The figures disclosed above are based on the Restated Consolidated Summary Statement of Profit and Loss of the Group.
- The above statement should be read with the Significant Accounting policies to the Restated Consolidated Summary Statement of Assets and Liabilities, Statement of Profit and Loss and Statement of Cash Flows and other significant notes as appearing in Annexure – 35, 36 and 37.

ANNEXURE 52: RESTATED CONSOLIDATED STATEMENT OF OTHER INCOME

₹ in million						
Particulars	Period ended	Year ended				
	30-Jun-14	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10
Interest Income	0.16	2.52	2.51	1.51	1.88	5.40
Research Services	0.15	12.78	-	-	-	-
Commission on FD Procurement	-	7.37	-	-	-	-
Interest on Deposits	0.13	0.76	8.06	16.96	6.14	0.26
Liability no Longer Required written back	0.05	5.60	15.27	5.15	1.01	1.88
Profit on sale of fixed assets (net)	0.58	-	-	-	-	-
Stale Cheque w/off	-	-	-	5.73	-	-

₹ in million						
Cheque Suspense w/off	-	-	-	-	1.34	-
Charges for Logo display on website	-	38.25	-	15.32	8.71	-
Other Misc. Income	4.27	15.83	8.08	9.03	20.40	4.46
Total Other Income	5.34	83.11	33.92	53.70	39.48	12.00

Note:

- 1 The figures disclosed above are based on the restated consolidated summary statement of profit & loss of the Group.
- 2 The above statement should be read with the Significant Accounting policies to the Restated Consolidated Summary Statement of Assets and Liabilities, Statement of Profit and Loss and Statement of Cash Flows and other significant notes as appearing in Annexure – 35, 36 and 37.

ANNEXURE 53: RESTATED CONSOLIDATED STATEMENT OF EXCHANGE AND OTHER REGULATORY EXPENSES

₹ in million						
Particulars	Period ended	Year ended				
	30-Jun-14	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10
Client Introduction Charges	133.33	429.80	439.67	468.78	504.62	491.93
Exchange & Other Regulatory Charges	97.83	339.51	259.39	272.17	264.60	216.33
Securities Transaction Tax	76.91	217.79	259.43	262.50	315.41	492.29
Membership Fees & Subscription	0.04	0.13	0.08	-	-	-
VPN, Leaseline, Internet & VSAT Expenses	4.04	22.63	24.48	12.25	12.26	24.11
Total	312.15	1,009.86	983.05	1,015.70	1,096.89	1,224.66

Note:

- 1 The figures disclosed above are based on the restated consolidated summary statement of profit & loss of the Group.
- 2 The above statement should be read with the Significant Accounting policies to the Restated Consolidated Summary Statement of Assets and Liabilities, Statement of Profit and Loss and Statement of Cash Flows and other significant notes as appearing in Annexure – 35, 36 and 37.

ANNEXURE 54: RESTATED CONSOLIDATED STATEMENT OF EMPLOYEE BENEFIT EXPENSES

₹ in million						
Particulars	Period ended	Year ended				
	30-Jun-14	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10
Salaries and incentives	201.00	790.76	803.12	881.62	1,066.91	865.25
Employers Contributions to PF & other fund	4.93	20.13	23.47	27.66	29.50	16.97
Gratuity	3.23	12.26	11.68	5.12	4.55	9.61
Staff welfare expenses	5.97	22.28	20.84	20.55	15.03	12.35
Total	215.13	845.43	859.11	934.95	1,115.99	904.18

Note:

- 1 The figures disclosed above are based on the restated consolidated summary statement of profit & loss of the Group.
- 2 The above statement should be read with the Significant Accounting policies to the Restated Consolidated Summary Statement of Assets and Liabilities, Statement of Profit and Loss and Statement of Cash Flows and other significant notes as appearing in Annexure – 35, 36 and 37.

ANNEURE 55: RESTATED CONSOLIDATED STATEMENT OF OTHER EXPENSES

₹ in million						
Particulars	Period ended	Year ended				
	30-Jun-14	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10
Advertisement	25.94	95.17	57.03	94.62	105.53	87.42
Bank charges	0.28	6.06	17.15	17.77	12.08	1.66
Business Promotion	24.42	98.09	80.41	39.51	43.45	44.04
Cenvat Credit Unavailed	0.14	0.70	1.58	0.94	1.59	0.46
Communication Expenses	10.29	32.71	32.44	69.15	73.63	66.14
Computer Repair & Maintenance	4.28	16.48	18.22	14.08	14.99	11.74
Conveyance & Traveling Expenses	10.72	25.64	24.94	26.89	32.02	22.78
CSR Expenses	0.40	-	-	-	-	-
Director's Sitting Fee	0.20	0.33	0.78	0.53	0.33	0.22
Electricity & Water Charges	14.41	50.56	46.35	41.32	42.17	39.11
Insurance Expenses	0.80	3.12	3.11	3.67	4.01	2.02
Legal & Professional Charges	10.65	51.39	55.49	65.98	40.68	46.06
Loss on Sale of Fixed Assets	-	7.67	7.87	8.74	1.45	1.66
Meeting & Conference Expenses	0.08	3.21	0.04	0.13	0.23	0.02
Membership Fees & Subscription	0.37	1.62	1.57	1.80	2.44	4.27
Miscellaneous Expenses	0.79	11.84	7.97	2.65	22.53	10.41
Office Repair & Maintenance	10.24	32.95	37.56	47.58	51.47	39.14
Printing and Stationery	2.61	14.78	16.05	17.69	21.25	16.88
Provision for Doubtful Debts	35.38	53.34	40.63	47.91	22.78	7.21
Provision for Non-Performing Assets	1.37	9.57	4.20	2.04	-	-
Provision for Standard Assets	0.19	0.27	0.07	0.52	0.28	-
Provision for loss on arbitrage / trading activities	-	-	-	-	-	1.36
Rent	28.51	112.77	132.18	139.53	163.61	136.79
Rates & Taxes	0.36	5.34	1.73	2.56	2.80	5.19
Research Expenses	0.54	2.10	2.16	4.23	7.31	2.63
Staff Support Services	-	-	21.36	31.96	43.21	-
Stamp & Other Expenses	0.03	0.18	0.22	0.53	0.93	1.09
Vehicle Running & Maintenance	1.13	4.42	4.36	4.42	3.73	2.86
Auditor's remuneration:						
As Statutory Auditor	0.22	0.89	0.85	0.53	0.65	0.60
As Tax Auditor	0.04	0.21	0.16	0.13	0.15	0.17
As Fees for Other Services	0.02	0.13	0.10	0.07	0.05	-
Deferred Revenue Expenditure written off	-	-	0.16	10.05	10.30	10.94
Total	184.41	641.54	616.74	697.53	725.65	562.87

Note:

- 1 The figures disclosed above are based on the restated consolidated summary statement of profit & loss of the Group.
- 2 The above statement should be read with the Significant Accounting policies to the Restated Consolidated Summary Statement of Assets and Liabilities, Statement of Profit and Loss and Statement of Cash Flows and other significant notes as appearing in Annexure – 35, 36 and 37.

ANNEXURE 56: RESTATED CONSOLIDATED STATEMENT OF DEPRECIATION AND AMORTISATION EXPENSES

₹ in million						
Particulars	Period ended	Year ended				
	30-Jun-14	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10
Depreciation on Tangible Assets	27.30	63.24	73.93	80.17	87.90	79.91
Depreciation on Intangible Assets	1.67	7.93	10.69	15.04	15.55	17.14
Total	28.97	71.17	84.62	95.21	103.45	97.05

Note:

- 1 The figures disclosed above are based on the restated consolidated summary statement of profit & loss of the Group.
- 2 The above statement should be read with the Significant Accounting policies to the Restated Consolidated Summary Statement of Assets and Liabilities, Statement of Profit and Loss and Statement of Cash Flows and other significant notes as appearing in Annexure – 35, 36 and 37.

ANNEXURE 57: RESTATED CONSOLIDATED STATEMENT OF FINANCE COSTS

₹ in million						
Particulars	Period ended	Year ended				
	30-Jun-14	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10
Interest expense	20.61	99.92	137.47	190.57	158.14	19.12
Other Borrowing Cost	6.21	24.34	18.09	16.85	17.73	78.41
Total	26.82	124.26	155.56	207.42	175.87	97.53

Note:

- 1 The figures disclosed above are based on the restated consolidated summary statement of profit & loss of the Group.
- 2 The above statement should be read with the Significant Accounting policies to the Restated Consolidated Summary Statement of Assets and Liabilities, Statement of Profit and Loss and Statement of Cash Flows and other significant notes as appearing in Annexure – 35, 36 and 37.

ANNEXURE 58: RESTATED CONSOLIDATED STATEMENT OF DIVIDEND

The declaration and payment of dividend will be recommended by the Board of Directors and approved by the shareholders of the Company at their discretion and will depend on a number of factors, including the results of operations, earnings, capital requirements and surplus, general financial conditions, contractual restrictions, applicable Indian legal restrictions and other factors considered relevant by the Board. [Further, pursuant to the terms of the loans obtained by the Company, prior written consent of the lenders of the Company is required to pay any dividends.] The Board may also from time to time pay interim dividend. All dividend payments are made in cash to the shareholders of the Company. The dividends declared by the Company during the last five Fiscals and the period ended on June 30, 2014, are set out in the following table:

Particulars	Period ended		Year ended			
	30-Jun-14	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10
Face Value per Equity Share (₹)	-	2	-	-	-	-
Dividend (%)						
- Interim Dividend	-	12%	-	-	-	-
- Final Dividend	-	12%	-	-	-	-
Dividend amount (₹ in million)						
- Interim Dividend	-	27.15	-	-	-	-
- Final Dividend	-	27.15	-	-	-	-
Dividend Distribution Tax (₹ in million)						
- Interim Dividend	-	4.61	-	-	-	-
- Final Dividend	-	4.62	-	-	-	-

ANNEXURE 59: RESTATED CONSOLIDATED STATEMENT OF ACCOUNTING RATIOS

Particulars		Period ended		Year ended			
		30-Jun-14	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10
Basic Earnings Per Share (₹)	A1/B	0.81	1.99	1.77	(0.06)	(1.20)	(1.36)
Diluted Earnings Per Share (₹)	A1/C	0.81	1.99	1.77	(0.06)	(1.20)	(1.32)
(See Note 4 below)							
Net Profit after Tax (after preference dividend and related tax) as restated attributable to equity shareholders (₹ in million) (after minority interest)	A1	91.77	225.61	198.51	(5.90)	(125.98)	(142.01)
Net Profit after Tax (after preference dividend and related tax) as restated attributable to equity shareholders (₹ in million) (before minority interest)	A2	91.85	226.73	192.32	(39.63)	(233.22)	(169.40)
Weighted average no. of equity shares outstanding during the Year / Period	B	11,31,34,450	11,31,34,450	11,22,37,898	10,63,54,540	10,47,83,870	10,44,25,030
Weighted average no. of equity shares which should be considered for Diluted EPS	C	11,31,34,450	11,31,34,450	11,22,37,898	10,63,54,540	10,47,83,870	10,75,87,830
No. of equity shares outstanding at the end of Period / Year	E	11,31,34,450	11,31,34,450	11,31,34,450	1,09,45,758	1,04,78,387	1,04,78,387
Net worth at the end of Year / Period (₹ in million)	D	5,151.03	5,082.81	4,922.81	4,835.79	4,188.36	4,426.31
Net Asset Value Per Share (₹)	D/E	45.53	44.93	43.51	441.80*	399.71*	422.42*
Net worth at the end of Year / Period (after considering share splits and bonus issue) (₹ in million)	F	5,151.03	5,082.81	4,922.81	4,835.79	4,188.36	4,426.31
No. of equity shares outstanding at the end of Period / Year (after considering share splits and bonus issue)	G	11,31,34,450	11,31,34,450	11,31,34,450	10,94,57,580	10,47,83,870	10,47,83,870
Net Asset Value Per Share (after considering share splits and bonus issue) (₹)	F/G	45.53	44.93	43.51	44.18	39.97	42.24
Return on Net worth - in %	A2/D*100	1.78	4.46	3.91	(0.82)	(5.57)	(3.83)

* Net Asset Value per share is before considering share split and bonus issue.

Notes:

1. The ratios have been computed as below:

(a) Basic Earnings Per Share (₹) = $\frac{\text{Net Profit after Tax and Minority Interest (as restated) attributable to shareholders}}{\text{Weighted average number of equity shares outstanding during the year}}$

(b) Diluted Earnings Per Share (₹) = $\frac{\text{Net Profit after Tax and Minority Interest (as restated) attributable to shareholders}}{\text{Weighted average number of diluted equity shares outstanding during the year}}$

(c) Return on net worth (%) = $\frac{\text{Net Profit after Tax but before Minority Interest (after preference dividend and related tax) as restated}}{\text{Net worth at the end of the year excluding preference share capital and cumulative preference dividend}}$

$$(d) \text{ Net asset value per share (₹) } = \frac{\text{Net worth at the end of the year excluding preference share capital}}{\text{Total number of equity shares outstanding at the end of the year/Period}}$$

2. Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the year adjusted by the number of equity shares issued during year 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/ period.
3. Net Worth for ratios mentioned in note 1(c) and 1(d) represents sum of Equity Share Capital, Reserves and Surplus (other than revaluation reserve, if any) and minority interest.
4. Earnings per share calculations are in accordance with Accounting Standard 20 - Earnings per share. As per AS 20, in case of bonus shares, the number of shares outstanding before the event is adjusted for the proportionate change in the number of equity shares outstanding as if the event has occurred at the beginning of the earliest period reported. Weighted average number of equity shares outstanding during all the previous years have been considered accordingly.
5. The figures disclosed above are based on the Restated Consolidated Summary Statements of the Company.
6. The above statement should be read with the Significant Accounting policies to the Restated Consolidated Summary Statement of Assets and Liabilities, Statement of Profit and Loss and Statement of Cash Flows and other significant notes as appearing in Annexure – 35, 36 and 37.

ANNEXURE 60: RESTATED CONSOLIDATED CAPITALISATION STATEMENT

Particulars	₹ in million	
	As adjusted for FPO (Refer below note 2)	
	As at June 30, 2014	As at June 30, 2014
Long Term Borrowings (A)	105.60	105.60
Short Term Borrowings (B)	315.35	315.35
Total Debt (C)	420.95	420.95
Shareholders' Funds:		
Equity Share Capital	226.27	[•]
Reserves & Surplus	4,918.24	[•]
Total Shareholder's Funds (D)	5,144.51	[•]
Long Term Debt/Equity (A/D)	0.02	[•]
Total Debt/Equity (C/D)	0.08	[•]

Note:

- 1 The above has been computed on the basis of the Restated Consolidated Summary Statements of the Group.
- 2 The corresponding post FPO capitalization data for each of the amounts given in the above table is not determinable at this stage pending the completion of the Book Building process and hence the same have not been provided in the above statement.

ANNEXURE 61: RESTATED CONSOLIDATED STATEMENT OF RELATED PARTY TRANSACTIONS:

List of related parties and transactions as per requirements of Accounting Standard – 18, ‘Related Party Disclosures’

A. Related parties

Particulars	Period ended			Year ended		
	June 30, 2014	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010
Key Management Personnel	1) Mr. Subhash Chand Aggarwal	1) Mr. Subhash Chand Aggarwal	1) Mr. Subhash Chand Aggarwal	1) Mr. Subhash Chand Aggarwal	1) Mr. Subhash Chand Aggarwal	1) Mr. Subhash Chand Aggarwal
	2) Mr. Mahesh Chand Gupta	2) Mr. Mahesh Chand Gupta	2) Mr. Mahesh Chand Gupta	2) Mr. Mahesh Chand Gupta	2) Mr. Mahesh Chand Gupta	2) Mr. Mahesh Chand Gupta
	3) Mr. Ajay Garg	3) Mr. Ajay Garg	3) Mr. Ajay Garg	3) Mr. Ajay Garg	3) Mr. Ajay Garg	3) Mr. Ajay Garg
	4) Mr. Pradeep Aggarwal	4) Mr. Sanjeev Gupta	4) Mr. Sanjeev Gupta	4) Mr. Rakesh Gupta	4) Mr. Rakesh Gupta	4) Mr. Rakesh Gupta
	5) Mr. Anurag Bansal	5) Mr. Pradeep Aggarwal	5) Mr. Pradeep Aggarwal	5) Mr. Pradeep Aggarwal	5) Mr. Pradeep Aggarwal	5) Mr. Pradeep Aggarwal
	6) Mr. Ravi Aggarwal	6) Mr. Anurag Bansal	6) Mr. Anurag Bansal	6) Mr. Anurag Bansal	6) Mr. Anurag Bansal	6) Mr. Anurag Bansal
	7) Mr. Damodar Krishan Aggarwal	7) Mr. Ravi Aggarwal	7) Mr. Damodar Krishan Aggarwal	7) Mr. Damodar Krishan Aggarwal	7) Mr. Damodar Krishan Aggarwal	7) Mr. Damodar Krishan Aggarwal
	8) Ms. Hemlata Aggarwal	8) Mr. Damodar Krishan Aggarwal	8) Ms. Hemlata Aggarwal	8) Ms. Hemlata Aggarwal	8) Ms. Hemlata Aggarwal	8) Ms. Hemlata Aggarwal
	9) Ms. Sushma Gupta	9) Ms. Hemlata Aggarwal	9) Ms. Sushma Gupta	9) Ms. Sushma Gupta	9) Ms. Sushma Gupta	9) Ms. Sushma Gupta
	10) Mr. Pravin Agarwal	10) Ms. Sushma Gupta	10) Mr. Pravin Agarwal	10) Mr. Pravin Agarwal	10) Mr. Pravin Agarwal	10) Mr. Pravin Agarwal
	11) Ms. Reema Garg	11) Mr. Pravin Agarwal	11) Ms. Reema Garg	11) Ms. Reema Garg	11) Ms. Reema Garg	11) Mr. Ravi Aggarwal
	12) Mr. Lalit Kumar Aggarwal	12) Ms. Reema Garg	12) Mr. Lalit Kumar Aggarwal	12) Mr. Lalit Kumar Aggarwal	12) Mr. Lalit Kumar Aggarwal	12) Mr. O.P. Agarwal
	13) Ms. Shweta Aggarwal	13) Mr. Lalit Kumar Aggarwal	13) Mr. Ravi Aggarwal	13) Mr. Ravi Aggarwal	13) Mr. Ravi Aggarwal	13) Ms. Reema Garg
	14) Mr. Himanshu Gupta	14) Mr. O.P. Agarwal	14) Mr. O.P. Agarwal	14) Mr. O.P. Agarwal	14) Mr. O.P. Agarwal	14) Mr. Lalit Kumar Aggarwal

Particulars	Period ended		Year ended							
	June 30, 2014	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010				
15) Mr. Narendra Balasia	15) Ms. Aditi Aggarwal	15) Ms. Aditi Aggarwal	15) Ms. Aditi Aggarwal	15) Ms. Aditi Aggarwal	15) Ms. Aditi Aggarwal	15) Mr. Narendra Balasia				
16) Mr. Finney Cherian	16) Ms. Shweta Aggarwal	16) Ms. Shweta Aggarwal	16) Ms. Shweta Aggarwal	16) Ms. Shweta Aggarwal	16) Ms. Shweta Aggarwal	16) Ms. Shweta Aggarwal				
17) Ms. Anuradha Goel	17) Mr. Himanshu Gupta	17) Mr. Himanshu Gupta	17) Mr. Himanshu Gupta	17) Mr. Himanshu Gupta	17) Mr. Himanshu Gupta					
18) Mr. Dinesh Chand Gupta	18) Mr. Narendra Balasia	18) Mr. Narendra Balasia	18) Mr. Narendra Balasia	18) Mr. Narendra Balasia	18) Mr. Narendra Balasia					
19) Mr. Ashish Kumar Gupta	19) Mr. Finney Cherian	19) Mr. Finney Cherian								
20) Mr. Rajendra Prasad Mahipal	20) Ms. Anuradha Goel									
21) Ms. Uma Aggarwal	21) Mr. Dinesh Chand Gupta									
22) Mr. Vinod Kumar Jamar	22) Mr. Ashish Kumar Gupta									
23) Mr. Suman Kumar	23) Mr. Rajendra Prasad Mahipal									
24) Mr. Chetan Goel	24) Ms. Uma Aggarwal									
25) Mr. Shyam Sunder Bansal										
26) Mr. Vimal Kumar										
27) Mr. Shambhu Mishra										
28) Mr. Jai Gopal										
29) Mr. Manoj Kumar										
30) Mr. Dhiraj Kumar Nimwal										
31) Mr. Vishwanath Bansal										
32) Mr. Rahul Kumar										
33) Mr. Pawan Bansal										
34) Mr. Kundan Mal Agarwal										

Particulars	Period ended		Year ended			
	June 30, 2014	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010
	35) Mr. Satish Chandra Gupta					
	36) Mr. Hari Das Khunteta					
	37) Mr. Chandra Wadhwa					
	38) Mr. Sanjeev Barnwal					
Relatives of Key Management Personnel	1) Ms. Priyanka Gupta					
	2) Ms. Shilpi					
Associate Companies*	1) SMC Share Brokers Limited	1) SMC Share Brokers Limited	1) SMC Share Brokers Limited	1) Moneywise Finvest Limited*	1) Moneywise Finvest Limited*	1) Moneywise Finvest Limited*
	2) Pulin Investments Private Limited	2) Pulin Investments Private Limited	2) Pulin Investments Private Limited	2) SMC Finvest Limited*	2) SMC Finvest Limited*	2) SMC Finvest Limited*
	3) MVR Share Trading Private Limited	3) MVR Share Trading Private Limited	3) MVR Share Trading Private Limited	3) SMC Share Brokers Limited	3) SMC Share Brokers Limited	3) SMC Share Brokers Limited
				4) Pulin Investments Private Limited	4) Pulin Investments Private Limited	4) Pulin Investments Private Limited
				5) MVR Share Trading Private Limited	5) MVR Share Trading Private Limited	5) MVR Share Trading Private Limited
* have been consolidated as a group undertaking for FY 2011-12 on the basis of a shareholder agreement that gives the group control over the board of directors.						

B. Details of Transactions with Related Parties:

₹ in million							
Particulars	Period ended	Year ended					
	30-Jun-14	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10	
Investments in Associates*							
Moneywise Finvest Limited (formerly known as Sanlam Trustee Company (India) Limited)*	-	-	-	-	-	3.90	
SMC Finvest Limited(formerly known as Sanlam Investment Management (India) Limited)*	-	-	-	-	-	159.90	
Key Management Personnel							
Share Application money							
Pravin Agarwal				-	4.00	6.00	-
Equity Share Capital							
Pravin Agarwal	-	-	10.00	-	-	-	-
Director Remuneration							
Mr. Subhash Chand Aggarwal	1.75	6.50	6.00	6.50	6.50	6.50	5.70
Mr. Mahesh Chand Gupta	1.75	6.50	6.00	6.50	6.50	6.50	5.70
Mr. Rakesh Gupta	-	-	-	4.20	4.23	4.23	3.49
Mr. Pradeep Aggarwal	1.14	4.25	3.92	4.25	4.25	4.25	3.33
Mr. Anurag Bansal	0.88	3.25	3.00	3.00	3.25	3.25	2.85
Mr. Ajay Garg	0.88	3.00	3.00	2.69	3.00	3.00	2.85
Mr. DamodarKrishan Aggarwal	1.31	4.88	4.50	4.88	4.88	4.88	4.28
Ms. Hemlata Aggarwal	0.88	3.25	3.00	3.25	3.25	3.25	2.85
Ms. Sushma Gupta	0.88	3.25	3.00	3.25	3.25	3.25	2.85
Mr. Pravin Agarwal	0.60	2.40	2.40	2.40	2.40	2.40	2.40
Mr. O.P. Agrawal	0.40	1.58	1.58	1.58	1.49	1.49	1.80
Mr. Ravi Aggarwal	0.60	2.40	2.40	2.40	2.24	2.24	1.31
Ms. Reema Garg	0.35	1.28	0.80	-	0.07	0.07	0.94
Mr. S.S. Bansal	-	-	-	-	-	-	2.48
Mr. NarendraBalasia	0.31	1.25	1.25	1.25	1.25	1.25	0.60
Remuneration							
Mr. Himanshu Gupta	0.53	1.95	1.80	1.63	-	-	-
Ms. Shweta Aggarwal	0.53	1.95	1.80	1.95	2.10	2.10	1.60
Ms. Aditi Aggarwal	-	-	-	1.20	-	-	-

₹ in million						
Particulars	Period ended	Year ended				
	30-Jun-14	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10
Mr. Lalit Kumar Aggarwal	0.53	1.95	1.80	1.95	2.10	1.60
Mr. Vinod Kumar Jamar	0.92	-	-	-	-	-
Mr. Suman Kumar	0.70	-	-	-	-	-
Mr. Vishwanath Bansal	0.15	-	-	-	-	-
Mr. Jai Gopal	0.02	-	-	-	-	-
Mr. Manoj Kumar	0.08	-	-	-	-	-
Mr. Shambhu Mishra	0.13	-	-	-	-	-
Mr. Dhiraj Kumar Nimwal	0.07	-	-	-	-	-
Mr. Sanjeev Barnwal	0.37	-	-	-	-	-
Mr. Chetan Goel	0.12	-	-	-	-	-
Mr. Vimal Kumar	0.17	-	-	-	-	-
Mr. Shyam Sunder Bansal	0.67	-	-	-	-	-
Ms. Priyanka Gupta	0.09	-	-	-	-	-
Ms. Shilpi	0.06	-	-	-	-	-
Loans & Advances recovered from Related Party (net)						
MVR Share Trading Private Limited	-	-	4.34	7.90	-	-
Pulin Investments Private Limited	-	37.56	-	-	-	-
Repayment of Loans & Advances (net)						
SMC Share Brokers Private Limited	-	-	2.85	-	-	-
Loans & Advances given to Related Party						
Pulin Investments Private Limited	-	-	37.56	-	-	-
Loans & Advances taken from Related Party						
SMC Share Brokers Private Limited	-	-	-	2.85	-	-
Net Reimbursement of Expenses received						
Moneywise Finvest Limited (formerly known as Sanlam Trustee Company (India) Limited)*	-	-	-	-	-	0.51
SMC Finvest Limited(formerly known as Sanlam Investment Management (India) Limited)*	-	-	-	-	2.88	48.77
* have been consolidated as a group undertaking w.e.f. FY 2011-12 on the basis of a shareholder agreement that gives the group control over the board of directors.						

C. Balance Outstandings

		₹ in million					
Balance Outstanding	Particulars	As at					
		30-Jun-14	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10
Pulin Investments Private Limited	Short Term Loans and advances	-	-	37.56	-	-	-
SMC Share Brokers Private Limited	Trade Payable	-	-	-	28.50	-	-
MVR Share Trading Private Limited	Long Term Loans and advances	39.24	39.24	39.24	43.58	-	-
Moneywise Finvest Limited (formerly known as Sanlam Trustee Company (India) Limited)*	Short Term Loans and advances	-	-	-	-	-	1.22
SMC Finvest Limited(formerly known as Sanlam Investment Management (India) Limited)*	Short Term Loans and advances	-	-	-	-	-	10.00
* have been consolidated as a group undertaking w.e.f. FY 2011-12 on the basis of a shareholder agreement that gives the group control over the board of directors.							

Note:

- The management has certified that profits from related party transactions have arisen from legitimate business transactions as explained by the management and relied upon by the auditor.

**ANNEXURE 62: RESTATED CONSOLIDATED STATEMENT OF SEGMENT REPORTING
DISCLOSURE**

For the period of Period ended on June 30, 2014

							₹ in million
Descriptions	Capital Market	Insurance Broking Services	Wealth Management Services	Financing Services	Unallocated	Elimination	Total
I. Primary Segment-Business							
Revenue							
External revenue	779.14	77.98	10.31	21.69	1.02	-	890.14
Inter segment revenue	15.88	-	1.75	1.66	0.16	(19.45)	-
Total	795.02	77.98	12.06	23.35	1.18	(19.45)	890.14
Segment Profit/(Loss) {before tax}	113.08	4.86	(7.98)	11.64	1.06	-	122.66
Income taxes (Current tax, MAT & Deferred tax)							30.79
Wealth Tax							0.02
Profit after tax	113.08	4.86	(7.98)	11.64	1.06	-	91.85
Other Information							
Segment assets	8,201.00	150.56	23.00	847.09	-	-	9,221.65
Other unallocated assets	-	-	-	-	34.36	-	34.36
Total Assets	8,201.00	150.56	23.00	847.09	34.36	-	9,256.01
Segment liabilities	4,107.38	39.59	9.75	106.35	-	-	4,263.07
Other unallocated liabilities	-	-	-	-	0.46	-	0.46
Total Liabilities	4,107.38	39.59	9.75	106.35	0.46	-	4,263.53
Description				Within India	Outside India	Elimination	Total
II. Secondary Segment-Geographical							
Revenue							
External revenue				812.90	77.24		890.14
Inter segment revenue				-	-		-
Total				812.90	77.24	-	890.14
Segment Profit {before tax}				67.21	55.45	-	122.66
Income taxes (Current tax , MAT & Deferred tax)							30.79
Wealth Tax							0.02
Profit after tax				67.21	55.45	-	91.85
Other Information							
Segment assets				8,884.03	371.98	-	9,256.01
Other unallocated assets				-	-	-	-
Total Assets				8,884.03	371.98	-	9,256.01
Segment liabilities				4,034.83	228.70	-	4,263.53
Other unallocated liabilities				-	-	-	-
Total Liabilities				4,034.83	228.70	-	4,263.53

For the Year ended on March 31, 2014

							₹ in million
Descriptions	Capital Market	Insurance Broking Services	Wealth Management Services	Financing Services	Unallocated	Elimination	Total
I. Primary Segment-Business							
<u>Revenue</u>							
External revenue	2,549.70	316.04	47.33	94.05	0.49	-	3,007.61
Inter segment revenue	37.39	-	10.69	(0.09)	(0.73)	(47.26)	-
Total	2,587.09	316.04	58.02	93.96	(0.24)	(47.26)	3,007.61
<u>Segment Profit/(Loss) {before tax}</u>	227.85	68.48	(28.30)	47.95	(0.63)	-	315.35
Income taxes (Current tax , MAT & Deferred tax)							88.54
Wealth tax							0.08
Profit after tax	227.85	68.48	(28.30)	47.95	(0.63)	-	226.73
<u>Other Information</u>							
Segment assets	7,781.81	182.58	32.86	881.83	-	-	8,879.08
Other unallocated assets	-	-	-	-	23.79	-	23.79
Total Assets	7,781.81	182.58	32.86	881.83	23.79	-	8,902.87
Segment liabilities	3,795.24	46.54	12.91	95.18	-	-	3,949.87
Other unallocated liabilities	-	-	-	-	0.39	-	0.39
Total Liabilities	3,795.24	46.54	12.91	95.18	0.39	-	3,950.26
Description				Within India	Outside India	Elimination	Total
II. Secondary Segment-Geographical							
<u>Revenue</u>							
External revenue				2,937.85	69.76		3,007.61
Inter segment revenue				-	-		-
Total				2,937.85	69.76	-	3,007.61
<u>Segment Profit/(Loss) {before tax}</u>				321.48	(6.13)	-	315.35
Income taxes (Current tax , MAT & Deferred tax)							88.54
Wealth tax							0.08
Profit after tax				321.48	(6.13)	-	226.73
<u>Other Information</u>							
Segment assets				8,626.06	276.81	-	8,902.87
Other unallocated assets				-	-	-	-
Total Assets				8,626.06	276.81	-	8,902.87
Segment liabilities				3,761.30	188.96	-	3,950.26
Other unallocated liabilities				-	-	-	-
Total Liabilities				3,761.30	188.96	-	3,950.26

For the Year ended on March 31, 2013

For the Year ended on March 31, 2018							₹ in million
Descriptions	Capital Market	Insurance Broking Services	Wealth Management Services	Financing Services	Unallocated	Elimination	Total
I. Primary Segment-Business							
Revenue							
External revenue	2,586.27	278.61	35.49	45.27	2.04	-	2,947.68
Inter segment revenue	6.99	-	30.24	(0.11)	(0.88)	(36.24)	-
Total	2,593.26	278.61	65.73	45.16	1.16	(36.24)	2,947.68
Segment Profit {before tax}	194.65	70.89	(37.24)	19.65	0.65	-	248.60
Income taxes (Current tax , MAT & Deferred tax)							56.19
Wealth tax							0.09
Profit after tax	194.65	70.89	(37.24)	19.65	0.65	-	192.32
Other Information							
Segment assets	7,794.12	125.05	41.84	844.38	-	-	8,805.39
Other unallocated assets	-	-	-	-	12.77	-	12.77
Total Assets	7,794.12	125.05	41.84	844.38	12.77	-	8,818.16
Segment liabilities	3,974.10	45.22	9.76	11.78	-	-	4,040.86
Other unallocated liabilities	-	-	-	-	0.08	-	0.08
Total Liabilities	3,974.10	45.22	9.76	11.78	0.08	-	4,040.94
Description				Within India	Outside India	Elimination	Total
II. Secondary Segment-Geographical							
Revenue							
External revenue				2,847.54	100.14		2,947.68
Inter segment revenue				-	-		-
Total				2,847.54	100.14	-	2,947.68
Segment Profit {before tax}				205.25	43.35	-	248.60
Income taxes (Current tax, MAT & Deferred tax)							56.19
Wealth tax							0.09
Profit after tax				205.25	43.35	-	192.32
Other Information							
Segment assets				8,396.37	421.79	-	8,818.16
Other unallocated assets				-	-	-	-
Total Assets				8,396.37	421.79	-	8,818.16
Segment liabilities				3,705.40	335.54	-	4,040.94
Other unallocated liabilities				-	-	-	-
Total Liabilities				3,705.40	335.54	-	4,040.94

For the Year ended on March 31, 2012

							₹ in million
Descriptions	Capital Market	Insurance Broking Services	Wealth Management Services	Financing Services	Unallocated	Elimination	Total
I. Primary Segment-Business							
<u>Revenue</u>							
External revenue	2,600.85	205.89	50.77	63.14	3.20	-	2,923.85
Inter segment revenue	8.55	-	19.21	-	-	(27.76)	-
Total	2,609.40	205.89	69.98	63.14	3.20	(27.76)	2,923.85
<u>Segment Profit/(Loss) {before tax}</u>	59.37	2.95	(94.13)	3.15	1.70	-	(26.96)
Income taxes (Current tax & Deferred tax)							12.59
Wealth tax							0.08
Profit/(Loss) after tax	59.37	2.95	(94.13)	3.15	1.70	-	(39.63)
<u>Other Information</u>							
Segment assets	8,733.59	131.17	195.54	667.23	-	-	9,727.53
Other unallocated assets	-	-	-	-	22.10	-	22.10
Total Assets	8,733.59	131.17	195.54	667.23	22.10	-	9,749.63
Segment liabilities	5,244.86	18.26	111.02	13.51	-	-	5,387.65
Other unallocated liabilities	-	-	-	-	6.39	-	6.39
Total Liabilities	5,244.86	18.26	111.02	13.51	6.39	-	5,394.04
Description				Within India	Outside India	Elimination	Total
II. Secondary Segment-Geographical							
<u>Revenue</u>							
External revenue				2,878.60	45.25		2,923.85
Inter segment revenue				-	-		-
Total				2,878.60	45.25	-	2,923.85
<u>Segment Profit/(Loss) {before tax}</u>				(43.74)	16.78	-	(26.96)
Income taxes (Current tax & Deferred tax)							12.59
Wealth tax							0.08
Profit/(Loss) after tax				(43.74)	16.78	-	(39.63)
<u>Other Information</u>							
Segment assets				8,975.94	773.69	-	9,749.63
Other unallocated assets				-	-	-	-
Total Assets				8,975.94	773.69	-	9,749.63
Segment liabilities				4,659.53	734.51	-	5,394.04
Other unallocated liabilities				-	-	-	-
Total Liabilities				4,659.53	734.51	-	5,394.04

For the Year ended on March 31, 2011

							₹ in million
Descriptions	Capital Market	Insurance Broking Services	Wealth Management Services	Financing Services	Unallocated	Elimination	Total
I. Primary Segment-Business							
<u>Revenue</u>							
External revenue	2,644.31	249.35	65.40	29.35	(0.91)	-	2,987.50
Inter segment revenue	10.30	-	17.24	-	-	(27.54)	-
Total	2,654.61	249.35	82.64	29.35	(0.91)	(27.54)	2,987.50
<u>Segment Profit/(Loss) {before tax}</u>	54.92	(72.83)	(214.47)	4.58	(2.55)	-	(230.35)
Income taxes (Current tax & Deferred tax)							2.83
Wealth tax							0.04
Profit/(Loss) after tax	54.92	(72.83)	(214.47)	4.58	(2.55)	-	(233.22)
<u>Other Information</u>							
Segment assets	7,303.64	152.42	307.83	508.16	-	-	8,272.05
Other unallocated assets	-	-	-	-	21.78	-	21.78
Total Assets	7,303.64	152.42	307.83	508.16	21.78	-	8,293.83
Segment liabilities	4,052.04	146.17	173.59	1.53	-	-	4,373.33
Other unallocated liabilities	-	-	-	-	0.07	-	0.07
Total Liabilities	4,052.04	146.17	173.59	1.53	0.07	-	4,373.40
Description				Within India	Outside India	Elimination	Total
II. Secondary Segment-Geographical							
<u>Revenue</u>							
External revenue				2,973.90	13.60		2,987.50
Inter segment revenue				-	-		-
Total				2,973.90	13.60	-	2,987.50
<u>Segment Profit/(Loss) {before tax}</u>				(226.37)	(3.98)	-	(230.35)
Income taxes (Current tax & Deferred tax)							2.83
Wealth tax							0.04
Profit/(Loss) after tax				(226.37)	(3.98)	-	(233.22)
<u>Other Information</u>							
Segment assets				8,200.59	93.24	-	8,293.83
Other unallocated assets				-	-	-	-
Total Assets				8,200.59	93.24	-	8,293.83
Segment liabilities				4,298.82	74.58	-	4,373.40
Other unallocated liabilities				-	-	-	-
Total Liabilities				4,298.82	74.58	-	4,373.40

For the Year ended on March 31, 2010

						₹ in million
Descriptions	Capital Market	Insurance Broking Services	Wealth Management Services	Financing Services	Unallocated	Total
I. Primary Segment-Business						
Revenue						
External revenue	2,425.22	220.64	30.61	7.92	0.10	2,684.49
Inter segment revenue	-	-	-	-	-	-
Total	2,425.22	220.64	30.61	7.92	0.10	2,684.49
Segment Profit/(Loss) {before tax}	82.76	(216.66)	(68.50)	0.60	-	(201.80)
Income taxes (Current tax & Deferred tax)						(32.43)
Wealth Tax						0.03
Profit/(Loss) after tax	82.76	(216.66)	(68.50)	0.60	-	(169.40)
Other Information						
Segment assets	6,850.86	166.68	518.58	389.38	-	7,925.50
Other unallocated assets	-	-	-	-	12.53	12.53
Total Assets	6,850.86	166.68	518.58	389.38	12.53	7,938.03
Segment liabilities	3,486.30	87.60	272.83	6.33	-	3,853.06
Other unallocated liabilities	-	-	-	-	0.03	0.03
Total Liabilities	3,486.30	87.60	272.83	6.33	0.03	3,853.09
Description				Within India	Outside India	Total
II. Secondary Segment-Geographical						
Revenue						
External revenue				2,671.90	12.59	2,684.49
Inter segment revenue				-	-	-
Total				2,671.90	12.59	2,684.49
Segment Profit/(Loss) {before tax}				(196.67)	(5.13)	(201.80)
Income taxes (Current tax & Deferred tax)						(32.43)
Wealth Tax						0.03
Profit/(Loss) after tax				(196.67)	(5.13)	(169.40)
Other Information						
Segment assets				7,816.84	121.19	7,938.03
Other unallocated assets				-	-	-
Total Assets				7,816.84	121.19	7,938.03
Segment liabilities				3,753.93	99.16	3,853.09
Other unallocated liabilities				-	-	-
Total Liabilities				3,753.93	99.16	3,853.09

ANNEXURE 63: ADDITIONAL INFORMATION REQUIRED UNDER SCHEDULE III OF COMPANIES ACT, 2013

Name of the entity	₹ in million			
	Net Assets, i.e. total asset minus total liabilities as at June 30, 2014		Share in profit or loss for the period ended on June 30, 2014	
	As % of consolidated net assets	Amount	As % of consolidated profit & loss	Amount
Parents Subsidiaries				
Indian				
Moneywise Financial Services Private limited	14.80	762.47	8.64	7.94
Moneywise Finvest Limited	0.23	11.65	0.25	0.23
SMC ARC Limited	0.46	23.95	0.82	0.75
SMC Capitals Limited	1.77	90.99	4.17	3.83
SMC Comtrade Limited	25.08	1,291.90	15.44	14.18
SMC Finvest Limited	8.29	426.82	1.42	1.30
SMC Insurance Brokers Private Limited	5.24	269.87	3.47	3.19
SMC Investments and Advisors Limited	2.47	127.44	(5.91)	(5.43)
SMC Real Estate Advisors Private Limited	1.86	95.70	(9.51)	(8.73)
Foreign				
SMC Comex International DMCC	0.62	32.10	60.36	55.44
Minority Interest				
Indian	0.13	6.52	0.09	0.08

For R Gopal & Associates
Chartered Accountants
Firm Registration No.: 000846C

For and on behalf of Board of Directors

S. K. Agarwal
 Partner
 Membership No.: 093209

Subhash Chand Aggarwal
 Chairman & Mg. Director
 DIN : 00003267

Mahesh Chand Gupta
 Vice-Chairman & Mg. Director
 DIN : 00003082

Place: New Delhi
 Date: October 15, 2014

Vinod Kumar Jamar
 Chief Financial Officer

Suman Kumar
 Company Secretary

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

The following discussion of our financial condition and results of operations should be read in conjunction with our audited restated consolidated financial statements as of and for the years ended on March 31, 2010, 2011, 2012, 2013 and 2014, as of and for the three month period ended on June 30, 2014, prepared and restated in accordance with the Companies Act, Indian GAAP and the SEBI Regulations, including the schedules, annexures and notes thereto and the reports thereon, included in the section titled "Financial Statements" beginning on page 206 of this Draft Red Herring Prospectus. Unless otherwise stated, the financial information used in this section is derived from the restated consolidated financial statements of our Company.

We prepare our audited unconsolidated and consolidated financial statements in accordance with Indian GAAP, which differs in certain material respects from IFRS and U.S. GAAP. We have not attempted to quantify the impact of IFRS or U.S. GAAP on the financial information included in this Draft Red Herring Prospectus, nor do we provide a reconciliation of our financial statements to those under U.S. GAAP or IFRS. Accordingly, the degree to which the financial information included in this Draft Red Herring Prospectus will provide meaningful information depends on the reader's level of familiarity with the Companies Act, Indian GAAP and the SEBI ICDR Regulations. Any reliance on the financial disclosure in this Draft Red Herring Prospectus, by persons not familiar with Indian accounting practices, should accordingly be limited.

Our fiscal year ends on March 31 of each year. Accordingly, unless otherwise stated, all references to a particular fiscal year are to the 12-month period ended March 31 of that year.

This discussion contains forward-looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors such as those set forth in the section titled "Risk Factors" and "Our Business" beginning on page 19 and page 135 of this Draft Red Herring Prospectus.

Business Overview

We are a well-diversified financial services company in India offering services across brokerage (across the asset classes of equities (cash and derivatives), commodities and currency), investment banking, wealth management, distribution of third party financial products, research, financing, depository services, insurance broking and clearing services and real estate advisory services to corporate, institutional, high net worth individuals and other retail clients. As of September 30, 2014, we service our clients through a network of 50 branches including an overseas office at Dubai, UAE and 2,443 registered sub-brokers and authorized persons with a PAN-India presence.

Factors that may affect results of operations

We believe that the following factors have significantly affected our results of operations and financial condition during the periods under review, and may continue to affect our results of operations and financial condition in the future.

Conditions in securities' market

A significant portion of our revenue is derived from broking services across equities (cash and derivatives), currency and commodities. We also derive our revenues from other services such as distribution of third party financial products, wealth management, investment banking, insurance brokerage, financing, depository and clearing services and real estate advisory. All such products and services are dependent on favourable capital market conditions, investor confidence and other factors that affect the volume of securities trading in India. Hence, events adversely impacting such securities market volumes may adversely affect our business. Trading volumes are primarily influenced by factors outside our control. These factors include, but not limited to government changes to monetary, fiscal or trade policies, political and market conditions, interest rates, foreign exchange rates and inflation. Each of these factors could contribute to a change in trading volumes. We believe, however, that the Indian securities markets have exhibited a generally upward trend in the past decade and our revenues have benefited from the increased trading volumes and the increase in the number of clients across our various offerings, though there can be no assurance that this trend will continue. Additional factors could arise

which could offset future increases or result in a decline in trading volumes, such as new or existing competition, adverse legislative changes or other similar events.

Changes in Indian macroeconomic conditions

As a financial services company with majority of our businesses operating in the domestic Indian market, our results of operations are highly dependent on the overall economic conditions in India, including GDP growth rate, the economic cycle, prevalent interest rate regimes and the securities' markets performance. The Indian economy has grown rapidly over the past decade and is expected to continue to grow faster than some of the developed economies in the future, which could in turn 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. Any trends or events which have a significant impact on the economic situation in India, including any changes in the interest rate regimes and commodity costs, could have an adverse effect on the financial condition of our customers, lead to a slowdown in sectors important to our businesses and have a disruptive effect on our business.

Competition

We face significant competition in the brokerage sector from other established Indian and MNC players. Some of these firms have greater resources and/or a more widely recognised brand than us, which may give them a competitive advantage. We also face competition from a number of players acting as intermediaries in our businesses, many of which operate in a highly cost-competitive environment. We believe our wide product offering, our relationships with clients and sub-brokers and authorised persons, industry and product knowledge, and brand image will allow us to face such competition.

Client Relationships

In our brokerage and commission business and our advisory business (particularly equity broking, wealth management, investment banking), revenues are largely influenced by the number of our retail, institutional and corporate clients. Our ability to grow our share of clients' business is determined by us providing advisory services, customised business solutions, quality research and efficient execution. We believe successfully developing new customer relationships along with retaining existing customer relationships are critical for growing our businesses and consequently for our results of operations.

Regulatory oversight

We operate in sectors that are regulated in India, and our activities are subject to supervision and regulation by multiple statutory and regulatory authorities including SEBI, RBI, FMC, IRDA and the various stock / currency / commodity exchanges. In recent years, existing rules and regulations have been modified, new rules and regulations have been enacted and reforms have been implemented which are intended to provide tighter control and more transparency in the various regulations and policies. Such changes in government and regulatory policies affecting the financial services industry may require changes to our business operations, product design and pricing, and technological processes and thus may involve additional costs and management time. While it may be possible that certain regulatory changes would be positive for some of our business operations, it may also so happen that such changes could adversely affect our financial condition and results of operations.

Personnel and operating costs

Personnel related expenses constitute a significant proportion of our cost structure. The Indian financial services sector is highly competitive, and it can be difficult and expensive to attract and retain talented and experienced employees. In addition, we also strive to ensure effective utilisation of our human resources and may need to adjust to the dynamic business environment as we increase our scope of operations, activities across the board and expand into new business products. Additionally, owing to the nature of our business, we incur expenses towards various exchange and other regulatory charges, membership fees, stamp duty payments, technology related costs in addition to the employee benefits expenses.

Technology

Information technology systems are crucial to the success of our business operations and help us improve our overall productivity. We believe that our technology systems enable us to effectively monitor and control risks and manage our nationwide operations. Our branches are connected through a VPN through VSAT, radio frequency and the internet and our central servers are located at Delhi. Some of our servers are co-located at exchanges to enable effective execution of transactions. Investing into technology thus shall be an important requirement for our business strategy.

Significant Accounting policies

Basis of preparation

- (i) The restated consolidated summary statement of assets and liabilities of the Group as at June 30, 2014, March 31, 2014, 2013, 2012, 2011 and 2010 and the related restated consolidated summary statement of profits and loss and Statement of Cash Flows for the period ended on June 30, 2014 and for each of the years ended on March 31, 2014, 2013, 2012, 2011 and 2010 [herein collectively referred to as 'Restated Consolidated summary statements'] relate to the Group and have been prepared specifically for the inclusion in the offer document to be filed by the Company with the Securities and Exchange Board of India ('SEBI') in connection with its proposed Follow-on Public Offer (FPO).
- (j) The restated consolidated summary statements have been prepared to comply in all material respects with the requirements of section 26 of the Companies Act, 2013, read with Rules 4 of Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended ('the Regulations').
- (k) These Restated Consolidated Summary Financial Statements have been prepared after incorporating:

Material regroupings

Appropriate adjustments have been made in the Restated Consolidated Summary Statements, wherever required, by regrouping of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with those of as per the audited financials of the Group for the period ended on June 30, 2014.

Other Adjustments

i) Prior period items

In the financial statements for the period ended on June 30, 2014 and years ended on March 31, 2014, March 31, 2013, March 31, 2012, March 31, 2011 and March 31, 2010, certain items of income/ expenses have been identified as prior period adjustments. These adjustments were recorded in the year when identified. However, for the purpose of Restated Consolidated Summary Statements, such prior period adjustments have been appropriately adjusted in the respective years to which the transactions pertain to.

ii) Income tax adjustments for earlier years

Short or excess provision of prior period taxes provided in each of the accounting year has been adjusted in the respective financial years for which the taxes were under / over provided.

iii) Deferred Tax adjustment for earlier years

Similarly on review of deferred tax asset for absence of virtual certainty supported by convincing evidence for availability of future taxable, if any deferred tax asset has been

derecognized and the same has been adjusted in the respective financial years for which DTA was created.

(iv) Change in Accounting Policies

Also adjustment on account of change in accounting policies or for correction under /over provision has been made in the respective financial years.

- During the year 2009-10, method of valuation of inventory was changed and the same was valued at cost or market value whichever lower. Further from year 2010-11 onwards, inventory continues to be valued at market price.
- During the year 2011-12, the Company has changed its method of recognizing income from Depository business from “receipt basis” to “accrual basis” and continues to follow the same.
- Since year 2009-10 onwards, the Company has changed its method of recognizing dividend income from “receipt basis” to “when right to receive dividend is established”.
- Since year 2010-11 onwards one of the subsidiaries has changed its method of accounting of insurance brokerage from “Annualized Premium” basis to “Weighted Receipt Premium” basis.

- (l) The audited Consolidated Financial Statements for the period ended 30th June, 2014 has been prepared in accordance with Schedule III of the Companies Act, 2013, for the year ended on March 31, 2014/2013/2012 in accordance with Revised Schedule VI of the Companies Act, 1956 and for the year ended on March 31, 2011/2010 in accordance pre-revised Schedule VI of the Companies Act, 1956. For the purpose of inclusion in the offer document, audited consolidated financial statements are prepared in accordance with Schedule III of the Companies Act, 2013. The adoption of Schedule III of the Companies Act, 2013 do not impact recognition and measurement principles followed for preparation of financial statements. However, for the financial year ended on March 2011/2010, adoption of Revised Schedule VI of the Companies Act, 1956 and then Schedule III of the Companies Act, 2013 has significant impact on presentation and disclosures made in the financial statements for these years.
- (m) The consolidated financial statements has been prepared in accordance with the principles and procedures required for the preparation and presentation of consolidated financial statements as laid down under Accounting Standard (AS) 21 Consolidated Financial Statements’ notified u/s 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 [corresponding to Section 211(3C) of the Companies Act, 1956 read with Companies (Accounting Standards) Rules, 2006]. The consolidated financial statements have been prepared using uniform accounting policies.
- (n) The Revenue and expenses of the non-integral subsidiary are translated into Indian rupees at the average exchange rate during the period. All assets and liabilities are converted at the rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognised in the foreign currency fluctuation reserve.
- (o) The consolidated financial statements are presented to the extent possible, in the same format as that adopted by the parent for its separate financial statements. The significant accounting policies adopted by the Group for the purpose of Consolidated Financial Statements are consistent with those used in the previous years, except for changes in accounting policy explained in Annexure 35 of Restated Financial Statement at page 270, Significant accounting policies point no. 2.1(c)(iv).
- (p) The Consolidated Financial Statements comprise the results of the Company, its subsidiaries and step down subsidiaries which have been listed as below:-

Name of Subsidiary	Date of Acquisition/A ddition	Country of Incorporation	Proportion of ownership interest*
Subsidiary of SMC Global Securities Limited			
(a) SMC Comtrade Limited	26.04.2007/ 30.01.2014~	India	100%
(b) SMC Investments and Advisors Limited [formerly known as Sanlam Investment & Advisors (India) Limited]	01.04.2008/ 23.07.2009/ 28.12.2012	India	100%
(c) Moneywise Financial Services Private Limited	01.08.2008/ 01.07.2009	India	100%
(d) SMC Capitals Limited	16.08.2008/ 02.03.2010	India	100%
(e) SMC ARC Limited	25.05.2009	India	100%
(f) SMC Finvest Limited [formerly known as Sanlam Investment Management (India) Limited]	06.11.2009/ 14.12.2012 / 20.04.2013	India	100%
(g) Moneywise Finvest Limited [formerly known as Sanlam Trustee Company (India) Limited]	06.11.2009/ 14.12.2012	India	100%
Subsidiaries of SMC Comtrade Limited			
(h) SMC Insurance Brokers Private Limited	23.04.2007	India	97.58%
i) SMC Comex International DMCC, UAE	16.11.2005	Dubai, UAE	100%
Subsidiary of SMC Finvest Limited			
j) SMC Real Estate Advisors Private Limited [formerly known as SMC Securities Private Limited]	08.02.2013	India	100%

* includes shares of nominee shareholders as beneficial interest has been transferred to the Company.

~ Company holds 85% equity directly and 15% through a subsidiary Company.

Consolidation Procedure

- (i) The Consolidated Financial Statements are prepared in accordance with Accounting Standard (AS-21) "Consolidated Financial Statements". The financial statements of the Company and its subsidiaries are combined on a line by line basis by adding together sums of like nature, comprising assets, liabilities, income and expenses (including taxes) and after eliminating intra-group balances/ transactions.
- (j) The Financial Statements of foreign step down subsidiary are prepared by them on the basis of generally accepted accounting principles, local laws and regulations as prevalent in the respective country and such financial statements are considered for consolidation. The effect of adjustments on account of variance in accounting policies of such foreign step down subsidiary vis -à-vis those of the parent is not material, and accordingly, not considered.
- (k) Subsidiaries are consolidated on the date on which effective control is transferred to the Group and are no longer consolidated from the date of disposal.
- (l) The separate financial statements of the Company, its subsidiaries and step-down subsidiaries have been drawn for the period from beginning of the financial year or date of incorporation /

acquisition, whichever is later, to end of the financial year/period and have been consolidated on the basis of their audited financial statements.

- (m) The Company's cost of its investment in its subsidiaries has been eliminated against the Company's portion of equity of each subsidiary as on the date of investment in that subsidiary. Similarly, in the case of step-down subsidiary, a subsidiary's cost of its investment in its subsidiaries has been eliminated against the subsidiary's portion of equity of each subsidiary as on the date of investment in that subsidiary. The excess/short is recognized as 'Goodwill' or 'Capital Reserve' as the case may be.
- (n) Minority interest, if any, in the net profit of consolidated subsidiaries for the reporting period is identified and adjusted against the income of the group in order to arrive at the net income attributed to the owners of the parents; and the minority interest in the net assets of consolidated subsidiaries is identified and presented in the CFS separately from liabilities and the equity of the Company's shareholders. Minority interests in the net assets consist of:
 - (i) the amount of equity attributable to minorities at the date on which investment in a subsidiary is made; and
 - (ii) the minorities' share of movements in equity since the date the parents – subsidiary relationship came in existence.
- (o) For the purpose of compilation of the CFS, the foreign currency assets, liabilities, income and expenditure are translated as per Accounting Standard (AS-11) on 'Accounting for the Effects of Changes in Foreign Exchange Rates'. Exchange differences arising are recognized in the Foreign Currency Fluctuation Reserve classified under Reserves and Surplus.
- (p) As far as possible, the consolidated financial statement is being prepared using uniform accounting policies (except for the depreciation) for like transactions and other events in similar circumstances and is presented in the same manner as the Company's separate financial statements.

Use of estimates

The presentation of Consolidated Financial Statements in conformity with Indian GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities as at date of the consolidated financial statements and the reported amount of revenue and expenses during the reporting period. Actual results could differ from these estimates. Adjustment as a result of differences between actual results and estimates are recognized prospectively.

Fixed assets

In accordance with AS-10 'Accounting for Fixed Assets', fixed assets (including intangible assets) are stated at cost of acquisition including taxes, duties, identifiable direct expenses and expenses on installation, and are net of CENVAT Credit claimed thereon. Additions to the fixed assets have been accounted for on the date of installation and its use irrespective of date of invoice.

Depreciation / Amortization

Tangible Fixed Assets

In case of the Company and its Indian subsidiaries:

Pursuant to Companies Act, 2013 ('the Act') being effective from 1 April 2014, the Company and Indian subsidiaries has revised depreciation rates on tangible fixed assets as per the useful life specified in Part 'C' of Schedule II of the Act.

In accordance with AS-6 "Depreciation", notified u/s 133 of the Act read with Rule 7 of the Companies (Accounts) Rules 2014, depreciation on tangible fixed assets is computed on written down value method, except for two Indian Subsidiaries namely SMC Capitals Limited and SMC Insurance Brokers Private Limited, where it has been computed on straight line method, at such rate as computed

considering useful life provided in the Schedule - II of the Act. During the preceding years, the Company was providing depreciation on written down value or straight line method as the case may be, at the rate prescribed in Schedule XIV of the Companies Act, 1956.

Pursuant to Companies Act, 2013 ('the Act') being effective from April 1, 2014, the Company has revised depreciation rates on tangible fixed assets as per useful life specified in Part 'C' of Schedule II of the Act. And due to the same there has been a change in the estimated useful life of depreciable tangible assets which affects the depreciation in the current period and in each period during the remaining useful life of the assets. As the change is only in regard to accounting estimate requiring an adjustment of the carrying amount of tangible assets, the same do not require adjustment in the financial information for the years ended on March 31, 2014, 2013, 2012, 2011 and 2010.

As a result of change in rate, the depreciation charge for the period ended on June 30, 2014 is higher by ₹ 14.07 million. In respect of assets whose useful life had already exhausted as on 1 April 2014, depreciation of ₹ 23.62 million (net of tax impact of ₹ 11.53 million) has been adjusted in Reserves and Surplus in accordance with requirements of Para 7 of Schedule II of the Act.

Leasehold improvements are amortized over the lease period.

In case of foreign subsidiary:

Depreciation on tangible fixed assets has been provided on straight line basis as under:-

SMC Comex International DMCC, UAE	: Office Equipment	: 20 %
	: Furniture & Fixtures	: 20 %

Intangible Fixed Assets

In accordance with AS-6 "Depreciation", notified u/s 133 of the Act read with Rule 7 of the Companies (Accounts) Rules 2014, depreciation on intangible fixed assets continues to be computed on written down value method at the following rates:-

c. Computer Software	40%
d. Trade Mark Logo	40%

No amortization has been provided on Goodwill except in case of a subsidiary SMC Investments and Advisors Limited where Goodwill is to be amortized over a period of three years starting from 01-01-2014.

General

Depreciation on Fixed Assets is provided on pro-rata basis with respect to the date of addition, installation or deletion.

Investments

Investments are classified into non-current investments and current investments based on intent of management at the time of making the investments which are intended to be held for more than one year are classified as non-current and those which are intended to be held for less than one year are classified as current investments.

Non-current investments are valued at cost unless there is diminution, other than temporary, in their value. Diminution is considered other than temporary based on criteria that include the extent to which cost exceeds the market value, the duration of the market decline and the financial health of and specific prospects for the issuer. Diminution in value of long term investments when considered to be other than temporary is fully provided for.

Current investments are valued at lower of cost and market value. Market value for quoted shares is determined after adjusting quoted price of shares for management estimate of impact of market parameters affecting the actual sale value e.g. volume of sale, frequency of sale etc.

Investments in associates have been accounted for in accordance with AS – 13 instead of equity method as defined in AS – 23 on “Accounting for Investments in Associates in Consolidated Financial Statements” for the reason that the associates operates under severe long term restrictions that significantly impair its ability to transfer funds to the investors.

Inventories

Inventories or stock-in-trade are valued at lower of cost and market value except inventory of securities of the Company and two of its subsidiary Companies SMC Comtrade Limited and SMC Investments & Advisors Limited, where it has been valued at market value/net realizable value. Cost comprises expenditure incurred in the normal course of business in bringing such stock to their location and conditions and includes appropriate overheads and has been determined following the cost formula on FIFO Basis. Closing stock of shares includes stocks pledged against secured loan from banks and kept as margin/securities with stock exchange and does not include stock held on behalf of its clients/constituents.

Revenue recognition

- (l) Revenue from broking activities for capital market is accounted for on the trade date of transaction and income from rendering insurance broking business is recognized on the logging in/placement of policies with the respective insurance Company irrespective of the date of policy.
- (m) Revenue on account of trading in securities and commodities is recognized on the basis of each trade executed at the stock/commodity exchange during the financial year.
- (n) In respect of non-delivery based transactions such as derivatives, the profit or loss is accounted for on marked to market basis on the closure of each trade except for subsidiary Company listed at serial no. b in clause 2.1 (h) of para 2 of Annexure 35 of Restated Financial Statement – at page 270 ‘significant accounting policies’, where Profit/loss on derivative transaction is accounted for based on the ‘Announcement related to the Accounting for Derivatives’ dated March 29, 2008 of the Institute of Chartered Accountants of India.
- (o) Income from interest on fixed deposits is recognized on accrual basis.
- (p) Interest income from financing activities is recognized on accrual basis. In terms of the RBI Direction, interest income on Non-Performing assets (‘NPA’), if any is recognized only when it is actually realized.
- (q) Depository income is accounted for on accrual basis.
- (r) Revenue from management & advisory services is accounted for when the rendering of service under a contract is completed or substantially completed.
- (s) Profit/loss in the case of balance in Portfolio Management account has been accounted for as business profit/loss on its accrual when the transaction takes place and is on the basis of monthly statement received from portfolio manager.
- (t) Dividend is accounted for as income when the right to receive dividend is established.
- (u) In respect of other heads of income, the Group follows the practice of recognizing income on accrual basis.
- (v) Revenue excludes service tax & other recoverable taxes.

Foreign currency transactions

Revenue and expenses are recorded at the exchange rate prevailing on the date of the transaction. Monetary items denominated in foreign currencies are restated at the exchange rate prevailing on the balance sheet date. Exchange differences arising on settlement of the transaction and on account of restatement of monetary items are recognized in the Statement of Profit and Loss. In case of one of the subsidiary M/s SMC Comtrade Limited, exchange difference on loan receivable in foreign currency has

been adjusted against specific reserve created for the purpose. Also refer to accounting policy 2.2 (g) of Restated Financial Statement starting at page 270.

Employee benefits

- (a) Provident Fund is a defined contribution scheme and the contribution wherever required by the statute are charged to the Statement of Profit & Loss as incurred.
- (b) Gratuity Liability is a defined obligation and is non-funded except in case of the Company and a subsidiary Company listed at serial no. a in clause 2.1 (h) of para 2 of Annexure 35 of Restated Financial Statements at page 270, 'significant accounting policies', where it is partly funded. The Group accounts for liability for future gratuity benefits based on an actuarial valuation as at the Balance Sheet date except for subsidiaries listed at serial no. f and step-down subsidiary listed at serial no. i where the liability for Gratuity is being accounted on estimated basis and for subsidiaries listed at serial no. e & g where the liability for Gratuity is being accounted on payment basis wherever required by the statute.
- (c) Un-availed Leave Liability is a defined obligation and is not funded. The Group accounts for liability for future leave benefits based on an actuarial valuation as at the Balance Sheet date except for subsidiaries listed at serial no. f and step-down subsidiary listed at serial no. i where the liability for unavailed leave is being accounted on estimated basis and for subsidiaries listed at serial no. e & g where the liability for un-availed leave is being accounted on payment basis wherever required by the statute.

Leases

Lease Rentals in respect of operating lease arrangements are charged to the Statement of Profit & Loss in accordance with the Accounting Standard –19 on Accounting for Leases.

Miscellaneous expenditure

Deferred revenue expenditures are being written off in equal instalment over a period of 5 years.

Provision, contingent liabilities and contingent assets

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions are reviewed at each Balance Sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed.

Contingent assets are not recognised in the consolidated financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

Borrowing costs

In accordance with AS-16 'Borrowing Cost', borrowing cost that are attributable to acquisition, construction or production of qualifying assets, are capitalized as part of the cost of such qualifying assets. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for intended use. All other borrowing costs are charged to the Statement of Profit and Loss.

Impairment of assets

Wherever events or changes in circumstances indicate that the carrying value of fixed assets may be impaired, such assets are being subject to a test of recoverability based on discounted cash flows expected from use or disposal thereof. If the assets are impaired, the Group recognizes an impairment loss as a difference between the carrying value and fair value net of cost of sale in accordance with AS-28 'Impairment of Assets' and is charged as amortization.

Taxation

- (d) Provision of current Tax has been measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961.
- (e) MAT Credit, if any, is recognized where there is convincing evidence that the same can be realized in future. MAT Credit is reviewed at each balance sheet date and written down to reflect the amount that is reasonably certain to be realized.
- (f) Wealth tax has been calculated as per applicable tax regulations applicable during the year.
- (g) The Group has provided for deferred tax charge/credit that reflects the tax differences because of timing differences between accounting income and taxation income for the year. The deferred tax charge or credit and corresponding deferred tax liability or asset are recognized using the tax rates laid down by the law, that has been enacted or substantially enacted by the balance sheet date, in accordance with AS-22 'Accounting for Taxes on Income'.

Reserve Bank of India Prudential Norms

Moneywise Financial Services Private Limited, subsidiary of the Company, is registered with the Reserve Bank of India (RBI) as a Non-Banking Financial Company (NBFC) and thus complies with the prudential norms relating to income recognition, accounting standards, asset classification and the minimum provisioning for standard, sub-standard and bad and doubtful debts, specified in the directions issued by the RBI in terms of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Direction, 2007 ('Prudential Norms'), as applicable to it.

Other Accounting Policies

Accounting policies not referred to otherwise are consistent with generally accepted accounting principles in India.

Results of Operations

The following table shows our Company's restated consolidated income statement for the fiscal years ended on March 31, 2012, 2013 and 2014 and three months period ended on June 30, 2014. The percentages indicated reflect a percentage of total revenue for the periods presented.

(₹ in million)

	For three months period ended on		Year Ended					
	June 30, 2014		31-Mar-14		31-Mar-13		31-Mar-12	
	(₹ in million)	% of Total Income	(₹ in million)	% of Total Income	(₹ in million)	% of Total Income	(₹ in million)	% of Total Income
INCOME:								
Revenue from Operations	884.80	99.40%	2924.50	97.24%	2913.76	98.85%	2870.15	98.16%
Other	5.34	0.60%	83.11	2.76%	33.92	1.15%	53.70	1.84%

	For three months period ended on				Year Ended			
Income								
Total Income	890.14	100.00%	3007.61	100.00%	2947.68	100.00%	2923.85	100.00%
EXPENSES:								
Exchange and other Regulatory Expenses	312.15	35.07%	1009.86	33.58%	983.05	33.35%	1015.70	34.74%
Employee Benefits Expenses	215.13	24.17%	845.43	28.11%	859.11	29.15%	934.95	31.98%
Other Expenses	184.41	20.72%	641.54	21.33%	616.74	20.92%	697.53	23.86%
Total Expenses	711.69	79.95%	2496.83	83.02%	2458.90	83.42%	2648.18	90.57%
EBITDA	178.45	20.05%	510.78	16.98%	488.78	16.58%	275.67	9.43%
Depreciation and Amortisation Expenses	28.97	3.25%	71.17	2.37%	84.62	2.87%	95.21	3.26%
Finance Costs	26.82	3.01%	124.26	4.13%	155.56	5.28%	207.42	7.09%
Profit Before Tax and minority interest	122.66	13.78%	315.35	10.49%	248.60	8.43%	(26.96)	(0.92%)
Tax Expenses	30.81	3.46%	88.62	2.95%	56.28	1.91%	12.67	0.43%
Share in profit/(loss) of minority interest	(0.08)	(0.01%)	(1.12)	(0.04%)	6.19	0.21%	33.73	1.15%
Profit After Tax	91.77	10.31%	225.61	7.50%	198.51	6.73%	(5.90)	(0.20%)

Income

Our total income consists of revenue from operations and other income.

Revenue from operations

Our revenue from operations consists of the following heads of recognizing our income: (i) Income from Brokerage; (ii) Income from Proprietary Trading; (iii) Treasury Income; (iv) Interest Income from Financing Activities; (v) Income from Distribution of Financial Products; (vi) Income from Depository Business; (vii) Income from Management and Advisory Services; (viii) Income from Reverse Book Building; (ix) Dividend Earned; and (x) Incentive from exchange.

Other Operating Income comprising of: (a) Profit/Loss on sale of investments; (b) Loan Processing Fees; (c) Income from Arbitrage Activities; (d) Income/ (loss) from PMS account; (e) Interest Income on Investments; (f) Income from Dividend; (g) Currency advisory services; and (h) Delay payment charges.

In this Draft Red Herring Prospectus, for the purpose of analysing the business operations of our Company on a consolidated basis, we are combining some of the income heads as under:

(i) **Income from Brokerage and Commission Business:** Includes the following heads of income:

- (a) Income from Brokerage
- (b) Income from Distribution of Financial products
- (c) Income from Depository Business
- (d) Income from Reverse book building
- (e) Incentive from exchange
- (f) Delay payment charges

(ii) **Income from Capital Business:** Includes the following heads of income:

- (a) Income from Proprietary Trading
- (b) Dividend earned
- (c) Treasury Income
- (d) Interest Income from Financing Activities
- (e) Profit/loss on sale of investment
- (f) Loan processing fees
- (g) Income/ (loss) from PMS account
- (h) Interest Income on Investments

(iii) **Income from Advisory Business:** Includes the following head of income:

- (a) Income from Management and Advisory Services
- (b) Currency advisory services

Our revenues from operations mix across the categories for the three months period ended on June 30, 2014 and the last three fiscal years is as follows:

(₹ in million)

	For three months period ended on	Year Ended		
	June 30, 2014	31-Mar-14	31-Mar-13	31-Mar-12
Total Income	890.14	3,007.61	2,947.68	2,923.85
a. Income from Brokerage and Commission Businesses	414.43	1420.94	1496.55	1485.04
(as a %age of Total Income)	46.56%	47.24%	50.77%	50.79%
Income from Brokerage	357.90	1,241.19	1,322.52	1,302.63
Income from Distribution of Financial Products	19.09	74.83	71.28	55.42
Income from Depository Business	11.22	30.64	35.60	53.74
Income from Reverse book building	0.35	2.13	2.53	1.84
Incentive from exchange	0.52	20.8	15.03	1.53
Delay Payment Charges	25.35	51.35	49.59	69.88
b. Income from Capital Businesses	454.40	1465.32	1329.64	1280.41
(as a %age of Total Income)	51.05%	48.72%	45.11%	43.79%
Income from Proprietary Trading	403.69	1,100.64	1,013.01	1,012.59
Dividend earned	5.75	66.42	16.21	13.59
Treasury Income	50.68	221.83	237.17	201.91
Interest Income from Financing Activities	17.52	68.70	36.83	52.13

	For three months period ended on	Year Ended		
<i>Profit / Loss on sale of Investment</i>	(26.10)	0.88	0.59	3.24
<i>Loan processing fees</i>	0.25	0.62	-	-
<i>Income/ (loss) from PMS account</i>	2.61	5.25	15.23	(3.05)
<i>Interest Income on Investments</i>	-	0.98	10.60	-
<i>c. Income from Advisory Businesses</i>	15.97	38.24	87.57	104.70
<i>(as a %age of Total Income)</i>	1.79%	1.27%	2.97%	3.58%
<i>Income from Management and Advisory Services</i>	15.97	37.82	87.56	104.7
<i>Currency advisory services</i>	-	0.42	0.01	-
Total Revenue from Operations	884.80	2924.50	2913.76	2870.15
<i>(as a %age of Total Income)</i>	99.40%	97.24%	98.85%	98.16%

Other Income

Our Other Income is derived from the following sources when assessed on a consolidated basis: (i) Interest Income; (ii) Research Services; (iii) Commission on FD procurement; (iv) Interest on Deposits; (v) Liability no longer required written back; (vi) Profit on sale of Fixed assets (net); (vii) Stale cheque w/off; (viii) Charges for Logo display on website; (ix) Other Misc. Income.

(₹ in million)

	For three months period ended on	Year Ended		
	June 30, 2014	31-Mar-14	31-Mar-13	31-Mar-12
Interest Income	0.16	2.52	2.51	1.51
Research Services	0.15	12.78	-	-
Commission on FD Procurement	-	7.37	-	-
Interest on Deposits	0.13	0.76	8.06	16.96
Liability no Longer Required written back	0.05	5.60	15.27	5.15
Profit on sale of fixed assets (net)	0.58	-	-	-
Stale Cheque w/off	-	-	-	5.73
Charges for Logo display on website	-	38.25	-	15.32
Other Misc. Income	4.27	15.83	8.08	9.03
Total Other Income	5.34	83.11	33.92	53.70
<i>(as a %age of Total Income)</i>	0.60%	2.76%	1.15%	1.84%
PBT	122.66	315.35	248.60	-26.96
<i>Other Income as a % of PBT</i>	4.35%	26.35%	13.64%	-

Expenditure

Stock Exchange and Other Regulatory Expenses

Our expenses classified under the head Stock Exchange and Other Regulatory Expenses include (i) Client introduction charges; (ii) Exchange and other regulatory charges; (iii) Securities Transaction Tax; (iv) Membership fees and subscription; (v) VPN, Lease line, Internet and VSAT Expenses.

Employee Benefit Expenses

Employee benefit expenses include (i) Salaries and incentives; (ii) Employer contribution to PF and other fund; (iii) Gratuity; and (iv) Staff welfare expenses.

Other expenses

Such expenses that are in the nature of administrative and other general expenses are classified under other expenses. These typically include, advertisements, business promotion expenses, CSR expenses, provision of bad and doubtful debts, conveyance and travelling expenses, computer repair and maintenance, electricity and water charges, legal and professional charges, office repair and maintenance, rent, rates and taxes, communication expenses, printing and stationery expenses, amongst other heads of expenses.

(₹ in million)

	For three months period ended on				Year Ended			
	June 30, 2014		31-Mar-14		31-Mar-13		31-Mar-12	
	(₹ in million)	% of Total Income	(₹ in million)	% of Total Income	(₹ in million)	% of Total Income	(₹ in million)	% of Total Income
Total Revenue	890.14	100.00%	3,007.61	100.00%	2,947.68	100.00%	2,923.85	100.00%
EXPENSES:								
Exchange and other Regulatory Expenses	312.15	35.07%	1,009.86	33.58%	983.05	33.35%	1,015.70	34.74%
(% growth over past fiscal)			2.73%		(3.21%)			
Employee Benefits Expenses	215.13	24.17%	845.43	28.11%	859.11	29.15%	934.95	31.98%
(% growth over past fiscal)			(1.59%)		(8.11%)			
Other Expenses	184.41	20.72%	641.54	21.33%	616.74	20.92%	697.53	23.86%
(% growth over past fiscal)			4.02%		(11.58%)			
Total Expenses	711.69	79.95%	2,496.83	83.02%	2458.90	83.42%	2648.18	90.57%
(% growth over past fiscal)			1.54%		(7.15%)			

Depreciation and Amortisation Expenses

Depreciation and amortisation expenses consist of depreciation on the fixed assets of our Company which primarily includes buildings, office equipment, furniture and fixtures, vehicles, computer hardware, VSAT, trademark logo and software and amortisation of intangible assets.

Finance Costs

These include interest paid on loan from banks, inter-corporate deposits from third parties, financial charges representing commissions paid for bank guarantees, interest on bank overdraft lines and other financial expenses.

Tax Expenses

We are subject to income tax liability in India pursuant to the Income Tax Act, 1961. Also, pursuant to this act, companies are in some circumstances subject to a minimum alternative tax (MAT) based on book profit. We make provision for current tax payable as per the provision of the act. The fact of timing differences is taken to deferred tax liability/asset.

Thus, tax expenses in our financial statements include current taxes paid, deferred tax charges, wealth tax paid.

Assets

Fixed assets

Our gross block of fixed assets (which represents the purchase price of our fixed assets – primarily land, leasehold improvements, computers and office equipment, furniture and fixtures, and vehicles) less accumulated depreciation and capital work in progress. Our fixed assets are in the nature of both tangible and intangible assets.

Non-current Investments

Investments represent our long-term investments that are not held for trading.

Deferred tax Asset (net)

Deferred tax are 'Income Tax' which arise in one period but because of timing difference is payable in later years.

Long term Loans and advances

Long term loans and advances include advances made by our Company.

Trade Receivables (non-current)

Trade receivables outstanding for a period exceeding one year from the date they are due for payment.

Current Assets

Current assets includes stock in trade (representing our investments held for trading), sundry debtors (representing amounts due from our trade debtors), cash and bank balances (which include bank balances we are required by exchanges to maintain commensurate with our exposure), loans and advances, margin and other deposits with exchanges.

(₹in million)

	As at			
	June 30, 2014	31-Mar-14	31-Mar-13	31-Mar-12
Fixed Assets	245.92	290.84	342.81	401.08
Non-current Investments	229.47	287.61	294.44	253.09
Deferred tax Asset (net)	152.04	123.7	132.05	136.24
Long term Loans and Advances	676.74	774.95	872.22	962.67
Trade Receivables (non-current)	175.58	205.77	283.41	373.57

	As at			
Current Assets	7,928.30	7,343.69	7,025.28	7,759.23
Total Assets	9,408.05	9,026.56	8,950.21	9,885.88

Liabilities and Shareholder funds

Non-current liabilities

These represent our long term borrowings and long term provisions

Long term provisions

A provision is a liability which can be measured only by using substantial degree of estimation.

Current liabilities and provisions

These represent our short-term borrowings, trade payable, other current liabilities and short-term provisions.

Shareholder funds (or net worth)

Shareholder funds are our total assets less our total liabilities and provisions. Shareholder funds are comprised of our share capital, reserves and surplus, share application money (if any) and non-controlling interest.

(₹ in million)

	As at			
	June 30, 2014	31-Mar-14	31-Mar-13	31-Mar-12
Long term borrowings	105.60	89.61	33.22	527.67
Long term provisions	73.76	68.24	54.38	35.42
Total Non-current Liabilities	179.36	157.85	87.60	563.09
Current Liabilities	4,077.66	3,785.90	3,939.80	4,487.00
Total Liabilities	4,257.02	3,943.75	4,027.40	5,050.09
Net worth	5,151.03	5,082.81	4,922.81	4,835.79

Results of Operations- Three months period ended on June 30, 2014

Income

Our total revenue was ₹890.14 million for the period ended on June 30, 2014.

Income from Brokerage and Commission Business: Our income from our brokerage and commission business was ₹414.43 million for the period ended on June 30, 2014, primarily contributed by income from brokerage.

Income from Capital Business: Our income from our capital business was ₹454.40 million for the period ended on June 30, 2014, primarily contributed by Proprietary trading and treasury income.

Income from Advisory Business: Our income from our advisory business was ₹15.97 million for the period ended on June 30, 2014.

Other Income: Our other Income was ₹5.34 million for the period ended on June 30, 2014, primarily contributed by miscellaneous income.

Expenditure

Our total expenses were ₹711.69 million for the period ended on June 30, 2014.

Stock Exchange and Other Regulatory Expenses: Our stock exchange and other regulatory expenses, was ₹312.15 million for the period ended on June 30, 2014 which was 35.07% of our total income.

Employee Benefit Expense: Our aggregate expenditure on employee expenses was ₹215.13 million for the period ended on June 30, 2014 which was 24.17% of our total income.

Other expenses: Our aggregate other expense was ₹184.41 million for the period ended on June 30, 2014 which was 20.72% of our total income.

EBITDA: Our earnings before interest, taxes, depreciation and amortisation expenses was ₹178.45 million for the period ended on June 30, 2014.

Depreciation and Amortisation. Our depreciation and amortisation expense was ₹28.97 million for the period ended on June 30, 2014.

Financial expenses. Our financial expenses were ₹26.82 million for the period ended on June 30, 2014

Taxation . Our provision for taxation amounted to ₹30.81 million for the period ended on June 30, 2014.

Net Profit before Taxes and Minority Interest. Our net profit before taxes and minority Interest amounted to ₹122.66 million for the period ended on June 30, 2014 which was 13.78% of our total income

Net profit after Tax. Our net profit after tax expenses but before minority interest was ₹91.85 million for the period ended on June 30, 2014 which was 10.32% of our total income.

Net profit after minority interest. Our net profit after minority interest was ₹91.77 million for the period ended on June 30, 2014 which was 10.31% of total income.

Comparison of historical results of operations

Year ended on March 31, 2014 compared to year ended on March 31, 2013

Income

Our total income increased marginally to ₹3007.61 million for the year ended on March 31, 2014, as compared to ₹2947.68 million for the year ended on March 31, 2013, representing an increase of 2.03%. The total income comprises of the following.

Income from Brokerage and Commission Business. Our income from our brokerage and commission business was ₹1,420.94 million for the year ended on March 31, 2014, as compared to ₹1496.55 million for the year ended on March 31, 2013, representing a decrease of 5.05% due to decreased trading activities in the cash segment.

Income from Capital Business. Our income from our capital business was ₹1,465.32 million for the year ended on March 31, 2014, as compared to ₹1,329.64 million for the year ended on March 31, 2013, representing an increase of 10.20% due to increase in financing activities, proprietary trading and dividend earned.

Income from Advisory Business. Our income from our advisory businesses was ₹38.24 million for the year ended on March 31, 2014, as compared to ₹87.57 million for the year ended on March 31, 2013, representing a decrease of 56.33%. primarily due to decrease in management and advisory services because of adverse capital market conditions.

Other Income. Our Other Income increased to ₹83.11 million for the year ended on March 31, 2014, as compared to ₹33.92 million for the year ended on March 31, 2013, representing an increase of 145.02%. This is primarily due to the charges received for logo displayed on our website, research services and commissions on fixed deposit procurements and partly offset by decrease in liability no longer required or written back.

Expenditure

Our total expenses increased marginally to ₹2,496.83 million for the year ended on March 31, 2014, as compared to ₹2,458.90 million for the year ended on March 31, 2013, representing an increase of 1.54%.

Stock Exchange and Other Regulatory Expenses: Our stock exchange and other regulatory expenses was ₹1009.86 million for the year ended on March 31, 2014 as compared to ₹983.05 million for the year ended on March 31, 2013, representing an increase of 2.73% due to increase in exchange and other regulatory charges.

Employee Benefit Expenses: Our aggregate expenditure on employee benefit expenses was ₹845.43 million for the year ended on March 31, 2014 as compared to ₹859.11 million for the year ended on March 31, 2013, representing a decrease of 1.59% due to decrease in number of employees partially offset by increase in salary and incentive to continuing employees.

Other expenses: Our aggregate other expense was ₹641.54 million for the year ended on March 31, 2014 as compared to ₹616.74 million for the year ended on March 31, 2013, representing an increase of 4.02% mainly due to higher advertisement and business promotion cost during that period.

EBITDA. Our earnings before interest, taxes, depreciation and amortisation expenses was ₹510.78 million for the year ended on March 31, 2014 as compared to ₹488.78 million for the year ended on March 31, 2013, representing an increase of 4.50%. This increase in the EBITDA can be attributed to an increase in our total revenue.

Depreciation and Amortisation expense: Our depreciation and amortisation expense was ₹71.17 million for the year ended on March 31, 2014 as compared to ₹84.62 million for the year ended on March 31, 2013, representing a decrease of 15.89%.

Financial expenses: Our financial expenses were ₹124.26 million for the year ended on March 31, 2014 as compared to ₹155.56 million for the year ended on March 31, 2013, representing a decrease of 20.12%. This decrease was on account of a decrease in interim short term borrowings and resulting reduced interest expense.

Net Profit before Taxes and Minority Interest: Our net profit before taxes and minority interest amounted to ₹315.35 million for the year ended on March 31, 2014 as compared to ₹248.60 million for the year ended on March 31, 2013, representing an increase by 26.85%. The improvement over the previous year could be attributed to an improvement in our PBT was primarily due to increase in revenue and decrease in finance cost.

Taxation. Our provision for taxation amounted to ₹88.62 million for the year ended on March 31, 2014 as compared to ₹56.28 million for the year ended on March 31, 2013, representing an increase of 57.46%. This was due to increase in PBT (Profit before taxes) and composition of taxable income.

Net profit after Tax: Our net profit after tax expenses but before minority interest was ₹226.73 million for the year ended on March 31, 2014 as compared to ₹192.32 million for the year ended on March 31, 2013, representing an increase of 17.89%.

Net profit after minority interest: Our net profit after minority interest was ₹225.61 million, for the year ended on March 31, 2014, as compared to ₹198.51 million for the year ended on March 31, 2013, representing an increase in profits by 13.65%.

Year ended on March 31, 2013 compared to year ended on March 31, 2012

Income

Our total income was ₹2,947.68 million for the year ended on March 31, 2013, as compared to ₹2,923.85 million for the year ended on March 31, 2012, representing an increase of 0.82%. The total income comprises of the following.

Brokerage and Commission Business. Our income from our brokerage and commission business was ₹1496.55 million for the year ended on March 31, 2013, as compared to ₹1485.04 million for the year ended on March 31, 2012, representing an increase of 0.78%.

Capital Business. Our income from our capital business was ₹1,329.64 million for the year ended on March 31, 2013, as compared to ₹1280.41 million for the year ended on March 31, 2012, representing an increase of 3.84%. This was primarily due to an increase in our treasury income.

Advisory Business. Our income from our advisory businesses was ₹87.57 million for the year ended on March 31, 2013, as compared to ₹104.70 million for the year ended on March 31, 2012, representing a decrease of 16.36%. This is due to decrease in management and advisory services.

Other Income. Our other Income contributed ₹33.92 million for the year ended on March 31, 2013, as compared to ₹53.70 million for the year ended on March 31, 2012, representing a decrease of 36.83%. This is primarily due to nil income received from charges in logo display on website, reduction in miscellaneous income, and decrease in interest on deposits.

Expenditure

Our total expenses decreased by 7.15% to ₹2458.90 million for the year ended on March 31, 2013, as compared to ₹2648.18 million for the year ended on March 31, 2012.

Stock Exchange and Other Regulatory Expenses. Our stock exchange and other regulatory expenses was ₹983.05 million for the year ended on March 31, 2013 as compared to ₹1015.70 million for the year ended on March 31, 2012, representing a decrease of 3.21% due to decrease in VPN, VSAT related expenses and other regulatory charges.

Employee Benefit Expenses. Our aggregate expenditure on employee expenses was ₹859.11 million for the year ended on March 31, 2013 as compared to ₹934.95 million for the year ended on March 31, 2012, decreased by 8.11% due to decrease in number of employees.

Other expenses. Our aggregate other expense was ₹616.74 million for the year ended on March 31, 2013 as compared to ₹697.53 million for the year ended on March 31, 2012, decreased by 11.58% due to decrease in rent and advertisement costs and deferred revenue expenditure.

EBITDA. Our earnings before interest, taxes, depreciation and amortisation expenses was ₹488.78 million for the year ended on March 31, 2013 as compared to ₹275.67 million for the year ended on March 31, 2012, representing an increase of 77.31% mainly due to reduction in expenses, which was owing to our strategy of cost structure rationalisations and improvement in operational efficiencies.

Depreciation and Amortisation. Our depreciation cost was ₹84.62 million for the year ended on March 31, 2013 as compared to ₹95.21 million for the year ended on March 31, 2012, representing a decrease of 11.12% due to written down value method.

Financial expenses. Our financial expenses was ₹155.56 million for the year ended on March 31, 2013 as compared to ₹207.42 million for the year ended on March 31, 2012, representing a decrease of 25.00%. Such decrease in our finance costs can be attributed to decrease in our long term borrowings from ₹527.67 million in the fiscal year 2012 as compared to ₹33.22 million in the fiscal year 2013 and short-term borrowings from ₹958.46 million in the fiscal year 2012 as compared to ₹297.63 million in the fiscal year 2013.

Net profit before Taxes and Minority Interest. Our net profit before taxes and minority Interest amounted to ₹248.60 million for the year ended on March 31, 2013 as compared to a loss of ₹(26.96) million for the year ended on March 31, 2012. This increase in PBT is attributed to a significant decrease in the finance costs, other expenses and employee benefit expenses of our Company.

Taxation. Our provision for taxation amounted to ₹56.28 million for the year ended on March 31, 2013 as compared to excess provision of ₹ 12.67 million for the year ended on March 31, 2012. This increase is due to improvement in PBT

Net profit after Tax. Our net profit after tax expenses but before minority interest was ₹192.32 million for the year ended on March 31, 2013 as compared to a loss of ₹39.63 million for the year ended on March 31, 2012.

Net profit after minority interest. Our net profit after minority interest was ₹198.51 million for the year ended on March 31, 2013, as compared to net loss of ₹(5.90) million for the year ended on March 31, 2012.

Liquidity and Capital Resources

Our primary liquidity requirements are to finance our working capital needs, which are typically towards margin maintenance at various exchanges. We require working capital to meet our requirement for funds in connection with our payments to be made in the ordinary course of business. The principal portion of our working capital requirement is deployed by (a) depositing funds with banks to obtain guarantees so that we can obtain appropriate levels of trading exposure on the exchanges; (b) paying upfront margin to stock exchange; and (c) meeting expenses incurred for operations. These requirements fluctuate on a regular basis depending on relevant business requirements. To fund these costs, we currently rely principally on internal accruals and short term credit from banks and short term funds to meet the various margin requirements and to fund other such needs.

We monitor our liquidity and cash flow positions on a daily basis, and plan for our requirements accordingly. We prioritise our utilization of funds and have access to unutilised sanctioned lines of credit from banks and financial institutions in order to meet any unanticipated and sudden fund requirements. We also monitor cash flow requirements under various age buckets to ensure asset liability management. Surplus funds available, if any, are invested in units of money market or liquid mutual funds taking into account our cash requirements. As on June 30, 2014, we had ₹420.95 million outstanding towards long term and short term borrowings.

Cash Flows

The following table summarises our cash flows for the period ended on June 30, 2014 and each of the years ended March 31, 2014, 2013, and 2012.

(₹ In million)				
		Year Ended		
	Period ended on June 30, 2014	31-Mar-14	31-Mar-13	31-Mar-12
Net Cash generated/(used in) Operating activities	(86.28)	84.09	1,231.17	(250.77)
Net Cash flow from /(used in) Investing activities	42.06	(35.76)	(121.98)	111.74
Net Cash flow generated /(used in) Financing activities	26.05	(119.11)	(1,090.50)	290.08
Net Cash increase / (Decrease) in Cash & Cash equivalents	(18.17)	(78.92)	(292.56)	379.42
Cash and Cash Equivalent at end of the period	125.13	143.30	222.22	514.78

Cash flow from / (used in) operating activities

Period ended on June 30, 2014: Net cash used in operating activities was ₹86.28 million. We generated a cash inflow of ₹238.02 million from our operating profits and cash received due to decrease in FDR, partially offset by increase in loans and advances to an extent of ₹ 23.73 million, an increase in trade receivables which used cash to an extent of ₹311.18 million, an increase in inventory which used cash to an extent of ₹251.52 million which were offset by increase in liabilities and provisions resulting in increase of cash by ₹262.28 million.

Year ended on March 31, 2014: Net cash generated from operating activities was ₹84.09 million. We generated a cash inflow of ₹561.06 million from our operating profits, and cash inflows were contributed through cash received due to decrease in FDR and decrease in loans and advances to an extent of ₹ 595.10 million. However, there was increase in trade receivables to an extent of ₹778.67 million, an increase in inventory which used cash

to an extent of ₹76.30 million and decrease in liabilities and provisions, resulting in decrease of cash by ₹136.83 million.

Year ended on March 31, 2013: Net cash generated from operating activities was ₹1231.17 million. We generated a cash inflow of ₹ 521.39 million from our operating profits, and cash inflows were contributed through cash received due to decrease in FDR partially offset by increase in loans and advances to an extent of ₹27.94 million and there was decrease in trade receivables which increased cash to an extent of ₹603.20 million, an increase in inventory which used cash to an extent of ₹1.45 million and increase in liabilities and provisions resulting in increase of cash by ₹132.18 million.

Year ended on March 31, 2012: Net cash used in operating activities was ₹250.77 million. Primarily, we had an operating profit of ₹321.48 million. However, same was offset by increase in FDR and loans and advances to an extent of ₹1007.70 million, an increase in trade receivables, which, decreased cash to an extent of ₹257.53 million, an increase in inventory which used cash to an extent of ₹73.09 million which were offset by increase in liabilities and provisions resulting in increase of cash by ₹796.37 million.

Cash flow from / (used in) investing activities

Period ended on June 30, 2014: Net cash generated from investing activities was ₹42.06 million, resulting primarily from sale of investments of ₹59.74 million which were partially offset by purchase of fixed assets of ₹18.62 million.

Year ended on March 31, 2014: Net cash used in investing activities was ₹35.76 million, resulting primarily from purchase of fixed assets of ₹26.88 million and purchase of investments of ₹18.45 million.

Year ended on March 31, 2013: Net cash used in investing activities was ₹121.98 million, resulting primarily from purchase of fixed assets of ₹34.24 million and purchase of investments of ₹95.02 million

Year ended on March 31, 2012: Net cash generated from investing activities was ₹111.74 million, resulting primarily from sale of investments of ₹154.84 million, which were partially offset by purchase of fixed assets of ₹54.56 million.

Cash flow from / (used in) financing activities:

Period ended on June 30, 2014: Net cash generated from financing activities was ₹26.05 million, resulting from, proceeds from short term borrowings of ₹30.68 million, proceeds from long term borrowings of ₹15.98 million which is partially offset by interest expenses of ₹20.61 million.

Year ended on March 31, 2014: Net cash used in financing activities was ₹119.11 million, resulting from interest payment of ₹99.92 million and dividend payment of ₹54.30 million which was partially offset by proceeds from long term borrowings of ₹56.38 million

Year ended on March 31, 2013: Net cash used in financing activities was ₹1,090.50 million, resulting primarily from repayment of long term borrowings of ₹494.44 million, repayment of short term borrowings of ₹660.82 million, interest payment of ₹137.47 million which were partially offset by issue of share capital including premium of ₹409.74 million.

Year ended on March 31, 2012: Net cash from financing activities was ₹290.08 million, resulting primarily from proceeds from issue of share capital including premium of ₹468.75 million which was partially offset by interest payment of ₹190.57 million.

Qualitative Disclosure about Market Risks

We are primarily exposed to credit/counter-party risk, market risk, liquidity risk, operational risk and reputational risks. We focus on risk management systems to ensure that there are checks and balances in place to contain the risk aspects and its impact. We have implemented comprehensive policies and procedures to identify, measure, monitor and control risk throughout our organization. Our risk management strategy is based on understanding the various types of risk, assessment of the risk and continuous monitoring of the risk.

Market Risk

We participate in various assets classes such as equity, fixed income securities, commodities and foreign exchange markets. These assets classes experience volatility from time to time due to economic growth levels, inflation, prices, interest rates, foreign exchange rates and other macro-economic factors. Limits on concentration, liquidity mismatches between assets and liabilities and limits on margin utilization, ensures that market risk is monitored and mitigated in effective manner. Care is taken to take to maintain enough liquidity cushions to meet unforeseen circumstances

Credit Risk

We assess credit worthiness of counter parties, prior to taking exposure on them. Accordingly, limits are assigned and our monitoring mechanism ensures that exposure to single client does not cross the laid down threshold limit. Besides we also collect collateral from client to cover the exposure.

Operational Risk

We face operational risk arising from people, systems and process through which we operate. Operational risk broadly encapsulates other category of risks, *inter-alia*, reputation risk, fraud risk and legal risk. A platform for exception reporting of violations is in places, which is reviewed regularly so that the remedial measures can be taken immediately.

Off-Balance Sheet Transactions

We have not had any off-balance sheet transactions other than as disclosed in the section titled “Financial Statements” of this Draft Red Herring Prospectus.

Unusual or Infrequent Events or Transactions

Except as described elsewhere in this Draft Red Herring Prospectus, since June 30, 2014, there have been no events or transactions to our knowledge which may be described as “unusual” or “infrequent”.

Significant economic/regulatory changes

Our business is highly dependent on the regulatory environment and on general economic conditions in the various securities’ markets, including trading volumes in the secondary markets in the equity capital markets, trading in commodities and currency markets, the regulatory environment and on general economic conditions in the markets we operate in. For more details, please refer to the section titled “Risk Factors” of this Draft Red Herring Prospectus.

New Product or Business Segment

Being in regulatory governed businesses, our ability to create new products or services will depend on any possible regulatory policies and actions. However, we may be able to launch new kinds of services around current offerings to enable more convenience to customers and/or to improve our marketing and operational efficiencies.

Seasonality of Business

Our business is not seasonal. Our business is largely dependent on the state of capital markets, level of activity in the secondary market and overall economic conditions prevailing both locally and globally. The level of our operations, income and profitability may be affected by these factors.

Significant Dependence on a Single or Few Suppliers or Customers

Our operations are not significantly dependent on a single or few suppliers or customers.

Related Party Transactions

For details please refer to the discussion in the sections titled “Financial Statements” beginning on page 206.

MARKET PRICE INFORMATION

The Equity Shares of our Company are listed on the DSE, the LSE, the CSE and the ASE. However, in the absence of an active trading market, the high and low market prices of the Equity Shares cannot be determined.

The Issue price of ₹ [●] has been arrived at by our Company and the Selling Shareholder, in consultation with the BRLM and the CBRLM.

FINANCIAL INDEBTEDNESS

Set forth below is a brief summary of the bank guarantees availed by our Company, as on September 30, 2014 on a standalone basis:

Sr. No.	Agreement with Lender	Nature of Instrument	Maturity Dates	Sanctioned Limit	Commission (Per Annum)	Security / Margin
1.	ICICI Bank	Bank Guarantee	12 months from the date of sanction of the facility (sanction facility expiry date: April 8, 2015)	₹1500.00 million	0.70 %	<ul style="list-style-type: none"> Collateralization of cash assets to the extent of 50% in the form of term deposits of ICICI Bank or collateralization of cash assets of 25% cash margin in the form of term deposits of ICICI Bank and balance 25% in the form of exclusive charge on immovable property by way of mortgage of property having asset cover ratio of 200% or approved demat shares so as to maintain the asset cover ratio of 200% Personal guarantee from Mr. Subhash Chand Aggarwal and Mr. Mahesh Chand Gupta
2.	HDFC Bank	Bank Guarantee	12 months from the date of letter of the facility (sanction facility expiry date: September 10, 2015, subject to review and renewable by HDFC bank on the basis of audited financial statements every year with the next review due by September 30, 2014*)	₹1250.00 million	0.70%	<ul style="list-style-type: none"> Collateralization of cash assets to the extent of 50% in the form of term deposits of HDFC Bank or collateralization of cash assets of 25% in the form of term deposits of HDFC Bank and balance 25% in the form of approved demat shares so as to maintain the asset cover ratio of 200% Personal guarantee from Mr. Subhash Chand Aggarwal and Mr. Mahesh Chand Gupta
3.	State Bank of Bikaner and Jaipur	Bank Guarantee	12 months from the date of sanction of the facility, subject to	₹ 300.00 million	0.60 %	<ul style="list-style-type: none"> Collateralization of cash assets to the extent of 50% in the form of term deposits of SBBJ. 100% in case of guarantee issued against disputed liabilities.

Sr. No.	Agreement with Lender	Nature of Instrument	Maturity Dates	Sanctioned Limit	Commission (Per Annum)	Security / Margin
			yearly review. Facility extended on July 21, 2014 till November 2, 2014			<ul style="list-style-type: none"> Personal guarantee from Mr. Subhash Chand Aggarwal, Mr. Mahesh Chand Gupta and Ms. Sushma Gupta First Pari-passu charge on the current assets of the Company Omnibus counter guarantee of the Company
4.	Kotak Bank	Bank Guarantee	Maturity date: June 17, 2015	₹ 300.00 million	0.75 %	<ul style="list-style-type: none"> Collateralization of cash assets to the extent of 50% in the form of term deposits of Kotak Bank or collateralization of cash assets of 25% in the form of term deposits of Kotak Bank and balance 25% in the form of approved demat shares so as to maintain the asset cover ratio of 200% Personal guarantee from Mr. Subhash Chand Aggarwal and Mr. Mahesh Chand Gupta
5.	Yes Bank	Bank Guarantee	Maturity date: November 8, 2014	₹ 450.00 million	0.60 %	<ul style="list-style-type: none"> Collateralization of cash assets to the extent of 50% in the form of term deposits of Yes Bank. Personal guarantee from Mr. Subhash Chand Aggarwal and Mr. Mahesh Chand Gupta
6.	IndusInd Bank	Bank Guarantee	One year from the date of sanction of facility (sanction facility expiry date: August 17, 2015)	₹ 600.00 million (Out of the ₹ 600.00 million, ₹ 100.00 million is assigned bank guarantee)	0.70% 0.50%	<i>Bank Guarantee of ₹ 500 million.</i> <ul style="list-style-type: none"> Collateralization of cash assets to the extent of 50% in the form of term deposits of IndusInd Bank <i>Assigned Bank Guarantee of ₹ 100 million</i> 100% margin, of which a minimum of 25% is by way of cash and balance 75% is by way of assigned bank guarantee, which will be issued in the favour of the Company and further assigned to IndusInd Bank as collateral for margin. Personal guarantee from Mr. Subhash Chand Aggarwal and Mr. Mahesh Chand Gupta
7.	DCB Bank	Bank Guarantee	April 20, 2015	₹ 200.00 million	0.80%	<ul style="list-style-type: none"> Collateralization of cash assets to the extent of 50% in the form of term deposits of DCB Bank

Sr. No.	Agreement with Lender	Nature of Instrument	Maturity Dates	Sanctioned Limit	Commission (Per Annum)	Security / Margin
						<ul style="list-style-type: none"> Personal guarantee from Mr. Subhash Chand Aggarwal and Mr. Mahesh Chand Gupta

** To be updated in the Red Herring Prospectus*

Set forth below is a brief summary of the vehicle loans, as on September 30, 2014 on a standalone basis:

Sr. No.	Lender	Term	Sanctioned Amount	Amount Outstanding on September 30, 2014	Rate of Interest	Repayment	Security
1.	ICICI Bank	36 months	₹ 4.40 million	₹3.72 million	10.2%	Monthly instalments for 36 months	The vehicle itself.
2.	Axis Bank	36 months	₹1.4 million	₹ 0.09 million	10.5%	Monthly instalments for 36 months	The vehicle itself.

SECTION VII – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated below, there are no outstanding litigations, suits, criminal or civil prosecutions, arbitration, or any other statutory or legal proceedings, including those for economic offences, tax liabilities, show cause notices against our Company, its Directors, its Subsidiaries, our Promoters and Group Companies. Further, except as stated below, there are no defaults, non-payment of statutory dues, over-dues to banks / financial institutions, defaults against banks / financial institutions, defaults in creation of full security as per terms of issue / other liabilities, any other proceedings including the ones initiated for economic / civil or any other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (1) of Part I of Schedule V of the Companies Act, 2013).

Except as stated below, no disciplinary action has been taken by SEBI, any other governmental body or any stock exchange against our Company, its Directors, or its Subsidiaries or our Promoters and Group Companies.

Neither our Company nor its Directors, or Subsidiaries have been declared as wilful defaulters by the RBI or any other Governmental authority nor have there been cases of violations of securities laws against them or any person or entity connected with them, except as mentioned below.

*We have individually summarized the significant legal proceedings involving our Company and its Subsidiaries in relation to criminal cases, civil cases, cases under the Negotiable Instruments Act, 1881, arbitration proceedings, consumer Complaints, labour matters, tax related proceedings and with respect of all other proceedings involving our Company and its Subsidiaries for claims exceeding a monetary value of ₹ 10 million ("**Material Cases**"). For other cases, we have disclosed all the legal proceedings pending against our Company and its Subsidiaries, in an aggregated manner.*

Contingent liabilities not provided for as of June 30, 2014 and March 31, 2014 as per our restated consolidated financial statements:

(In ₹ million)		
Particulars	June 30, 2014	March 31, 2014
ESI demand in dispute	3.11	3.11
On Account of Sales tax demand	0.68	0.68
On account of Income Tax demand	0.68	0.68
Total	4.47	4.47

I. Litigations involving our Company as on the date of this DRHP

1. Litigations against our Company

A. SEBI Show Cause Notice

SEBI issued a Show Cause Notice ("SCN") dated January 6, 2014 to eight entities including, SAM Global Securities Limited ("SAM"), now merged with SMC Global Securities Limited ("SMC"), alleging therein that SAM was in violation of Regulation 12 (A) (a), 12 (A) (b), 12 (A) (c) of the SEBI Act, 1992 along with Regulations 3 (a), 3 (a), 3 (b), 3 (c), 3 (d), 4 (1), 4 (2) (a), 4 (2) (e) and 4 (2) (g) of the SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003, ("**PFUTP Regulations**") and Regulations 7 read with clause A (1), A (2), A (3), A (4) and A (5) of the Code of Conduct for Stock Brokers specified under Schedule II of the SEBI (Stock Brokers and Sub Brokers) Regulations 1992, ("**Stock Broker Regulations**"), with regards to its activities on behalf of its client ISF Securities Limited ("**ISF**") for engaging in synchronised trading in the scrip of M/s. Gangotri Textiles Limited ("**Gangotri**"), for the period from April 7, 2006 to May 31, 2006 ("**Investigation Period**"). In SCN, SEBI show caused as to why the certificate of registration granted to SAM should not be cancelled or suspended or why any other suitable action as stipulated under the SEBI (Intermediary) Regulations, 2008 ("**Intermediary Regulations**") should not be taken against SAM.

SEBI conducted an investigation in respect of buying, selling and dealing in the shares of Gangotri, on the NSE and BSE, during the Investigation Period and observed that the price of the scrip rose from ₹ 50.30 on April 7, 2006 to ₹ 70.40 on May 4, 2006. SEBI, in the SCN, alleged violation of the aforementioned regulations against 8 entities, including SAM, for trading in the said scrip of Gangotri. However, with regards to SAM's participation, SEBI noted that SAM being the Broker for ISF, its activity was limited for trades executed only on the BSE. It was further alleged that ISF acting through SAM, in collusion with the other entities, indulged in Off Market Transfers from Master Finlease Limited and also entered into synchronised trade with other related entities. Further in the SCN, SEBI alleged that along with 8 other entities ISF through SAM, was involved in circular trading on 29 out of the 37 trading days during the Investigation Period and created artificial volumes, by buying and selling amongst themselves, which amounted to price manipulation in the said scrip.

SEBI, vide a letter dated May 7, 2014 advised SMC to submit a reply to the aforementioned SCN within a period of 21 days. In response to SEBI's letter SMC, vide a letter dated May 22, 2014 requested SEBI for an extension of period within which to file a reply. Further SEBI, vide a letter dated June 3, 2014 informed SMC that a personal hearing would be scheduled on July 7, 2014, within which time the reply to the SCN could be filed. However, SEBI on its own accord vide letter dated June 30, 2014, postponed the date of hearing to July 16, 2014.

SMC, owing to the merger with SAM in 2008, vide a letter dated July 11, 2014, filed the Reply to the SCN ("**Reply**"), to SEBI on SAM's behalf. In the Reply, SMC had categorically denied and refuted all the allegations levied in the SCN and raised legal objections to the issuance of the SCN. Further, replying on merits, SMC justified the trading activities and submitted all the evidences, as were required with a view to get SEBI to withdraw the said SCN. In the Reply, SMC stated that ISF was a registered client for trading on BSE and had been included as an investor pursuant to a detailed 'know your client' ("**KYC**") exercise in adherence to the prescribed norms. It was submitted that the price movement in the scrip of Gangotri during the Investigation Period was within the normal range and in line with the movement of share prices and index movements in general on different exchanges, which was substantiated with facts and figures in the Reply, for SEBI's perusal. Further, in the Reply, it was stated by SMC, that the High Court of Delhi vide its order dated February 26, 2009, had approved the merger of SAM with SMC and required that all pending proceedings against SAM were to be considered to be pending against SMC post-merger. However as the SCN succeeds the order merging the two entities the same did not qualify as 'transfer of pending proceedings'. Further, it was stated that the SCN was issued under Regulations 25 and 38 of the Intermediary Regulations whereas the investigation period concerned was from April 7, 2006 to May 31, 2006. Therefore the retrospective application of the Intermediary Regulations was ex post facto and in contravention with established constitutional jurisprudence and thus was legally barred. SMC in the Reply denied having any relation with the other entities along with any knowledge of relation between IFS and the other entities. Further, along with requesting a personal hearing, SMC requested SEBI to consider its Reply and to drop the SCN.

Pursuant to the Reply, a personal hearing was conducted by SEBI on July 16, 2014, wherein the matter was heard in length and a period of 10 days till July 26, 2014 was allowed to SMC, to make further submissions. SMC vide a letter dated July 26, 2014 requested for an extension till August 7, 2014 within which to file further written submissions.

Vide a letter dated August 4, 2014, SMC made additional submissions to SEBI, wherein all the submissions made in the Reply, were substantiated with judicial precedents and it was submitted that all trades carried out by SAM were genuine and devoid of any collusion with the other entities. SEBI was requested to consider the submissions and to refrain from pursuing the charges under the SCN against SAM. The matter is currently pending before the appointed Adjudicating Officer of SEBI.

B. Criminal complaints

1. Ms. Sanju Kumari ("**Complainant**") filed a Complaint bearing case No. 2977 of 2011 before the Chief Judicial Magistrate, Motihari, East Champaran against Mr. Subhash Chand Aggarwal, Mr. Prabhat Kumar and Mr. Santosh Kumar (partners of Militia Share & Securities) ("**Accused**") u/s 409, 420, 467, 468 120 (B), 387 of the Indian Penal Code, 1860 and sections 43, 44, 65, 66 and 71 of the Information Technology Act, 2000 ("**Complaint**"). The

Complainant alleged that Mr. Prabhat Kumar and Mr. Santosh Kumar got the demat account of the Complainant transferred in the name of their firm, traded on Complainant's behalf and tried misappropriating her money. The Complainant also alleged that Mr. Subhash Chand Aggarwal did not take any action against Mr. Prabhat Kumar and Mr. Santosh Kumar, their sub-broker. The Complainant filed an arbitration petition dated November 22, 2011, which was dismissed by NSEIL, in favour of our Company. Subsequently, the Complainant filed petition u/s 156 (3) of Criminal Procedure Code, 1973 to direct the local police station at Chhattauni to register the First Information Report ("**FIR**"). Pursuant to order dated December 15, 2011, passed by Chief Judicial Magistrate, Motihari, East Champaran, a FIR bearing number 10 of 2012 was registered on January 09, 2012 ("**FIR 2012**"). Thereafter, the Accused filed an application bearing number 18589 of 2012 before the High Court of Patna u/s 482 of the Criminal Procedure Code, 1973. The High Court of Patna, vide order dated May 04, 2012, stayed further proceedings in the FIR 2012 and issued notices to opposite parties. The matter is pending.

2. Mr. Jainarain Aggarwal ("**Complainant**") filed a Complaint bearing number C/12065/11 ("**Complaint**") before the Chief Metropolitan Magistrate, Calcutta ("**Court**") against MOIL Limited, Mr. Kumar Jitender Singh, Karvy Computer Share Private Limited, Mr. C. Parthasarthy, our Company and Mr. Subhash Aggarwal ("**Accused**") u/s 409, 420 and 120 (B) of the Indian Penal Code, 1860 ("**Act**") alleging that the Complainant applied for 510 equity shares of MOIL Limited and had drawn a cheque of ₹ 0.19 million, which was encashed but neither the equity shares were allotted to the Complainant nor his application money was refunded ("**Complaint**"). The Court issued summons to the Accused on June 02, 2011. Thereafter, our Company and Mr. Subhash Chand Aggarwal filed a petition bearing number CRR 37/2013 before the High Court at Kolkata praying for quashing of the Complaint u/s 482 of the Criminal Procedure Code, 1973. The High Court, vide order dated January 11, 2013, passed a stay order ("**Stay Order**") and vide order dated April 24, 2013, directed that the Stay Order shall be extended for a period of 6 weeks, after summer vacation and was deemed to be automatically vacated after the passage of the said 6 months. The case is currently pending before the High Court of Kolkata and before the Court of the Chief Metropolitan Magistrate.
3. Mr. Shankar Kumar Surekha ("**Complainant**") filed a Complaint bearing number 3110 of 2010 before the Chief Judicial Magistrate, Patna ("**Court**") against Mr. Subhash Chand Aggarwal, Mr. Mahesh Chand Gupta, Mr. Raju Mondal, Mr. Chandan Kumar Roshan and Ms. Rashmi Kumari Sinha ("**Accused**") u/s 403, 406, 418, 420, 504, 120 (B) of the Indian Penal Code, 1860 and u/s 138 of the Negotiable Instruments Act, 1881 ("**Complaint**"). The Complainant alleged that the Accused misappropriated a sum of ₹ 0.37 million invested by the Complainant in certain fixed deposit assured schemes. Subsequently, the Court issued summons to the Accused on February 03, 2011, Mr. Subhash Chand Aggarwal and others filed a petition bearing number 49292 of 2013 u/s 482 of the Criminal Procedure Code, 1973, before the High Court, Patna for quashing of the Complaint. The High Court, vide order dated November, 28, 2013, granted stay in the matter. The matter is currently pending.
4. Mr. Parma Prasad ("**Complainant**") filed a Complaint bearing number 2320 (c) of 2008 before the Judicial Magistrate, First Class, Patna ("**Court**"), against our Company, Mr. Durgesh Tiwari, Mr. Mrignendra Kumar, sub-broker of our Company, Mr. Subhash Chand Aggarwal and Mr. Mahesh Chand Gupta ("**Accused**") u/s 406 of the Indian Penal Code, 1860 ("**Act**") ("**Complaint**"). The Complainant alleged that the Accused have misappropriated an amount of ₹ 0.27 million which includes ₹ 0.09 million deposited in cash and ₹ 0.17 million in form of shares, paid by the Complainant to the Accused. Pursuant to order dated February 07, 2009 passed by the Court, summons was issued to the Accused. Thereafter, Mr. Subhash Chand Aggarwal, Mr. Mahesh Chand Gupta filed an application u/s 205 on May 7, 2010 before the Court to excuse their inability to make personal appearance and allow them to appear through their lawyers. The Court, vide order dated June 15, 2010, dismissed the Application ("**Order**"). Aggrieved by the Order, Mr. Subhash Chand Aggarwal and Mr. Mahesh Chand Gupta filed a revision petition bearing number 581 of 2010 before the Session Court ("**Petition**"). The Petition was ad interim allowed by the Session Court on July 26, 2010 and the same is currently pending. Further, the Complainant entered into a deed of Settlement

with our Company on June 6, 2011, wherein the parties agreed to withdraw all cases, including civil recovery suit case No. 61 of 2009 for ₹ 0.132 million filed by our Company against the Complainant. Subsequently, our Company filed a petition bearing number 35034 of 2014 u/s 482 before the High Court, Patna for quashing of the Complaint. The High Court, Patna, vide order dated August 28, 2014, allowed the Petition and issued a notice to the Complainant. The matter is currently pending.

5. Mr. V. Elango (“**Complainant**”) filed a Complaint bearing number 9095(c) of 2007 (“**Complaint**”) before the XVIII Metropolitan Magistrate, Saidapet, Chennai (“**Court**”) against our Company, Mr. Subhash Chand Aggarwal and its two employees Mr. Rahul Verma and Mr. Shekher Anand Joshi (“**Accused**”) u/s 192, 196, 209, 465, 471 and 471-A read with 34/120B of the Indian Penal Code, 1860 alleging that our Company had indulged in unauthorised trading and the claim filed by our Company before the arbitration committee of the NSE, Chennai on October 18, 2007 demanding ₹ 0.490 million from the Complainant is frivolous. Thereafter, our Company filed a petition bearing number 4908 of 2008 before the High Court of Chennai for quashing the Complaint (“**Petition**”). The High Court passed a stay order in the matter on March 28, 2008. The matter is currently pending.
6. Mr. Zafar Iqbal Sabri (“**Complainant**”) filed a Complaint bearing number 1573(c) of 2010 (“**Complaint**”) before the Chief Judicial Magistrate, Moradabad (“**Court**”) against our Company, Mr. Subhash Chand Aggarwal, Mr. Rakesh Gupta and Mr. Malik Jawed Akhter (“**Accused**”) u/s 409, 420, 467, 468, 471 and 477 of Indian Penal Code, 1860, alleging that our Company had not returned an amount of ₹ 0.05 million which was paid on November 28, 2004. Thereafter, the Court issued summons in the matter being aggrieved by which the Accused filed a revision petition before the Court (“**Petition**”). The Court, vide order dated July 20, 2011, allowed the Petition and passed a stay order in the matter. Thereafter, the matter was settled between the Complainant and our Company on November 08, 2011 for ₹ 0.087 million as full and final settlement and the Complainant had moved the withdrawal application before the Court for withdrawal of the Complaint. Subsequently, the Company filed a petition u/s 482 of the Criminal Procedure Code, 1973 before the Allahabad High Court for quashing of the Complaint (“**Petition-II**”). The High Court, vide order dated September 1, 2014, disposed of the Petition-II with a direction to the Court to decide the revision petition at the earliest. The matter is currently pending.
7. Ms. Ranjana Malvia (“**Complainant**”) filed an FIR bearing number 255 of 2011 (“**FIR**”) before the Jaggarnathpur, Police Station, Ranchi on November 15, 2011 against our Company and SMC Comtrade Limited, branch manager and Others (“**Accused**”) u/s 406, 420, 506 and 34 of the Indian Penal Code, 1860. The Complainant alleged unauthorised trading through her account and thereby accruing losses of ₹ 0.25 million by the Accused. Thereafter, our Company and SMC Comtrade Limited filed a petition before the High Court, Ranchi (“**Court**”) on January 17, 2012 for quashing of the FIR (“**Petition**”). The Court, vide order dated February 6, 2012 stayed the proceedings under the FIR and issued a notice to the Complainant on March 13, 2012 (“**Order**”). Subsequently, the Complainant filed its reply before the Court stating that she does not have grievance against our Company and its officials and the Complaint was filed only against the other accused viz., Mr. Abhay Kumar and Ms. Gayatri Devi. Pursuant to the same the Company withdrew the Petition pending before the Court. The matter is currently pending for investigation.
8. Mr. Anoop Kumar Surekha (“**Complainant**”) filed a Complaint bearing number 3109 of 2010 (“**Complaint**”) before the Chief Judicial Magistrate, Patna (“**Court**”) against Mr. Subhash Chand Aggarwal, Mr. Mahesh Chand Gupta and Others (“**Accused**”) u/s 403, 406, 418, 420, 504, 120 (B) of the Indian Penal Code, 1860. The Complainant alleged that he had invested ₹ 0.51 million on behalf of his father in the fixed deposit scheme of the Company and the Accused misappropriated the same. Thereafter, Mr. Subhash Chand Aggarwal and Mr. Mahesh Chand Gupta filed a quashing application u/s 482 of the Criminal Procedure Code, 1973, on November 18, 2010 before the High Court, Patna praying for quashing of the Complaint (“**Application**”). The High Court passed a stay order in the matter. The matter is currently pending.

9. Mr. Manick Chandra Majmudar ("**Complainant**") filed a Complaint bearing number 5418 of 2014 before the Metropolitan Magistrate, Bankshal, Kolkata ("**Court**") against the Company and Others, alleging that his shares were transferred, from his account, without his authorisation, based on the DIS ("**Complaint**"). The matter is currently pending.
10. Mr. Ramdhan ("**Complainant**") filed a Complaint bearing number 38/11/2010 ("**Complaint**") before the Metropolitan Magistrate, Tis Hazari, Delhi ("**Court**") with the prayer to direct the Police Station, Darya Ganj to register an FIR against persons who have withdrawn his investment of around ₹0.25 million in a forged manner, alleging the accused persons were associated with our Company. During the investigation, our Company stated in its defence that the accused persons were not associated with the Company and that the Complainant has impleaded the Company as a party to the matter, without sufficient cause. No specific allegations were made against our Company or its Directors. The matter is currently under investigation.
11. Mr. Sunil Kumar Aggarwal ("**Complainant**") filed a Complaint bearing number 590/2011 against our Company, the Managing Director of our Company, Mr. Subhash Chand Aggarwal and other employees ("**Accused**"), before the Sessions Court at Ranchi ("**Court**"), u/s 406, 409, 420, 423 and 424 of the Indian Penal code, 1860, alleging that our Company had not credited issued cheques within time and thereby the Complainant had suffered the losses of approximately ₹ 0.5 million. ("**Complaint**") The Court did not take cognizance u/s 409 of Indian Penal Code and being aggrieved the Complainant filed the revision petition bearing no.211/2011 against the summoning order dated November 19, 2011 before the Revision Court, at Ranchi. The Accused filed the revision petition bearing number 13/2012 against the summoning order dated November 19, 2011 before the Court. The Revision Court allowed the revision petition of the Complainant to implead the Accused and dismissed the prayer of the Complainant to take cognizance u/s 409 of the Indian Penal Code, 1860. The Revision Court also dismissed the revision petition of the Accused vide its order dated March 24, 2012. Aggrieved by the above said order, the Complainant filed a petition u/s 482 of Criminal Procedure Code, 1973 bearing no. 1340/2012, before the High Court at Ranchi ("**High Court**"). The Accused also filed the petition u/s 482 of the Criminal Procedure Code, 1973 before the High Court bearing number Cr. M.P. 1078/2012 against the summoning order dated November 19, 2011. The High Court was pleased to dispose of the petitions in favour of the Accused vide its order dated August 29, 2012. Aggrieved by the above said order, the Complainant filed a Special Leave Petition bearing number 9370-71 of 2014 before the Supreme Court of India ("**Supreme Court**") praying for the setting aside of the order dated August 29, 2012 of the High Court, in Cr. M.P. 1078 and 1348 of 2012 ("**SLP**"). The Court vide its order dated August 19, 2014 allowed the SLP and interimly awarded a compensation of ₹0.04 million to the Complainant. The matter is currently pending.

C. Civil Cases:

There are 6 civil cases filed against our Company in respect of the recovery suits filed by our Company on its clients and non-clients. The claim amount for these cases cannot be quantified.

D. SAT Appeals:

1. An Appeal bearing number 248 of 2014, dated July 11, 2014 was filed before the Securities Appellate Tribunal ("**SAT**") by Mr. Sunil Mansinghani and Kanchan Mansinghani ("**Appellants**") against the Securities and Exchange Board of India and Others, to which our Company was included in the party array as Respondent No. 2. The Appellants are Directors of Sunchan Securities Limited ("**Sunchan**") a public limited Company which is under liquidation and whose membership with the NSE and BSE, has been cancelled, by SEBI vide an order dated April 23, 2014. SEBI restrained Sunchan, its Directors and its compliance officers from buying, selling or dealing in securities market for a period of 17 years and also further restrained its Directors from holding the positions for a period of 7 years. Further, it was also directed that Sunchan and its Directors were to replenish the Investor Protection Fund ("**IPF**") of both the NSE and the BSE by ₹ 44.52 million, for the amounts paid by the IPF to the investors and to compensate investors by ₹ 53.09 million for the amounts of investor claims admitted but not paid

by the IPF within a period of 45 days. Sunchan did not challenge the order for cancellation of its membership and neither did it challenge the restrain levied on its Directors and compliance officers from accessing the securities market, vide the aforementioned SEBI order. The Appeal primarily seeks SAT's direction for SEBI to investigate the affairs and business of our Company, and address the grievances that the Appellants have against our Company. The Appellants made our Company as one of the Respondents without claiming any relief against us. The matter is currently pending.

2. An Appeal bearing number 262 of 2014, dated July 23, 2014 was filed before the Securities Appellate Tribunal ("SAT") by Ms. Swati Mayekar and Others ("Appellant") against the Securities and Exchange Board of India and Others, to which our Company was included in the party array as Respondent No. 2 ("Appeal"). The Appellant has not sought any relief against our Company and has sought for directions to SEBI to conduct investigation against the grievances made against our Company. The matter is currently pending.

E. Cases under the Negotiable Instrument Act, 1881:

NIL

F. Consumer Complaints:

There are 23 consumer cases filed against our Company alleging deficiency in services pending before various forums. The aggregate of claim amounts against our Company is approximately ₹ 5.24 million.

G. Arbitration Proceedings:

There are 15 arbitration cases including appeal(s) filed against our Company in relation to trade disputes pending before arbitration at NSE and BSE. The aggregate claim amount against our Company is approximately ₹ 11.32 million.

H. Labour Matters:

There are 5 labour/employment matters relating to employment disputes filed by our ex-employees against our Company pending before the Labour Tribunal. The claim amount is not ascertainable.

I. Tax Cases

a. Direct Tax

There is 1 case related to the payment of Income Tax pending against our Company under Section 143 (3) of the Income Tax Act, 1961, from the office of the Deputy Commissioner of Income Tax, Delhi. The tax liability in the case is ₹ 1.02 million. An appeal has been filed by our Company in the matter and the final order is awaited. The matter is currently pending.

b. Indirect Tax

NIL

Litigations by our Company:

A. Criminal complaints:

1. Our Company filed a Complaint bearing number 224/1 of 2012 in the Court of Metropolitan Magistrate, District Court, Tis Hazari, Delhi ("Court") against Pereira Group and Others ("Accused") u/s 156 (3) of Criminal Procedure Code, 1973, for the issuance of direction for registration of FIR and initiation of process of the offences punishable u/s 406, 409, 418, 419, 420, 465 and 469 of the Indian Penal Code, 1860 ("Act"). Our Company stated in the Complaint that one of the Accused, Ms. Barbara Pereira got herself registered as a sub-broker of our Company while another Accused Mr. Troy Pereira approached our Company for a

trading account and to that effect entered into a Member-Client Agreement with our Company along with an affiliation as an authorized person to the Trading Member. Subsequently, our Company received a grievance from one Mr. Joaquim Philip Mensdes on February 25, 2012, claiming that an invested amount of ₹0.3 million along with the dividend was pending under pension plans for the months of February and March 2012. Our Company further stated in the Complaint that the Accused were impersonating as representatives of our Company and attempted to lure the prospective clients which tarnished the goodwill and image of our Company and caused heavy losses to the common public. (“**Complaint**”) The Accused executed a partnership firm in the name of “SMC Global Securities Pereira Group” and operated forged accounts in the same name. Our Company approached the police station at Rajendra Nagar and filed an FIR on May 16, 2012 which was not registered by the police. Hence, our Company approached the Court u/s 156 (3) and prayed for directions to the concerned police officials to register the FIR against the accused and to investigate the matter. The Court, vide order dated February 14, 2013, directed the Rajendra Nagar police station to register the FIR against the Accused. Accordingly, an FIR bearing number 34 was registered on February 18, 2013. The matter is currently pending.

2. Our Company filed a criminal complaint bearing number 190/3 in the Court of ACMM, Tis Hazari, Delhi (“**Court**”) against Priknit Retail Limited and Others (“**Accused**”) u/s 68 of the Companies Act, 1956 read with Section 200 of the Criminal Procedure Code, 1973 (“**Complaint**”). Our Company stated in the Complaint that the Accused was involved in the manufacturing and sale of apparels through a chain of retail stores in its own brand name ‘Priknit’. Mr Vijay Kumar Ghai and Mr Mohit Ghai, the other Accused who were employees in Priknit, induced our Company to invest its money in the Accused. Our Company invested ₹25 million in the Accused by buying 2,50,000 equity shares at the rate of ₹ 100 per equity share. Further, the Accused issued false and fabricated allotment letter on March 29, 2008 and misrepresented that they would provide exit route through initial public offering to our Company for the investment within three years. However, the Accused misappropriated the money invested by us. The Court has issued summons in the matter to the Accused. The matter is currently pending.
3. Our Company filed a Complaint bearing number 306/1 of 2012 in the Court of Metropolitan Magistrate, Tis Hazari (“**Court**”) against Priknit Retail Limited & Others (“**Accused**”) u/s 156 (3) of Criminal Procedure Code, 1973 for issuance of directions for registration of FIR and initiation of process for the offences punishable u/s 406, 409, 420, 468, 120B and 34 of the Indian Penal Code, 1860. In the Complaint, it was alleged that the Accused was involved in the manufacturing and sale of apparels through a chain of retail stores in its own brand name Priknit. Mr. Vijay Kumar Ghai, Mr. Mohit Ghai and Mr .Balwant Rai Bhalla, the other Accused who were employees of Priknit, induced our Company to invest its money in their company on false assurances. The Company invested its money to the tune of ₹ 25 million in the accused company by buying 2,50,000 equity shares at the rate of ₹ 100/- per equity share. The Accused issued false and fabricated allotment letter on 29 March 2008, misrepresented that they would provide exit route through initial public offering to our Company for their investment within three years and thereafter misappropriated our Company’s money. Our Company sent the Accused a notice on December 06, 2011, which was replied to by the Accused on January 31, 2012. Our Company approached the concerned police station for lodging an FIR on January 06, 2012, but the FIR was not registered and consequently our Company met with the Economic Offences Wing, Crime Branch, requesting them to speed up the process. Finally, our Company approached the Court and prayed for directions to the concerned police officials to register the FIR against the Accused and to initiate criminal proceedings against them. The status report from police was called by the Court, which was submitted on July 18, 2012. The matter was listed for final hearing on January 31, 2015 for the application u/s 156 (3) of the Criminal Procedure Code, 1973. However, the Court was pleased to convert the application u/s 156 (3) into Complaint u/s 200 of Criminal Procedure Code, 1973, with the liberty to our Company to lead the evidence and the matter was subsequently listed for pre-summoning evidence on September 23, 2014. Meanwhile our Company also got the FIR registered against the Accused vide FIR No.168/2013 at Kolkata. The matter is currently pending.

4. Our Company filed a Complaint bearing number 216/1 of 2011 before the Court of the Metropolitan Magistrate, Tis Hazari (“**Court**”) against Dr. Sankar Kumar Ghosh and Snigdha Ghosh (“**Accused**”) u/s 200 of Criminal Procedure Code, 1973 for initiation of process for the offences punishable u/s 383, 406, 500, 501, 506 and 34 of the Indian Penal Code, 1860 (“**Complaint**”). Our Company stated in the Complaint that the Accused approached it for the purpose of opening a Demat and Trading account in December 2010. It was further stated in the Complaint that our Company informed the Accused of all the terms and conditions of the business and sent them contract notes of every trade and maintained transparent business ethics all throughout its dealings with the Accused. While the Accused made profits on several occasions, they suffered losses in March 2011. As a result of the losses suffered, the Accused maliciously made defamatory written and oral statements in a newspaper named ‘Pratidin’ dated November 21, 2011. Our Company filed a petition before the Court praying for initiation of criminal proceedings for the offences under various sections of the Indian Penal Code, 1860 and to award a compensation to the tune of ₹20 million for the loss of reputation. Accordingly, a FIR No. Zero/2011 (“**FIR**”) was registered in Darya Ganj police station on November 21, 2011 and sent to Kolkata for further action. The matter was pending before the Court for filing of status report by police station, Darya Ganj relating to the FIR. Subsequently, the Accused also registered an FIR bearing number 577/2012 against our Company including its employees before the Economic Offences Wing, Kolkata. Subsequently, the petition u/s 482 was filed before the High Court, Kolkata to quash the FIR No. 577/2012 with the Economic Offences Wing registered by the Accused against our Company (“**Petition**”). Subsequently, the matter was settled between the parties and the Petition was withdrawn. The matter is currently pending for disposal.

5. Our Company filed a Complaint bearing number 297/1 of 2012 before the Court of the Metropolitan Magistrate, District Court, Tis Hazari, Delhi (“**Court**”) against Mr. Ram Kanwar Garg and Another (“**Accused**”) u/s 156 (3) of Criminal Procedure Code, 1973 for issuance of direction for registration of FIR and initiation of process for the offences punishable u/s 406, 403, 506, 418, 420, 421, 422, 388, 120 B and 34 of the Indian Penal Code, 1860 (“**Complaint**”). Our Company stated in the Complaint that the Accused had opened a trading account with it on February 22, 2011 and that both the accounts were created with mala fide intention to get maximum income tax exemption and also to shift their liability illegally on others account in case of loss in trading. Further, it was stated in the Complaint that there was a debit balance in accounts of the Accused of an aggregate amount of ₹ 2.6 million which they could not settle. The cheques that the Accused issued to our Company were dishonoured due to lack of funds. Finally all the accounts of the Accused came under debit balance of approximately ₹ 2.85 million on January 10, 2012. Thereafter, our Company filed application bearing number 297/1/2012 before the Court praying for direction for registration of FIR and punishing the Accused for the offences under the aforementioned sections of the Indian Penal Code, 1860. The Court directed the concerned police station; Darya Ganj on April 23, 2012 to submit its status report and the matter was listed for status report to be filed by the police. The matter is currently pending.

6. Our Company filed a Complaint bearing Criminal complaint No. 122/1 of 2011 before the Court of the Metropolitan Magistrate, District Court, Tis Hazari, Delhi (“**Court**”) against Mr. Mohinder Pal Singh and Mr. Surinder Pal Singh (“**Accused**”) u/s 200 of Criminal Procedure Code, 1973 (“**Complaint**”), praying for cognizance to be taken for commission of offences of extortion, criminal misappropriation of money, criminal intimidation, cheating, criminal breach of trust, criminal conspiracy, forgery etc., punishable u/s 384, 389, 403, 406, 420, 465, 468, 469, 120B and 34 of the Indian Penal Code, 1860. Our Company stated in the Complaint that Mr. Mohinder Pal Singh opened an account with the Company on September 21, 2006 and used to pay and receive consideration for the transactions by way of cheques. It was further stated that on April 29, 2008 there was a debit balance of ₹ 1.14 million which was cleared by the Accused by way of three cheques. Later in June 2012, Company became aware that Mr Surinder Pal Singh, the second Accused, who is a non-resident Indian, had given ₹ 1.1 million to Mr. Mohinder Pal Singh out of their private arrangement with a view to make profits. The Company issued a notice dated July 10, 2010 to the Accused asking him to explain the position to which the Accused replied on August 11, 2010. It was further stated in the Complaint that the Accused persons colluded with each other illegally and tried to extort

money from our Company. The Complainant approached the Court praying for cognizance of the offences under the mentioned sections of the Indian Penal Code, 1860. The Court directed the concerned police station at Darya Ganj on August 10, 2011 to submit its status report and the matter was listed for status report to be filed by the police. In compliance with the Court's direction the police have filed the status report in the matter and the same is currently pending.

7. Our Company has registered a FIR at Delhi bearing number. 222 of 2009 dated October 16, 2009 against Mr. Tarun Aggarwal ("**Accused**") at the Police Station, Darya Ganj, New Delhi u/s 420 of Indian Penal Code, 1860 ("**Complaint**"). Our Company in the complaint stated that that the Accused had sold the shares of the clients of our Company fraudulently and thereby caused the losses to the Company. Thereafter, Mr. Tarun Aggarwal was arrested in the month of April, 2010 and released on bail and the matter is at the stage of trial before the Court of Tis Hazari, Delhi ("**Court**"). The matter is currently pending, before the Court.
8. Our Company has filed a criminal complaint bearing number 479/11 before the Court of the Junior Division Civil Judge, Gautam Budh Nagar, Noida ("**Court**") against Ms. Shashi Jain ("**Accused**") u/s 418 and 420 of Indian Penal Code, 1860 ("**Complaint**"). Our Company stated in the Complaint that the Accused fraudulently executed trades and thereby caused wrongful losses to the Company and prayed that the Court take cognizance against the Accused and to conduct trial against the Accused for the alleged offences. The Court took cognizance and issued summons to the Accused on December 13, 2010, but in spite of service of summons to the Accused, the Accused failed to appear before the Court. In due course of proceedings the Court issued Non Bailable Warrant against the Accused on September 18, 2012. The matter was listed for hearing on November 27, 2012. Thereafter the Accused approached the High Court, Allahabad, u/s 482 of Criminal Procedure Code, 1973, to quash the Complaint and the High Court was pleased to grant stay on January 4, 2013 in favour of the Accused. The matter is currently pending.
9. Our Company has filed a criminal complaint bearing number 477/11 before the Court of the Junior Division Civil Judge, Gautam Budh Nagar, Noida ("**Court**") against Mr. Rajesh Shah ("**Accused**") u/s 418 and 420 of Indian Penal Code, 1860 ("**Complaint**"). In the Complaint our Company stated that the Accused fraudulently executed trades and thereby caused wrongful losses to the Complainant. Further it was prayed that the Court take cognizance and to conduct trial against the Accused for the alleged offences. The Court took cognizance and issued summons on December 13, 2010, to the Accused, but in spite of service of summons to the Accused, the Accused failed to appear before the Court. In due course of proceedings the Court has issued the Non Bailable Warrant against the Accused on October 16, 2012. The matter is currently pending.
10. Our Company has filed a criminal complaint bearing number 457/11 before the Court of the Junior Division Civil Judge, Gautam Budh Nagar, Noida ("**Court**") against Ms. Manju Singh ("**Accused**") u/s 418 and 420 of Indian Penal Code, 1860 ("**Complaint**"). In the Complaint our Company stated that the Accused fraudulently executed trades and thereby caused wrongful losses to the Complainant. Further it was prayed that cognizance be taken against the Accused and to conduct trial against the Accused for the alleged offences. The Court took cognizance and issued summons to the Accused, but in spite of service of summons to the Accused, the Accused failed to appear before the Court. In due course of proceedings the Court has issued the Non Bailable Warrant against the Accused on October 11, 2012. The matter is currently pending.
11. Our Company has filed a criminal complaint bearing number 236/11 before the Court of the Junior Division Civil Judge, Gautam Budh Nagar, Noida ("**Court**") against Mr. Pravesh Kumar Vohra ("**Accused**") u/s 418 and 420 of Indian Penal Code, 1860 ("**Complaint**"). In the Complaint our Company stated that the Accused fraudulently executed trades and thereby caused wrongful losses to our Company. Further, it was prayed that cognizance be taken against the Accused and trial be conducted against the Accused for the alleged offences. The Court took cognizance and issued summons to the Accused on December 15, 2012. The matter is currently pending.

12. Our Company has filed a criminal complaint bearing number 245/11 before the Court of the Junior Division Civil Judge, Gautam Budh Nagar, Noida (**"Court"**) against Mr. Naresh Singh Chauhan (**"Accused"**) u/s 418 and 420 of the Indian Penal Code, 1860 (**"Complaint"**). In the Complaint our Company stated that the Accused fraudulently executed the trades and thereby caused wrongful losses to our Company. Further, it was prayed that cognizance be taken against the Accused and for trial to be conducted against the Accused for the alleged offences. The Court took cognizance and issued summons to the Accused on December 15, 2012. The matter is currently pending.
13. Our Company has filed a criminal complaint bearing number 238/11 before the Court of the Junior Division Civil Judge, Gautam Budh Nagar, Noida (**"Court"**) against Mr. Mukesh Nandan (**"Accused"**) u/s 418 and 420 of the Indian Penal Code, 1860 (**"Complaint"**). In the Complaint our Company stated that the Accused fraudulently executed the trades and thereby caused wrongful losses to the Company. Further, it was prayed that cognizance be taken and for a trial to be conducted against the Accused for the alleged offences. The Court took cognizance and issued summons on December 16, 2011 to the Accused, but in spite of service of summons to the Accused, the Accused failed to appear before the Court. In due course of proceedings the Court issued the Non Bailable Warrant against the Accused on August 31, 2012. The matter is currently pending.
14. Our Company has filed a criminal complaint bearing number 461/11 before the Court of the Junior Division Civil Judge, Gautam Budh Nagar, Noida (**"Court"**) against Mr. Thomas Varkey and Another (**"Accused"**) u/s 418 and 420 of the Indian Penal Code, 1860 (**"Complaint"**). In the Complaint our Company stated that the Accused fraudulently executed trades and thereby caused wrongful losses to the Company. Further, it was prayed that cognizance be taken against the Accused and for a trial to be conducted against the Accused for the alleged offences. The Court took cognizance and issued summons to the Accused on December 16, 2010, but in spite of service of summons to the Accused, the Accused failed to appear before the Court. In due course of proceedings the Court has issued the Non Bailable Warrant against the Accused on September 14, 2012. The matter is currently pending.
15. Our Company has filed a criminal complaint bearing number 464/11 before the Court of the Junior Division Civil Judge, Gautam Budh Nagar, Noida (**"Court"**) against Ms. Menaka Manjari Parida (**"Accused"**) u/s 418 and 420 of the Indian Penal Code, 1860 (**"Complaint"**). In the Complaint our Company stated that the Accused fraudulently executed trades and thereby caused wrongful losses to the Company. Further, it was prayed that cognizance be taken against the Accused and for a trial to be conducted against the Accused for the alleged offences. The Court took cognizance and issued summons to the Accused on December 16, 2010, but in spite of service of summons to the Accused, the Accused failed to appear before the Court. In due course of proceedings the Court has issued the Non Bailable Warrant against the Accused on August 27, 2012. The matter is currently pending.
16. Our Company has filed a criminal complaint bearing number 459/11 before the Court of the Junior Division Civil Judge, Gautam Budh Nagar, Noida (**"Court"**) against Mr. Jiya Ur Rahman of Misbaah Securities (**"Accused"**) u/s 418 and 420 of the Indian Penal Code, 1860 (**"Complaint"**). In the Complaint our Company stated that the Accused fraudulently executed trades and thereby caused wrongful losses to the Company. Further, it was prayed that cognizance be taken against the Accused and for a trial to be conducted against the Accused for the alleged offences. The Court took cognizance and issued summons to the Accused on December 16, 2010, but in spite of service of summons to the Accused, the Accused failed to appear before the Court. In due course of proceedings the Court has issued Non Bailable Warrant against the Accused on September 07, 2012. The matter is currently pending.
17. Our Company has filed a criminal complaint bearing number 241/11 before the Court of the Junior Division Civil Judge, Gautam Budh Nagar, Noida against Mr. P. Ganesh Moorthi (**"Accused"**) u/s 418 and 420 of the Indian Penal Code, 1860 (**"Complaint"**). In the Complaint our Company stated that the Accused fraudulently executed trades and thereby caused wrongful losses to the Company. Further, it was prayed that cognizance be taken against the Accused and for a trial to be conducted against the Accused for the alleged

offences. The Court took cognizance and issued summons to the Accused on December 16, 2010, but in spite of service of summons to the Accused, the Accused failed to appear before the Court. The matter is currently pending.

18. Our Company has filed a criminal complaint bearing number 465/11 before the Court of the Junior Division Civil Judge, Gautam Budh Nagar, Noida (“**Court**”) against Mr. Uday Raj V. (“**Accused**”) u/s 418 and 420 of the Indian Penal Code, 1860 (“**Complaint**”). In the Complaint our Company stated that the Accused fraudulently executed trades and thereby caused wrongful losses to the Company. Further, it was prayed that cognizance be taken against the Accused and for a trial to be conducted against the Accused for the alleged offences. The Court took cognizance and issued summons to the Accused on December 16, 2010, but in spite of service of summons to the Accused, the Accused failed to appear before the Court. In due course of proceedings the Court has saw it fit to issue Non Bailable Warrant against the Accused on August 27, 2012. The matter is currently pending.
19. Our Company has filed a criminal complaint bearing number 460/11 before the Court of the Junior Division Civil Judge, Gautam Budh Nagar, Noida (“**Court**”) against Mr. Billiam Bada (“**Accused**”) u/s 418 and 420 of the Indian Penal Code, 1860 (“**Complaint**”). In the Complaint our Company stated that the Accused fraudulently executed trades and thereby caused wrongful losses to the Company. Further, it was prayed that cognizance be taken against the Accused and for a trial to be conducted against the Accused for the alleged offences. The Court took cognizance and issued summons to the Accused on December 16, 2010, but in spite of service of summons to the Accused, the Accused failed to appear before the Court. In due course of proceedings the Court has saw it fit to issue Non Bailable Warrant against the Accused on August 31, 2012. The matter is currently pending.
20. Our Company has filed a criminal complaint bearing number 78/11 before the Court of the Junior Division Civil Judge, Gautam Budh Nagar, Noida against Ms. Vimala Adhikari (“**Accused**”) u/s 418 and 420 of the Indian Penal Code, 1860 (“**Complaint**”). In the Complaint our Company stated that the Accused fraudulently executed trades and thereby caused wrongful losses to the Company. Further, it was prayed that cognizance be taken against the Accused and for a trial to be conducted against the Accused for the alleged offences. The Court took cognizance and issued summons to the Accused on December 20, 2010, but in spite of service of summons to the Accused, the Accused failed to appear before the Court. In due course of proceedings the Court has saw it fit to issue Non Bailable Warrant against the Accused on August 9, 2012. The matter is currently pending.
21. Our Company has filed a criminal complaint bearing number 466/11 before the Court of the Junior Division Civil Judge, Gautam Budh Nagar, Noida (“**Court**”) against Mr. Kaustubh P. Kulkarni (“**Accused**”) u/s 418 and 420 of the Indian Penal Code, 1860 (“**Complaint**”). In the Complaint our Company stated that the Accused fraudulently executed trades and thereby caused wrongful losses to the Company. Further, it was prayed that cognizance be taken against the Accused and for a trial to be conducted against the Accused for the alleged offences. The Court took cognizance and issued summons to the Accused on December 16, 2010, but in spite of service of summons to the Accused, the Accused failed to appear before the Court. In due course of proceedings the Court has saw it fit to issue Non Bailable Warrant against the Accused on September 28, 2012. The matter is currently pending.
22. Our Company has filed a criminal complaint bearing number 76/11 before the Court of the Junior Division Civil Judge, Gautam Budh Nagar, Noida (“**Court**”) against Ms. Sudha (“**Accused**”) u/s 418 and 420 of the Indian Penal Code, 1860 (“**Complaint**”). In the Complaint our Company stated that the Accused fraudulently executed trades and thereby caused wrongful losses to the Company. Further, it was prayed that cognizance be taken against the Accused and for a trial to be conducted against the Accused for the alleged offences. The Court took cognizance and issued summons to the Accused on December 20, 2010, but in spite of service of summons to the Accused, the Accused failed to appear before the Court. In due course of proceedings the Court has saw it fit to issue Non Bailable Warrant against the Accused on August 9, 2012. The matter is currently pending.

23. Our Company has filed a criminal complaint bearing number 83/11 before the Court of the Junior Division Civil Judge, Gautam Budh Nagar, Noida ("**Court**") against Mr. Prem Parkash ("**Accused**") u/s 418 and 420 of the Indian Penal Code, 1860 ("**Complaint**"). In the Complaint our Company stated that the Accused fraudulently executed trades and thereby caused wrongful losses to the Company. Further, it was prayed that cognizance be taken against the Accused and for a trial to be conducted against the Accused for the alleged offences. The Court took cognizance and issued summons to the Accused but in spite of service of summons to the Accused, the Accused failed to appear before the Court. In due course of proceedings the Court has saw it fit to issue Non Bailable Warrant against the Accused on October 4, 2012. The matter is currently pending.
24. Our Company has filed a criminal complaint bearing number 82/11 before the Court of the Junior Division Civil Judge, Gautam Budh Nagar, Noida ("**Court**") against Mr. Raj Kumar Bajaj ("**Accused**") u/s 418 and 420 of the Indian Penal Code, 1860 ("**Complaint**"). In the Complaint our Company stated that the Accused fraudulently executed trades and thereby caused wrongful losses to the Company. Further, it was prayed that cognizance be taken against the Accused and for a trial to be conducted against the Accused for the alleged offences. The Court took cognizance and issued summons to the Accused, but in spite of service of summons to the Accused, the Accused failed to appear before the Court. In due course of proceedings the Court has saw it fit to issue Non Bailable Warrant against the Accused on October 4, 2012. The matter is currently pending.
25. Our Company has filed a criminal complaint bearing number 529/11 before the Court of the Junior Division Civil Judge, Gautam Budh Nagar, Noida ("**Court**") against Mr. Muzzamil Zahid and Another ("**Accused**") u/s 418 and 420 of the Indian Penal Code, 1860 ("**Complaint**"). In the Complaint our Company stated that the Accused fraudulently executed trades and thereby caused wrongful losses to the Company. Further, it was prayed that cognizance be taken against the Accused and for a trial to be conducted against the Accused for the alleged offences. The Court took cognizance and issued summons to the Accused on December 21, 2010, but in spite of service of summons to the Accused, the Accused failed to appear before the Court. In due course of proceedings the Court has saw it fit to issue Non Bailable Warrant against the Accused on August 13, 2012. The matter is currently pending.
26. Our Company has filed a criminal complaint bearing number 182/11 before the Court of the Junior Division Civil Judge, Gautam Budh Nagar, Noida ("**Court**") against Mr. Mrigendra Kumar and Another ("**Accused**") u/s 418 and 420 of the Indian Penal Code, 1860 ("**Complaint**"). In the Complaint our Company stated that the Accused fraudulently executed trades and thereby caused wrongful losses to the Company. Further, it was prayed that cognizance be taken against the Accused and for a trial to be conducted against the Accused for the alleged offences. The Court took cognizance and issued summons to the Accused on December 21, 2010, but in spite of service of summons to the Accused, the Accused failed to appear before the Court. In due course of proceedings the Court has saw it fit to issue Non Bailable Warrant against the Accused on September 18, 2012. The matter is currently pending.
27. Our Company has filed a criminal complaint bearing number 535/11 before the Court of the Junior Division Civil Judge, Gautam Budh Nagar, Noida ("**Court**") against Mr. Ram Ballabh Sharma and Another ("**Accused**") u/s 418 and 420 of the Indian Penal Code, 1860 ("**Complaint**"). In the Complaint our Company stated that the Accused fraudulently executed trades and thereby caused wrongful losses to the Company. Further, it was prayed that cognizance be taken against the Accused and for a trial to be conducted against the Accused for the alleged offences. The Court took cognizance and issued summons to the Accused on December 21, 2010, but in spite of service of summons to the Accused, the Accused failed to appear before the Court. In due course of proceedings the Court has saw it fit to issue Non Bailable Warrant against the Accused on September 28, 2012. The matter is currently pending.
28. Our Company has filed a criminal complaint bearing number 156/11 before the Court of the Junior Division Civil Judge, Gautam Budh Nagar, Noida ("**Court**") against Mr. Himanshu Shekhar Panda ("**Accused**") u/s 418 and 420 of the Indian Penal Code, 1860 ("**Complaint**"). In the Complaint our Company stated that the Accused fraudulently executed trades and

thereby caused wrongful losses to the Company. Further, it was prayed that cognizance be taken against the Accused and for a trial to be conducted against the Accused for the alleged offences. The Court took cognizance and issued summons to the Accused but in spite of service of summons to the Accused, the Accused failed to appear before the Court. In due course of proceedings the Court has saw it fit to issue Non Bailable Warrant against the Accused on October 1, 2012. The matter is currently pending.

29. Our Company has filed a criminal complaint bearing number. 553/11 before the Court of the Junior Division Civil Judge, Gautam Budh Nagar, Noida (“**Court**”), against Mr. Sanjay Shukla (“**Accused**”) u/s 418 and 420 of the Indian Penal Code, 1860 (“**Complaint**”). In the Complaint our Company stated that the Accused fraudulently executed trades and thereby caused wrongful losses to the Company. Further, it was prayed that cognizance be taken against the Accused and for a trial to be conducted against the Accused for the alleged offences. The Court took cognizance and issued summons to the Accused on December 21, 2010. The matter is currently pending
30. Our Company has filed a criminal complaint bearing number. 160/11 before the Court of the Junior Division Civil Judge, Gautam Budh Nagar, Noida (“**Court**”), against Mr. Sumit Kothari (“**Accused**”) u/s 418 and 420 of the Indian Penal Code, 1860 (“**Complaint**”). In the Complaint our Company stated that the Accused fraudulently executed trades and thereby caused wrongful losses to the Company. Further, it was prayed that cognizance be taken against the Accused and for a trial to be conducted against the Accused for the alleged offences. The Court took cognizance and issued summons to the Accused but in spite of service of summons to the Accused, the Accused failed to appear before the Court. In due course of proceedings the Court has saw it fit to issue Non Bailable Warrant against the Accused on October 1, 2012. The matter is currently pending.
31. Our Company has filed a criminal complaint bearing number 158/11 before the Court of the Junior Division Civil Judge, Gautam Budh Nagar, Noida (“**Court**”) against Ms. Musarrat Jahan (“**Accused**”) u/s 418 and 420 of the Indian Penal Code, 1860 (“**Complaint**”). In the Complaint our Company stated that the Accused fraudulently executed trades and thereby caused wrongful losses to the Company. Further, it was prayed that cognizance be taken against the Accused and for a trial to be conducted against the Accused for the alleged offences. The Court took cognizance and issued summons to the Accused on December 21, 2010. The matter is currently pending.
32. Our Company has filed a criminal complaint bearing number 533/11 before the Court of the Junior Division Civil Judge, Gautam Budh Nagar, Noida, (“**Court**”) against Mr. Valiveti Ramchandra (“**Accused**”) u/s 418 and 420 of the Indian Penal Code, 1860 (“**Complaint**”). In the Complaint our Company stated that the Accused fraudulently executed trades and thereby caused wrongful losses to the Company. Further, it was prayed that cognizance be taken against the Accused and for a trial to be conducted against the Accused for the alleged offences. The Court took cognizance and issued summons to the Accused but in spite of service of summons to the Accused, the Accused failed to appear before the Court. In due course of proceedings the Court has saw it fit to issue Non Bailable Warrant against the Accused on September 28, 2012. The matter is currently pending.
33. Our Company has filed a criminal complaint bearing number 527/11 before the Court of the Junior Division Civil Judge, Gautam Budh Nagar, Noida (“**Court**”) against Mr. Din Dayal Kayan (“**Accused**”) u/s 418 and 420 of the Indian Penal Code, 1860 (“**Complaint**”). In the Complaint our Company stated that the Accused fraudulently executed trades and thereby caused wrongful losses to the Company. Further, it was prayed that cognizance be taken against the Accused and for a trial to be conducted against the Accused for the alleged offences. The Court took cognizance and issued summons to the Accused but in spite of service of summons to the Accused, the Accused failed to appear before the Court. In due course of proceedings the Court has saw it fit to issue Non Bailable Warrant against the Accused on September 23, 2012. The matter was settled between the parties and the Accused had made a payment in pursuant to the settlement. The case is currently pending for disposal.

34. Our Company has filed a criminal complaint bearing number 482/11 before the Court of the Junior Division Civil Judge, Gautam Budh Nagar, Noida (“**Court**”) against Ms. P. Yashodha and Another (“**Accused**”) u/s 418 and 420 of the Indian Penal Code, 1860 (“**Complaint**”). In the Complaint our Company stated that the Accused fraudulently executed trades and thereby caused wrongful losses to the Company. Further, it was prayed that cognizance be taken against the Accused and for a trial to be conducted against the Accused for the alleged offences. The Court took cognizance and issued summons to the Accused, but in spite of service of summons to the Accused, the Accused failed to appear before the Court. In due course of proceedings the Court has saw it fit to issue Non Bailable Warrant against the Accused on September 21, 2012. The matter is currently pending.
35. Our Company has filed a criminal complaint bearing number 476/11 before the Court of the Junior Division Civil Judge, Gautam Budh Nagar, Noida (“**Court**”) against Mr. Durgesh Kumar Tiwari and Others (“**Accused**”) u/s 418 and 420 of the Indian Penal Code, 1860 (“**Complaint**”). In the Complaint our Company stated that the Accused fraudulently executed trades and thereby caused wrongful losses to the Company. Further, it was prayed that cognizance be taken against the Accused and for a trial to be conducted against the Accused for the alleged offences. The Court took cognizance and issued summons to the Accused on December 21, 2010. Subsequently, the High Court granted a stay in the matter vide its order dated January 13, 2012 in case No. 1612/2012. The matter is currently stayed by the High Court and is pending adjudication.
36. Our Company has filed a criminal complaint bearing number 483/11 before the Court of the Junior Division Civil Judge, Gautam Budh Nagar, Noida (“**Court**”) against Mr. Anil Kumar Srivastava and Another (“**Accused**”) u/s 418 and 420 of the Indian Penal Code, 1860 (“**Complaint**”). In the Complaint our Company stated that the Accused fraudulently executed trades and thereby caused wrongful losses to the Company. Further, it was prayed that cognizance be taken against the Accused and for a trial to be conducted against the Accused for the alleged offences. The Court took cognizance and issued summons to the Accused on December 21, 2010. However, the matter has been settled with one of the accused Mr. Babu Lal Birodhi vide a settlement agreement dated December 10, 2012 and in that context, the Complainant filed an application before the Court for compounding of the offence against Mr. Babu Lal Birodhi. The matter is currently pending for further orders. The co-accused Mr. Anil Kumar Srivastava failed to appear against the summons and the Court issued Non Bailable Warrant against him on September 21, 2012. The matter is currently pending.
37. Our Company has filed a criminal complaint bearing number 485/11 before the Court of the Junior Division Civil Judge, Gautam Budh Nagar, Noida (“**Court**”) against Ms. Shilaben Manubhai and Others (“**Accused**”) u/s 418 and 420 of the Indian Penal Code, 1860 (“**Complaint**”). In the Complaint our Company stated that the Accused fraudulently executed trades and thereby caused wrongful losses to the Company. Further, it was prayed that cognizance be taken against the Accused and for a trial to be conducted against the Accused for the alleged offences. The Court took cognizance and issued summons to the Accused on December 22, 2010, but in spite of service of summons to the Accused, the Accused failed to appear before the Court. In due course of proceedings the Court has saw it fit to issue Non Bailable Warrant against the Accused on September 25, 2012. The matter is currently pending.
38. Our Company has filed a criminal complaint bearing number 481/11 before the Court of the Junior Division Civil Judge, Gautam Budh Nagar, Noida (“**Court**”) against Mr. G. George Benjamin Das and Others (“**Accused**”) u/s 418 and 420 of the Indian Penal Code, 1860 (“**Complaint**”). In the Complaint our Company stated that the Accused fraudulently executed trades and thereby caused wrongful losses to the Company. Further, it was prayed that cognizance be taken against the Accused and for a trial to be conducted against the Accused for the alleged offences. The Court took cognizance and issued summons to the Accused on December 22, 2010, but in spite of service of summons to the Accused, the Accused failed to appear before the Court. In due course of proceedings the Court has saw it fit to issue Non Bailable Warrant against the Accused on September 21, 2012. The matter is currently pending.

39. Our Company has filed a criminal complaint bearing number 427/11 before the Court of the Junior Division Civil Judge, Gautam Budh Nagar, Noida ("**Court**") against Mr. Shambhu Sharan Singh and Others ("**Accused**") u/s 418 and 420 of the Indian Penal Code, 1860 ("**Complaint**"). In the Complaint our Company stated that the Accused fraudulently executed trades and thereby caused wrongful losses to the Company. Further, it was prayed that cognizance be taken against the Accused and for a trial to be conducted against the Accused for the alleged offences. The Court took cognizance and issued summons to the Accused on December 22, 2010, but in spite of service of summons to the Accused, the Accused failed to appear before the Court. In due course of proceedings the Court has saw it fit to issue Non Bailable Warrant against the Accused on October 16, 2012. The matter is currently pending.
40. Our Company has filed a criminal complaint bearing number 488/11 before the Court of the Junior Division Civil Judge, Gautam Budh Nagar, Noida ("**Court**") against Mr. Krishna Mohan and Others ("**Accused**") u/s 418 and 420 of the Indian Penal Code, 1860 ("**Complaint**"). In the Complaint our Company stated that the Accused fraudulently executed trades and thereby caused wrongful losses to the Company. Further, it was prayed that cognizance be taken against the Accused and for a trial to be conducted against the Accused for the alleged offences. The Court took cognizance and issued summons to the Accused on December 21, 2010, but in spite of service of summons to the Accused, the Accused failed to appear before the Court. In due course of proceedings the Court has saw it fit to issue Non Bailable Warrant against the Accused on September 25, 2012. The matter is currently pending.
41. Our Company filed an application u/s 156 (3) for the registration of FIR bearing Complaint No. 881/13 before the Court of the Metropolitan Magistrate, District Court, Karkardoma, Delhi ("**Court**") against Mr. Sanjeev Kumar and Others ("**Accused**") u/s 403, 406, 420, 34 and 120 B of the Indian Penal Code, 1860 for taking cognizance of commission of offences ("**Complaint**"). In the Complaint our Company stated that Mr. Sanjiv Kumar Pandey had in active connivance with the other accused persons caused a monetary loss to the tune of approximately ₹ 4 million. The Court was pleased to direct the registration of FIR against the above Accused and accordingly FIR No.427/2013, dated December 1, 2013 was registered against the Accused in Police Station, Preet Vihar, Delhi and the same is currently under investigation.
42. Our Company registered a FIR against M/s. Shree Balaji Investment and others ("**Accused**") u/s 406,420 and 120B of the Indian Penal Code, 1860, bearing No.155/2013, dated March 25, 2013 ("**FIR**") at the Police station, Bowbazar, Kolkata for commission of the offences under aforementioned provisions. It was stated in the FIR, by Our Company that two partners of Shree Balaji, Mr. Rajeev Gupta and Govindji Gupta had cheated the Company by conducting fraudulent activities and damages to the tune of approximately ₹ 12.5 million were claimed. The matter is currently under investigation.
43. Our Company registered a FIR against Mr. Sunil Man Sighani and Mrs. Kanchan Man Singhani, the Directors of the Company Sunchan Securities Ltd. and Others ("**Accused**") u/s 406, 420 and 120B of the Indian Penal Code, 1860, bearing No.157/2013, on March 25, 2013 ("**FIR**") at the Police Station, Bowbazar, Kolkata for commission of the offences under the aforementioned provisions and damages to the tune of approximately ₹ 70 million was claimed in the FIR. The matter is currently pending investigation.
44. Our Company has filed the application u/s 156 (3) of the Criminal Procedure Code, 1973 against a former employee Mr. G.V. Sagar, before the Court of the Metropolitan Magistrate, Tis Hazari, Delhi for the commission of offences u/s 406, 420, 468 and 383 of the Indian Penal Code, 1860. Subsequently, the Court was pleased to dismiss the application u/s 156 (3) vide order dated May 5, 2013 and converted the application in to a Complaint u/s 200 of Criminal Procedure Code, 1973 and granted liberty to the Complainant to pre-summon evidence. The matter is currently pending adjudication.
45. Our Company registered a FIR bearing No.221/2014, dated June 4, 2014, against Mr. Swarup Paul and Others ("**Accused**") u/s 383, 384, 420, 406, 467, 468, 506, 34 and 120 B of the Indian Penal Code, 1860 ("**FIR**"), at the Police Station, Park Street, Kolkata for commission

of the offences under the aforementioned provisions and damages were claimed to the tune of approximately ₹ 2.5 million.

46. Our Company registered a FIR bearing No.627/2013, dated December 10, 2013, against Bharti Roy and Anup Roy (“**Accused**”) u/s 120B, 406, 420, 467, 468, 471 and 506 of the Indian Penal Code, 1860, and u/s 156 (3) of the Criminal Procedure Code, 1973, (“**FIR**”) at the Police Station, Park Street, Kolkata for commission of the offences under the aforementioned provisions and damages were claimed to the tune of approximately ₹ 2.5 million.
47. Our Company filed a criminal complaint bearing number 427/11, before the Court of Junior Division, Civil Judge, Gautam Budh Nagar, Noida u/s 418 and 420 of the Indian Penal Code, 1860, (“**Criminal Complaint**”), against Mr. Shambhu Sharan (“**Accused/Petitioner**”), who in turn filed a quashing petition bearing number 2577 of 2012 (“**Petition**”) before the Allahabad High Court (“**Court**”) praying for the quashing of the Criminal Complaint. Our Company also filed a recovery suit on February 19, 2009 against the Accused in District Court, Tis Hazari and the same was later withdrawn by our Company after settlement vide a settlement deed dated June 26, 2012. Thereafter, our Company received the summons from the Court on March 12, 2012 in CRR 2577/12 and consequently filed the Vakalatnama before the Court. The petition for quashing of the Criminal Complaint is pending adjudication.
48. Our Company filed a criminal complaint bearing number 476 of 2011, before the Court of Junior Division, Civil Judge, Gautam Budh Nagar, Noida u/s 418 and 420 of Indian Penal Code, 1860 (“**Criminal Complaint**”) against Mr. Durgesh Tiwari and Others (“**Accused/Petitioner**”), who in turn filed a quashing petition bearing number 1612 of 2012 (“**Petition**”) before the Allahabad High Court (“**Court**”) praying for the quashing of the Criminal complaint. Subsequently, our Company received the summons of the Court in CRR 1612/2012 on March 12, 2012. Further, the Court stayed the Criminal Complaint vide its Order dated January 13, 2012. The Vakalatnama has been filed by our Company in this case and the same is pending disposal.
49. Our Company filed a criminal complaint bearing number 479 of 2011 filed before the Court of Junior Division, Civil Judge, Gautam Budh Nagar, Noida u/s 418 and 420 of Indian Penal Code, 1860 (“**Criminal Complaint**”) against Ms. Shashi Jain (“**Accused**”) who in turn filed a quashing petition bearing application number 139 of 2013 (“**Petition**”) before the Allahabad High Court (“**Court**”) praying for quashing of the Criminal Complaint. Subsequently, our Company received the summons on February 25, 2013 from the Court for the hearing of the Petition. Further, the Court stayed the Criminal Complaint vide its Order dated January 13, 2012. The Vakalatnama has been filed by our Company in this case and the same is pending adjudication.

B. Civil Cases:

There are 248 civil proceedings filed by our Company relating to recovery of money and other related matters in various Courts. The aggregate of claim amounts filed by our Company is approximately ₹49.22 million.

C. Negotiable Instrument Cases:

There are 60 proceedings filed by our Company u/s 138 of the Negotiable Instruments Act, 1881 relating to dishonour of cheques received from the clients and non-clients in various Courts. The aggregate of claim amounts filed by our Company is approximately ₹159.55 million. Out of the cases filed under the Negotiable Instruments Act, 1881, the Material Cases are summarised below:

1. Our Company filed six Complaints bearing numbers 5206/SS/2010, 5207/SS/2010, 5208/SS/2010, 5209, 5210 and 5211/SS/2010 (“**Complaints**”) for dishonour of cheques amounting to ₹ 90 million against its trading member Sunchan Securities Limited and its Directors (“**Accused**”) at Metropolitan Magistrate, Delhi. Subsequently, the Complaints were withdrawn on territorial ground and filed before ACMM, 33rd Court; Ballard Pier, Mumbai (“**Court**”) on April 12, 2010. Our Company had also filed an Arbitration Application bearing

number F&O/M01013/2008 before the Arbitral Tribunal of the National Stock Exchange, Mumbai in December, 2008 and obtained an award in its favour on May 25, 2010 for ₹ 81.68 million together with interest at the rate of 12% from the date of award till its realization (“**Award**”). Pursuant to the Award, a winding up petition was filed by a creditor on April 3, 2011 against the Accused before the Bombay High Court (“**Petition**”). The Bombay High Court, vide its order dated June 15, 2012, allowed the Petition and ordered winding up of the Accused. The Complaints are currently pending.

2. Our Company filed 3 Complaints bearing numbers 3360/1/2009, 3384/1/2009 and 3385/1/2009 (“**Complaint**”) for dishonour of cheques aggregating to ₹ 70 million against its trading member Ganga Yamuna Finvest Private Limited (“**Accused**”) before the Metropolitan Magistrate, Delhi (“**Court**”) and the same are pending adjudication. Our Company also filed an arbitration application bearing number F&O/D0001/2009 before the Arbitral Tribunal of the National Stock Exchange, Delhi on November 24, 2009 and obtained an award in its favour on June 04, 2010 for ₹ 63.42 million together with interest at the rate of 12% till its realization (“**Award**”). Aggrieved by the Order, the Accused filed an objection u/s 34 of the Arbitration and Conciliation Act, 1996 before the Delhi High Court (“**High Court**”). The High Court, vide its order dated November 8, 2010 disposed of the objection u/s 34 of the Arbitration and Conciliation Act, 1996 and thereby allowed the arbitral award. Further, a winding up petition was filed against the Accused before the Delhi High Court by one of the creditors, i.e. Giriraj Rattan Dagga and the same is pending adjudication. Further, the High Court appointed the Official Liquidator on September 6, 2010, who sealed one of the properties of our Company presuming that the same belonged to the Accused. Our Company filed an application bearing number 1768/2010 on September 09, 2010 in the main winding up petition 42/2009 before the High Court for de-sealing of the said premises (“**Application**”). The High Court, vide its order dated August 4, 2011 disposed the Application. Thereafter our Company filed another application for de-sealing of the premises on August, 3, 2012, vide application number CA No.1476/2012 in CP No.42/2009 and the same was disposed of by the High Court vide its order dated January 23, 2014. Thereafter our Company being aggrieved by the High Court order filed an appeal against the order dated January 23, 2014 before the Divisional Bench of the High Court and the same was withdrawn on March 28, 2014. The proceeding for the winding up petition 42/2009 is currently pending. The matter is also currently pending.

D. Consumer Complaints:

There are 3 appeals filed by our Company before the Delhi State Consumer Disputes Redressal Commission against the orders passed by the District Consumer Forum, Delhi and Nainital. The matters are currently pending. The amount cannot be quantified in any of these cases.

E. Arbitration Proceedings:

There are 3 arbitration cases including appeal(s) filed by our Company in relation to the trade disputes pending for arbitration at the National Stock Exchange. The total amount involved in these arbitration proceedings is approximately ₹ 2.85 million.

F. Tax Cases:

NIL

G. Past Penalties imposed on the Company:

1. SEBI passed an Order bearing number WTM/PS/24/MIRSD/AUG/2013 dated August 2, 2013, against our Company for failure to collect the margin money in the approved form/mode and for wrongly reporting the same to the stock exchanges (“**Order**”). SEBI, vide the Order under section 19 of the SEBI Act, 1992 read with Regulations 28 (2) of the SEBI Intermediaries Regulations 2008, prohibited our Company from taking up any new assignments in the capacity of a clearing member for the F&O segment of the NSE for a period of three months. Aggrieved by the Order, our Company filed an appeal before the

Securities Appellate Tribunal (“SAT”) (“**Appeal**”). The SAT, vide order dated January 31, 2014, rejected the Appeal and upheld the Order (“**SAT Order**”). In furtherance to the SAT Order, our Company, in its capacity of a Clearing Member of the F&O Segment of NSE, suspended all activity and did not accept any new assignment for a period of 3 months. The NSE, vide letter dated June 17, 2014, confirmed that the period of three months, in compliance with SEBI’s order, ended on April 30, 2014.

2. The MCX-SX imposed a fine of ₹ 0.01 million pursuant to the inspections carried out for the period from October 7, 2008 to September 30, 2009 vide its letter dated April 29, 2010. The fine was imposed for inclusion of contravening clauses in client registration documents.
3. The MCX-SX imposed a fine of ₹ 0.04 million on our Company in accordance with the inspections carried out for the period, from November 1, 2009 to October 31, 2010 vide its letter dated June 6, 2011. This fine was imposed for lapses such as discrepancies pertaining settlement of funds and wrong reporting of client margin collections.
4. The NSE imposed a fine of ₹ 0.17 million on our Company pursuant to the inspections carried out for the period 2005-06 vide its letter dated February 12, 2007 in relation to the capital market segment. These fines have been imposed for lapses such as non-uploading of information in some instances in respect of Computer to Computer Link (“CTCL”) terminals to the Exchange, shortfall in collection of daily margins, receipts from clients through own bank accounts in some instances/ payments to clients through own bank account in some instances, non-issue of statement of accounts to some constituents and error in format of contract notes. The NSE, vide its letter dated January 31, 2008, after considering our submission and all relevant material in this regard, refunded an amount of ₹0.15 million out of the fine earlier levied.
5. The NSE, vide its letter dated June 20, 2008, imposed a fine of ₹ 0.004 million on our Company for its activities in the F&O Segment for the Financial Year 2007-08. This fine was imposed for lapse in operation of trading terminal by persons without NCFM certification.
6. The NSE, vide its letter dated February 1, 2010, imposed a fine of ₹ 2.52 million on our Company for the inspections carried out during December 2008 in relation to the F&O segment. An additional amount of ₹ 2.5 million was retained by the NSE for a period of 6 months with no exposure/ margin benefit to be provided, nor would the amount be adjusted against any other dues/ obligations to the exchange / clearing corporation against our Company. These fines were imposed for lapses such as wrong reporting of margins collected from the trading members. The NSE, vide its letter dated December 24, 2013, refunded an amount of ₹ 2.5 million levied as suspended sentence.
7. The NSE, vide its letter dated December 30, 2011, imposed a cumulative fine of ₹ 0.31 million and ₹ 0.07 million on our Company for the inspections carried out for the period of 2009-10 and 2010-2011 respectively in relation to the F&O, CM and CD segments. These fines were imposed for lapses such as unexplained use of funds raised by placing trading members’ securities with banks, wrong reporting of margins collected from the trading members in the F&O clearing segment of the NSE, funding of clients’ transactions, not obtaining consent of the clients for issuance of electronic contract note, holding of securities in constituent beneficiary account not reflected in holding of securities in register of securities, funding to clients by the trading member and delay in recovery of debit balances, actual settlement of funds and securities not done etc.
8. The NSE, vide its letter dated September 3, 2010, imposed a fine of ₹ 0.005 million on our Company for the inspections carried out for the period of 2009-2010 in relation to the CD segment. This fine was imposed for non-maintenance of the log report of Electronic Contract Note (“ECN”) non-delivered to the clients /e-mails rejected or bounced back.
9. The NSE, vide its letter dated April 29, 2011, imposed a fine of ₹0.01 million on our Company for the inspection conducted during December, 2010 in relation to CM and F&O Segment for non-display of Notice board at our Company’s sub-broker’s office.

10. The NSE, vide its letter dated July 31, 2012, imposed a fine of ₹ 0.14 million on our Company for the inspections conducted during March 2012 in relation to the F&O, CM and CD segments. These fines have been imposed for lapses such as funding to client transactions, operations of trading terminals other than by approved users, failure to display of notice board of trading member at the inspection location, error in uploading of CTCL data (user name), operation of trading terminals without NCFM certifications, contravening clauses included in client registration documents, non-implementation of systems to generate alerts for suspicious transactions and trading member created emails ids for clients. The NSE, vide its letter dated January 11, 2013, after considering our submissions and all relevant material in this regard, refunded an amount of ₹0.01 million from the fine earlier levied.
11. The NSE, vide its letter dated April 29, 2011, imposed a fine of ₹ 0.01 million on our Company for the limited purpose inspection carried out for the period of December 2010 in relation to the F & O and the CM segment. This fine has been imposed for not displaying notice board at Sub-Broker inspection location.
12. The NSE, vide its letter dated December 22, 2006, imposed a fine of ₹ 0.32 million for the inspections carried out for the period of 2005-2006 in relation to the F&O segment. These fines have been imposed for lapses such as wrong reporting of margin collected from the constituents, non-uploading of CTCL details, sharing of brokerage with entities other than authorised persons, non-issue of statement of accounts and terminals operated by persons without valid NCFM certification. The NSE, vide its letter dated January 31, 2008, after considering our submission and all relevant material in this regard, refunded an amount of ₹ 0.29 million out of the fine earlier levied.
13. The BSE, vide its letter dated November 19, 2009, imposed a fine of ₹ 0.01 million against Sam Global Securities Limited (since merged with our Company) for non-display of Notice board and SEBI registration certificate at our Company's sub-broker's office.
14. The NSE, vide its letter dated July 25, 2013, imposed a fine of ₹ 0.03 million on our Company for the inspection conducted during January 2013 in relation to the CM, F&O and CD segments. These fines were imposed for lapses such as operation of trading terminals other than approved person, failure to display the notice board & SEBI Registration certificate at Sub-Broker Location, failure to upload of CTCL terminal details to Exchange, operation of trading terminals without NCFM certifications, and observation pertaining to email ids of clients.

H. Details of any inquiry, inspection or investigation initiated or conducted under the Companies Act, 2013 or the previous companies law

There have been no inquiries, inspections or investigations initiated or conducted under the Companies Act, 2013 or the Companies Act, 1956 against the Company in the last five years, and no prosecution has been filed, or fines imposed, or compounding done by our Company under the Companies Act, 2013 or the Companies Act, 1956 in the last five years.

Outstanding dues to Small Scale Undertakings* or any other Creditors

As required by Section 22 of the Micro, Small and Medium enterprises Development Act, 2006, as amended, following are the details of the amount that our Company owes to micro, small and medium enterprises as on March 31, 2014:

<i>Particulars</i>	<i>In ₹ million</i>
The principal amount remaining unpaid to supplier as at the end of the accounting year.	-
The interest due thereon remaining unpaid to supplier as at the end of accounting year.	-
The amount of interest paid, along with the amounts of the payment made to the supplier beyond appointed day during the year.	-

<i>Particulars</i>	<i>In ₹ million</i>
The amount of interest paid in terms of section 18 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amounts of the payment made to the supplier beyond the appointed day during the year.	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding interest specified under this Micro, Small and Medium Enterprises Development Act, 2006.	-
The amount of interest accrued during the year and remaining unpaid at the end of year.	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises, for the purpose of disallowance as a deductible expenditure.	-

* The Company has initiated the process of identification of suppliers registered under Micro, Small and Medium Enterprise Development Act, 2006, by obtaining confirmations from all suppliers and information has been collected only to the extent of information received as at balance sheet date. Based on the information available with the Company, there are no suppliers who are registered as micro, small or medium enterprise under "The Micro, Small and Medium Enterprises Development Act 2006" as at March 31, 2014.

II. Litigations involving the Subsidiaries as on the date of this DRHP

Litigations against SMC Comtrade Limited:

A. SEBI / FMC Show Cause Notice:

NIL

B. Criminal complaints:

1. Ms. Ranjana Malvia ("**Complainant**") filed an FIR bearing number 255 of 2011 before the Jaggarnath Pur, Police Station, Ranchi on November 15, 2011 against, our Company, SMC Comtrade Limited ("**SMCCL**") Branch Manager and Others ("**Accused**") u/s 406, 420, 506 and 34 of the Indian Penal Code, 1860 ("**Complaint**"). The Complainant alleged unauthorised trading through her account and thereby reported an accrued loss of ₹ 0.25 million. Thereafter, our Company and SMCCL filed a petition bearing number 74 of 2012 before the High Court, Ranchi ("**Court**") for quashing of the FIR ("**Petition**"). The Court, vide order dated February 6, 2012, stayed the operation of the FIR and issued notice to the Complainant ("**Order**"). Subsequent to the Order, the Complainant filed its reply before the Court stating that she has no grievances against our Company or SMCCL and its officials and only against accused Mr. Abhay Kumar and Ms. Gayatri Devi. Thereafter, our Company and SMCCL withdrew the Petition. The matter is currently pending.
2. Ms. Anandi Sharma ("**Complainant**") filed a Complaint bearing number C/17805/11 before the Chief Metropolitan Magistrate, Calcutta ("**Court**") against SMC Comtrade Limited ("**SMCCL**") and its two employees Mr. Md. Massod Alam and Mr. Upendra Ram ("**Accused**") u/s 409 read with section 114 of the Indian Penal Code, 1860 ("**Complaint**"). The Complainant alleged that SMCCL and its employees indulged in unauthorised trading through her account and caused losses to the tune of ₹ 0.2 million invested by her. Thereafter, SMCCL filed a quashing petition u/s 482 of Criminal Procedure Code, 1973 before the High Court, Kolkata ("**Court**") on August, 17, 2012 ("**Petition**"). The Court, vide its order dated October 3, 2012, granted stay in the matter. Subsequently, the matter was settled and the Complaint was quashed by the Court vide its order dated March 5, 2013, on the basis of settlement between the parties. The Complaint is pending for withdrawal on the basis of direction passed by the Court.

C. *Civil Cases:*

There are 3 civil proceedings filed against SMC Comtrade Limited which are filed in relation to the recovery suits filed by SMC Comtrade Limited. The amount cannot be quantified in any of these cases.

D. *Negotiable Instrument Act Cases:*

Nil

E. *Consumer Complaints:*

There is 1 Consumer Appeal against SMC Comtrade Limited, with regards to deficiency of service and acting without authority. The claim cannot be quantified.

F. *Tax Cases:*

There are 2 income tax proceedings pending against SMC Comtrade Limited. The total tax liability in these income tax proceedings is ₹ 0.68 million.

G. *Arbitration Proceedings:*

NIL

H. *Notice*

1. Pursuant to an inspection of the book of accounts and other document conducted by the Forwards Market Commission (“FMC”) for the period of April 1, 2011 to March 31, 2012, the MCX Stock Exchange, vide email dated May 14, 2014, proposed to levy a penalty of ₹ 0.027 million on SMC Comtrade Limited for failure to segregate ‘client funds’ with ‘own funds’. SMC Comtrade was granted an opportunity to submit a reply by May 17, 2014. SMC Comtrade Limited submitted its reply and the matter is currently pending for disposal.

Litigation by SMC Comtrade

A. *Criminal complaints:*

1. SMC Comtrade Limited (“SMCCL”) filed a criminal complaint bearing number CC 15/2011 before the Chief Judicial Magistrate, Jaipur u/s 406 and 420 read with section 120B of Indian Penal Code, 1860 (“**Complaint**”) against Narnoli Bullion and others (“**Accused**”) In the Complaint our Company stated that the Accused obtained delivery of one kilogram of gold from the warehouse of SMCCL and failed to make payment amounting to ₹ 0.92 million (“**Complaint**”). Separately, SMCCL also filed a revision petition before Session Court, Jaipur against the order dated January 30, 2013 of Juvenile Justice Board, Jaipur to implead the Accused during proceedings as one of the accused in FIR 144/2006 alleging that he had obtained delivery of one kilogram of gold from the warehouse through Mr. Sandeep Soni (one of the Accused) and did not make payment thereof. The matter is currently pending. Further SMCCL has also filed an appeal before the High Court, Jaipur bench against the order dated March 13, 2013, of the Juvenile Justice Board, Jaipur whereby the Board was pleased to discharge the accused Mr. Sandeep Soni in the FIR 144/2006 relating to non-payment of amount ₹ 0.92 million of 1 Kg Gold, after delivery. The appeal is pending before Registry of the High Court, Jaipur.
2. SMC Comtrade Limited (“SMCCL”) filed a criminal complaint bearing number 530 of 2011 at Junior Division Civil Judge, Gautam Budh Nagar, Noida (“**Court**”) against Ms. Gomati Ben & Another. (“**Accused**”) u/s 418 and 420 of the Indian Penal Code, 1860 (“**Complaint**”). SMCCL stated in the Complaint that the Accused fraudulently executed trades and thereby caused wrongful loss to the Company. The Court issued summons to the Accused on

December 21, 2012. On account of the Accused not appearing before the Court, the Court Non-Bailable Warrant against the Accused on October 18, 2012. The matter is currently pending.

3. SMC Comtrade Limited (“**SMCCL**”) filed a criminal complaint bearing number 532 of 2011 at Junior Division Civil Judge, Gautam Budh Nagar, Noida (“**Court**”) against Mr. Rama Shankar Bajaj & Sons (“**Accused**”) u/s 418 and 420 of the Indian Penal Code, 1860, alleging that the Accused fraudulently executed trades and thereby caused wrongful loss to SMCCL (“**Complaint**”). The Court issued summons to the Accused on December 21, 2012. The Accused filed a petition before the High Court of Allahabad (“**High Court**”) dated December 01, 2011 bearing No. CM 39565/2011 u/s 482 of the Criminal Procedure Code, 1973 for quashing of the Complaint. The High Court has directed to SMCCL to file their reply or objection, if any by March 19, 2012. The matter is currently pending
4. SMC Comtrade Limited (“**SMCCL**”) filed a criminal complaint bearing number 534/11 at Junior Division Civil Judge, Gautam Budh Nagar, Noida (“**Court**”) against Mr. Gauri Shankar Bajaj & Sons (“**Accused**”) u/s 418 and 420 of Indian Penal Code, 1860 (“**Complaint**”). In the Complaint SMCCL stated that the Accused fraudulently executed trades and thereby caused wrongful loss to SMCCL. Further it was prayed to take the cognizance and to conduct trial against the Accused for the alleged offences. The Court issued summons to the Accused on December 21, 2012. The Accused filed a petition before High Court of Allahabad (“**High Court**”) dated December 01, 2011 bearing No. CM 39567/2011 u/s 482 of the Criminal Procedure Code, 1973, for quashing of the Complaint. The High Court has directed SMCCL to file their reply or objection, if any by March 12, 2012. The matter is currently pending.
5. SMC Comtrade Limited (“**SMCCL**”) filed a criminal complaint bearing number 467/11 at Junior Division Civil Judge, Gautam Budh Nagar, Noida (“**Court**”) against Mr. Vijay Shankar Bajaj & Sons (“**Accused**”) u/s 418 and 420 of Indian Penal Code, 1860, alleging that the Accused fraudulently executed trades and thereby caused wrongful loss to the Company and prayed to take the cognizance against the Accused and to conduct trial against the Accused for the alleged offences (“**Complaint**”). The Court issued summons to the Accused on December 16, 2010. The Accused filed a petition before the High Court of Allahabad (“**High Court**”) dated December 1, 2011 bearing No. CM 39566/2011 under sec. 482 of Criminal Procedure Code, 1973 for quashing of the Complaint No. 467/2011. The High Court has directed SMCCL to file their reply or objection, if any by March 2, 2012. The matter is currently pending.
6. SMC Comtrade Limited (“**SMCCL**”) filed a criminal complaint bearing number 77/11 at Junior Division Civil Judge, Gautam Budh Nagar, Noida (“**Court**”) against Mr. Vikramjit and Another. (“**Accused**”) u/s 418 and 420 of Indian Penal Code, 1860 (“**Complaint**”). SMCCL in the Complaint stated that the Accused fraudulently executed trades and thereby caused wrongful loss to the Company and prayed to take the cognizance against the Accused and to conduct trial against the Accused for the alleged offences. The Court issued summons to the Accused on December 23, 2010 but in spite of service of summons to the Accused, the Accused has not appeared before the Court. In due course of proceedings the Court has issued the Non Bailable Warrant on October 20, 2012 against the Accused. The matter is currently pending.
7. SMC Comtrade Limited (“**SMCCL**”) filed a criminal complaint bearing number 487/11 at Junior Division Civil Judge, Gautam Budh Nagar, Noida (“**Court**”) against Mr. Jitender Singh and Another (“**Accused**”) u/s 418 and 420 of Indian Penal Code, 1860 (“**Complaint**”). SMCCL stated in the Complaint that the Accused fraudulently executed trades and thereby caused wrongful loss to the Company and prayed to take the cognizance against the Accused and to conduct trial against the Accused for the alleged offences. The Court issued summons on December 16, 2010 to the Accused but in spite of service of summons to the Accused, the Accused did not appear before the Court. In due course of proceedings the Court has issued the Non Bailable Warrant against the Accused on September 25, 2012. The matter is currently pending.

8. SMC Comtrade Limited (“SMCCL”) filed a complaint bearing number 532/11 before the Court of Junior Division, Civil Judge, Gautam Budh Nagar, Noida u/s 418 and 420 of Indian Penal Code, 1860 (“**Complaint**”) against Mr. Rama Shanker Bajaj and Sons (“**Accused**”) who in turn filed a quashing petition bearing number 39565/11 (“**Petition**”) before the Allahabad High Court (“**Court**”) praying for quashing of the Complaint filed by SMCCL. Thereafter, SMCCL received the summons on March 12, 2012 as issued by the Court and filed the Vakalatnama before the Court. The matter is pending.
9. SMC Comtrade Limited (“SMCCL”) filed a complaint bearing number 934/10 before the Court of Junior Division, Civil Judge, Gautam Budh Nagar, Noida u/s 418 and 420 of Indian Penal Code, 1860, against Mr. Gauri Shanker Bajaj and Sons (“**Accused**”) who in turn filed a quashing petition bearing number 39577/2011 (“**Petition**”) before the Allahabad High Court (“**Court**”) praying for quashing of the Complaint filed by SMCCL. Thereafter, SMCCL had received the summons on March 12, 2012 as issued by the Court and duly filed the Vakalatnama before the Court. The same is pending.
10. SMC Comtrade Limited (“SMCCL”) filed a complaint bearing number 467/11 before the Court of Junior Division, Civil Judge, Gautam Budh Nagar, Noida u/s 418 and 420 of Indian Penal Code, 1860 (“**Complaint**”) against Mr. Vijay Shanker Bajaj and Sons (“**Accused**”) who in turn filed a quashing petition bearing number 39566/2011 (“**Petition**”) before Allahabad High Court (“**Court**”) praying for quashing of the Complaint filed by SMCCL. Thereafter, the Company received the summons on March 12, 2012 issued by the Court and duly filed the Vakalatnama before the Court and the same is pending.

B. Civil Litigations:

There are 51 civil proceedings filed by SMC Comtrade Limited relating to recovery of money and other related matters in various Courts. The aggregate of claim amounts filed by the SMC Comtrade Limited is approximately ₹11.40 million.

C. Cases filed under the Negotiable Instruments Act, 1881:

There are 8 proceedings filed by SMC Comtrade Limited u/s 138 of the Negotiable Instruments Act, 1881 relating to dishonour of cheques in various Courts. The aggregate of claim amounts filed by SMC Comtrade Limited is approximately ₹ 1 million.

D. Consumer Complaints:

NIL

E. Arbitration Proceedings:

NIL

F. Tax Cases:

NIL

Past Penalties imposed on SMC Comtrade Limited

- The MCX vide its letter dated August 4, 2007, imposed a fine of ₹ 0.008 million for the inspections carried out for the period from April 2005 to March 2006. The fine was imposed for lapses such as non-maintenance of books of accounts, documents, non-segregation of bank account for own expenses and client’s money, KYC forms not following prescribed format, member client agreement not in prescribed format and use of the logo/emblem of MCX.

- The FMC-MCX vide their letter dated November 19, 2007 imposed a fine of ₹ 0.09 million for the inspections carried out for the period from April 2005 to November 2006. This fine has been imposed for lapses such as non-maintenance of trade confirmation slips, failure to display of MCX registration certificate on notice board, discrepancies in KYC forms, discrepancies in member client agreement, failure to obtaining some authorization from clients, non-maintenance of duplicate copy of contract note and proof of dispatch, non-segregation of client's funds, use of trading terminal other than approved user and advertisement without prior approval of the Exchange.
- The FMC-MCX vide its letter dated November 26, 2008, imposed a fine of ₹ 0.002 million for the inspections carried out for the period from April 2006 to August 2007. This fine has been imposed for lapses such as discrepancies in KYC forms and use of the logo/emblem of MCX.
- The FMC-NCDEX vide its letter dated March 21, 2009, imposed a fine of ₹ 0.005 million for the inspections carried out for the period from April 2006 to August 2007. This fine has been imposed for the PAN number not being available on contract note.

Litigations against SMC Insurance Brokers Private Limited

A. Criminal complaints:

1. Mr. Pragati Mohapatra ("**Complainant**") has registered a FIR number 120/2010 at the Police Station, Vasant Kunj, New Delhi against SMC Insurance Brokers Private Limited ("**SMCIBPL**") and Canara Bank ("**Accused**") u/s 406, 420 and 120B of the Indian Penal Code, 1860 read with section 156 (3) of the Criminal Procedure Code, 1973. In the Complaint it is stated that the Complainant was cheated by the Accused, by engaging in fraudulent practices. SMCIBPL received notice dated July 15, 2010 from Police Station, Vasant Kunj and submitted the requisite documents. There are no allegations against the Directors of SMC Insurance brokers Private Limited and the matter is currently under investigation.
2. A FIR number. 44/2014 was registered at the Police station in, Dombivali, Thane u/s 420, 511 and 34 of the Indian Penal Code, 1860, against SMC Insurance Brokers Private Limited ("**Company**"). The Company received summon u/s 160 of Criminal Procedure Code, 1973 and submitted all the required documents. As per the issued summons, the FIR No. 44/2014 was registered against the Company and the matter is under investigation
3. Mr. Raghav Prasad Pathak registered a FIR number 45/2014, on January 23, 2014 at the Police Station Kotwali Nagar, Faizabad, Uttar Pradesh u/s 419 and 420 of the Indian Penal Code, 1860, against the employees of ICICI Bank and SMC Insurance Brokers Private Limited ("**Accused**") for causing a loss to the tune of ₹ 3.5 million by indulging in fraudulent insurance activities. The matter is currently under investigation.
4. Mr. Himanshu Kapoor ("**Complainant**") registered a FIR bearing number 237/14 on July 25, 2014 against Mr. Vipin Singh, Upasana Ahuja and Aman Azad, employees of SMC Insurance Brokers Private Limited ("**Accused**") in Lucknow, u/s 406, 420, 467, 468, 471 and 506 of the Indian Penal Code, 1860 ("**Complaint**"). It was stated in the Complaint that offences such as cheating, criminal breach of trust were committed against the Complainant. Further, a Writ Petition bearing number 8465/2014 was filed before the High Court, Lucknow ("**Court**"), by SMC Insurance Brokers Private Limited ("**SMCIBPL**") on behalf of Mrs. Upasana Ahuja, Mr. Vipin Singh and Mr. Aman Azad for quashing of the Complaint against the Accused ("**Writ Petition**"). The High Court, in this matter directed that no coercive steps shall be taken for a period of one month from August 3, 2014. Subsequently, SMCIBPL withdrew the Writ Petition for re-filing. The second Writ Petition vide no. 9706/2014 was filed and disposed of vide order dated October 8, 2014 with directions to file the application for extension/modification in the original Writ Petition. SMCIBPL is in the process of filing of the application, pursuant to the Court's directions. The matter is currently pending.
5. Atam Prakash Madan ("**Complainant**") registered a FIR number 476, u/s 406, 420 and 120B of the Indian Penal Code, 1860, dated June 18, 2014, against SMC Insurance Brokers Private Limited ("**SMCIBPL**") at the Police Station - Economic Offences Wing, Karnal, Haryana ("**Department**"). It was stated in the Complaint that the Accused cheated the Complainant to the tune of approximately ₹2.8 million by providing the insurance policies of different companies and cash receipt. SMCIBPL

received notice dated August 25, 2014 from the Department and submitted the required documents on September 9, 2014 relating to the policies of Bharti Axa LIC routed through it. No Directors or employees of SMC Insurance Brokers Private Limited are implicated or accused in the Complaint.

6. A Notice dated March 21, 2014, was received from Cyber Crime, CID (“**Department**”) by SMC Insurance Brokers Private Limited (“**SMCIBPL**”) where in it was directed to provide documents relating to the business operation of the SMCIBPL. It was alleged in the notice that SMCIBPL was using the data of ICICI Prudential Life (“**Complainant**”) and accordingly the matter was clarified before the officials and there has been no further action taken by the Department in this regard.
7. A FIR No. 354, dated July 3, 2010 was registered against the director of SMC Insurance Brokers Private Limited (“**SMCIBPL**”), Mr. Ajay Garg under the Companies Act, 1956. SMCIBPL is in the process of closing of the same by depositing the requisite penalty for the non-compliance of the above said act. The matter was disposed of by the Court for non-appearance of the State (“**Complainant**”) on November 19, 2011.
8. A FIR number 589 dated August 6, 2010 was registered by the Labour Commissioner, against the director of SMC Insurance Brokers Private Limited and Mr. Ajay Garg, under the Minimum Wages Act 1948, for non-compliance of the labour laws. The matter has been kept in abeyance by the Court u/s 299 of Criminal Procedure Code, 1973.

B. Civil Cases:

There is one matter pending before the Court of Civil Judge, Senior Division, Ambala City (“**Court**”) filed by Mr. Sandeep Kumar Swarup against SMC Insurance Brokers Private Limited (“**SMCIBPL**”), Mr. Praveen Aggarwal, Mr. Ravi Aggarwal and others (“**Respondent**”) relating to recovery of salary dues amounting to ₹ 0.098 million along with interest and other expenses under Rule 1 (7) of the Civil Procedure Code, 1908. SMCIBPL has filed an interim application before the Court, u/s 8 of the Arbitration and Conciliation Act, 1996 and the matter is currently pending.

C. Negotiable Instrument Act Cases:

NIL

D. Consumer Complaints:

There are 14 consumer cases filed against SMC Insurance Brokers Private Limited (“**SMCIBPL**”) relating to the deficiency of services and other related matters in various forums u/s 12 of the Consumer Protection Act, 1956. The aggregate of claim amounts filed against SMCIBPL is approximately ₹4.27 million.

E. Arbitration Proceedings:

NIL

F. Labour Matters:

There is 1 employee matter pending before the Labour and Industrial Tribunals filed by ex-employees of SMC Insurance Brokers Private Limited (“**SMCIBPL**”) against SMCIBPL relating to employment disputes under Rule 1 (7) of the Civil Procedure Code. The aggregate amount of claim filed against SMCIBPL is approximate ₹ 0.28 million.

G. Tax Cases:

NIL

H. Notices:

NIL

I. Past Penalties:

1. Office of the Collector of Stamp imposed a fine vide an order No. 10(7705) COS (HQ)/3021, dated September 22, 2014 of ₹ 0.094 million along with a penal interest at the rate 12%, which amounted to ₹ 0.067 million, on SMC Insurance Brokers Private Limited pursuant to a notice No. F./Audit/Stamp duty/shares/10/967 dated May 11, 2012 from the revenue department, Government of NCT of Delhi, for non-payment of duty chargeable under the Indian Stamp Act, 1899. The penalty was imposed for failure to pay the requisite stamp duty under the Indian Stamp Act, 1889.

Litigations by SMC Insurance Brokers Private Limited

A. Criminal Cases:

1. SMC Insurance Broker Private Limited has registered a FIR at Police Station, Civil Lines, Karnal, Haryana, u/s 156 (3) of Criminal Procedure Code, 1973 vide FIR number 946, dated October 09, 2012 u/s 408, 420, 467, 468 and 471 of the Indian Penal Code, 1860 against an ex-employee of SMC Insurance Brokers Private Limited, Mr. Vikas Chug. The matter is pending and is currently under investigation.

B. Civil Cases:

NIL

C. Negotiable Instrument Act Cases:

NIL

D. Consumer Complaints:

NIL

E. Arbitration Proceedings:

NIL

F. Tax Cases:

NIL

Litigations against Moneywise Financial Services Private Limited

A. SEBI Show Cause Notice

NIL

B. Criminal Cases:

NIL

C. Civil Cases:

NIL

D. Negotiable Instrument Act Cases:

NIL

E. Consumer Complaints:

NIL

F. Arbitration Proceedings:

NIL

G. Tax Cases:

There is 1 case related to the payment of Income Tax pending against Moneywise Financial Services Private Limited under Section 143(3) of the Income Tax Act, 1961, from the Office of the Additional Commissioner of Income Tax, Kolkata. The tax liability of Company is potentially ₹ 0.4 million. An appeal has been preferred in this matter and the same is currently pending for adjudication before the Appellate Authority.

Litigation by Moneywise Financial Services Private Limited

A. Criminal Cases:

NIL

B. Civil Cases:

NIL

C. Negotiable Instrument Act Cases:

There is 1 proceeding filed by Moneywise Financial Services Limited (“MFSL”) u/s 138 of the Negotiable Instruments Act, 1881 relating to dishonour of cheques received from the their clients in before the Metropolitan Magistrate, New Delhi The case was received back by MFSL on jurisdiction ground for filing in Mumbai in view of the latest judgement dated August 1, 2014 in the matter of Dashrath Rupsingh Rathod v. State of Maharashtra passed by the Supreme Court of India. The aggregate of claim amounts filed by Moneywise Financial Services Limited is approximately ₹3.06 million. The case is currently pending before the Metropolitan Magistrate, Mumbai.

D. Consumer Complaints:

NIL

E. Arbitration Proceedings:

NIL

Litigations against SMC Investments and Advisors Limited

A. SEBI Show Cause Notice

NIL

B. Criminal Cases:

NIL

C. Civil Cases:

There is one civil petition bearing number 672/2011 pending against SMC Investments and Advisors Limited (“SMCIAL”) wherein SMCIAL have been made a party along with Bharti Axa General

Insurance Company Limited. The amount claimed by the petitioner is ₹ 2.5 million u/s 166 and 140 of the Motor Vehicle Act, 1988, wherein owner of the vehicle was SMCIAL. The matter is currently listed for final arguments on November 21, 2014 before the District Court, Patiala House, Delhi.

D. Negotiable Instrument Act Cases:

NIL

E. Consumer Complaints:

NIL

F. Arbitration Proceedings:

NIL

G. Tax Cases:

NIL

H. Notices from Statutory and Regulatory Authorities:

SMC Investments and Advisors Limited (formerly SMC Wealth Management Services Limited) received a notice bearing No. F./Audit/Stamp duty/shares/10/969 dated May 11, 2012 from the revenue department, Government of NCT of Delhi, for non-payment of duty chargeable under the Indian Stamp Act, 1899 on issue of shares and directing SMC Investments and Advisors Limited to furnish original share certificates along with documentary evidences of payment of stamp duty chargeable. SMC Investments and Advisors Limited replied to this notice vide its letter dated July 11, 2012 and submitted on September 21, 2012 making submissions that the stamp duty has been paid and that SMC Investments and Advisors Limited has complied with all the provisions of the Indian Stamp Act, 1899. The final order is awaited from the Commissioner under the Indian Stamp Act, 1899. The matter is currently pending.

Litigations by SMC Investments and Advisors Limited

NIL

Litigations against SMC Capitals Limited

A. SEBI Show Cause Notice

NIL

B. Criminal Cases:

NIL

C. Civil Cases:

NIL

D. Negotiable Instrument Act Cases:

NIL

E. Consumer Complaints:

NIL

F. Arbitration Proceedings:

NIL

G. Tax Cases:

NIL

H. Notices from Statutory and Regulatory Authorities:

SMC Capitals Limited received a notice bearing number F./Audit/Stamp duty/shares/10/966 dated May 11, 2012 from the Revenue Department, Government of NCT of Delhi, for non-payment of duty chargeable under the Indian Stamp Act, 1899 on issue of shares and directing SMC Capitals Limited (“SCL”) to furnish original share certificates along with documentary evidences of payment of stamp duty chargeable. SCL replied to this notice vide its letter dated August 13, 2012 and submitted on September 21, 2012 making submissions that the stamp duty has been paid and SCL has complied with the Indian Stamp Act, 1899. SCL has not received any further correspondence in the matter. The final order is awaited from the Commissioner appointed under the Indian Stamp Act. The matter is currently pending.

Litigations by SMC Capitals Limited

NIL

Litigations against SMC Share Brokers Limited

NIL

Litigations by SMC Share Brokers Limited

A. Criminal Cases:

NIL

B. Civil Cases:

There is one writ petition, filed by SMC Share Brokers Limited (as one of the parties), bearing case number 2289 of 2006 before the Delhi High Court (“**High Court**”) against the order of the Assistant Provident Fund Tribunal (“**Tribunal**”) wherein the Tribunal had ruled that SMC Credit Limited, SMC Share Brokers Limited and our Company are operating under same management and hence provisions of provident fund act are applicable to them. The matter is pending adjudication before the High Court. The matter cannot be quantified.

C. Negotiable Instrument Act Cases:

NIL

D. Consumer Complaints:

NIL

E. Arbitration Proceedings:

NIL

F. Tax Cases:

NIL

Litigations involving SMC ARC Limited

NIL

Litigations involving Moneywise Finvest Limited

NIL

Litigations involving SMC Finvest Limited

NIL

Litigations involving SMC Comex International DMCC

NIL

Litigations involving SMC Real Estate Advisors Private Limited

NIL

III. Litigations involving our Promoters as on the date of the DRHP

Outstanding Litigations and Material Developments/Proceedings against our Promoters:

1. Mr. Subhash Chand Aggarwal:

There are 8 criminal cases against Mr. Subhash Chand Aggarwal, please refer to “*Litigations against our Company*” for further details.

2. Mr. Mahesh Chand Gupta:

There are 3 criminal cases against Mr. Mahesh Chand Gupta, please refer to “*Litigations against our Company*” for further details

3. Ms. Sushma Gupta:

NIL

4. Mr. Damodar Krishan Aggarwal:

NIL

A. Outstanding Litigations and Material Developments/Proceedings filed by our Promoters:

Except as stated above, there are no pending litigations, including disputed outstanding litigations and material developments/ proceeding filed by our Promoters.

B. Proceedings initiated against the Promoters for economic offences

There are no proceedings initiated against our Promoters for any economic offences.

C. Details of past penalties imposed on our Promoters by the authorities concerned

There are no past penalties imposed on our Promoters by the authorities concerned.

D. Litigations against the Promoters involving violation of statutory regulations or alleging criminal offence

Except as mentioned above, there are no litigations against our Promoters involving violation of statutory regulations or alleging criminal offence.

E. Criminal/civil cases against the promoters towards tax liabilities

There are no criminal/civil cases against the Promoters towards tax liabilities.

F. Litigation/ legal action pending or taken by any Ministry or Department of the Government or a statutory authority against any Promoter.

There are no litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against any promoters of the issuer company during the last five years immediately preceding the year of the issue of the prospectus and any direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action shall be disclosed.

IV. Litigations involving the Group Companies of our Company as on the date of this DRHP

There are no litigations proceedings involving our Group Companies.

V. Litigations involving the Directors of our Company as on the date of this DRHP

A. Outstanding Litigations and Material Developments/Proceedings against the Directors of our Company

Except as disclosed herein, there are no outstanding litigation involving the Directors including criminal prosecutions or civil proceedings involving the Directors, and there are no material defaults, non-payment of statutory dues, over dues to banks/financial institutions or defaults against banks/financial institutions by our Directors (including disputed tax liabilities, past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (i) of part 1 of Schedule XIII of the Companies Act). However, incidental to the business of our Company, parties may from time to time file suits impleading our Company through or along its respective officers and Directors in their official capacity.

1. Mr. Subhash Chand Aggarwal:

There are 8 criminal cases against Mr. Subhash Chand Aggarwal, please refer to “*Litigations against our Company*” for further details.

2. Mr. Mahesh Chand Gupta:

There are 3 criminal cases against Mr. Mahesh Chand Gupta, please refer to “*Litigations against our Company*” for further details.

3. Mr. Ajay Garg:

There are 2 criminal cases pending against Mr. Ajay Garg, please refer to “*Litigations against our Company*” for further details.

4. Mr. Anurag Bansal

NIL

5. *Mr. Pradeep Aggarwal:*

NIL

6. *Mr. Finery Cherian*

NIL

7. *Mr. Narain Dass Gupta*

NIL

8. *Mr. Hari Das Khunteta*

NIL

9. *Mr. Johannes Hendrik Petrus Van Der Merwe*

NIL

10. *Mr. Roop Chand Jindal*

NIL

11. *Mr. Pawan Kumar Bansal*

NIL

12. *Mr. Kundan Mal Agarwal*

NIL

13. *Mr. Satish Chandra Gupta*

NIL

14. *Mr. Chandra Wadhwa*

NIL

15. *Dr. Madhu Vij*

NIL

B. Outstanding Litigations and Material Developments/Proceedings filed by the Directors

Except as stated above, there are no pending litigations, including disputed outstanding litigations and material developments/proceeding filed by the Directors.

C. Proceedings initiated against the Directors for economic offences

There are no proceedings initiated against the Directors for any economic offences.

D. Details of past penalties imposed on our Directors by the authorities concerned

There are no past penalties imposed on the Directors by the authorities concerned.

E. Litigations against the Directors involving violation of statutory regulations or alleging criminal offence

Except as mentioned above, there are no litigations against the Directors involving violation of statutory regulations or alleging criminal offence.

F. Criminal/ civil cases against the Directors towards tax liabilities

Except as mentioned above, there are no criminal/ civil cases against the Directors towards tax liabilities.

GOVERNMENT AND OTHER APPROVALS

Except as stated below, we have received the necessary consents, licenses, permissions and approvals from the Government of India and various other agencies required for our present business and to undertake the Issue and no further material approvals are required for carrying on our present activities. In addition, except as mentioned in this section "Government and Other Approvals", as on the date of the Draft Red Herring Prospectus, there are no pending regulatory and government approvals and no pending material renewals of licenses or approvals in relation to the activities we have undertaken or in relation to the Issue.

I. APPROVALS FOR THE ISSUE:

The Fresh Issue has been authorised by a resolution passed by the Board of Directors on August 13, 2014, subject to the approval of shareholders of our Company through a special resolution to be passed pursuant to Section 62 of the Companies Act.

The Shareholders of our Company have authorised the Fresh Issue by a special resolution pursuant to Section 62 of the Companies Act, passed at the AGM of our Company held on September 26, 2014.

The Selling Shareholder has authorised the Offer for Sale pursuant to the terms of resolution of its board of directors dated October 14, 2014.

In-principle approval from the BSE, the NSE, the DSE, the LSE, the CSE and the ASE dated [●], [●], [●], [●], [●] and [●].

II. APPROVALS FOR THE BUSINESS:

We have received the following government and other approvals pertaining to the business:

SMC Global Securities Limited

Securities and Exchange Board of India

Sr. No	Description / Activity	Issuing Authority	Reference / License No.	Issue / Renewal Date	Expiry Date
1.	Member of NSE as a Stock Broker	SEBI	INB230771431	August 30, 1995	This certificate is valid until it is suspended or cancelled.
2.	Trading member of NSE for derivative segment	SEBI	INF230771431	July 03, 2000	This certificate is valid until it is suspended or cancelled.
3.	Clearing member of NSE for derivative segment	SEBI	INF230771431	July 03, 2000	This certificate is valid until it is suspended or cancelled.
4.	Trading member of NSE for currency derivatives segment	SEBI	INE230771431	August 25, 2008	This certificate is valid until it is suspended or cancelled.
5.	Clearing member of NSE for currency derivatives segment	SEBI	INE230771431	August 25, 2008	This certificate is valid until it is suspended or cancelled.
6.	Member of BSE as a Stock Broker	SEBI	INB011343937	July 13, 2009	This certificate is valid until it is suspended or cancelled.
7.	Trading member of BSE for derivative segment	SEBI	INF011343937	July 13, 2009	This certificate is valid until it is suspended or cancelled.
8.	Clearing member of BSE for derivative segment	SEBI	INF011343937	July 13, 2009	This certificate is valid until it is suspended or cancelled.
9.	Trading member of BSE for currency	SEBI	INE011343937	November 26, 2013	This certificate is valid until it is suspended or cancelled.

Sr. No	Description / Activity	Issuing Authority	Reference / License No.	Issue / Renewal Date	Expiry Date
	derivatives.				
10.	Clearing member of BSE for currency derivatives.	SEBI	INE011343937	November 26, 2013	This certificate is valid until it is suspended or cancelled.
11.	Clearing member of MCX Stock Exchange Limited for Currency Derivative Segment	SEBI	INE260771431	September 30, 2008	This certificate is valid until it is suspended or cancelled.
12.	Trading member of MCX Stock Exchange Limited for Currency Derivative Segment	SEBI	INE260771431	September 30, 2008	This certificate is valid until it is suspended or cancelled.
13.	Trading Member of MCX Stock Exchange Limited for Capital Market Segment	SEBI	INB 260771432	February 5, 2013	This certificate is valid until it is suspended or cancelled.
14.	Trading Member MCX Stock Exchange Ltd. for F&O Segment	SEBI	INF 260771432	February 5, 2013	This certificate is valid until it is suspended or cancelled.
15.	Clearing Member of MCX Stock Exchange Ltd. for F&O Segment.	SEBI	INF 260771432	February 5, 2013	This certificate is valid until it is suspended or cancelled.
16.	Trading member of United Stock Exchange of India Limited for currency derivative segment	SEBI	INE271343936	June 20, 2011	This certificate is valid until it is suspended or cancelled.
17.	Clearing member of United Stock Exchange of India Limited for currency derivative segment	SEBI	INE271343936	June 20, 2011	This certificate is valid until it is suspended or cancelled.
18.	Member of Ludhiana Stock Exchange as a Stock Broker	SEBI	INB120788035	September 14, 1995	This certificate is valid until it is suspended or cancelled.
19.	As a depository participant with CDSL	SEBI	IN-DP-CDSL-583-2010	September 28, 2010	September 27, 2015
20.	As a depository participant with NSDL	SEBI	IN-DP-NSDL-333-2010	September 16, 2010	September 15, 2015

Association of Mutual Funds of India

Sr. No	Description / Activity	Issuing Authority	Reference / License No.	Issue / Renewal Date	Expiry Date
1.	AMFI Registered Mutual Fund advisor	AMFI	ARN-29345	September 07, 2013	September 06, 2016

Stock Exchanges

Sr. No	Description / Activity	Issuing Authority	Reference / License No.	Issue / Renewal Date	Expiry Date
1.	Provisional permission	NSE	NSEIL/FO/INET/41	July 12, 2004	This permission is valid

Sr. No	Description / Activity	Issuing Authority	Reference / License No.	Issue / Renewal Date	Expiry Date
	to provide internet based trading services in F&O segment		02-7		until it is suspended or cancelled.
2.	Provisional permission to provide internet based trading services in capital markets segment	NSE	NSEIL/CMO/INET/4102-7	July 12, 2004	This certificate is valid until it is suspended or cancelled.
3.	Provisional permission for Internet Based Trading Services in futures & options Segment	NSE	NSEIL/INET/8432-T	December 09, 2004	This certificate is valid until it is suspended or cancelled.
4.	Provisional permission for Internet Based Trading Services in capital markets Segment	NSE	NSEIL/INET/8432-T	December 09, 2004	This certificate is valid until it is suspended or cancelled.
5.	Provisional permission for modification of internet based trading software in the capital markets and future & options segment	NSE	NSEIL/INET/19504-L	January 06, 2006	This certificate is valid until it is suspended or cancelled.
6.	Provisional permission for modification of internet based trading software in the currency derivative segment	NSE	NSEIL/INET/15774 9-V	January 25, 2012	This certificate is valid until it is suspended or cancelled.
7.	Provisional permission for securities trading using wireless technology (STWT) in the capital markets, F&O and currency markets	NSE	NSEIL/STWT/1603 29-T	February 21, 2012	This certificate is valid until it is suspended or cancelled.
8.	Permission for going live on ITORS	BSE	MEB/SNK/AB/CS/0477/2005	November 29, 2005	This certificate is valid until it is suspended or cancelled.
9.	Permission to use ODIN Diet IBT software	MCX Stock Exchange Limited	MCX-SX/CTCL/2011/1615	April 20, 2011	This certificate is valid until it is suspended or cancelled.
10.	Permission to use ODIN Net.net IBT software	MCX Stock Exchange Limited	MCX-SX/CTCL/2011/1616	April 20, 2011	This certificate is valid until it is suspended or cancelled.
11.	Permission to use CTCL software – ODIN	MCX Stock Exchange Limited	MCX-SX/CTCL/2011/1614	April 20, 2011	This certificate is valid until it is suspended or cancelled.
12.	Membership of Debt Segment	National Stock Exchange of India Ltd.	07714	May 13 2013	Letter dated 17 th May 2013 (Receipt of the Certificate is pending)

Sr. No	Description / Activity	Issuing Authority	Reference / License No.	Issue / Renewal Date	Expiry Date
13.	Membership of Debt Segment	Bombay Stock Exchange Ltd.	MO/AK/ANK/2203/2014	July 4 2013	Letter dated 24 th July 2014 (Receipt of the Certificate is pending)

Income Tax

Sr. No	Description	Issuing Authority	Reference / License No.
1.	Permanent Account Number	Income Tax department	AAACS0581R
2.	Tax Deduction Account Number	Income Tax department	DELS09489E

Service Tax

Sr. No	Description	Issuing Authority	Reference / License No.	Issue / Renewal Date	Expiry Date
1.	Service tax registration with Central Excise Department	Central Excise Officer, Central Board of Excise and Customs	AAACS0581RST001	January 21, 2011	This certificate is valid until further amendment is sought by the company.

Professional Tax

Sr. No	Description / Activity	Issuing Authority	Reference / License No.	Issue / Renewal Date	Expiry Date
1.	Certificate of enrolment, Tamil Nadu Urban Local Bodies Tax on Professions, Trades, Callings and Employments Rules, 1998	Commissioner, Corporation of Chennai	10-142-PE-0357	June 06, 2008	This certificate is valid until cancelled.
2.	Certificate of enrolment, West Bengal State Tax on Professions, Trades, Callings and Employments Act, 1979.	Profession Tax Officer	ECC-0278068	September 26, 2007	This certificate is valid until cancelled.
3.	Certificate of enrolment, Andhra Pradesh State Tax on Professions, Trades, Callings and Employments Act, 1987.	Deputy Commercial Tax Officer	Sec/03/01/PT/II-A/1593/2007-08	December 27, 2007	This certificate is valid until cancelled.
4.	Certificate of registration, Maharashtra State Tax on Professions, Trades, Callings and Employments Act,	Profession Tax Officer	27595215362P	March 26, 2009	This certificate is valid until cancelled.

Sr. No	Description / Activity	Issuing Authority	Reference / License No.	Issue / Renewal Date	Expiry Date
1975.					
5.	Certificate of enrolment, Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975.	Profession Tax Officer	99551673405P	March 25, 2009	This certificate is valid until cancelled.
6.	Certificate of enrolment, Karnataka Tax on Professions, Trades, Callings and Employments Act, 1976.	Profession Tax Officer	PO5P11032	August 16, 2008	This certificate is valid until cancelled.
7.	Certificate of registration, Orissa State Tax on Professions, Trades, Callings and Employment Act, 2000	Profession Tax Officer	PR-BH-II-730	February 21, 2008	This certificate is valid until cancelled.
8.	Certificate of registration for Ahmedabad, Gujarat State Tax on Professions, Trades, Calling and Employment Act 1976.	Profession Tax Officer	PR0734000926	March 17, 2008	This certificate is valid until cancelled.
9.	Certificate of registration for Unjha, Gujarat State Tax on Professions, Trades, Calling and Employment Act 1976.	Profession Tax Officer	PEN064004244	July 04, 2012	This certificate is valid until cancelled.
10.	Certificate of registration Gujarat State Tax on Professions, Trades, Calling and Employment Act 1976.	Profession Tax Officer	PRC03CZ01854	June 01, 2008	This certificate is valid until cancelled.
11.	Certificate of registration Gujarat State Tax on Professions, Trades, Calling and Employment Act 1976.	Profession Tax Officer	PEC03CZ71297	September 16, 2008	This certificate is valid until cancelled.
12.	Certificate of Registration, Madhya Pradesh Tax on Professions, Trades, Callings and Employment, 1995	Profession Tax Officer	79664100566	February 25, 2010	This certificate is valid until cancelled.

Labour

Sr. No	Description / Activity	Issuing Authority	Reference / License No.	Issue / Renewal Date	Expiry Date
1.	Registration under Employees' Provident Funds & Miscellaneous Provisions Act, 1952	Commissioner, Office of the Regional Provident Fund	PFRC/98Coord/DL/28139/coverage/4971	November 28, 2003	This certificate is valid until cancelled.
2.	Registration under Employee State Insurance Act, 1948	Regional Director	DL/11-40-103047-1001-A01	January 15, 2008	This certificate is valid until cancelled.
3.	Registration under Employee State Insurance Act, 1948 for sub-regional office (Nagpur)	Assistant Deputy Commissioner	23111030470011001	September 12, 2013	This certificate is valid until cancelled.

Shop & Establishment

Sr. No	Description / Activity	Issuing Authority	Reference / License No.	Issue / Renewal Date	Expiry Date
1.	Registration as a commercial establishment under the Delhi Shops & Establishment Act, 1954 for 8B, Netaji Subhash Marg, Daryaganj Delhi - 110002	Department of Labour	2010004242	March 10, 2010	March 09, 2031
2.	Registration as a commercial establishment under the Delhi Shops & Establishment Act, 1954 for 11/6-b, Shanti Chamber, Pusa Road, Delhi 110 055	Department of Labour	2010007582	March 18, 2010	March 17, 2031
3.	Registration as a commercial establishment under the Delhi Shops & Establishment Act, 1954 for 17, Netaji Subhash Marg, Darya Ganj Delhi 110 002	Department of Labour	2010008697	March 22, 2010	March 21, 2031
4.	Registration as a commercial establishment under the Delhi Shops & Establishment Act, 1954 for 9b, Netaji Subhash Marg, Darya Ganj Delhi 110 002	Department of Labour	2010008704	March 22, 2010	March 21, 2031
5.	Registration as	Department	82/BAN/903/2009	December 28,	December 31, 2017

Sr. No	Description / Activity	Issuing Authority	Reference / License No.	Issue / Renewal Date		Expiry Date
	commercial establishment under the Karnataka Shops & Establishment Act, 1961 for No.2003/2,2nd Floor, "Omkar", 100 Feet Road, HAL 2nd Stage, Above TATA Docomo office, Bangalore 560038	of Labour		2012		
6.	Registration as commercial establishment under Uttar Pradesh Shop and Establishment Act 1962 for 106, Ocean Plaza, P-5, Sector-18, Noida 201 301	Department of Labour	35/10039	March 13, 2014		March 31, 2019
7.	Registration as commercial establishment under Maharashtra Shop and Establishment Act 1961 for 1st Floor,17,Mauli Sankul, Nagar Manmad Road, Savedi, Ahmednagar 414 003	Department of Labour	10/9/2012 148	September 17, 2012	December 1, 2014	
8.	Registration as commercial establishment under Tamil Nadu Shop and Establishment Act 1964 for Salzburg Square, Flat No.1, 3rd Floor Door No. 107, Harrington Road, Chetpet, Chennai 600031	Department of Labour	R. Dis No. 489/09	September 12, 2009	This certificate is valid until cancelled.	
9.	Registration as commercial establishment under Bombay Shop and Establishment Act 1948 for 1st, Floor, Dealing chambers, Near Sai Petrol pump, opp. Hotel Subdhra, J.M. Road, Pune 411 004	Department of Labour	336565334	December 12, 2012	December 31, 2018	
10.	Registration as commercial establishment under Punjab Shop and establishment Act	Inspector under shop and Establishme nt Act.	PSA/REG/SRS/L1-SRS-1/0076803	November 24, 2012	November 24, 2018	

Sr. No	Description / Activity	Issuing Authority	Reference / License No.	Issue / Renewal Date	Expiry Date
	1958 for Ground floor, Adjoining PNB near SBI ADB Branch, Dabawali Road, Sirsa, Haryana.				
11.	Registration as commercial establishment under West Bengal Establishment Act for 18, Rabindra Sarani, Poddar Court, 4 th Floor, Gate No. 4, Kolkata-700001.	Department of Labour	KOL/BOW/P-II/455310/6790/13	April 26, 2013	September 06, 2015
12.	Registration as a commercial establishment under the Mumbai Shops and Establishment Act, 1948, for 4 th Floor/10/A Kalapurnam Corp., 20+21 Govt. Severnt Soc., C.G. Road, Navrangpura, Ahmedabad - 380009	Ahmedabad Municipal Corporation	PII/EL/48/000016	April 7, 2014	December 31, 2014
13.	Registration as a commercial establishment under the Maharashtra Shops and Establishment Act for 1 st Floor, Dheeraj Sagar, Link Road, Opp. Goregaon Sports Club, Malad West, Mumbai - 400064	Inspector under shop and Establishme nt Act.	760101814/ Commercial II	August 19, 2014	December 31, 2014
14.	Registration as a commercial establishment under the Maharashtra Shops and Establishment Act for S No. 3, Vatsal CHS Ltd. Nr. Dena Bank, S.V Road, Kandivali West, Mumbai - 400067	Inspector under shop and Establishme nt Act.	760368227/ Commercial II	May 16, 2014	December 31, 2014
15.	Registration as a commercial establishment under Shops and Commercial Establishment Act, 1958 for SCO – 18, 4 th floor, 407, Feroz Gandhi Market, Ludhiana	Inspector under shop and Establishme nt Act.	Reg/5/8779	August 27, 2014	March 31, 2015
16.	Registration a	Inspector	760321828/	December 6, 2013	December 31, 2014

Sr. No	Description / Activity	Issuing Authority	Reference / License No.	Issue / Renewal Date	Expiry Date
	commercial establishment under Bombay Shop and Establishment Act, 1948 for 302, Enterprise Centre, Nehru Road, Near Orchid Hotel, Western Express, Vile Parle (East), Mumbai-400099	under shop and Establishme nt Act.	Commercial II		
17.	Registration as a commercial establishment under Bombay Shops and Establishment Act, 1948 for 2 nd Floor, Baloj Complex, Station Road, Opp. Market Yard, Unjha, Gujarat – 384170	Inspector under shop and Establishme nt Act.	C- 2617	February 7, 2013	December 31, 2014
18.	Registration as a commercial establishment under Tamil Nadu Shops and Establishment Act, 1948 Door No. 114, Vanitha Beehive, Building, 2 nd Floor, Opp. Simmakkal Bus Stop, Vakkil New Street, Madurai – Chennai - 625001	Inspector under Shops and Establishme nt Act	KM/240/09	November 18, 2009	This certificate is valid until cancelled
19.	Registration as a commercial establishment under the Shops and Commercial Establishment Act, 1948 for Radha Krishna Bhavan, 2 nd Floor, 5 Park Road, Lucknow - 226001	Inspector under shop and Establishme nt Act.	UPS094601000684	May 23, 2013	March 31, 2018
20.	Registration as a commercial establishment under Shops and Establishment Act, 1948 for 9 & 10 Shiva Palace, 2 nd Floor, Rajpur Road, Dehradun, 248001	Inspector under shop and Establishme nt Act.	D-20968	June 12, 2013	March 31, 2018
21.	Registration for a Certificate of Enlistment as a commercial establishment under	License Inspector under the West Bengal Municipality	200452014005402	September 17, 2014	March 31, 2015

Sr. No	Description / Activity	Issuing Authority	Reference / License No.	Issue / Renewal Date	Expiry Date
	the West Bengal Municipal Act, 1993 for 11/10, B. D. Giri Road, Mokdumpur, Near Desari Health Point, Maldah -732101	Act			
22.	Registration as a commercial establishment under the Shop and Establishment Act 1948, for at Flat no. 203, Verma Karpura Apartment, S. P. Verma Road, Patna - 800001	Inspector under Shop and Establishme nt Act	PT-78571 (Patna)	October 11, 2014	This certificate is valid until cancelled
23.	Registration as a commercial establishment under Shops and Establishments Act 1948, for Plot no. 501, Narula Market, 5 Janpath, Kalsi Commercial Complex, Janpath, Bhubaneswar.	Inspector under shop and Establishme nt Act.	Commercial II- 3425	January 1, 2014	December 31, 2014

Pending Approvals:

1. The Company has applied for the renewal of registration under the Shop and Establishment Act 1948, as a commercial establishment, for its branch located at Flat no. 206, 3rd Floor, Bhuvana Towers, S.D. Road, Secunderabad, Telangana 500003. The same is currently pending approval.
2. The Company has applied for registration under the Shop and Establishment Act 1948, as a commercial establishment for its branch located at 313, 2nd Floor, Jyoti Shopping Complex, Zone-1, M.P. Nagar, Bhopal. The same is currently pending approval.
3. The Company has applied under a recordial application on TM 24 of registered trademarks dated June 08, 2011 pursuant to the merger between SAM Global Securities Limited and SMC Global for following trademarks and copyrights to transfer such trademarks and copyrights its name. The records of the Registrar Office have been updated to state the company as Proprietor of the trademarks listed below, but the Certificates have not yet been issued.

Trademarks

Sr. No.	Registration Number	Description	Class	Date of Registration	Expiry Date
1.	1460395	Paper and paper articles , publication materials, not included in other classes, printed matter, Book binding material, Photographs, stationary, adhesives for stationary or household purpose, artists, materials, paint brushes typewriters and office requisites (Except Furniture), instructional and teaching material	16	June 06, 2006	June 06, 2016

Sr. No.	Registration Number	Description	Class	Date of Registration	Expiry Date
		(except apparatus), plastic material for packaging (not included in other classes), playing cards, printer type, printing blocks included in class 16			
2.	1412502	Advertising business management, business administration, office functions, included in class 35	35	January 01, 2006	January 01, 2016
3.	1412503	Insurance, Financial affairs, Monetary affairs, real estate affairs, Included in class 36	36	January 09, 2006	January 09, 2016
4.	1460397	Building construction, repair installation services	37	June 02, 2006	June 02, 2016
5.	1460398	Telecommunications	38	June 02, 2006	June 02, 2016
6.	1460399	Transport packaging and storage of goods, travel arrangement	39	June 02, 2006	June 02, 2016
7.	1460400	Education, providing of training, entertainment sporting and cultural activities	41	June 02, 2006	June 02, 2016
8.	1460401	Providing of food and drink, temporary accommodation, medical, hygienic and beauty care, veterinary and agricultural services, legal services, scientific and industrial research and computer programming.	42	June 02, 2006	June 02, 2016
9.	1460403	Paper and paper articles, publication materials, not included in other classes, printed matter, Book binding material, Photographs, stationary, adhesives for stationary or household purpose, artists, materials, paint brushes typewriters and office requisites (Except Furniture), instructional and teaching material (except apparatus), plastic material for packaging (not included in other classes), playing cards, printer type, printing blocks included in class 16	16	June 02, 2006	June 02, 2016
10.	1460404	Advertising business management, business administration, office functions, included in class 35	35	June 02 2006	June 02, 2016
11.	1460405	Insurance, Financial affairs, Monetary affairs, real estate affairs, Included in class 36	36	June 02 2006	June 02, 2016
12.	1460406	Building construction, repair installation services	37	June 02 2006	June 02, 2016
13.	1460407	Telecommunications	38	June 02 2006	June 02, 2016
14.	1460408	Transport packaging and storage of goods, travel arrangement	39	June 02 2006	June 02, 2016
15.	1460409	Education, providing of training, entertainment sporting and cultural activities	41	June 02 2006	June 02, 2016
16.	1460410	Providing of food and drink, temporary accommodation, medical, hygienic and beauty care, veterinary and agricultural services, legal services, scientific and industrial	42	June 02 2006	June 02, 2016

Sr. No.	Registration Number	Description	Class	Date of Registration	Expiry Date
		research and computer programming.			
17.	1460412	Advertising business management, business administration, office functions, included in class 35	35	June 02 2006	June 02, 2016
18.	1550198	Advertising business management, business administration, office functions, included in class 35	35	April 16, 2007	April 16, 2017
19.	1550194	Telecommunications	38	April 16, 2007	April 16, 2017
20.	1550197	Education, providing of training, entertainment sporting and cultural activities	41	April 16, 2007	April 16, 2017
21.	1550274	Providing of food and drink, temporary accommodation, medical, hygienic and beauty care, veterinary and agricultural services, legal services, scientific and industrial research and computer programming.	42	April 17, 2007	April 17, 2017
22.	1562466	Good Description	9	May 28, 2007	May 28, 2017
23.	1506430	Paper and paper articles, publication materials, not included in other classes, printed matter, Book binding material, Photographs, stationary, adhesives for stationary or household purpose, artists, materials, paint brushes typewriters and office requisites (Except Furniture), instructional and teaching material (except apparatus), plastic material for packaging (not included in other classes), playing cards, printer type, printing blocks included in class 16	16	November 22, 2006	November 22, 2016
24.	1506431	Advertising business management, business administration, office functions, included in class 35	35	November 22, 2006	November 22, 2016
25.	1506432	Insurance, Financial affairs, Monetary affairs, real estate affairs, Included in class 36	36	November 22, 2006	November 22, 2016
26.	1562714	Building construction, repair installation services	37	May 28, 2007	May 28, 2017
27.	1562722	Treatment of materials	40	May 28, 2007	May 28, 2017
28.	1562470	Telecommunications	38	May 28, 2007	May 28, 2017
29.	1550195	Paper and paper articles, Card Board and Card Board Articles, Printed matters and publication Posters, Inlay Cards, Forms, Brochure, Pamphlets, Newspapers and Periodicals; Instructional and Teaching Material (Other Than Apparatus) Requisites (Except Furniture); Instructional and Teaching Material (Except Apparatus); Plastic Materials For Packaging (Not Included In Other Classes); Printer” Type; Printing Blocks.	16	April 16, 2007	April 16, 2017
30.	1562465	Education Providing Of Training Entertainment; Sporting and Cultural	41	May 28, 2007	May 28, 2017

Sr. No.	Registration Number	Description	Class	Date of Registration	Expiry Date
		Activities			
31.	1460394	Scientific, Nautical, Surveying, Electric, Photographic, Optical, Weighing, Measuring, Signaling, Cinematographic, Checking (Supervision), Life Saving and Teaching Apparatus and Instruments; Apparatus etc., included in Class 9	9	July 27, 2013	July 27, 2023

Copyrights:

Sr. No.	Registration Number	Description	Date of Registration	Expiry Date
1.	A – 86876/2009	Artistic	September 09, 2009	September 09, 2019
2.	A-77216/2006	Artistic	August 25, 2008	August 25, 2018

SMC Comtrade Limited

Forward Market Commission & Exchange Membership

Sr. No	Description / Activity	Issuing Authority	Reference / License No.	Issue / Renewal Date	Expiry Date
1.	Allotment of unique member code	National Commodity and Derivatives Exchange Limited	NCDEX/TCM/CORP/0131	December 29, 2005	This certificate is valid until cancelled.
2.	Allotment of unique membership code	Multi-Commodity Exchange of India Limited	MCX/TCM/CORP/0385	December 22, 2005	This certificate is valid until cancelled.
3.	Enrolment as member of the exchange	National Multi Commodity Exchange of India Limited	NMCE/TCM/CORP/0215	July 31, 2008	This certificate is valid until cancelled.
4.	Certificate of registration	Indian Commodity Exchange Limited	ICEX/TCM/CORP/0009	January 25, 2010	This certificate is valid until cancelled.
5.	Allotment of membership code	Ace Derivatives and Commodity Exchange Limited	4002	October 12, 2010	This certificate is valid until cancelled.
6.	Membership as trading cum clearing member	National Commodity & Derivatives Exchange Limited	NCDEX-CO-03-00021	March 09, 2007	This certificate is valid till the cessation of membership or till suspension of membership
7.	Change in membership status as strategic trading cum clearing member	National Commodity and	MEM/01/00021/584	March 21, 2009	This certificate is valid until cancelled.

Sr. No	Description / Activity	Issuing Authority	Reference / License No.	Issue / Renewal Date	Expiry Date
		Derivatives Exchange Limited			
8.	Membership as institutional trading cum clearing member	Multi Commodity Exchange of India Limited	8200	September 20, 2008	This certificate is valid until cancelled.
9.	Enrolment as a member	NCDEX Spot Exchange Limited	10044	September 18, 2008	This certificate is valid until cancelled.
10.	Membership as trading cum clearing member	National Multi-Commodity Exchange of India Limited	CL0294	July 31, 2008	This certificate is valid until cancelled.
11.	Allotment of clearing member id	National Spot Exchange Limited	CM ID – 10220	February 01, 2010	This certificate is valid until cancelled.
12.	Membership as institutional trading cum clearing member	Indian Commodity Exchange Limited	1010	January 25, 2010	This certificate is valid until cancelled.
13.	Membership as institutional trading cum clearing member	ACE Derivatives & Commodity Exchange Limited	ACEL/CM/CORP/0267	October 12, 2010	This certificate is valid until cancelled.
14.	Membership as trading cum clearing member	Universal Commodity Exchange of India Ltd.	210001	January 16, 2013	This certificate is valid until cancelled

Stock Exchanges

Sr. No	Description / Activity	Issuing Authority	Reference / License No.	Issue / Renewal Date	Expiry Date
1.	Provisional permission to start internet based trading using ODIN-DIET	NCDEX	4112	February 28, 2008	This certificate is valid until cancelled.
2.	Provisional permission to start internet based trading using INET.Net	NCDEX	4112	November 03, 2010	This certificate is valid until cancelled.
3.	Permission for using internet based trading using ODIN IBT	MCX	MCX/PPK/4734/2008	March 17, 2008	This certificate is valid until cancelled.
4.	Permission for using internet based trading using Inet.net version 9.1	MCX	MCX/NA/5844/2010	October 11, 2010	This certificate is valid until cancelled.
5.	Permission for using internet based trading using I-win version 9.1	MCX	MCX/PPK/5845/2010	October 11, 2010	This certificate is valid until cancelled.

Income Tax

Sr. No	Description	Issuing Authority	Reference / License No.
1.	Permanent Account Number	Income Tax department	AACCA1776E
2.	Tax Deduction Account Number	Income Tax department	DELA10625G

Service Tax

Sr. No	Description	Issuing Authority	Reference / License No.	Issue / Renewal Date	Expiry Date
1.	Service Tax registration with Central Excise Department	Central Excise Officer, Central Board of Excise and Customs	AACCA1776EST001	September 28, 2006	This certificate is valid until further amendment sought by the company.

Value Added Tax / Sales Tax

Sr. No	Description	Issuing Authority	Reference / License No.	Issue / Renewal Date	Expiry Date
1.	Value added tax and central sales tax registration as a dealer at Secunderabad under Telangana VAT Act, 2005 and Central Sales Tax Act, 1956	Commercial Tax Officer	36961387618	June 2, 2014	This certificate is valid until cancelled.
2.	Sales tax registration as a dealer at Delhi under Delhi Sales Tax Rules, 1975 and Central Sales Tax Act, 1956	Sales Tax Officer	LC/008/07610279545/1004	November 25, 2004	This certificate is valid until cancelled.
3.	Value added tax registration as a dealer at Narnaul, Haryana under Haryana Value Added Tax Act, 2003	Assessing Authority	06022409715	June 16, 2006	This certificate is valid until cancelled.
4.	Registration as a dealer at Narnaul, Haryana under Central Sales Tax Act, 1956	Notified Authority	06022409715	June 16, 2006	This certificate is valid until cancelled.
5.	Value added tax registration as a dealer at Kochi under Kerala Value Added Tax Act, 2003 and Central Sales Tax Act, 1956	Commercial Tax Officer	32150393605	May 07, 2007	This certificate is valid until cancelled or surrendered.
6.	Registration as a dealer at Mumbai under Central Sales Tax Act, 1956	Sales Tax Officer	27200924442C	September 06, 2012	This certificate is valid until cancelled.
7.	Registration as a dealer at Mumbai under Maharashtra Value Added Tax Act, 2002	Sales Tax Officer	27200924442V	September 06, 2012	This certificate is valid until cancelled.
8.	Registration as dealer at Ludhiana under Central	Excise & Taxation	03942020240	August 04, 2006	This certificate is valid until cancelled.

Sr. No	Description	Issuing Authority	Reference / License No.	Issue / Renewal Date	Expiry Date
	Sales Tax Act, 1956	officer			
9.	Registration as dealer at Ludhiana under Punjab VAT Act, 2005	Excise & Taxation officer	03942020240	August 04, 2006	This certificate is valid until cancelled.
10.	Registration as a dealer at Jodhpur under the Central Sales Tax Act, 1956	Commercial Tax officer	08272655488	February 26, 2005	This certificate is valid until cancelled.
11.	Registration as a dealer at Jodhpur under the Rajasthan VAT Act, 2003	Commercial Tax officer	08272655488	February 26, 2005	This certificate is valid until cancelled.
12.	Registration as a dealer at Ahmedabad under the Central Sales Tax Act, 1956	Assistant Commissioner of Commercial Tax Unit	24573404950	May 14, 2007	This certificate is valid until cancelled.
13.	Registration as a dealer at Ahmedabad under the Gujarat VAT Act, 2003	Assistant Commissioner of Commercial Tax Unit	24073404950	May 14, 2007	This certificate is valid until cancelled.
14.	Registration as a dealer at Noida under the UP Commercial Tax Act, 1948	Commercial Tax officer	ND 0339000	December 28, 2005	This certificate is valid until cancelled.
15.	Registration as a dealer at Noida under the Central Sales Tax Act, 1956	Commercial Tax officer	ND 5335195	December 28, 2005	This certificate is valid until cancelled.
16.	Registration as a dealer at Noida under the UP Commercial Tax Act, 1948	Assistant Commissioner	09365702697	December 28, 2005	This certificate is valid until cancelled.
17.	Registration as a dealer at Kolkata under the West Bengal Value Added Tax Act, 2003	Commercial Tax officer	19481178040	December 05, 2005	This certificate is valid until cancelled.
18.	Registration as a dealer at Kolkata under the Central Sales Tax Act, 1956	Commercial Tax officer	19481178234	December 05, 2005	This certificate is valid until cancelled.
19.	Registration as a dealer at Chennai under the Tamil Nadu Value Added Tax Act, 2006	Assistant Commissioner	33781504084	May 26, 2014	This certificate is valid until cancelled.
20.	Registration as a dealer at Chennai under the Central Sales Tax Act, 1956	Assistant Commissioner	1068616	May 26, 2014	This certificate is valid until cancelled.

Central Excise, IEC, Custom Registrations & GJEPC

Sr. No	Description / Activity	Issuing Authority	Reference / License No.	Issue / Renewal Date	Expiry Date
1.	Registered at Delhi Under Rule 9 of the Central Excise Rules, 2002	Assist. Commissioner –Central Excise	AACCA1776EEM001	April 04, 2014	This certificate is valid until cancelled
2.	Importer –Exporter Code Number	Foreign Trade Development Officer	0509061311	November 11, 2009	This certificate is valid until cancelled
3.	Registered at Customs Delhi	Deputy Commissioner of Customs	SMC/52/2013/132/646	October 23, 2013	This certificate is valid until cancelled
4.	Registered at Customs Kolkata	Assistant Commissioner of Customs	09/2014	March 14, 2014	This certificate is valid until cancelled
5.	Registered at Customs Ahmedabad	Deputy Commissioner of Customs	AHM/EXPORT/SMC/09/14-15	May15, 2014	This certificate is valid until cancelled
6.	Registered at Customs Chennai	Assistant Commissioner of Customs	24/2014	August 12, 2014	This certificate is valid until cancelled
7.	Registered at Customs Mumbai	Assistant Commissioner of Customs	Bond/42/2014-GBS	August 23, 2014	This certificate is valid until cancelled
8.	Registered at Customs Hyderabad	Assistant Commissioner of Customs	10/2014	August 27, 2014	This certificate is valid until cancelled
9.	Registered with the Gems & Jewellery Export Promotion Council	Regional Director – North	GJC/REGN/MER/RO-DEL/G26747/2013-18	October 7, 2013	This certificate is valid up to March 31, 2018

Professional Tax

Sr. No	Description / Activity	Issuing Authority	Reference / License No.	Issue / Renewal Date	Expiry Date
1.	Certificate of registration, West Bengal State Tax on Professions, Trades, Callings and Employments Act, 1979.	Profession Tax Officer	RCC-0038989	September 26 , 2007	This certificate is valid until cancelled.
2.	Certificate of enrolment, West Bengal State Tax on Professions, Trades, Callings and Employments Act, 1979.	Profession Tax Officer	ECC-0242624	October 26, 2005	This certificate is valid until cancelled.
3.	Certificate of enrolment, Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975.	Profession Tax Officer	PTEC-99571960320P	May 01 , 2012	This certificate is valid until cancelled.
4.	Certificate of registration, Maharashtra, State Tax on Professions, Trades, Callings and Employments Act, 1979	Profession Tax Officer	PTRC-27200924442P	May 01 , 2012	This certificate is valid until cancelled.

Labour

Sr. No	Description / Activity	Issuing Authority	Reference / License No.	Issue / Renewal Date	Expiry Date
1.	Registration under Employees' Provident Funds & Miscellaneous Provisions Act, 1952	Commissioner, Office of the Regional Provident Fund	PFRC/98Coord/DL/3 0015/ coverage/5875	December 14, 2004	This certificate is valid until cancelled.
2.	Registration under Employee State Insurance Act, 1948	Regional Director	DL/11-40-103213-1001-A01	February 11, 2008	This certificate is valid until cancelled.

Shop & Establishment

Sr. No	Description / Activity	Issuing Authority	Reference / License No.	Issue / Renewal Date	Expiry Date
1.	Registration as commercial establishment under the Delhi Shops & Establishment Act, 1954 for 11/6-b, Shanti Chamber, Pusa Road, Delhi 110 055	Department of Labour	210007615	March 18, 2010	March 17, 2031
2.	Registration as commercial establishment under the West Bengal Shops & Establishment Act, 1963 for 18, Rabindra Sarani, Poddar Court Kolkata	Department of Labour	KOL/Bow/P-II/45533 0/17241/12	September 26, 2012	September 6, 2015
3.	Registration as a commercial establishment under the Maharashtra Shop & Establishment Act, 1948, for 1 st Floor, Dheeraj Sagar, Link Road, Opp. Goregaon Sports Club, Malad West, Mumbai - 400064	Inspector under Maharashtra and Shop and Establishment Act	760393390/Commercial II	May 15, 2014	December 31, 2014
4.	Registration as a commercial establishment under the Bombay Shops and Establishment Act, 1948 for 4 th Floor/10/A Kalapurnam Corp., 20+21 Govt. Severnt Soc., C.G. Road, Navrangpura, Ahmedabad - 380009	Ahmedabad Municipal Corporation	PII/EL/46/0000399	April 16, 2014	December 31, 2014

Moneywise Financial Services Private Limited

Reserve Bank of India

Sr. No	Description / Activity	Issuing Authority	Reference / License No.	Issue / Renewal Date	Expiry Date
1.	Certificate of registration to carry on business of non-banking financial institution without accepting public deposits	Deputy General Manager, RBI	B-05.04678	November 28, 2001	This certificate is valid until cancelled.

Income Tax

Sr. No	Description	Issuing Authority	Reference / License No.
1.	Permanent Account Number	Income Tax department	AADCS7346H
2.	Tax Deduction Account Number	Income Tax department	DELS30157B

Service Tax

Sr. No	Description	Issuing Authority	Reference / License No.	Issue / Renewal Date	Expiry Date
1.	Service Tax registration with Central Excise Department	Central Excise Officer, Central Board of Excise and Customs	AADCS7346HSD001	October 19, 2010	This certificate is valid until further amendment sought by the company.

Labour

Sr. No	Description / Activity	Issuing Authority	Reference / License No.	Issue / Renewal Date	Expiry Date
1.	Registration under Employees' Provident Funds & Miscellaneous Provisions Act, 1952	Assistant Provident Fund Commissioner	PFRC/98Coord/DL/4 2839/ coverage/CompIII/56 979	September 12, 2011	This certificate is valid until cancelled.
2.	Registration under Employee State Insurance Act, 1948	Assistant Deputy Director	11001159290000999	July 30, 2011	This certificate is valid until cancelled.

SMC ARC Limited**Income Tax**

Sr. No	Description	Issuing Authority	Reference / License No.
1.	Permanent Account Number	Income Tax department	AANCS2538M
2.	Tax Deduction Account Number	Income Tax department	DELS47832B

SMC Capitals Limited**Income Tax**

Sr. No	Description	Issuing Authority	Reference / License No.
1.	Permanent Account Number	Income Tax department	AABCS3706R
2.	Tax Deduction Account Number	Income Tax department	DELS19247E

Service Tax

Sr. No	Description	Issuing Authority	Reference / License No.	Issue / Renewal Date	Expiry Date
1.	Service Tax registration with Central Excise Department	Central Excise Officer, Central Board of Excise and Customs	AABCS3706RST001	January 03, 2007	This certificate is valid until further amendment sought by the company.

Professional Tax

Sr. No	Description / Activity	Issuing Authority	Reference / License No.	Issue / Renewal Date	Expiry Date
1.	Certificate of registration, Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975.	Profession Tax Officer	PRTC - 27795206037P	November 24 , 2007	This certificate is valid until cancelled.
2.	Certificate of enrolment, Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975.	Profession Tax Officer	PRTC 99541710804P	November 24 , 2007	This certificate is valid until cancelled.

Labour

Sr. No	Description / Activity	Issuing Authority	Reference / License No.	Issue / Renewal Date	Expiry Date
1.	Registration under Employees' Provident Funds & Miscellaneous Provisions Act, 1952	Assistant Provident Fund Commissioner	PFRC/98Coord/DL/3 5959/ coverage /52	April 13, 2007	This certificate is valid until cancelled.
2.	Registration under Employee State Insurance Act, 1948	Assistant Deputy Director	11001160800000999	September 07, 2011	This certificate is valid until cancelled.

Shop & Establishment

Sr. No	Description / Activity	Issuing Authority	Reference / License No.	Issue / Renewal Date	Expiry Date
1.	Registration as commercial establishment under Bombay Shop and Establishment Act, 1948 for 302/303, Enterprise Centre, Nehru Road, Near Orchid Hotel, Western Express, Vile Parle (East), Mumbai-400099 (Maharashtra)	Inspector under the Bombay Shops and Establishments Act, 1948	760315578/Commercial II	December 05, 2013	December 31, 2014

Pending Approvals

1. SMC Capitals Limited vide a letter dated September 25, 2013, has applied to SEBI, seeking permanent registration as a Category – 1 Merchant Banker, for renewal of the license No. INM000011427. SEBI has vide its letter dated October 16, 2014 advised SMC Capitals Limited to pay ₹9,00,000 towards the first block of permanent registration fees and submit the original certificate issued to it at the time of previous registration. The application is presently pending approval from SEBI.

SMC Insurance Brokers Private Limited

Insurance Regulatory and Development Authority (IRDA)

Sr. No	Description / Activity	Issuing Authority	Reference / License No.	Issue / Renewal Date	Expiry Date
1.	License under IRDA (Insurance	IRDA	289	January 28,	January 27,

Sr. No	Description / Activity	Issuing Authority	Reference / License No.	Issue / Renewal Date	Expiry Date
	Broker) Regulations, 2002			2014	2017
2.	Certificate of Registration to act as an Approved Person with CAMS Repository Services Limited	IRDA	IRDA/IR5/2014/066	May 29, 2014	May 29, 2015
3.	Certificate of Registration to act as an Approved Person with Central Insurance Repository Limited	IRDA	IRDA/IR2/2014/283	June 2, 2014	June 2, 2015

Income Tax

Sr. No	Description	Issuing Authority	Reference / License No.
1.	Permanent Account Number	Income Tax department	AACCR1402Q
2.	Tax Deduction Account Number	Income Tax department	DELD07118G

Service Tax

Sr. No	Description	Issuing Authority	Reference / License No.	Issue / Renewal Date	Expiry Date
1.	Service Tax registration with Central Excise Department	Superintendent of Excise Officer	AACCR1402QST001	October 31, 2007	This certificate is valid until further amendment sought by the company.

Professional Tax

Sr. No	Description / Activity	Issuing Authority	Reference / License No.	Issue / Renewal Date	Expiry Date
1.	Certificate of registration, Karnataka Tax on Professions, Trades, Callings and Employments Act, 1976.	Profession Tax Officer	POO412851	January 29, 2010	This certificate is valid until cancelled.
2.	Certificate of enrolment, Karnataka Tax on Professions, Trades, Callings and Employments Act, 1976.	Profession Tax Officer	POO412850	January 29, 2010	This certificate is valid until cancelled.
3.	Certificate of registration, Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975	Profession Tax Officer	PTRC No. 27515215309P	October 19, 2012	This certificate is valid until cancelled.
4.	Certificate of enrolment, Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975.	Profession Tax Officer	PTEC - 99381673450P	October 25, 2012	This certificate is valid until cancelled

Labour

Sr. No	Description / Activity	Issuing Authority	Reference / License No.	Issue / Renewal Date	Expiry Date
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Sr. No	Description / Activity	Issuing Authority	Reference / License No.	Issue / Renewal Date	Expiry Date
1.	Registration under Employees' Provident Funds & Miscellaneous Provisions Act, 1952	Assistant Provident Fund Commissioner	PFRC/98Coord/DL/36 268/ coverage /1640	July 11, 2007	This certificate is valid until cancelled.
2.	Registration under Employee State Insurance Act, 1948	Regional Director	D/11-40-103500-10030-A01	March 13, 2008	This certificate is valid until cancelled.

SMC Investments and Advisors Limited

Securities and Exchange Board of India

Sr. No	Description / Activity	Issuing Authority	Reference / License No.	Issue / Renewal Date	Expiry Date
1.	Registration as Portfolio Manager	SEBI	INP000003435	October 26, 2012	October 25, 2015

Income Tax

Sr. No	Description	Issuing Authority	Reference / License No.
1.	Permanent Account Number	Income Tax department	AABCS8068C
2.	Tax Deduction Account Number	Income Tax department	DELS35213D

Association of Mutual Funds of India

Sr. No	Description / Activity	Issuing Authority	Reference / License No.	Issue / Renewal Date	Expiry Date
1.	AMFI Registered Mutual Fund advisor 110002	AMFI	ARN - 65287	August 9, 2013	August 8, 2016

Service Tax

Sr. No	Description	Issuing Authority	Reference / License No.	Issue / Renewal Date	Expiry Date
1.	Service Tax registration with Central Excise Department	Central Excise Officer, Central Board of Excise and Customs	AABCS8068CST001	May 23, 2008	This certificate is valid until further amendment sought by the company.

Professional Tax

Sr. No	Description / Activity	Issuing Authority	Reference / License No.	Issue / Renewal Date	Expiry Date
1.	Certificate of registration, Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975.	Profession Tax Officer	PRTC - 27905228335P	September 17, 2010	This certificate is valid until cancelled.
2.	Certificate of enrolment, Maharashtra State Tax on	Profession Tax Officer	PTEC - 99481788825P	September 17, 2010	This certificate is valid until cancelled.

	Professions, Trades, Callings and Employments Act, 1975.				
3.	Certificate of enrolment, Karnataka Tax on Professions, Trades, Callings and Employments Act, 1976.	Profession Tax Officer	POO413138	August 25, 2010	This certificate is valid until cancelled.

Labour

Sr. No	Description / Activity	Issuing Authority	Reference / License No.	Issue / Renewal Date	Expiry Date
1.	Registration under Employees' Provident Funds & Miscellaneous Provisions Act, 1952	Assistant Provident Fund Commissioner	PFRC/98Coord/DL/39 363/ Coverage/19157	January 12, 2009	This certificate is valid until cancelled.

Shop & Establishment

Sr. No	Description / Activity	Issuing Authority	Reference / License No.	Issue / Renewal Date	Expiry Date
1.	Registration as commercial establishment under Bombay Shop and Establishment Act, 1948 for 302/303, Enterprise Centre, Nehru Road, Near Orchid Hotel, Western Express, Vile Parle (East), Mumbai-400099 (Maharashtra)	Inspector under Bombay Shop and Establishment Act.	760304270/ Commercial II	March 19, 2013	December 31, 2014

Pending Approvals

1. SMC Investments and Advisors Limited has sought registration as commercial establishment under Karnataka Shop and Establishment Act, for AUM Plaza, 1st Floor, Building No. 2, AVS Compound, 80 Feet Road, 4th Block, Kormangala, Road, Bangalore- 560034 and has made an application to the Controlling Authority under the Act vide an application dated June 30, 2014 for the renewal of license No. 76/BAN/5877.

SMC Finvest Limited

Income Tax

Sr. No	Description	Issuing Authority	Reference / License No.
1.	Permanent Account Number	Income Tax department	AANCS5830L
2.	Tax Deduction Account Number	Income Tax department	MUMS65386G

Service Tax

Sr. No	Description	Issuing Authority	Reference / License No.	Issue / Renewal Date	Expiry Date
1.	Service Tax registration with Central Excise Department	Central Excise Officer, Central Board of Excise and Customs	AANCS5830LSD002	May 13, 2014	This certificate is valid until further amendment sought by the company.

Moneywise Finvest Limited**Income Tax**

Sr. No	Description	Issuing Authority	Reference / License No.
1.	Permanent Account Number	Income Tax department	AANCS5829B
2.	Tax Deduction Account Number	Income Tax department	MUMS65385F

SMC Comex International DMCC**Stock Exchanges**

Sr. No	Description / Activity	Issuing Authority	Reference / License No.	Issue / Renewal Date	Expiry Date
1.	Trading License for trading in DGCX listed contracts for their own account and/or trading only in DGCX listed contracts for clients' accounts.	Dubai Multi Commodities Centre	30833/DMCC0627	January 02, 2006	January 01, 2015
2.	Registered as a broker member of the Dubai Gold & Commodities Exchange.	United Arab Emirates Securities & Commodities & Authority	RCT2013/0609	March 20, 2006	December 31, 2014

SMC Real Estate Advisors Private Limited**Income Tax**

Sr. No	Description	Issuing Authority	Reference / License No.
1.	Permanent Account Number	Income Tax department	AASCS6448K
2.	Tax Deduction Account Number	Income Tax department	MRTS09286E

Service Tax

Sr. No	Description	Issuing Authority	Reference / License No.	Issue / Renewal Date	Expiry Date
1.	Service Tax registration with Central Excise Department	Central Excise Officer, Central Board of Excise and Customs	AASCS6448KSD001	September 19, 2013	This certificate is valid until further amendment sought by the company.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The Fresh Issue has been authorised by a resolution passed by the Board of Directors in their meeting held on August 13, 2014, subject to the approval of shareholders of our Company through a special resolution to be passed pursuant to Section 62 of the Companies Act.

The Shareholders of our Company have authorised the Fresh Issue by a special resolution pursuant to Section 62 of the Companies Act, passed at the AGM of our Company held on September 26, 2014.

The Selling Shareholder has authorised the Offer for Sale pursuant to the terms of resolution of its board of directors, dated October 14, 2014.

The Board of Directors pursuant to a circular resolution dated October 20, 2014 has approved and authorised this Draft Red Herring Prospectus.

The Company received in-principle approvals from the BSE, the NSE, the DSE, the LSE, the CSE and the ASE for the listing of the Equity Shares pursuant to letters dated [●], [●], [●], [●], [●] and [●], respectively.

The Selling Shareholder has confirmed that it has held the Equity Shares proposed to be offered and sold in the Offer for Sale for more than one year prior to the date of filing of this Draft Red Herring Prospectus and that the Selling Shareholder has not been prohibited from dealings in securities market and the Equity Shares offered and sold are free from any lien, encumbrance or third party rights. The Selling Shareholder has also confirmed that it is the legal and beneficial holder(s) of and has full title to, the Equity Shares being offered under the Offer for Sale.

PROHIBITION BY SEBI, RBI OR GOVERNMENTAL AUTHORITIES

The Company, the Promoters, the Directors, Promoter Group entities, Group Companies, persons in control of our Company, natural persons in control of the Promoters and the Selling Shareholder have not been prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

The companies with which, the Promoters, Directors or persons in control of our Company are associated as promoter, directors or persons in control have not been prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

Except as disclosed below, no other Director is in any manner associated with the securities market and there has been no action taken by SEBI against the Directors or any entity in which any of the Directors is involved as a promoter or director, as on date.

Mr. Subhash Chand Aggarwal:

Name of the entity	SMC Share Brokers Limited
SEBI Registration No.	INB 050796237
Category of registration	Stock broker in DSE
Date of expiry of registration and reason for non-renewal	Certificate shall be valid till suspended or cancelled in accordance with the regulation
Details of any enquiry/investigation conducted by SEBI at any time	Nil
Penalty imposed by SEBI, if any	Nil
Outstanding fees payable to SEBI, if any	Nil

Mahesh Chand Gupta:

Name of the entity	SMC Share Brokers Limited
SEBI Registration No.	INB 050796237

Category of registration	Stock broker in DSE
Date of expiry of registration and reason for non-renewal	Certificate shall be valid till suspended or cancelled in accordance with the regulation
Details of any enquiry/investigation conducted by SEBI at any time	Nil
Penalty imposed by SEBI, if any	Nil
Outstanding fees payable to SEBI, if any	Nil

Satish Chandra Gupta:

Name of the entity	PUG Securities Private Limited
SEBI Registration No.	INB2312007335 (NSE); INB 011233435; INE 261200735 (MCX-SX); IN-DP-CDSL257-2004 (depository participant of CDSL)
Category of registration	Stock broker, depository participant in CDSL
Date of expiry of registration and reason for non-renewal	No expiry
Details of any enquiry/investigation conducted by SEBI at any time	Nil
Penalty imposed by SEBI, if any	Nil
Outstanding fees payable to SEBI, if any	Nil

Kundan Mal Agarwal:

Name of the entity	Share Bazar Financial Services Limited
SEBI Registration No.	INS018178538 (BSE Cash), INS23B301134 (NSE Cash)
Category of registration	Sub-broker
Date of expiry of registration and reason for non-renewal	Application for cancellation of Registration sent to SEBI
Details of any enquiry/investigation conducted by SEBI at any time	Nil
Penalty imposed by SEBI, if any	Nil
Outstanding fees payable to SEBI, if any	Nil

Chandra Wadhwa:

Name of the entity	Wadhwa Financial Services Private Limited
SEBI Registration No.	INB200929233
Category of registration	Broker
Date of expiry of registration and reason for non-renewal	Nil
Details of any enquiry/investigation conducted by SEBI at any time	Nil
Penalty imposed by SEBI, if any	Nil
Outstanding fees payable to SEBI, if any	Pending (membership not activated/used/OTC stock exchange not functioning)

Neither our Company, the Promoters nor the Directors, Promoter Group entities, Group Companies, persons in control of our Company, natural persons in control of the Promoters and the Selling Shareholder have been detained as wilful defaulters by the RBI or any other government authorities. There are no violations of securities laws committed by any of them in the past, or pending against them.

ELIGIBILITY FOR THE ISSUE

The Company is eligible for the Issue in accordance with Regulation 27 read with Regulation 26(1)(d) and (e) of the SEBI ICDR Regulations, as described below:

- (a) The aggregate of the proposed Issue and all previous issues made in the same Financial Year in terms of Issue size is not expected to exceed five times the pre-Issue net worth of our Company as per the audited balance sheet of the preceding Financial Year; and
- (b) The Company has not changed its name within the last one year.

Accordingly, our Company is eligible to undertake the Issue under Regulation 27 read with Regulation 26(1)(d) and (e) of the SEBI ICDR Regulations.

In addition, in accordance with Regulation 26(4) of the SEBI ICDR Regulations, our Company will ensure that the number of Bidders to whom Equity Shares are allotted in the Issue will be not less than 1,000; otherwise, the entire application money will be refunded forthwith. If such money is not repaid within eight days after our Company and the Selling Shareholder becomes liable to repay it (i.e., from the date of refusal or within 15 days from the date of Bid/Issue Closing Date, whichever is earlier), then our Company and the Selling Shareholder shall, on and from expiry of eight days, be liable to repay the money, with interest at the rate of 15% per annum on application money, as prescribed under the Companies Act.

COMPLIANCE WITH PART A OF SCHEDULE VIII OF THE SEBI ICDR REGULATIONS

The Company is in compliance with the provisions specified in Part A of Schedule VIII of the SEBI ICDR Regulations and the disclosures have been made in compliance with Schedule II of the Companies Act and the SEBI ICDR Regulations. The Company has not been formed by the conversion of a partnership firm into a company.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THIS DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED TO MEAN 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 THIS DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGER, ICICI SECURITIES LIMITED AND THE CO-BOOK RUNNING LEAD MANAGER, ELARA CAPITAL (INDIA) PRIVATE LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THIS DRAFT RED HERRING 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 THIS DRAFT RED HERRING PROSPECTUS, THE BOOK RUNNING LEAD MANAGER, ICICI SECURITIES LIMITED AND THE CO-BOOK RUNNING LEAD MANAGER, ELARA CAPITAL (INDIA) PRIVATE LIMITED ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY AND THE SELLING SHAREHOLDER DISCHARGES THEIR RESPONSIBILITIES ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGER AND THE CO-BOOK RUNNING LEAD MANAGER HAS FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED OCTOBER 20, 2014, WHICH READS AS FOLLOWS:

1. **“WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, DISPUTES WITH COLLABORATORS**

ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THIS DRAFT RED HERRING PROSPECTUS (“DRHP”) PERTAINING TO THE SAID ISSUE;

- 2. ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE COMPANY;**

WE CONFIRM THAT:

- a. THE DRHP FILED WITH SEBI 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 SEBI, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND**
- c. THE DISCLOSURES MADE IN THE DRHP ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956, THE COMPANIES ACT, 2013, 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 DRHP ARE REGISTERED WITH THE SEBI AND THAT TILL DATE SUCH REGISTRATIONS ARE VALID – NOTED FOR COMPLIANCE**
- 4. WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFILL THEIR UNDERWRITING COMMITMENTS – NOTED FOR COMPLIANCE**
- 5. WE CERTIFY THAT WRITTEN CONSENT FROM THE PROMOTER HAS BEEN OBTAINED FOR INCLUSION OF ITS SECURITIES AS PART OF PROMOTER’S CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTER’S CONTRIBUTION SUBJECT TO LOCK-IN, SHALL NOT BE DISPOSED/SOLD/TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRHP WITH THE SEBI TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRHP**
- 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 PROMOTER’S CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE DRHP**
- 7. WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTER’S CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. 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 COMPANY ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE – NOT APPLICABLE

8. **WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE COMPANY FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE ‘MAIN OBJECTS’ LISTED IN THE OBJECTS CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE COMPANY AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECTS CLAUSE OF ITS MEMORANDUM OF ASSOCIATION – COMPLIED WITH TO THE EXTENT APPLICABLE**
9. **WE CONFIRM THAT NECESSARY ARRANGEMENTS WILL BE MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THIS ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SECTION 73(3) OF THE COMPANIES ACT, 1956 AND SECTION 40 OF THE COMPANIES ACT 2013 THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT TO BE ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE COMPANY SPECIFICALLY CONTAINS THIS CONDITION. – NOTED FOR COMPLIANCE. ALL MONIES RECEIVED OUT OF THE ISSUE SHALL BE CREDITED / TRANSFERRED TO A SEPARATE BANK ACCOUNT AS REFERRED TO IN SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013.**
10. **WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THIS DRHP THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE. – NOT APPLICABLE. UNDER SECTION 29 OF THE COMPANIES ACT, 2013, EQUITY SHARES IN THE ISSUE HAVE TO BE ISSUED IN DEMATERIALISED FORM ONLY;**
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 DRHP:**
 - a. **AN UNDERTAKING FROM THE COMPANY THAT AT ANY GIVEN TIME THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE COMPANY; AND**
 - b. **AN UNDERTAKING FROM THE COMPANY THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY SEBI 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 – COMPLIED WITH AND NOTED FOR COMPLIANCE**
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 COMPANY, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTER’S 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 DRHP WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.

16. WE ENCLOSE STATEMENT ON 'PRICE INFORMATION OF PAST ISSUES HANDLED BY MERCHANT BANKERS (WHO ARE RESPONSIBLE FOR PRICING THE ISSUE)', AS PER FORMAT SPECIFIED BY THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 THROUGH CIRCULAR.
17. WE CERTIFY THAT PROFITS FROM RELATED PARTY TRANSACTIONS HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS - COMPLIED WITH TO THE EXTENT OF THE RELATED PARTY TRANSACTIONS REPORTED IN ACCORDANCE WITH ACCOUNTING STANDARD 18 IN THE FINANCIAL STATEMENTS OF THE COMPANY INLCUED IN THE DRAFT RED HERRING PROSPECTUS.

Price information of past issues handled by the BRLM and CBRLM

ICICI Securities Limited

The price information of past issues handled by ICICI Securities is as follows:

Sr No.	Issue Name	Issue Size(₹milli on)	Issue Price (₹)	Listing Date	Openi ng Price on Listing Date	Closing Price on Listing Date	% Change in Price on listing date (Closing) vs. Issue Price	Benchmark index on listing date (Closing)	Closing price as on 10th calendar day from listing date	Benchmark index as on 10th calendar days from listing day (Closing)	Closing price as on 20th calendar day from listing date	Benchmark index as on 20th calendar days from listing day (Closing)	Closing price as on 30th calendar day from listing date	Benchmark index as on 30th calendar days from listing day (Closing)
1.	Shemaroo Entertainment Limited	1,200.00	170 ⁽³⁾	1-Oct-14	180	171.00	0.59%	7945.55	154.00	7,859.95	NA ⁽²⁾	NA ⁽²⁾	NA ⁽²⁾	NA ⁽²⁾
2.	Wonderla Holidays Limited	1,812.50	125	9-May-14	160	157.80	26.24%	6858.80	166.80	7,263.55	212.60	7235.65	216.15	7654.60
3.	Bharti Infratel Limited	41,727.60	220 ⁽¹⁾	28-Dec-12	200	191.65	-12.89%	5,908.35	207.40	5,988.40	204.95	6,039.20	210.30	6,074.80
4.	Credit Analysis and Research Limited	5,399.78	750	26-Dec-12	940	922.55	23.01%	5,905.60	929.25	5,988.40	931.05	6,056.60	924.85	6,074.65
5.	Tara Jewels Limited	1,794.99	230	6-Dec-12	242	229.90	-0.04%	5,930.90	230.25	5,857.90	223.75	5,905.60	234.00	5,988.40

⁽¹⁾ Discount of ₹10 per equity share offered to retail investors and Premium of ₹10 per equity share to Anchor investors. All calculations are based on Issue Price of ₹220.00 per equity share

⁽²⁾ To be provided in the RHP

⁽³⁾ Discount of ₹17 per equity share offered to retail investors. All calculations are based on Issue Price of ₹170.00 per equity share

Note:

- All above data is of NSE (Website www.nseindia.com)
- Benchmark Index considered above in all the cases was NIFTY
- 10th, 20th, 30th trading day from listed day have been taken as listing day plus 10, 20 and 30 calendar days. Wherever 10th, 20th, 30th trading day is a holiday, we have considered the closing data of the next trading date / day

Summary statement of price information of past issues handled by ICICI Securities:

Financial Year	Total No. of IPO's	Total Funds Raised (₹ million)	Nos. of IPOs trading at discount on listing date			No. of IPOs trading at premium on listing date			Nos. of IPOs trading at discount as on 30th calendar day from listing date ⁽¹⁾			Nos. of IPOs trading at premium as on 30th calendar day from listing date ⁽¹⁾		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2014-15	2	3,012.50	0	0	0	0	1	1	0	0	0	1	0	0
2013-14	0	Nil	0	0	0	0	0	0	0	0	0	0	0	0
2012-13	3	48,922.37	0	0	2	0	0	1	0	0	1	0	0	2

(1) Excluding the information for Shemaroo Entertainment Limited, which shall be provided in the RHP

Elara Capital (India) Private Limited

The CBRLM has not handled any issue during last three years.

Track record of past issues handled by the Managers

For details regarding the track record of the Managers, as specified in Circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by the SEBI; please refer to the websites of the BRLM and the CBRLM, as set forth in the table below:

Sr. No	Name of the Manager	Website
1.	ICICI Securities Ltd.	www.icicisecurities.com
2.	Elara Capital (India) Private Limited	www.elaracapital.com

THE FILING OF THE DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER SECTION 34 OR SECTION 36 OF THE COMPANIES ACT 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND 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 BRLM AND THE CBRLM, ANY IRREGULARITIES OR LAPSES IN THE DRAFT RED HERRING PROSPECTUS.

DISCLAIMER FROM THE COMPANY, THE SELLING SHAREHOLDER, THE DIRECTORS AND THE SYNDICATE

The Company, the Selling Shareholder, the Directors and the Syndicate accept no responsibility for statements made otherwise than those contained in this Draft Red Herring Prospectus or 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, including our Company's website at www.smcindiaonline.com or website of any affiliate or associate of our Company or its Subsidiaries, would be doing so at his or her own risk. The Selling Shareholder and its officers accept no responsibility for any statements made other than those made in relation to the Equity Shares offered through the Offer for Sale.

CAUTION

The BRLM and the CBRLM accept no responsibility, save to the limited extent as provided in the Issue Agreement entered into among the BRLM, the CBRLM, the Selling Shareholder and our Company dated October 15, 2014 and the Underwriting Agreement to be entered into among the Underwriters, the Selling Shareholder and our Company.

All information shall be made available by our Company, the Selling Shareholder, the BRLM and the CBRLM to the public and investors at large and no selective or additional information would be available for a section of the Bidders in any manner whatsoever including at road show presentations, in research or sales reports or at bidding centres, etc.

The Company, the Selling Shareholder, the BRLM, the CBRLM or any member of the Syndicate, shall not be liable to the Bidders for any failure in uploading the Bids due to faults in any software/hardware system or otherwise. Investors that bid in the Issue will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholder, 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. The Company, the Selling Shareholder, the Underwriters and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any Bidder on whether such Bidder is eligible to acquire the Equity Shares.

The BRLM, the CBRLM and their respective affiliates may engage in transactions with, and perform services for, our Company, Subsidiaries or affiliates in the ordinary course of business and have engaged, or may in the future engage, in transactions with our Company, Subsidiaries, Joint Ventures or affiliates, for which they have received, and may in the future receive, compensation.

DISCLAIMER IN RESPECT OF JURISDICTION

This Issue is being made in India to persons resident in India (including Indian nationals resident in India, Hindu Undivided Families (“HUFs”), companies, other corporate bodies and societies registered under the applicable laws in India and authorized to invest in equity shares, Indian Mutual Funds registered with the SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to permission from the RBI), or trusts under the applicable trust laws, and who are authorized under their constitution to hold and invest in equity shares, public financial institutions as specified under Section 2 (72) of the Companies Act, 2013, venture capital funds, permitted insurance companies and pension funds and, to permitted non-residents including Eligible NRIs, Eligible Qualified Foreign Investors (“QFIs”), Alternative Investment Funds (“AIFs”), Foreign Institutional Investors (“FIIs”), Foreign Portfolio Investors registered with SEBI (“FPIs”) and QIBs.

This Draft Red Herring Prospectus does not, however, constitute an invitation to subscribe to Equity Shares offered hereby, in any 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 Red Herring 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) at New Delhi, India 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, except that the Draft Red Herring Prospectus was filed with SEBI for its observations. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Draft Red Herring 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 Red Herring Prospectus, nor any offer or sale hereunder, shall, under any circumstances, create any implication that there has been no change in our affairs from the date hereof or that the information contained herein is correct as of any time subsequent to his date.

The Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws in the United States.

Accordingly, the Equity Shares are being offered and sold outside the United States in reliance on, Regulation S under the U. S. Securities Act.

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 Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Further, each Bidder where required must agree in terms of the Allotment advice, that such Bidder will not sell or transfer any Equity Shares or any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act.

The delivery of this Draft Red Herring Prospectus will not under any circumstances create any implication that there has been no change in the affairs of our Company from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

DISCLAIMER CLAUSE OF THE BSE

As required, a copy of this Draft Red Herring Prospectus shall be submitted to the BSE. The disclaimer clause as intimated by the BSE to us, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to filing the same with the RoC.

DISCLAIMER CLAUSE OF THE NSE

As required, a copy of this Draft Red Herring Prospectus shall be submitted to the NSE. The disclaimer clause as intimated by the NSE to us, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to filing the same with the RoC.

DISCLAIMER CLAUSE OF THE DSE

As required, a copy of this Draft Red Herring Prospectus shall be submitted to the DSE. The disclaimer clause as intimated by the DSE to us, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to filing the same with the RoC.

DISCLAIMER CLAUSE OF THE LSE

As required, a copy of this Draft Red Herring Prospectus shall be submitted to the LSE. The disclaimer clause as intimated by the LSE to us, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to filing the same with the RoC.

DISCLAIMER CLAUSE OF THE CSE

As required, a copy of this Draft Red Herring Prospectus shall be submitted to the CSE. The disclaimer clause as intimated by the CSE to us, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to filing the same with the RoC.

DISCLAIMER CLAUSE OF THE ASE

As required, a copy of this Draft Red Herring Prospectus shall be submitted to the ASE. The disclaimer clause as intimated by the ASE to us, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to filing the same with the RoC.

FILING

A copy of this Draft Red Herring Prospectus has been filed with SEBI at the Securities and Exchange Board of India, 5th Floor, Bank of Baroda Building, 16, Sansad Marg, New Delhi 1100 001, India.

A copy of the Red Herring Prospectus, along with the documents required to be filed, will be delivered for registration to the RoC in accordance with Section 32 of the Companies Act, 2013, and a copy of the Prospectus required to be filed under Section 26 of the Companies Act, 2013 will be delivered for registration to the RoC.

REGISTRAR OF COMPANIES

National Capital Territory of Delhi and Haryana
4th Floor, IFCI Tower,
61, Nehru Place,
New Delhi - 110 019,
India.
Tel: +91 (11) 2623 5704
Fax: +91 (11) 2623 5702

LISTING

The Equity Shares of our Company are listed on the DSE, LSE, CSE, and ASE. Applications have been made to the DSE, LSE, CSE, ASE, NSE and BSE for the use of their respective names in this Prospectus. DSE through its letter bearing number [●] dated [●], LSE through its letter bearing number [●] dated [●], CSE through its letter bearing number [●] dated [●], ASE through its letter bearing number [●] dated [●], NSE through its letter bearing number [●] dated [●] and BSE through its letter bearing number [●] dated [●] have granted approval for the use of their respective names in the Draft Red Herring Prospectus, Red Herring Prospectus and the Prospectus. [●] is the Designated Stock Exchange with which the basis of allocation will be finalised for the Issue.

If the permissions to deal in, and for an official quotation of, the Equity Shares are not granted by any of the Stock Exchanges mentioned above, our Company and the Selling Shareholder shall forthwith repay, all moneys received from the applicants in pursuance of this Red Herring Prospectus. If such money is not repaid within the prescribed time, then our Company, the Selling Shareholder and every officer in default shall be liable to repay the money, with interest, as prescribed under applicable law.

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

Impersonation

Attention of the Bidders is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

*“Any person who –
 (a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities, or
 (b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
 (c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under section 447.”*

The liability prescribed under Section 447 of the Companies Act, 2013 includes imprisonment for a term of not less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

CONSENTS

Consents in writing of: (a) The Selling Shareholder, the Directors, our Company Secretary and Compliance Officer, our Chief Financial Officer, the Domestic Legal Counsel, the Bankers to our Company, the Auditors, the Bankers to the Issue and the Registrar to the Issue have been obtained; and (b) the Syndicate Members, the BRLM, the CBRLM, in their respective capacities will be obtained, and would be filed along with a copy of the Red Herring Prospectus with the RoC as required under Sections 26 and 32 of the Companies Act and such consents will not be withdrawn up to the time of delivery of the Red Herring Prospectus for registration with the RoC.

The Auditors have consented to the inclusion of their names as the statutory auditors and of their report on the audited restated financial information and the statement of tax benefits in the form and context in which they appear in this Draft Red Herring Prospectus and such consent and report will not be withdrawn up to the time of delivery of the Red Herring Prospectus and the Prospectus for registration to the RoC.

EXPERT OPINION

Except for the report of the Auditors on the standalone and consolidated financial statements and the Statement of Tax Benefits on page 107, included in the Draft Red Herring Prospectus, our Company has not obtained any expert opinions.

ISSUE RELATED EXPENSES

The estimated Issue expenses are as under:

Activity	Total estimated Amount*	Percentage of Issue Expenses*	Percentage of Issue Size*
Lead management fees, underwriting commission, brokerage and selling commission (including commissions to SCSBs for ASBA Applications and commissions to Non-Syndicate Registered Brokers)	[•]	[•]	[•]
Fees paid to the Bankers to the Issue, processing fees to the SCSBs for processing Application Forms procured by the Syndicate at Syndicate ASBA Centres or Non-Syndicate Registered Brokers and submitted to the SCSBs [#]	[•]	[•]	[•]

Activity	Total estimated Amount*	Percentage of Issue Expenses*	Percentage of Issue Size*
Registrar fee and other related fees (postage of refunds etc.)	[•]	[•]	[•]
Advertising and marketing expenses, printing, stationery and distribution expenses	[•]	[•]	[•]
Other expenses (SEBI Filing fees, legal and auditor fees, stock exchanges' processing and listing fees, book-building fees, depository's charges etc.)	[•]	[•]	[•]
Total	[•]	[•]	[•]

* To be incorporated after finalization of the Issue Price

The SCSBs would be entitled to a processing fees of ₹ [•] per Bid cum Application Form, for processing the Bid cum Application Forms procured by the members of the Syndicate or the Registered Brokers and submitted to the SCSBs

All expenses with respect to the Issue will be shared among the Selling Shareholders and our Company, in proportion to the Equity Shares being offered by them in this Issue.

Fees Payable to the Syndicate

The total fees payable to the Syndicate (including underwriting commission and selling commission and reimbursement of their out-of-pocket expense) will be as per the Syndicate Agreement.

Fees Payable to the Registrar to the Issue

The fees payable by our Company and the Selling Shareholder to the Registrar to the Issue for processing of application, data entry, printing of Allotment Advice/CAN/refund order, preparation of refund data on magnetic tape, printing of bulk mailing register will be as per the agreement dated October 14, 2014 entered into, between our Company, the Selling Shareholder and the Registrar to the Issue.

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

PARTICULARS REGARDING PUBLIC OR RIGHTS ISSUES DURING THE LAST TEN YEARS

There have been no public or rights issue by our Company during the last ten years.

PREVIOUS ISSUES OF EQUITY SHARES OTHERWISE THAN FOR CASH

Except as stated below, our Company has not issued any Equity Shares for consideration other than cash:

Date of Allotment	Number of Equity Shares	Face Value (₹)	Issue price per Equity Share (₹)	Nature of Allotment
May 08, 2009	18,35,240	10	-	Amalgamation of Sam Global Securities Limited with our Company under Section 396 of the Companies Act
August 11, 2012	56,567,225	10	-	Bonus issue in the ratio of one Equity Share for each Equity Share

UNDERWRITING COMMISSION, BROKERAGE AND SELLING COMMISSION ON PREVIOUS ISSUES

There have been no public or rights issue by our Company during the last five years.

PROMISE V/S PERFORMANCE – LAST THREE ISSUES OF THE COMPANY

There have been no public or rights issue by our Company in the past.

PROMISE V/S PERFORMANCE –LAST ONE ISSUE OF SUBSIDIARIES, ASSOCIATE COMPANIES

None of the Subsidiaries and associates has made any public issue of its equity shares in the past.

OUTSTANDING DEBENTURES OR BOND ISSUES OR REDEEMABLE PREFERENCE SHARES

The Company has no outstanding debentures or bonds or redeemable preference shares as on date of this Draft Red Herring Prospectus.

OUTSTANDING PREFERENCE SHARES

There are no outstanding preference shares issued by our Company.

PARTLY PAID-UP SHARES

There are no partly paid up Equity Shares of our Company.

STOCK MARKET DATA OF THE EQUITY SHARES

See the section titled “Market Price Information” on page 345 of this Draft Red Herring Prospectus.

OTHER DISCLOSURES

None of our Promoter, our Promoter Group, our Directors or their immediate relatives have purchased or sold or financed the purchase or sale of Equity Shares by any other person, of any Equity Shares during the period of six months immediately preceding the date of filing of this Draft Red Herring Prospectus with the SEBI.

MECHANISM FOR REDRESSAL OF INVESTOR GRIEVANCES

The Registrar’s Agreement between the Registrar to the Issue, the Selling Shareholder and our Company, provides for retention of records with the Registrar to the Issue for a period of at least three years from the last date of dispatch of letters of allotment, demat credit, refund orders to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

All grievances relating to this Issue may be addressed to the Registrar to the Issue quoting the full name of the sole or first Bidder, Bid cum Application Form number, Bidders’ DP ID, Client ID, PAN, number of Equity Shares applied for, date of Bid cum Application Form, name and address of the member of the Syndicate, as the case may be, where the Bid was submitted and cheque or draft number and issuing bank thereof.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the relevant SCSB, quoting the full name of the sole or first Bidder, Bid cum Application Form number, Bidders’ DP ID, Client ID, PAN, number of Equity Shares applied for, date of Bid cum Application Form, name and address of the member of the Syndicate or the Designated Branch, as the case may be, where the ASBA Bid was submitted and ASBA Account number in which the amount equivalent to the Payment Amount was blocked.

DISPOSAL OF INVESTOR GRIEVANCES BY OUR COMPANY

We have made adequate arrangements for the redressal of investor complaints in compliance with the corporate governance requirements under the Listing Agreements. Additionally, we are registered with the SEBI Complaints Redress System (“SCORES”) as required by the SEBI Circular no. CIR/ OIAE/ 2/ 2011 dated June 3, 2011. Consequently investor grievances are tracked online by us. The share transfer and dematerialization is being handled by Link Intime India Private Limited, the Registrar and Transfer agent, which is also the Registrar to the Issue.

The average time taken by the Registrar for attending to routine grievances will be within 30 days from the date of receipt of complaints. In case of non-routine grievances where verification at other agencies is involved, it would be the endeavour of the Registrar to attend to them as expeditiously as possible. We undertake to resolve the Investor grievances in a time bound manner.

Status of investor complaints:

- Total number of complaints received from April 01, 2014 to September 30, 2014: 1
- Total number of complaints received during Fiscal 2014: 4
- Total number of complaints received during Fiscal 2013: 1
- Total number of complaints received during Fiscal 2012: Nil

Time normally taken for disposal of various types of investor complaints: The complaints are normally resolved in 30 days' time and when it comes to duplicate issue of dividend warrant, it takes around 15 days' time in view of obtaining demand draft from the bank against unpaid warrant.

The Company has appointed Mr. Suman Kumar, Executive Vice President (Corporate Affairs) and Company Secretary, as the Compliance Officer and he may be contacted in case of any pre-Issue or post-Issue related problems.

Mr. Suman Kumar

11/6B, Shanti Chamber
Pusa Road,
New Delhi – 110 005, India
Tel: +91 (11) 30155100, 30111000
Fax: +91 (11) 25754365
Website: www.smcindiaonline.com
Email: smc.fpo@smcindiaonline.com

MECHANISM FOR REDRESSAL OF INVESTOR GRIEVANCES BY COMPANIES UNDER THE SAME MANAGEMENT

There is no listed company under the same management as our Company.

CHANGE IN AUDITORS IN THE PAST THREE YEARS

There have been no changes in our Company's auditors in the last three years, except as described below:

Name of Auditor	Date of Appointment	Date of Cessation	Reasons for change
M/s Atul & Rajinder, Chartered Accountants	September 26, 2014	September 27, 2014	Death
M/s R. Gopal & Associates, Chartered Accountants	September 29, 2014	-	Appointment

CAPITALIZATION OF RESERVES OR PROFITS

Except for the bonus issue made by our Company on August 11, 2012, our Company has not undertaken any capitalization of reserves or profits since incorporation. The details of the bonus issue are given below:

Date of Allotment	Number of Equity Shares	Face Value (₹)	Issue price per Equity Share (₹)	Nature of Allotment
August 11, 2012	56,567,225	2	-	Bonus issue in the ratio of one Equity Share for each Equity Share

REVALUATION OF ASSETS

The Company has not re-valued its assets since incorporation.

SECTION VIII – ISSUE INFORMATION

TERMS OF THE ISSUE

The Equity Shares being issued and transferred are subject to the provisions of the Companies Act, SEBI ICDR Regulations, our Memorandum and Articles of Association, the terms of this Draft Red Herring Prospectus, the Red Herring Prospectus, the Prospectus, the Bid-cum-Application Form, the Revision Form, the Anchor Investor Allocation Notice (in case of Anchor Investors), the CAN and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to applicable laws, guidelines, notifications and regulations relating to the issue and transfer of capital and listing of securities, issued from time to time by SEBI, the GoI, the Stock Exchanges, RBI, RoC, FIPB 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 issued and transferred shall be subject to the provisions of our Memorandum and Articles and the Companies Act and shall rank *pari passu* in all respects with the existing Equity Shares of our Company including rights in respect of dividend. The Allottees in receipt of Equity Shares under the Issue will be entitled to dividends and/or any other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, see the section titled “Main Provisions of the Articles of Association” beginning on page 483 of this Draft Red Herring Prospectus.

Mode of Payment of Dividend

Our Company shall pay dividend, if declared, to the shareholders of our Company as per the provisions of our Memorandum and Articles, the Companies Act and the Listing Agreement. In respect of the Offer for Sale, all dividends, if any, declared by our Company after the date of Allotment, will be payable to the Bidders who have been Allotted Equity Shares in such Offer for Sale for the entire year. For description of our Dividend Policy, see the section titled “Dividend Policy” on page 205 of this Draft Red Herring Prospectus.

Issue related expenses

The expenses in relation to this Issue shall be split between our Company and the Selling Shareholder in proportion of the Equity Shares contributed to the Issue, except for the listing fees which shall be paid by our Company. These expenses typically include, amongst others, underwriting and lead management fee, brokerage and selling commissions, legal counsel fees, auditor fees, printing and distributions expenses, legal fees, statutory advertisements fees, and listing fees payable to the stock exchanges where Equity Shares are getting listed.

Face value and Issue Price

The Equity Shares with a face value of ₹ 2 each shall be issued and transferred in terms of this Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus at a price of ₹ [●] per Equity Share. The Anchor Investor Issue Price is ₹ [●] per Equity Share. At any given point of time, there shall be only one denomination for the Equity Shares of our Company, subject to applicable laws.

The Price Band and the minimum bid lot will be decided by our Company and the Selling Shareholder in consultation with the BRLM and the CBRLM and will be advertised at least one Working Day prior to the Bid/Issue Opening Date, in an English national daily newspaper and a Hindi national daily newspaper (Hindi also being the regional language in the state where our Registered Office is located) each with wide circulation.

Our Company, however, does not have any trading history at the stock exchanges where it is currently listed.

Compliance with SEBI ICDR Regulations

Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Equity Shareholders

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

- right to receive dividend, if declared;
- right to attend general meetings and exercise voting powers, unless prohibited by law;
- right to vote on a poll either in person or by proxy;
- right to receive offers for rights shares and be allotted bonus shares, if announced;
- right to receive surplus on liquidation subject to any statutory and preferential claims being satisfied;
- right of free transferability, subject to applicable statutory and or regulatory requirements; and
- such other rights as may be available to a shareholder of a listed public company under the Companies Act, the terms of the Listing Agreement and our Company's Memorandum and Articles of Association.

For further details on the main provisions of our Company's Articles of Association including those dealing with voting rights, dividend, forfeiture and lien, transfer and transmission and/or consolidation/splitting, see the section titled "Main Provisions of the Articles of Association" beginning on page 483 of this Draft Red Herring Prospectus.

Market lot and trading lot

Pursuant to Section 29 of the Companies Act, 2013, the Equity Shares are being Allotted only in dematerialised form. Hence, the Equity Shares being offered through this Red Herring Prospectus can be applied for in the dematerialised form only.

Further, as per the provisions of the SEBI ICDR Regulations, the trading of our Equity Shares shall only be in dematerialised form, consequent to which, the tradable lot is one Equity Share. Allotment of Equity Shares will be only in electronic form in multiples of [●] Equity Shares, subject to a minimum Allotment of [●] Equity Shares.

Jurisdiction

Exclusive jurisdiction for the purpose of the Issue is with the competent courts/authorities in New Delhi, India.

Nomination facility to the Investor

In accordance with Section 72 of the Companies Act, 2013, the sole or first Bidder, along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 72 of the Companies Act, 2013, be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to equity share(s) in the event of his or her death while the nominee is still a minor. A nomination shall stand rescinded upon a sale/transfer/alienation of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. A fresh nomination can be made only on the prescribed form available on request at the registered office of our Company or at the registrar and transfer agent of our Company.

Any person who becomes a nominee by virtue of the provisions of Section 72 of the Companies Act, 2013, shall upon the production of such evidence as may be required by the Board, elect either:

1. To register himself or herself as the holder of the Equity Shares; or
2. 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 monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the allotment of Equity Shares in the Issue will be made only in dematerialised mode, there is no need to make a separate nomination with our Company. Nominations registered with respective depository participant of the applicant would prevail. If the investors require a change the nomination, they are requested to inform their respective depository participant.

Minimum subscription

If our Company does not receive (i) the minimum subscription of 90% of the Fresh Issue within the Bidding/Issue Period; and/or (ii) a subscription in the Issue equivalent to the minimum number of securities as specified under Rule 19(2)(b)(ii) of the SCRR, including devolvement of Underwriters, if any, our Company and the Selling Shareholder shall refund the entire subscription amount received, within period as prescribed under Regulation 14 of the SEBI ICDR Regulations. If there is a delay beyond the prescribed time, our Company and the Selling Shareholder, in the proportion of equity shares offered/issued by them, shall pay interest prescribed under the Companies Act, 2013, the SEBI ICDR Regulations and applicable law.

The requirement for minimum subscription is not applicable to the Offer for Sale. In case of under-subscription in the Issue, the Equity Shares in the Fresh Issue will be issued prior to the sale of Equity Shares in the Offer for Sale.

Application by Eligible NRIs, FIIs and FPIs

It is to be distinctly understood that there is no reservation for Eligible NRIs, FIIs and FPIs. All Non Residents, NRIs, FIIs, FPIs, multi-lateral and bilateral development financial institutions and any other foreign investor applicants will be treated on the same basis with other categories for the purpose of allocation.

By way of Circular No. 53 dated December 17, 2003, the RBI has permitted FIIs to subscribe to shares of an Indian company in a public offer, subject to the applicable ceiling for foreign investment in such Indian company, without the prior approval of the RBI, so long as the price of the equity shares to be issued is not less than the price at which the equity shares are issued to residents. As per existing regulations, OCBs cannot participate in the Issue.

Arrangements for disposal of odd lots

Since the Equity Shares will be traded in dematerialised form only, the market lot for the Equity Shares will be one and no arrangements for disposal of odd lots are required.

Restriction on transfer and transmission of shares

There are no restrictions on transfers and transmission of shares and on their consolidation/splitting except as provided in our Articles. For details, see the section titled “Main Provisions of the Articles of Association” beginning on page 483 of this Draft Red Herring Prospectus.

However, in terms of the SEBI ICDR Regulations, Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion shall be locked-in for a period of 30 days from the date of Allotment of Equity Shares in the Issue.

Option to receive Equity Shares in Dematerialised Form

Allotment of Equity Shares to successful Bidders will only be in the dematerialised form. Bidders will not have the option of Allotment of the Equity Shares in physical form. The Equity Shares on Allotment will be traded only in the dematerialised segment of the Stock Exchanges.

Joint Holders

Where two or more persons are holding the Equity Shares, they shall be deemed to hold the same as joint tenants with the benefits of survivorship.

ISSUE STRUCTURE

The Issue is of [●] Equity Shares for cash at a price of ₹ [●] per Equity Share including a share premium of ₹ [●] per Equity Share, aggregating up to ₹ 1,250 million. The Issue consists of a Fresh Issue of [●] Equity Shares aggregating to an amount not exceeding ₹ 1,070 million and an Offer for Sale of up to [●] Equity Shares by the Selling Shareholder aggregating up to ₹ 180 million. The Issue shall constitute [●] % of the post Issue paid-up capital of our Company.

The Issue is being made through the Book Building Process.

	QIBs[#]	Non-Institutional Bidders	Retail Individual Bidders
Number of Equity Shares	[●] Equity Shares.	Not less than [●] Equity Shares available for allocation or Issue less allocation to QIBs and Retail Individual Bidders.	Not less than [●] Equity Shares available for allocation or Issue less allocation to QIBs and Non-Institutional Bidders.
Percentage of Issue size available for Allotment/allocation	50% of the Issue shall be available for allocation. However, up to 5% of the Net QIB Portion shall be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the Net QIB Portion.	Not less than 15% of the Issue or the Issue less allocation to QIBs and Retail Individual Bidders.	Not less than 35% of the Issue or the Issue less allocation to QIBs and Non-Institutional Bidders.
Basis of Allotment/Allocation if respective category is oversubscribed	Proportionate as follows: (a) [●] Equity Shares shall be allocated on a proportionate basis to Mutual Funds only; and (b) [●] Equity Shares shall be Allotted on a proportionate basis to all QIBs including Mutual Funds receiving allocation as per (a) above.	Proportionate	In the event, the Bids received from Retail Individual Bidders exceeds [●] Equity Shares, then the maximum number of Retail Individual Bidders who can be allocated/Allotted the minimum Bid Lot will be computed by dividing the total number of Equity Shares available for allocation/Allotment to Retail Individual Bidders by the minimum Bid Lot (“ Maximum RII Allottees ”). The allocation/Allotment to Retail Individual Bidders will then be made in the following manner: In the event the number

QIBs [#]	Non-Institutional Bidders	Retail Individual Bidders
		<p>of Retail Individual Bidders who have submitted valid Bids in the Issue is equal to or less than Maximum RII Allottees, (i) Retail Individual Bidders shall be Allotted the minimum Bid lot; and (ii) the balance Equity Shares, if any, remaining in the Retail Portion shall be Allotted on a proportionate basis to the Retail Individual Bidders who have received Allotment as per (i) above for less than the Equity Shares Bid by them (i.e. who have Bid for more than the minimum Bid Lot).</p> <p>In the event the number of Retail Individual Bidders who have submitted valid Bids in the Issue is more than Maximum RII Allottees, the Retail Individual Bidders (in that category) who will then be allocated/ Allotted minimum Bid Lot shall be determined on draw of lots basis.</p>
Minimum Bid	Such number of Equity Shares in multiples of [●] that the Bid Amount exceeds ₹ 200,000.	Such number of Equity Shares in multiples of [●] that the Bid Amount exceeds ₹ 200,000. [●] Equity Shares
Maximum Bid	Such number of Equity Shares in multiples of [●] not exceeding the Issue size, subject to applicable limits.	Such number of Equity Shares in multiples of [●] not exceeding the Issue size, subject to applicable limits. Such number of Equity Shares in multiples of [●] such that the Bid Amount does not exceed ₹ 200,000.
Mode of Allotment	Compulsorily in dematerialised form.	Compulsorily in dematerialised form. Compulsorily in dematerialised form.
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.	[●] Equity Shares and in multiples of [●] Equity Shares thereafter. [●] Equity Shares and in multiples of [●] Equity Shares thereafter.
Allotment Lot	[●] Equity Shares and in multiples of one Equity Share thereafter.	[●] Equity Shares and in multiples of one Equity Share thereafter. [●] Equity Shares and in multiples of one Equity Share thereafter subject to availability in the Retail Portion.
Trading Lot	One Equity Share	One Equity Share One Equity Share
Who can Apply **	(i) a Mutual Fund	Sub-accounts of FIIs Retail Individual

	QIBs[#]	Non-Institutional Bidders	Retail Individual Bidders
	<p>registered with SEBI; (ii) a FPI other than Category III foreign portfolio investors, (iii) public financial institution as defined in Section 2(72) of the Companies Act, 2013; (iv) AIFs, (v) a scheduled commercial bank; (vi) a multilateral and bilateral development financial institution; (vii) a state industrial development corporation; (viii) an insurance company registered with the Insurance Regulatory and Development Authority; (ix) a provident fund with minimum corpus of ₹ 250 million; (x) a pension fund with minimum corpus of ₹ 250 million; (xi) 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; (xii) insurance funds set up and managed by army, navy or air force of the Union of India; and (xiii) insurance funds set up and managed by the Department of Posts, India eligible for Bidding in the Issue.</p>	<p>registered with SEBI, which are foreign corporates or foreign individuals, QFIs and Category III foreign portfolio investors.</p>	<p>Bidders (including HUFs in the name of the Karta) and Eligible NRIs who are individuals applying for Equity Shares such that the Bid Amount does not exceed ₹ 200,000 in value.</p>
Terms of Payment	<p>The entire Bid Amount shall be blocked in an account with a SCSB. The entire Bid Amount will be payable at the time of submission of the Bid cum Application Form to the Designated Branch of the SCSB or the member of the Syndicate at the</p>	<p>The entire Bid Amount will be payable at the time of submission of the Bid cum Application Form to the Designated Branch of the SCSB or the member of the Syndicate at the Specified Location or the Registered Broker at the Broker Centre, as the</p>	<p>The entire Bid Amount will be payable at the time of submission of the Bid cum Application Form to the Syndicate or the Designated Branch of the SCSB or the member of the Syndicate at the Specified Location or the Registered Broker at the Broker Centre, as</p>

QIBs [#]	Non-Institutional Bidders	Retail Individual Bidders
Specified Location or the Registered Broker at the Broker Centre, as the case may be. The SCSB will be authorized to block funds equivalent to the Bid Amount in the relevant ASBA Account as detailed in the Bid cum Application Form.***	case may be. The SCSB will be authorized to block funds equivalent to the Bid Amount in the relevant ASBA Account as detailed in the Bid cum Application Form.	the case may be. In case of ASBA Bidders, the SCSB will be authorized to block funds equivalent to the Bid Amount in the relevant ASBA Account as detailed in the Bid cum Application Form.

#Our Company may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors. For further details, see the section titled "Issue Procedure" on pages 430 of this Draft Red Herring Prospectus.

***Subject to valid Bids being received at or above the Issue Price. The Issue is being made through the Book Building Process wherein 50% of the Issue will be available for allocation to QIBs. Out of the QIB Portion (excluding the Anchor Investor Portion), 5% shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder shall be available for allocation on a proportionate basis to QIBs and Mutual Funds, subject to valid Bids being received from them at or above the Issue Price. However, if the aggregate demand from Mutual Funds is less than [●] Equity Shares, the balance Equity Shares available for Allotment in the Mutual Fund Portion will be added to the QIB Portion and allocated proportionately to QIBs in proportion to their Bids. Further, not less than 15% of the Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue will be available for allocation to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. The allotment of Equity Shares to each Retail Individual Bidder shall not be less than minimum bid lot, subject to availability of Equity Shares in Retail Investor category, and the remaining available Equity Shares, if any, shall be allotted on proportionate basis. Under-subscription, if any, in any category, except the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company and the Selling Shareholder in consultation with the BRLM and CBRLM and the Designated Stock Exchange. Our Company will comply with the SEBI ICDR Regulations and any other ancillary directions issued by SEBI for the Issue.*

In case of ASBA Bidders, the SCSB shall be authorised to block such funds in the ASBA Account specified in the ASBA Form submitted by the ASBA Bidder. In case of joint Bids, the Bid-cum-Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such First Bidder would be required in the Bid-cum-Application Form and such First Bidder would be deemed to have signed on behalf of the joint holders. Bidders will be required to confirm and will be deemed to have represented to our Company, the BRLM, the CBRLM, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares in this Issue.

SCSBs applying in the Issue must apply through an ASBA Account maintained with any other SCSB.

**** Except for Anchor Investors, who would not be participating in the Issue using the ASBA facility.*

Withdrawal of the Issue

Our Company and the Selling Shareholder in consultation with the BRLM and CBRLM, reserves the right not to proceed with the Issue at any time after the Bid/Issue Opening Date but before the board or committee meeting for Allotment. In such event, our Company shall issue a public notice in the English language national daily newspaper and the Hindi language national daily newspaper (Hindi also being the regional language in the state where our Registered Office is located), each with wide circulation, in which the pre-Issue advertisements

were published, which shall include reasons for such withdrawal, within two days of closure of the Issue. Our Company shall also inform the same to the Stock Exchanges on which the Equity Shares are proposed to be listed and the BRLM and the CBRLM, through the Registrar to the Issue, shall notify the SCSBs to unblock the ASBA Accounts. The Selling Shareholder confirms that it shall extend all reasonable cooperation as requested by our Company, the BRLM and the CBRLM.

Further, in the event of a withdrawal of the Issue, if our Company subsequently determines that it will proceed with an initial public offering of its Equity Shares, our Company shall file a fresh draft red herring prospectus with SEBI. Notwithstanding the foregoing, the Issue is also subject to obtaining (i) final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment; and (ii) the final approval of the RoC, after the Prospectus is filed with the RoC.

Issue Programme

ISSUE OPENS ON	[●]*
ISSUE FOR QIBS CLOSING ON	[●]**
ISSUE FOR RETAIL AND NON INSTITUTIONAL BIDDERS CLOSING ON	[●]

* Our Company and the Selling Shareholder may consider participation by Anchor Investors. The Anchor Investors shall Bid during the Anchor Investor Bidding Period, i.e., one Working Day prior to the Bid / Issue Opening Date.

**Our Company and the Selling Shareholder may, in consultation with the BRLM and the CBRLM, decide to close Bidding by QIBs one Working Day prior to the Bid/Issue Closing Date.

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

Event	Indicative Date
Bid/ Issue Closing Date	[●]
Finalization of basis of allotment with the Designated Stock Exchange	[●]
Initiation of refunds / un-blocking of ASBA Accounts	[●]
Credit of Equity Shares to investors' demat accounts	[●]
Commencement of trading of the Equity Shares on the Stock Exchanges	[●]

The above timetable is indicative and does not constitute any obligation on our Company or the Selling Shareholder or the BRLM or the CBRLM. Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchanges are taken within 12 Working Days of the Bid/Issue Closing Date, the timetable may change due to various factors, such as extension of the Bidding/ Issue Period by our Company or the Selling Shareholder, revision of the Price Band or any delays in receiving the final listing and trading approval from the Stock Exchanges. Our Company and the Selling Shareholder confirm that they shall extend all reasonable co-operation required by the BRLM and the CBRLM for the completion of the necessary formalities for listing and commencement of trading of the Equity Shares (offered by the Selling Shareholder in the Issue) at all the Stock Exchanges within 12 Working Days from the Bid/Issue Closing Date. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable law.

Except in relation to the Bids received from the Anchor Investors, Bids and any revision in Bids will be accepted only between **10.00 a.m. and 5.00 p.m. IST** during the Bidding/Issue Period at the Bidding Centres mentioned in the Bid-cum-Application Form, or in the case of ASBA Bidders, at the Designated Branches of the SCSBs or at the branches of the members of the Syndicate at the Syndicate ASBA centres, as the case may be, except that on the Bid/Issue Closing Date (which for QIBs may be one day prior to the Bid/Issue Closing Date for other non-QIB Bidders as may be decided by our Company and the Selling Shareholder in consultation with the BRLM and CBRLM), Bids will be accepted only between **10.00 a.m. and 3.00 p.m. IST** and uploaded until (i) **5.00 p.m.** or such extended time as permitted by the Stock Exchanges in case of Bids by Retail Individual Bidders; and until (ii) **4.00 p.m.** in case of Bids by QIB Bidders and Non-Institutional Bidders. Due to limitation

of time available for uploading the Bids on the Bid/Issue Closing Date, Bidders other than QIB Bidders are advised to submit their Bids one day prior to the Bid/Issue Closing Date and no later than **12.00 p.m. IST** on the Bid/Issue Closing Date. Bidders other than QIB Bidders and Anchor Investors are cautioned that in the event a large number of Bids are received on the Bid/Issue Closing Date, as is typically experienced in public issues, which may lead to some Bids not being uploaded due to lack of sufficient time to upload, such Bids that cannot be uploaded will not be considered for allocation in the Issue. If such Bids are not uploaded, our Company, the Selling Shareholder and the Syndicate will not be responsible. Bids will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday). On the Bid/Issue Closing Date, extension of time may be granted by the Stock Exchanges only for uploading the Bids received from Retail Individual Bidders, after taking into account the total number of Bids received up to the closure of timings for acceptance of Bid-cum-Application Forms and ASBA Forms as stated herein and reported by the BRLM and the CBRLM to the Stock Exchanges within half an hour of such closure. Neither our Company, the Selling Shareholders, the members of the Syndicate, the SCSBs or the Registered Brokers will be liable for any failure in uploading the Bids due to lack of sufficient time or faults in any software/hardware system or otherwise.

It is clarified that Bids not uploaded in the book would be rejected. Bids by ASBA Bidders shall be uploaded by the SCSB in the electronic system to be provided by the BSE and NSE.

In case of any discrepancy in the data entered in the electronic book *vis-à-vis* the data contained in the physical Bid-cum-Application Form, for a particular Bidder, the details as per the Bid file received from the Stock Exchanges may be taken as the final data for the purpose of Allotment.

Our Company and the Selling Shareholder, in consultation with the BRLM and the CBRLM, reserves the right to revise the Price Band during the Bidding/Issue Period, provided that the Cap Price shall be less than or equal to 120% of the revised Floor Price and the revised Floor Price shall not be less than the face value of the Equity Shares. The revision in Price Band shall not exceed 20% on the either side i.e. the Floor Price can move up or down to the extent of 20% of the Floor Price disclosed at least one Working Day prior to the Bid/Issue Opening Date and the Cap Price will be revised accordingly.

In case of revision of the Price Band, the Bidding/Issue Period will be extended for at least three additional Working Days after such revision of the Price Band subject to the total Bidding/Issue Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bidding/Issue Period, if applicable, will be widely disseminated by notification to the SCSBs, BSE and the NSE, by issuing an advertisement and also by indicating the changes on the website of the BRLM and the CBRLM and at the terminals of the Syndicate.

QIBs and Non-Institutional Investors shall neither withdraw nor revise their Bids so as to lower the size of their Bid at any stage after they have Bid for the Issue. QIBs and Non-Institutional Investors may revise their Bids upwards (in terms of quantity of Equity Shares or the Bid Amount) during the Bid/Issue Period. Such upward revision must be made using the Revision Form. Retail Individual Investors may either withdraw or revise their Bids until finalisation of the Allotment.

ISSUE PROCEDURE

All Bidders should review the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 issued by SEBI (the “General Information Document”) included below under section “- **Part B – General Information Document**”, which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, 1956, the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the SEBI ICDR Regulations. The General Information Document has been updated to include reference to the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014 and certain notified provisions of the Companies Act, 2013, to the extent applicable to a public issue. The General Information Document is also available on the websites of the Stock Exchanges and the BRLM and the CBRLM. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue.

Our Company, the BRLM and the CBRLM do not accept any responsibility for the completeness and accuracy of the information stated in this section, and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in this Draft Red Herring Prospectus.

Please note that QIBs (other than Anchor Investors) and Non-Institutional Bidders can participate in the Issue only through the ASBA process. Retail Individual Bidders can participate in the Issue through the ASBA process as well as the non ASBA process. ASBA Bidders should note that the ASBA process involves application procedures that are different from the procedure applicable to non-ASBA Bidders. However, there is a common Bid cum Application Form for ASBA Bidders (submitted to SCSBs or to the Syndicate at the Specified Locations or to the Registered Brokers at the Broker Centres) as well as for non-ASBA Bidders. Bidders applying through the ASBA process should carefully read the provisions applicable to such applications before making their application through the ASBA process. Please note that all Bidders are required to make payment of the full Bid Amount along with the Bid cum Application Form. In case of ASBA Bidders, an amount equivalent to the full Bid Amount will be blocked by the SCSBs.

ASBA Bidders may submit ASBA Bids to a Designated Branch (a list of such branches is available on the website of the SEBI (www.sebi.gov.in)) or to the Syndicate at the Specified Locations or to the Registered Brokers at the Broker Centres. Non-ASBA Bidders are required to submit Bids to the Syndicate, only on a Bid cum Application Form bearing the stamp of a member of the Syndicate or the Registered Broker. ASBA Bidders are advised not to submit Bid cum Application Forms to Escrow Collection Banks, unless such Escrow Collection Banks are also SCSBs.

All Bidders are required to pay the full Bid Amount or, in case of ASBA Bids, ensure that the ASBA Account has sufficient credit balance such that the full Bid Amount can be blocked by the SCSB at the time of submitting the Bid.

SEBI by its circular (CIR/CFD/DIL/1/2011) dated April 29, 2011 (“**2011 Circular**”) has made it mandatory for the non-retail bidders i.e., QIBs (other than Anchor Investors) and Non Institutional Bidders to make use of the facility of ASBA for making applications for public issues. Further, the 2011 Circular also provides a mechanism to enable the Syndicate and sub-Syndicate Members to procure Bid cum Application Forms submitted under the ASBA process from prospective Bidders. SEBI by its circular (CIR/CFD/14/2012) dated October 4, 2012 (“**2012 Circular**”), has introduced an additional mechanism for prospective Bidders to submit Bid cum Application Forms (ASBA and non-ASBA applications) using the stock broker network of Stock Exchanges, who may not be Syndicate Members in the Issue. The 2012 Circular envisages enabling this facility to submit the Bid cum Application Forms in more than 1,000 locations which are part of the nationwide broker network of the Stock Exchanges and where there is a presence of the brokers’ terminals, by March 1, 2013. Further, SEBI by its circular (CIR/CFD/DIL/ 4 /2013) dated January 23, 2013 (“**2013 Circular**”), in partial modification of the 2011 Circular, mandates that in order to facilitate Syndicate/ sub-Syndicate/ non-Syndicate Members to accept Bid cum Application Forms from prospective ASBA Bidders in the locations, all the SCSBs having a branch in the location of Broker Centres, notified in terms of the 2012 Circular are required to name at least one branch before March 1, 2013, where Syndicate/sub-Syndicate/ non-Syndicate Members can submit such Bid cum Application Forms.

Please note that pursuant to the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2012, certain aspects, such as withdrawal and revision of Bids, manner of allocation to Retail Individual Bidders and announcement of Price Band, have been modified. Please note that such modifications have come into effect from October 12, 2012 and all Bidders are advised to read this section carefully before participating in the Issue.

PART A

Book Building Procedure

The Issue is being made through the Book Building Process wherein 50% of the Issue shall be available for allocation to QIBs on a proportionate basis. Provided that our Company may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis out of which at least one-third shall be reserved for domestic Mutual Funds only. In the event of under-subscription in the Anchor Investor Portion, the remaining Equity Shares shall be added to the Net QIB Portion. 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 15% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue shall be available for allocation to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. The allotment of Equity Shares to each Retail Individual Bidder shall not be less than minimum bid lot, subject to availability of Equity Shares in Retail Investor category, and the remaining available Equity Shares, if any, shall be Allotted on proportionate basis.

Under-subscription, if any, in any category, except the QIB Portion, would be allowed to be met with spill over from any other category or combination of categories at the discretion of our Company and the Selling Shareholder, in consultation with the BRLM, the CBRLM and the Designated Stock Exchange.

Investors should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialised form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including DP ID, Client ID and PAN, shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form.

In case of QIBs (other than Anchor Investors) the BRLM and CBRLM can reject Bids at the time of acceptance of the Bid cum Application Form provided that the reasons for such rejection shall be disclosed to such Bidder in writing. Further, Bids from QIBs can also be rejected on technical grounds, as listed in "***Issue Procedure - Part B: General Information Document for Investing in Public Issues - Section 5: Issue Procedure in Book Built Issue - Grounds for Technical Rejections***" on pages 430 of this Draft Red Herring Prospectus. In case of Non Institutional Bidders, Retail Individual Bidders, our Company has a right to reject Bids based on technical grounds only. However, our Company and the Selling Shareholder, in consultation with the BRLM and the CBRLM, reserves the right to reject any Bid received from Anchor Investors without assigning any reasons.

Bidders can Bid at any price within the Price Band. The Price Band for the Issue will be decided by our Company and the Selling Shareholder, in consultation with the BRLM and the CBRLM, and the Bid lot for the Issue will be decided by our Company and the Selling Shareholder, in consultation with the BRLM and the CBRLM and published in an English national daily newspaper and a Hindi national daily newspaper (Hindi also being the regional language in the state where our Registered Office is located), each with wide circulation, at least five Working Days prior to the Issue Opening Date, with the relevant financial ratios calculated at the Floor Price and at the Cap Price. Such information shall also be disclosed to the Stock Exchanges for dissemination through, and shall be pre-filled in the Bid cum Application Forms available on, the Stock Exchanges' websites.

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

Bid cum Application Form

Please note that there is a common Bid cum Application Form for ASBA Bidders (submitted to SCSBs or to the Syndicate at the Specified Locations or to the Registered Brokers at the Broker Centres) as well as for non-ASBA Bidders. Copies of the Bid cum Application Form and the abridged prospectus will be available at the offices of the BRLM, the CBRLM, the Syndicate Member, the Registered Brokers, the SCSBs and the Registered Office of our Company. An electronic copy of the Bid cum Application Form will also be available on the websites of the SCSBs, the NSE (www.nseindia.com) and the BSE (www.bseindia.com) and the terminals of the Registered Brokers. Physical Bid cum Application Forms for Anchor Investors shall be made available at the offices of the BRLM and the CBRLM. The Bid Cum Application Forms shall also be available at the BSE, the NSE, the DSE, the LSE, the CSE and the ASE.

QIBs (other than those investing in the Anchor Investor Portion) and Non-Institutional Investors shall mandatorily participate in the Issue only through the ASBA process. Retail Individual Investors can participate in the Issue through the ASBA process as well as the non-ASBA process.

ASBA Bidders must provide bank account details in the relevant space provided in the Bid cum Application Form and the Bid cum Application Form that does not contain such details are liable to be rejected.

Bidders shall ensure that the Bids are made on Bid cum Application Forms bearing the stamp of a member of the Syndicate or the Registered Broker or the SCSBs, as the case may be, submitted at the Bidding centres only (except in case of electronic Bid cum Application Forms) and the Bid cum Application Forms not bearing such specified stamp are liable to be rejected.

The prescribed colour of the Bid cum Application Form for the various categories is as follows:

Category	Colour of Bid cum Application Form*
Resident Indians (including resident QIBs, Non-Institutional Investors, Retail Individual Investors) and Eligible NRIs applying on a non-repatriation basis**	[●]
Non-residents including Eligible NRIs, FPIs or Foreign Venture Capital Investors, registered Multilateral and Bilateral Development Financial Institutions applying on a repatriation basis	[●]
Anchor Investors***	[●]

* Excluding electronic Bid cum Application Form

** Bid cum Application Forms and the abridged Prospectus will also be available on the website of the NSE (www.nseindia.com) and BSE (www.bseindia.com). The Bid Cum Application Forms shall also be available at the BSE, the NSE, the DSE, the LSE, the CSE and the ASE.

*** Bid cum Application Forms for Anchor Investors shall be made available at the offices of the BRLM and the CBRLM

All non-ASBA Bidders are required to submit their Bids through the Syndicate or the Registered Brokers only. ASBA Bidders are required to submit their Bids through the SCSBs (in physical or electronic form) or with the Syndicate at the Specified Locations or to the Registered Brokers at the Broker Centres, authorising SCSBs to block funds that are available in the ASBA Account specified in the Bid cum Application Form. Non-ASBA Bidders shall only use the specified Bid cum Application Form bearing the stamp of a member of the Syndicate or a Registered Broker for the purpose of making a Bid in terms of this Draft Red Herring Prospectus. The Bidder shall have the option to make a maximum of three Bids in the Bid cum Application Form and such options shall not be considered as multiple Bids.

No separate receipts shall be issued for the money payable on the submission of Bid cum Application Form or Revision Form. However, the collection Centre of the Syndicate or the Registered Brokers will acknowledge the receipt of the Bid cum Application Forms or Revision Forms by stamping and returning to the Bidder the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Bid cum Application Form for the records of the Bidder. The Bidder should preserve this acknowledgment slip and should provide the same for any queries relating to non-Allotment of Equity Shares in the Issue.

Kindly note that the Syndicate/ Sub Syndicate or the Registered Broker at the Specified Locations or the Brokers Centres, as applicable, may not accept the Bid if there is no branch of the Escrow Collection Banks at that location.

ASBA Bidders bidding through a member of the Syndicate or a Registered Broker should ensure that the Bid cum Application Form is submitted to a member of the Syndicate only in the Specified Locations or to a Registered Broker in a Broker Centre. ASBA Bidders should also note that Bid cum Application Forms submitted to the member of the Syndicate in the Specified Locations or a Registered Broker at a Broker Centre will not be accepted if the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has not named at least one branch at that location for the members of the Syndicate or the Registered Broker to deposit Bid cum Application Forms (a list of such branches is available on the website of SEBI at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>). ASBA Bidders bidding directly through the SCSBs should ensure that the Bid cum Application Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.

It is not obligatory for the Registered Broker to accept the Bid cum Application Forms. However, upon acceptance of a Bid cum Application Form, it is the responsibility of the Registered Broker to comply with the obligations set out in 2012 Circular, including in relation to uploading the Bids on the online system of the Stock Exchanges, depositing the cheque and sending the updated electronic schedule to the relevant branch of the Escrow Collection Bank (in case of Bids by Bidders other than ASBA Bidders) and forwarding the schedule along with the Bid cum Application Form to the relevant branch of the SCSB (in case of Bids by ASBA Bidders), and are liable for any failure in this regard. Upon completion and submission of the Bid cum Application Form to a Syndicate or the Registered Broker or the SCSB, the Bidder is deemed to have authorised our Company to make the necessary changes in this Draft Red Herring Prospectus 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 Bidder. Upon the filing of the Prospectus with the RoC, the Bid cum Application Form shall be considered as the Application Form.

To supplement the foregoing, the mode and manner of Bidding through the Bid cum Application Form is illustrated in the following chart:

Category of bidder	Mode of Bidding	To whom the application form has to be submitted
Retail Individual Bidders	Either (i) ASBA or (ii) non-ASBA	<p>In case of ASBA Bidders</p> <p>(i) If using physical Bid cum Application Form, to the Syndicate/ Sub Syndicate at the Specified Locations, or to the Designated Branches of the SCSBs where the ASBA Account is maintained, or to the Registered Brokers at the Broker Centres; or</p> <p>(ii) If using electronic Bid cum Application Form, to the SCSBs, electronically through internet banking facility, where the ASBA account is maintained.</p> <p>In case of non-ASBA Bidder:</p> <p>Using physical Bid cum Application Form, to the Syndicate/ Sub Syndicate at the Specified Locations or the Registered Brokers at the Broker Centres.</p>
Non Institutional Bidders and QIBs (excluding Anchor Investors)	ASBA (Kindly note that ASBA is mandatory and no other mode of Bidding is permitted)	<p>(i) If using physical Bid cum Application Form, to the Syndicate/ Sub Syndicate at the Specified Locations, or to the Designated Branches of the SCSBs where the ASBA Account is maintained, or to the Registered Brokers at the Broker Centres; or</p> <p>(ii) If using electronic Bid cum Application Form, to the SCSBs, electronically through internet banking facility, where the ASBA account is maintained.</p>
Anchor Investors	Non-ASBA	To the Book Running Lead Manager and Co-Book

Category of bidder	Mode of Bidding	To whom the application form has to be submitted
		Running Lead Manager

Who can Bid?

In addition to the category of Bidders set forth under “– *General Information Document for Investing in Public Issues – Category of Investors Eligible to Participate in an Issue*”, the following persons are also eligible to invest in the Equity Shares under all applicable laws, regulations and guidelines, including:

- FPIs other than Category III Foreign Portfolio Investor;
- Category III Foreign Portfolio Investors, which are foreign corporates or foreign individuals only under the Non Institutional Investors (NIIs) category; and
- Scientific and/or industrial research organisations authorised in India to invest in the Equity Shares.
- Mutual Funds registered with SEBI. Bids by asset management companies or custodians of Mutual Funds should clearly indicate the name of the concerned scheme for which the Bid is submitted;
- Venture Capital Funds and Alternative Investment Funds registered with SEBI;
- Foreign Venture Capital Investors registered with SEBI;
- FPIs registered with SEBI, provided that any QFI or FII who holds a valid certificate of registration shall be deemed to be an FPI until the expiry of the block of three years for which fees have been paid as per the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995;
- State Industrial Development Corporations;
- Scientific and/or industrial research organisations in India, authorised to invest in equity shares;
- Insurance companies registered with IRDA;
- Provident funds and pension funds with a minimum corpus of ₹ 250 million and who are authorized under their constitutional documents to hold and invest in equity shares;
- National Investment Fund set up by resolution no. F. No. 2/3/2005-DD-II dated November 23, 2005 of the GoI published in the Gazette of India;
- Insurance funds set up and managed by the army, navy or air force of the Union of India or by the Department of Posts, India;
- Multilateral and bilateral development financial institutions; and
- Any other person eligible to Bid in the Issue under applicable laws.

Participation by associates and affiliates of the BRLM, the CBRLM and the Syndicate Members

The BRLM, the CBRLM and the Syndicate Members shall not be allowed to purchase in this Issue in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the BRLM, the CBRLM and the Syndicate Members may purchase the Equity Shares in the Issue, either in the QIB Category or in the Non-Institutional Category as may be applicable to such Bidders, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of BRLM, the CBRLM and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

The BRLM, the CBRLM and any persons related to the BRLM, the CBRLM or the Promoters and the Promoter Group cannot apply in the Issue under the Anchor Investor Portion.

Bids by Mutual Funds

As per the SEBI ICDR Regulations, at least one third of the Anchor Investor Portion will be reserved for domestic Mutual Funds and 5% of the QIB Portion (excluding Anchor Investor Portion) is reserved for allocation to Mutual Funds on a proportionate basis. An eligible Bid by a Mutual Fund shall first be considered for allocation proportionately in the Mutual Fund Portion. In the event that the demand in the Mutual Fund portion is greater than [●] Equity Shares, allocation shall be made to Mutual Funds proportionately, to the extent of the Mutual Fund Portion. The remaining demand by the Mutual Funds shall, as part of the aggregate demand by QIBs, be available for allocation proportionately out of the remainder of the QIB Portion, after excluding the allocation in the Mutual Fund Portion. With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Bid cum Application Form. Failing this, our Company reserves

the right to reject any Bid without assigning any reason thereof. Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made.

One-third of the Anchor Investor Portion shall be reserved for allocation to domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Bids by Eligible NRIs

Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRIs intending to make payment through freely convertible foreign exchange and bidding on a repatriation basis could make payments through Indian Rupee drafts purchased abroad or cheques or bank drafts or by debits to their NRE Account or FCNR Account, maintained with banks authorized by the RBI to deal in foreign exchange. Eligible NRIs bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents (blue in colour), accompanied by a bank certificate confirming that the payment has been made by debiting to the NRE Account or FCNR Account, as the case may be. Payment for Bids by non-resident Bidder bidding on a repatriation basis will not be accepted out of NRO Accounts.

NRIs Bidding on non-repatriation basis may make payments by inward remittance in foreign exchange through normal banking channels or by debits to NRE/FCNR Accounts as well as the NRO Account /Non-Resident (Special) Rupee account / Non-Resident Non-Repatriable Term Deposit Account. NRIs Bidding on non repatriation basis are advised to use the Bid cum Application Form for Residents (white in colour).

Bids by FPIs

In terms of the FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) is not permitted to exceed 10% of our post-Issue Equity Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up Equity Share capital of our Company. The aggregate limit of 24% may be increased up to the sectoral cap by way of a resolution passed by the Board of Directors followed by a special resolution passed by the shareholders of our Company.

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the FPI Regulations, an FPI, other than Category III foreign portfolio investor and unregulated broad based funds, which are classified as Category II foreign portfolio investor by virtue of their investment manager being appropriately regulated, may issue or otherwise deal in offshore derivative instruments (as defined under the FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it that are listed or proposed to be listed on any 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. An FPI is also required to ensure that no further issue or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority.

Any QFI or FII who holds a valid certificate of registration shall be deemed to be an FPI until the expiry of the block of three years for which fees have been paid as per the FII Regulations. An FII or sub-account may, subject to payment of conversion fees under the FPI Regulations, participate in the Issue, until the expiry of its registration as a FII or sub-account, or until it obtains a certificate of registration as FPI, whichever is earlier. Further, a QFI may participate in the Issue until January 6, 2015 (or such other date as may be specified by SEBI) or if obtains a certificate of registration as FPI, whichever is earlier. An FII or sub-account shall not be eligible to invest as an FII after registering as an FPI under the FPI Regulations.

In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs as well as holding of FIIs (being deemed FPIs) shall be included.

The individual and aggregate investment limits for Eligible QFIs in equity shares of a listed Indian company, under the FEMA regulations, are 5% and 10%, respectively, of the paid up capital. Further, wherever there are composite sectoral caps under the extant FDI policy, these limits for Eligible QFI investment in equity shares shall also be within such overall FDI sectoral caps.

Further, in terms of the FPI Regulations, a QFI may continue to buy, sell or otherwise deal in securities, subject to the provisions of the FPI Regulations, for one year from the date of the agreement (or such other date as may be specified by SEBI) or until the QFI obtains a certificate of registration as FPI, whichever is earlier. QFIs shall be eligible to Bid under the Non-Institutional Bidders category.

The existing individual and aggregate investment limits for QFIs in an Indian company are 5% and 10% of the paid up capital of an Indian company, respectively. In terms of the FEMA Regulations, a QFI shall not be eligible to invest as a QFI upon obtaining registration as an FPI. However, all investments made by a QFI in accordance with the regulations, prior to registration as an FPI shall continue to be valid and taken into account for computation of the aggregate limit.

FPIs are permitted to participate in the Issue only through the foreign portfolio investment scheme in accordance with Schedule 2A of the FEMA Regulations and FIIs are permitted to participate in the Issue only through the portfolio investment scheme in accordance with Schedule 2 of the FEMA Regulations.

Bids by Anchor Investors

Our Company and the Selling Shareholder, in consultation with the BRLM and the CBRLM, may consider participation by Anchor Investors in the Issue for up to 60% of the QIB Portion in accordance with the SEBI ICDR Regulations. Only QIBs as defined in Regulation 2 (1) (zd) of the SEBI ICDR Regulations and not otherwise excluded pursuant to Schedule XI of the SEBI ICDR Regulations are eligible to invest. The QIB Portion will be reduced in proportion to allocation under the Anchor Investor Portion. In the event of under-subscription in the Anchor Investor Portion, the balance Equity Shares will be added to the QIB Portion. In accordance with the SEBI ICDR Regulations, the key terms for participation in the Anchor Investor Portion are provided below.

- (i) Anchor Investor Bid cum Application Forms will be made available for the Anchor Investor Portion at the offices of the BRLM and the CBRLM.
- (ii) The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount exceeds ₹ 100 million. A Bid cannot be submitted for over 60% of the QIB Portion. In case of a Mutual Fund, separate Bids by individual schemes of a Mutual Fund will be aggregated to determine the minimum application size of ₹ 100 million.
- (iii) One-third of the Anchor Investor Portion will be reserved for allocation to domestic Mutual Funds.
- (iv) Bidding for Anchor Investors will open one Working Day before the Bid/Issue Opening Date and be completed on the same day.
- (v) Our Company and the Selling Shareholder, in consultation with the BRLM and the CBRLM will finalize allocation to the Anchor Investors on a discretionary basis, subject to:
 - (i) maximum of two Anchor Investors, where allocation in the Anchor Investor Portion is up to ₹ 100 million;

- (j) minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹ 100 million but up to ₹ 2500 million, subject to a minimum Allotment of ₹ 50 million per Anchor Investor, and
- (k) minimum of five and maximum of 25 Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹ 2500 million, subject to a minimum Allotment of ₹ 50 million per Anchor Investor.
- (vi) Allocation to Anchor Investors will be completed on the Anchor Investor Bidding/Issue Period. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation is made will be made available in the public domain by the BRLM and the CBRLM before the Bid/Issue Opening Date, through intimation to the Stock Exchange.
- (vii) Anchor Investors cannot withdraw or lower the size of their Bids at any stage after submission of the Bid.
- (viii) If the Issue Price is greater than the Anchor Investor Issue Price, the additional amount being the difference between the Issue Price and the Anchor Investor Issue Price will be payable by the Anchor Investors within two Working Days from the Bid/Issue Closing Date. If the Issue Price is lower than the Anchor Investor Issue Price, Allotment to successful Anchor Investors will be at the higher price, i.e., the Anchor Investor Issue Price.
- (ix) Equity Shares Allotted in the Anchor Investor Portion will be locked in for a period of 30 days from the date of Allotment.
- (x) The BRLM, CBRLM, our Promoters, Promoter Group, Group Companies or any person related to them will not participate in the Anchor Investor Portion. The parameters for selection of Anchor Investors will be clearly identified by the BRLM and CBRLM and made available as part of the records of the BRLM and CBRLM for inspection by SEBI.
- (xi) Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion will not be considered multiple Bids.
- (xii) For more information, see the section “*Issue Procedure - Part B: General Information Document for Investing in Public Issues - Section 7: Allotment Procedure and Basis of Allotment - Allotment to Anchor Investor*” on pages 430 of this Draft Red Herring Prospectus.
- (xiii) Anchor Investors are not permitted to Bid in the Issue through the ASBA process.

Bids by SEBI registered VCFs, AIFs and FVCIs

The SEBI VCF Regulations and FVCI Regulations, *inter alia* prescribe the investment restrictions on the VCFs and FVCIs registered with SEBI. Further, the AIF Regulations prescribe, among others, the investment restrictions on AIFs.

Accordingly, the holding by any individual VCF registered with SEBI in one venture capital undertaking should not exceed 25% of the corpus of the VCF. Further, VCFs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering.

The category I and II AIFs cannot invest more than 25% of the corpus in one investee company. A category III AIF cannot invest more than 10% of the corpus in one investee company. A venture capital fund registered as a category I AIF, as defined in the AIF Regulations, cannot invest more than 1/3rd of its corpus by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the AIF Regulations shall continue to be regulated by the VCF Regulations.

All Non-Resident Bidders including Eligible NRIs, FPIs and FVCIs should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and / or commission. In case of Bidders who remit money through Indian Rupee drafts purchased abroad, such payments in Indian rupees will be converted into USD 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 Bidders so desire, will be credited to their NRE Accounts, details of which should be furnished in the space provided for this purpose in the Bid cum Application Form. Our Company or BRLM or CBRLM will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

There is no reservation for Eligible NRIs, FPIs and FVCIs and all Bidders will be treated on the same basis with other categories for the purpose of allocation.

Bids 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.

Bids by banking companies

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason.

The investment limit for banking companies as per the Banking Regulation Act, 1949, as amended, is 30% of the paid up share capital of the investee company or 30% of the banks' own paid up share capital and reserves, whichever is less (except in certain specified exceptions, such as setting up or investing in a subsidiary, which requires RBI approval). Further, the RBI Master Circular of July 1, 2014, sets forth prudential norms required to be followed for classification, valuation and operation of investment portfolio of banking companies.

Bids 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. 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 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).

Bids by SCSBs

SCSBs participating in the Issue are required to comply with the terms of the SEBI circulars dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for ASBA applications.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, FPIs, Mutual Funds, insurance companies, insurance funds set up by the army, navy or air force of the Union of India, insurance funds set up by the Department of Posts, India or the National Investment Fund and

provident funds with a minimum corpus of ₹ 250 million (subject to applicable law) and pension funds with a minimum corpus of ₹ 250 million, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the 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.

In case of a Bid by way of ASBA pursuant to a power of attorney, a certified copy of the power of attorney must be lodged along with the Bid cum Application Form.

In addition to the above, certain additional documents are required to be submitted by the following entities:

- (a) With respect to Bids by FPIs and Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form.
- (b) With respect to Bids by insurance companies registered with the IRDA, in addition to the above, a certified copy of the certificate of registration issued by the IRDA must be lodged along with the Bid cum Application Form.
- (c) With respect to Bids made by provident funds with a minimum corpus of ₹ 250 million (subject to applicable law) and pension funds with a minimum corpus of ₹ 250 million, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Bid cum Application Form.
- (d) With respect to 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.

Our Company in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application form, subject to such terms and conditions that our Company, the Selling Shareholder along with the BRLM and the CBRLM may deem fit.

Bids by provident funds/pension funds

In case of Bids made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹ 250 million, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund 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.

The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholder along with the BRLM and CBRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Red Herring Prospectus.

General Instructions

Do's:

- 1. Check if you are eligible to apply as per the terms of this Draft Red Herring Prospectus and under applicable law;
- 2. Ensure that you have Bid within the Price Band;
- 3. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;
- 4. Ensure that the details about the PAN, DP ID and Client ID are correct and the Bidders depository account is active, as Allotment of the Equity Shares will be in the dematerialised form only;

5. Ensure that the Bids are submitted at the bidding centres only on forms bearing the stamp of the Syndicate (except in case of electronic forms) or with respect to ASBA Bidders, ensure that your Bid is submitted either to a member of the Syndicate (in the Specified Locations), a Designated Branch of the SCSB where the ASBA Bidder or the person whose bank account will be utilised by the ASBA Bidder for bidding has a bank account, or to a Registered Broker at the Broker Centres.
6. In relation to the ASBA Bids, ensure that your Bid cum Application Form is submitted either at a Designated Branch of a SCSB where the ASBA Account is maintained or with the Syndicate in the Specified Locations or with a Registered Broker at the Broker Centres, and not to the Escrow Collecting Banks (assuming that such bank is not a SCSB) or to our Company or the Registrar to the Issue;
7. With respect to the ASBA Bids, ensure that the Bid cum Application Form is signed by the account holder in case the applicant is not the account holder. Ensure that you have mentioned the correct bank account number in the Bid cum Application Form;
8. QIBs (other than Anchor Investors) and the Non-Institutional Bidders should submit their Bids through the ASBA process only;
9. With respect to Bids by SCSBs, ensure that you have a separate account in your own name with any other SCSB having clear demarcated funds for applying under the ASBA process and that such separate account (with any other SCSB) is used as the ASBA Account with respect to your Bid;
10. Ensure that you request for and receive a TRS for all your Bid options;
11. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the Bid cum Application Form under the ASBA process to the respective member of the Syndicate (in the Specified Locations), the SCSBs or the Registered Broker (at the Broker Centres);
12. Ensure that you have funds equal to the Bid Amount in your bank account before submitting the Bid cum Application Form under non-ASBA process to the Syndicate or the Registered Brokers;
13. With respect to non-ASBA Bids, ensure that the full Bid Amount is paid for the Bids and with respect to ASBA Bids, ensure funds equivalent to the Bid Amount are blocked;
14. Instruct your respective banks not to release the funds blocked in the ASBA Account under the ASBA process;
15. Submit revised Bids to the same member of the Syndicate, SCSB or Registered Broker, as applicable, through whom the original Bid was placed and obtain a revised TRS;
16. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, and (ii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the Income Tax Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the demographic details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the demographic details evidencing the same;
17. Ensure that the Demographic Details (as defined herein below) are updated, true and correct in all respects;
18. Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.
19. Ensure that the signature of the First Bidder in case of Joint Bids is included in the Bid cum Application Forms.

20. Ensure that the name(s) given in the Bid cum Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names;
21. Ensure that the category and sub-category is indicated;
22. Ensure that in case of Bids under power of attorney or by limited companies, corporate, trust etc., relevant documents are submitted;
23. Ensure that Bids submitted by any person outside India should be in compliance with applicable foreign and Indian laws;
24. Ensure that the DP ID, the Client ID and the PAN mentioned in the Bid cum Application Form and entered into the online IPO system of the stock exchanges by the Syndicate, the SCSBs or the Registered Brokers, as the case may be, match with the DP ID, Client ID and PAN available in the Depository database;
25. In relation to the ASBA Bids, ensure that you use the Bid cum Application Form bearing the stamp of the Syndicate (in the Specified Locations) and/or relevant SCSB and/ or the Designated Branch and/ or the Registered Broker at the Broker Centres (except in case of electronic forms);
26. Ensure that the Bid cum Application Forms are delivered by the Bidders within the time prescribed as per the Bid cum Application Form and this Draft Red Herring Prospectus;
27. ASBA Bidders bidding through a member of the Syndicate should ensure that the Bid cum Application Form is submitted to a member of the Syndicate only in the Specified Locations and that the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has named at least one branch at that location for the Syndicate to deposit Bid cum Application Forms (a list of such branches is available on the website of SEBI at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>). ASBA Bidders bidding through a Registered Broker should ensure that the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has named at least one branch at that location for the Registered Brokers to deposit Bid cum Application Forms;
28. Ensure that you have mentioned the correct ASBA Account number in the Bid cum Application Form;
29. In relation to the ASBA Bids, ensure that you have correctly signed the authorization/undertaking box in the Bid cum Application Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form; and
30. In relation to the ASBA Bids, ensure that you receive an acknowledgement from the Designated Branch of the SCSB or from the member of the Syndicate in the Specified Locations or from the Registered Broker at the Broker Centres, as the case may be, for the submission of your Bid cum Application Form.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Don'ts:

1. Do not Bid for lower than the minimum Bid size;
2. Do not Bid/revise Bid Amount to less than the Floor Price or higher than the Cap Price;
3. Do not Bid on another Bid cum Application Form after you have submitted a Bid to the Syndicate, the SCSBs or the Registered Brokers, as applicable;
4. Do not pay the Bid Amount in cash, by money order or by postal order or by stockinvest;

5. Do not send Bid cum Application Forms by post; instead submit the same to the Syndicate, the SCSBs or the Registered Brokers only;
6. Do not submit the Bid cum Application Forms to the Escrow Collection Bank(s) (assuming that such bank is not a SCSB), our Company or the Registrar to the Issue;
7. Do not Bid on a Bid cum Application Form that does not have the stamp of the Syndicate, the Registered Brokers or the SCSBs;
8. Anchor Investors should not Bid through the ASBA process;
9. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);
10. Do not Bid for a Bid Amount exceeding ₹ 200,000 (for Bids by Retail Individual Bidders);
11. Do not fill up the Bid cum Application Form such that the Equity Shares Bid for exceeds the Issue size and/ or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;
12. Do not submit the GIR number instead of the PAN;
13. Do not submit the Bids without the full Bid Amount;
14. Do not submit incorrect details of the DP ID, Client ID and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;
15. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of Bidder;
16. If you are a QIB, do not submit your Bid after 3.00 pm on the Bid/Issue Closing Date for QIBs;
17. If you are a Non-Institutional Investor or Retail Individual Bidders, do not submit your Bid after 3.00 pm on the Bid/Issue Closing Date;
18. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872;
19. Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Investor;
20. Do not submit more than five Bid cum Application Forms per ASBA Account;
21. Do not submit ASBA Bids to a member of the Syndicate at a location other than the Specified Locations or to the brokers other than the Registered Brokers at a location other than the Broker Centres;
22. Do not submit ASBA Bids to a member of the Syndicate in the Specified Locations unless the SCSB where the ASBA Account is maintained, as specified in the Bid cum Application Form, has named at least one branch in the relevant Specified Location, for the Syndicate to deposit Bid cum Application Forms (a list of such branches is available on the website of SEBI at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>); and
23. Do not submit ASBA Bids to a Registered Broker unless the SCSB where the ASBA Account is maintained, as specified in the Bid cum Application Form, has named at least one branch in that location for the Registered Broker to deposit the Bid cum Application Forms.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Payment instructions

In terms of RBI circular No. DPSS.CO.CHD.No./133/04.07.05/2013-14 dated July 16, 2013, non-CTS cheques are processed in three CTS centres in separate clearing session will operate twice a week up to October 31, 2014 and once a week from November 1, 2014 onwards. In order to enable listing and trading of Equity Shares within

12 Working Days of the Bid/Issue Closing Date, investors are advised to use CTS cheques or use the ASBA facility to make payment. Investors are cautioned that Bid cum Application Forms accompanied by non-CTS cheques are liable to be rejected due to any delay in clearing beyond six Working Days from the Bid/Issue Closing Date.

Payment into Escrow Account for non-ASBA Bidders

The payment instruments for payment into the Escrow Account should be drawn in favour of:

- (a) In case of resident Retail Individual Bidders: “Escrow Account– [●] – R”
- (b) In case of Non-Resident Retail Individual Bidders: “Escrow Account– [●] – NR”

For Anchor Investors, the payment instruments for payment into the Escrow Account should be drawn in favour of:

- (a) In case of resident Anchor Investors: “Escrow Account – [●] – Anchor Investor – R”
- (b) In case of Non-Resident Anchor Investors: “Escrow Account – [●] – Anchor Investor – NR”

Pre-Issue Advertisement

Subject to Section 30 of the Companies Act, 2013, our Company shall, after registering this Draft Red Herring Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI ICDR Regulations, in an English national daily newspaper and a Hindi national daily newspaper (Hindi also being the regional language in the state where our Registered Office is located), each with wide circulation.

Signing of the Underwriting Agreement and the RoC Filing

Our Company, the Selling Shareholder the BRLM, the CBRLM and the Syndicate Members shall enter into an Underwriting Agreement on or immediately after finalisation of Issue Price. After signing the Underwriting Agreement, our Company will file the Prospectus with the RoC. The Prospectus would have details of the Issue Price, the Anchor Investor Issue Price, if applicable, Issue size and underwriting arrangements and would be complete in all material respects.

IMPERSONATION

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013, which is reproduced below:

“Any person who:

- (a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or**
- (b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or**
- (c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,**

shall be liable for action under Section 447.”

Undertakings by our Company

Our Company undertakes the following:

- That the complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily;

- That all steps for completion of the necessary formalities for commencement of trading at all the Stock Exchanges where the Equity Shares are listed shall be undertaken within the timelines specified by law;
- That funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by our Company;
- That if our Company does not proceed with the Issue after the Bid/Issue Closing Date, the reason thereof shall be given as a public notice within two days of the Bid/Issue Closing Date. The public notice shall be issued in the same newspapers where the pre-Issue advertisements were published. The stock exchanges on which the Equity Shares are proposed to be listed shall also be informed promptly;
- That the certificates of the securities/ refund orders to Eligible NRIs shall be despatched within specified time;
- That where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 12 Working Days of the Bid/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 other than as disclosed in this Draft Red Herring Prospectus, no further issue of Equity Shares shall be made till final trading approvals from all the Stock Exchanges have been obtained for the Equity Shares offered through this Draft Red Herring Prospectus;
- That adequate arrangements shall be made to collect all Bid-cum-Application Forms and to consider them similar to non-ASBA applications while finalising the Basis of Allotment; and
- That we shall not have recourse to the Issue proceeds until the approval for trading of the Equity Shares from all the Stock Exchanges where listing is sought, has been received.

The decisions with respect to the Price Band, the minimum Bid lot, revision of Price Band and the Issue Price, will be taken by our Company and the Selling Shareholder, in consultation with the BRLM and the CBRLM.

Undertakings by the Selling Shareholder

The Selling Shareholder undertakes that:

- the Equity Shares being sold by it pursuant to the Offer for Sale, have been held by it for a period of more than one year, are fully paid-up and are in dematerialised form;
- it is the legal and beneficial owner of, and has full title to, the Equity Shares being sold in the Offer for Sale;
- the Equity Shares being sold by it pursuant to the Offer for Sale are free and clear of any liens or encumbrances and shall be transferred to the eligible investors within the specified time;
- it shall provide all reasonable cooperation as requested by our Company in relation to the completion of allotment and dispatch of the allotment advice, if required, and refund orders to the extent of the Equity Shares offered by it pursuant to the Issue;
- it shall provide such reasonable support and extend such reasonable cooperation as may be required by our Company, the BRLM and the CBRLM in redressal of such investor grievances that pertain to the Equity Shares held by it and being offered pursuant to the Issue;
- it shall not have recourse to the proceeds of the Issue until final approval for trading of the Equity Shares from all Stock Exchanges where listing is sought, has been received;
- it shall not further transfer Equity Shares during the period commencing from submission of this Draft Red Herring Prospectus with SEBI until the final trading approvals from all the Stock Exchanges have been obtained for the Equity Shares Allotted/ to be Allotted pursuant to the Issue;
- it shall not sell, transfer, dispose of in any manner or create any lien, charge or encumbrance on the Equity Shares available in the Offer for Sale; and
- it shall take all such steps as may be required to ensure that the Equity Shares being sold by it pursuant to the Offer for Sale are available for transfer in the Offer for Sale.

Utilisation of Issue proceeds

The Board of Directors certify that:

- all monies received out of the Issue shall be credited/transferred to a separate bank account other than the bank account referred to in sub section (3) of section 40 of the Companies Act;
- details of all monies utilised out of Issue shall be disclosed, and continue to be disclosed till the time any part of the issue proceeds remains unutilised, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised;
- details of all unutilised monies out of the Issue, if any shall be disclosed under an appropriate separate head in the balance sheet indicating the form in which such unutilised monies have been invested;
- the utilisation of monies received under Promoter's contribution shall be disclosed, and continue to be disclosed till the time any part of the Issue proceeds remains unutilised, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised; and
- the details of all unutilised monies out of the funds received under Promoter's contribution shall be disclosed under a separate head in the balance sheet of the Company indicating the form in which such unutilised monies have been invested.

The Company shall transfer to the Selling Shareholder, the net proceeds from the Offer for Sale, on the same being permitted to be released in accordance with applicable laws.

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India, FEMA and the Consolidated FDI policy (effective from April 10, 2012), issued by the Department of Industrial Policy. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The government bodies responsible for granting foreign investment approvals are FIPB and RBI.

Subscription by foreign investors (FIIs)

FIIs are permitted to subscribe to shares of an Indian company in a public issue without the prior approval of the RBI, so long as the price of the equity shares to be issued is not less than the price at which the equity shares are issued to residents.

As per the existing policy of the Government of India, OCBs cannot participate in the Issue.

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

Depository Arrangements

The Allotment of the Equity Shares in the Offer shall be only in a de-materialised form, (i.e., not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode). In this context, two agreements had been signed among the Company, the respective Depositories and the Registrar to the Offer:

- Agreement dated August 03, 2010 among NSDL, the Company and the Registrar to the Issue
- Agreement dated July 10, 2010 among CDSL, the Company and Registrar to the Issue.

Utilisation of Issue proceeds

Our Company declares that:

- All monies received out of the Issue shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013;

- Details of all monies utilised out of Issue shall be disclosed, and continue to be disclosed till the time any part of the issue proceeds remains unutilised, under an appropriate head in our balance sheet indicating the purpose for which such monies have been utilised;
- Details of all unutilised monies out of the Issue, if any shall be disclosed under an appropriate separate head in the balance sheet indicating the form in which such unutilised monies have been invested; and
- Our Company shall not have recourse to the proceeds of the Issue until the final listing and trading approvals from all the Stock Exchanges have been obtained.

PART B

General Information Document for Investing in Public Issues

This General Information Document highlights the key rules, processes and procedures applicable to public issues in accordance with the provisions of the Companies Act, 2013 (to the extent notified and in effect), the Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon the notification of the Companies Act, 2013), the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009. Bidders/Applicants should not construe the contents of this General Information Document as legal advice and should consult their own legal counsel and other advisors in relation to the legal matters concerning the Issue. For taking an investment decision, the Bidders/Applicants should rely on their own examination of the Issuer and the Issue, and should carefully read this Draft Red Herring Prospectus/Prospectus before investing in the Issue.

SECTION 1: PURPOSE OF THE GENERAL INFORMATION DOCUMENT (GID)

This document is applicable to the public issues undertaken through the Book-Building process as well as to the Fixed Price Issues. The purpose of the “General Information Document for Investing in Public Issues” is to provide general guidance to potential Bidders/Applicants in IPOs and FPOs, on the processes and procedures governing IPOs and FPOs, undertaken in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (“**SEBI ICDR Regulations, 2009**”). Bidders/Applicants should note that investment in equity and equity related securities involves risk and Bidder/Applicant should not invest any funds in the Issue unless they can afford to take the risk of losing their investment. The specific terms relating to securities and/or for subscribing to securities in an Issue and the relevant information about the Issuer undertaking the Issue are set out in the Red Herring Prospectus (“RHP”)/Prospectus filed by the Issuer with the Registrar of Companies (“**RoC**”). Bidders/Applicants should carefully read the entire RHP/Prospectus and the Bid cum Application Form/Application Form and the Abridged Prospectus of the Issuer in which they are proposing to invest through the Issue. In case of any difference in interpretation or conflict and/or overlap between the disclosure included in this document and the RHP/Prospectus, the disclosures in the RHP/Prospectus shall prevail. The RHP/Prospectus of the Issuer is available on the websites of stock exchanges, on the website(s) of the **BRLM** and the **CBRLM** to the Issue and on the website of Securities and Exchange Board of India (“**SEBI**”) at www.sebi.gov.in.

For the definitions of capitalized terms and abbreviations used herein Bidders/Applicants may refer to the section “Glossary and Abbreviations”.

SECTION 2: BRIEF INTRODUCTION TO IPOs/FPOs

2.1 Initial public offer (IPO)

An IPO means an offer of specified securities by an unlisted Issuer to the public for subscription and may include an Offer for Sale of specified securities to the public by any existing holder of such securities in an unlisted Issuer.

For undertaking an IPO, an Issuer is *inter-alia* required to comply with the eligibility requirements of in terms of either Regulation 26(1) or Regulation 26(2) of the SEBI ICDR Regulations, 2009. For details of compliance with the eligibility requirements by the Issuer Bidders/Applicants may refer to the RHP/Prospectus.

2.2 Further public offer (FPO)

An FPO means an offer of specified securities by a listed Issuer to the public for subscription and may include Offer for Sale of specified securities to the public by any existing holder of such securities in a listed Issuer.

For undertaking an FPO, the Issuer is *inter-alia* required to comply with the eligibility requirements in terms of Regulation 26/27 of SEBI ICDR Regulations, 2009. For details of compliance with the eligibility requirements by the Issuer Bidders/Applicants may refer to the RHP/Prospectus.

2.3 Other Eligibility Requirements:

In addition to the eligibility requirements specified in paragraphs 2.1 and 2.2, an Issuer proposing to undertake an IPO or an FPO is required to comply with various other requirements as specified in the SEBI ICDR Regulations, 2009, the Companies Act, 2013 (to the extent notified and in effect), the Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon the notification of the Companies Act, 2013), the Securities Contracts (Regulation) Rules, 1957 (the “SCRR”), industry-specific regulations, if any, and other applicable laws for the time being in force.

For details in relation to the above Bidders/Applicants may refer to the RHP/Prospectus.

2.4 Types of Public Issues – Fixed Price Issues and Book Built Issues

In accordance with the provisions of the SEBI ICDR Regulations, 2009, an Issuer can either determine the Issue Price through the Book Building Process (“**Book Built Issue**”) or undertake a Fixed Price Issue (“**Fixed Price Issue**”). An Issuer may mention Floor Price or Price Band in the RHP (in case of a Book Built Issue) and a Price or Price Band in the Draft Prospectus (in case of a fixed price Issue) and determine the price at a later date before registering the Prospectus with the Registrar of Companies.

The cap on the Price Band should be less than or equal to 120% of the Floor Price. The Issuer shall announce the Price or the Floor Price or the Price Band through advertisement in all newspapers in which the pre-issue advertisement was given at least five Working Days before the Bid/Issue Opening Date, in case of an IPO and at least one Working Day before the Bid/Issue Opening Date, in case of an FPO.

The Floor Price or the Issue price cannot be lesser than the face value of the securities.

Bidders/Applicants should refer to the RHP/Prospectus or Issue advertisements to check whether the Issue is a Book Built Issue or a Fixed Price Issue.

2.5 ISSUE PERIOD

The Issue may be kept open for a minimum of three Working Days (for all category of Bidders/Applicants) and not more than ten Working Days. Bidders/Applicants are advised to refer to the Bid cum Application Form and Abridged Prospectus or RHP/Prospectus for details of the Bid/Issue Period. Details of Bid/Issue Period are also available on the website of Stock Exchange(s).

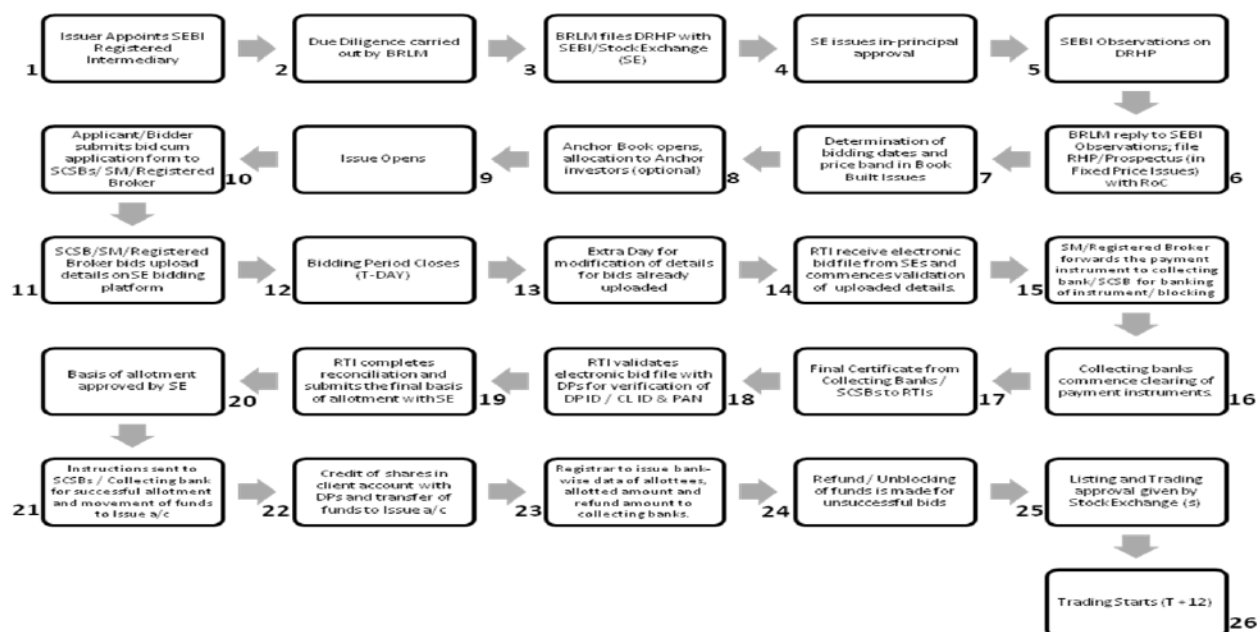
In case of a Book Built Issue, the Issuer may close the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date if disclosures to that effect are made in the RHP. In case of revision of the Floor Price or Price Band in Book Built Issues the Bid/Issue Period may be extended by at least three Working Days, subject to the total Bid/Issue Period not exceeding 10 Working Days. For details of any revision of the Floor Price or Price Band, Bidders/Applicants may check the announcements made by the Issuer on the websites of the Stock Exchanges, the BRLM, the CBRLM and the advertisement in the newspaper(s) issued in this regard.

2.6 FLOWCHART OF TIMELINES

A flow chart of process flow in Fixed Price and Book Built Issues is as follows. Bidders/Applicants may note that this is not applicable for Fast Track FPOs.:

- In case of Issue other than Book Built Issue (Fixed Price Issue) the process at the following of the below mentioned steps shall be read as:

- i. Step 7 : Determination of Issue Date and Price
- ii. Step 10: Applicant submits ASBA Application Form with Designated Branch of SCSB and Non-ASBA forms directly to collection Bank and not to Broker.
- iii. Step 11: SCSB uploads ASBA Application details in Stock Exchange Platform
- iv. Step 12: Issue period closes
- v. Step 15: Not Applicable



SECTION 3: CATEGORY OF INVESTORS ELIGIBLE TO PARTICIPATE IN AN ISSUE

Each Bidder/Applicant should check whether it is eligible to apply under applicable law. Furthermore, certain categories of Bidders/Applicants, such as NRIs, FII's, FPIs, QFIs and FVCIs may not be allowed to Bid/Apply in the Issue or to hold Equity Shares, in excess of certain limits specified under applicable law. Bidders/Applicants are requested to refer to the RHP/Prospectus for more details.

Subject to the above, an illustrative list of Bidders/Applicants is as follows:

- Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, in single or joint names (not more than three);
- Bids/Applications belonging to an account for the benefit of a minor (under guardianship);
- Hindu Undivided Families or HUFs, in the individual name of the *Karta*. The Bidder/Applicant should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/Application Form as follows: "Name of sole or first Bidder/Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta*". Bids/Applications by HUFs may be considered at par with Bids/Applications from individuals;
- Companies, corporate bodies and societies registered under applicable law in India and authorised to invest in equity shares;
- QIBs;
- NRIs on a repatriation basis or on a non-repatriation basis subject to applicable law;
- Qualified Foreign Investors subject to applicable law;

- Indian Financial Institutions, regional rural banks, co-operative banks (subject to RBI regulations and the SEBI ICDR Regulations, 2009 and other laws, as applicable);
- FIIs and sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual, bidding under the QIBs category;
- Sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals only under the Non Institutional Investors (NIIs) category;
- FPIs other than Category III foreign portfolio investors bidding under the QIBs category;
- FPIs which are Category III foreign portfolio investors, bidding under the NIIs category;
- Trusts/societies registered under the Societies Registration Act, 1860, or under any other law relating to trusts/societies and who are authorised under their respective constitutions to hold and invest in equity shares;
- Limited liability partnerships registered under the Limited Liability Partnership Act, 2008; and
- Any other person eligible to Bid/Apply in the Issue, under the laws, rules, regulations, guidelines and policies applicable to them and under Indian laws.
- As per the existing regulations, OCBs are not allowed to participate in an Issue.

SECTION 4: APPLYING IN THE ISSUE

Book Built Issue: Bidders should only use the specified Bid cum Application Form either bearing the stamp of a member of the Syndicate or bearing a stamp of the Registered Broker or stamp of SCSBs as available or downloaded from the websites of the Stock Exchanges.

Bid cum Application Forms are available with the members of the Syndicate, Registered Brokers, Designated Branches of the SCSBs and at the registered office of the Issuer. Electronic Bid cum Application Forms will be available on the websites of the Stock Exchanges at least one day prior to the Bid/Issue Opening Date. For further details regarding availability of Bid cum Application Forms, Bidders may refer to the RHP/Prospectus.

Fixed Price Issue: Applicants should only use the specified cum Application Form either bearing the stamp of Collection Bank(s) or SCSBs as available or downloaded from the websites of the Stock Exchanges. Application Forms are available with the Branches of Collection Banks or Designated Branches of the SCSBs and at the registered office of the Issuer. For further details regarding availability of Application Forms, Applicants may refer to the Prospectus.

Bidders/Applicants should ensure that they apply in the appropriate category. The prescribed colour of the Bid cum Application Form for various categories of Bidders/Applicants is as follows:

Category	Colour of the Bid cum Application Form
Resident Indian, Eligible NRIs applying on a non-repatriation basis	White
NRIs, FVCIs, FIIs, their Sub-Accounts (other than Sub-Accounts which are foreign corporate(s) or foreign individuals bidding under the QIB), FPIs, QFIs, on a repatriation basis	Blue
Anchor Investors (where applicable) & Bidders/Applicants bidding/applying in the reserved category	[As specified by the Issuer]

Securities Issued in an IPO of Issue Size of equal to ₹ 100 million or more can only be in dematerialized form in compliance with Section 29 of the Companies Act, 2013. Bidders/Applicants will not have the option of getting the allotment of specified securities in physical form. However, they may get the specified securities re-materialised subsequent to allotment.

4.1

Bidders/Applicants may note that forms not filled completely or correctly as per instructions provided in this GID, the RHP and the Bid cum Application Form/Application Form are liable to be rejected.

Instructions to fill each field of the Bid cum Application Form can be found on the reverse side of the Bid cum Application Form. Specific instructions for filling various fields of the Resident Bid cum Application Form and Non-Resident Bid cum Application Form and samples are provided below.

The samples of the Bid cum Application Form for resident Bidders and the Bid cum Application Form for non-resident Bidders are reproduced below:

For non resident Indian Applicants, this Form is to be reproduced below.

COMMON BID CUM APPLICATION FORM FOR ASBA / NON-ASBA		XYZ LIMITED - PUBLIC ISSUE - R		FOR RESIDENT INDIAN, QIB, ELIGIBLE NRI'S APPLYING ON A NON-REPATRIATION BASIS	
Logo To, The Board of Directors XYZ Limited		BOOK BUILDING ISSUE IN		Bid cum Application Form No.	
SYNDICATE MEMBER'S STAMP & CODE		BROKER'S/AGENT'S STAMP & CODE		1. NAME & CONTACT DETAILS of Sole / First Applicant	
ESCROW/BANK / SCSB BRANCH STAMP & CODE		SUB-BROKER'S/SUB-AGENT'S STAMP & CODE		Mr. / Ms.	
BANK BRANCH SERIAL NO.		REGISTRAR'S / SCSB SERIAL NO.		Address	
				Tel. No (with STD code) / Mobile	
				2. PAN OF SOLE / FIRST APPLICANT	
3. BIDDER'S DEPOSITORY ACCOUNT DETAILS <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL				6. Investor Status	
For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID				<input type="checkbox"/> Individual(s) - IND <input type="checkbox"/> Hindu Undivided Family* - HUF <input type="checkbox"/> Bodies Corporate - CO <input type="checkbox"/> Banks & Financial Institutions - FI <input type="checkbox"/> Mutual Funds - MF <input type="checkbox"/> Non-Resident Indians - NRI (Non-Repatriation basis) <input type="checkbox"/> National Investment Fund - NIF <input type="checkbox"/> Insurance Funds - IF <input type="checkbox"/> Insurance Companies - IC <input type="checkbox"/> Venture Capital Funds - VC <input type="checkbox"/> Others (Please specify) - OTH	
4. BID OPTIONS (Only Retail Individual Bidders can Bid at "Cut-off")				5. Category	
Bid Options	No. of Equity Shares Bid (In Figures) (Bids must be in multiples of Bid Lot as advertised)	Price per Equity Share (₹) "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)			<input type="checkbox"/> Retail Individual <input type="checkbox"/> Non-Institutional <input type="checkbox"/> QIB
	7 6 5 4 3 2 1	Bid Price	Discount, if any	Net Price	"Cut-off" (Please tick)
Option 1					<input type="checkbox"/>
(OR) Option 2					<input type="checkbox"/>
(OR) Option 3					<input type="checkbox"/>
7. PAYMENT DETAILS (Please tick (✓) any one of payment option A or B below)				PAYMENT OPTIONS <input type="checkbox"/> Full Payment <input type="checkbox"/> Part Payment	
Amount Paid (₹ in figures)				₹ in words)	
<input type="checkbox"/> (A) CHEQUE/ DEMAND DRAFT (DD) Cheque/DD No. Dated DD MM YY				<input type="checkbox"/> (B) ASBA Bank A/c No. Bank Name & Branch	
I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED FORM 2A AND HEREBY AGREE AND CONFIRM THE 'BIDDERS UNDERTAKING' AS GIVEN OVERLEAF. I/We (on behalf of joint applicants, if any) hereby confirm that I/We have read the Instructions for Filling up the Bid Cum Application Form given overleaf.					
8A. SIGNATURE OF SOLE/ FIRST APPLICANT		8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS) (For ASBA option ONLY)		BROKER'S / SCSB BRANCH'S STAMP (Acknowledging upload of Bid in Stock Exchange system)	
Date : _____, 2011		I/We authorize the SCSB to do all acts as are necessary to make the Application in the issue			
1)		2)		3)	
TEAR HERE					
XYZ LIMITED		Acknowledgement Slip for Syndicate Member / SCSB		Bid cum Application Form No.	
DPID / CLID		PAN			
Amount Paid (₹ in figures)		Bank & Branch		Stamp & Signature of Banker	
Cheque / DD/ASBA Bank A/c No.					
Received from Mr./Ms.		Telephone / Mobile		Email	
TEAR HERE					
XYZ LIMITED	Option 1	Option 2	Option 3	Stamp & Signature of Syndicate Member / SCSB	
No. of Equity Shares				Name of Sole / First Applicant	
Bid Price				Acknowledgement Slip for Bidder	
Amount Paid (₹)				Bid cum Application Form No.	
Cheque / DD/ASBA Bank A/c No.					
Bank & Branch					

undelivered or are not available. The contact details provided in the Bid cum Application Form may be used by the Issuer, the members of the Syndicate, the Registered Broker and the Registrar to the Issue only for correspondence(s) related to an Issue and for no other purposes.

- (c) **Joint Bids/Applications:** In the case of Joint Bids/Applications, the Bids /Applications should be made in the name of the Bidder/Applicant whose name appears first in the Depository account. The name so entered should be the same as it appears in the Depository records. The signature of only such first Bidder/Applicant would be required in the Bid cum Application Form/Application Form and such first Bidder/Applicant would be deemed to have signed on behalf of the joint holders. All payments may be made out in favour of the Bidder/Applicant whose name appears in the Bid cum Application Form/Application Form or the Revision Form and all communications may be addressed to such Bidder/Applicant and may be dispatched to his or her address as per the Demographic Details received from the Depositories.
- (d) **Impersonation:** Attention of the Bidders/Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

“Any person who:

- (a) *makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- (b) *makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- (c) *otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,*

shall be liable for action under Section 447.”

The liability prescribed under Section 447 of the Companies Act, 2013 includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

- (e) **Nomination Facility to Bidder/Applicant:** Nomination facility is available in accordance with the provisions of Section 72 of the Companies Act, 2013. In case of allotment of the Equity Shares in dematerialized form, there is no need to make a separate nomination as the nomination registered with the Depository may prevail. For changing nominations, the Bidders/Applicants should inform their respective DP.

4.1.2 **FIELD NUMBER 2: PAN NUMBER OF SOLE/FIRST BIDDER/APPLICANT**

- (a) PAN (of the sole/ first Bidder/Applicant) provided in the Bid cum Application Form/Application Form should be exactly the same as the PAN of the person(s) in whose name the relevant beneficiary account is held as per the Depositories' records.
- (b) PAN is the sole identification number for participants transacting in the securities market irrespective of the amount of transaction except for Bids/Applications on behalf of the Central or State Government, Bids/Applications by officials appointed by the courts and Bids/Applications by Bidders/Applicants residing in Sikkim (“PAN Exempted Bidders/Applicants”). Consequently, all Bidders/Applicants, other than the PAN Exempted Bidders/Applicants, are required to disclose their PAN in the Bid cum Application Form/Application Form, irrespective of the Bid/Application Amount. A Bid cum Application Form/Application Form without PAN, except in case of Exempted Bidders/Applicants, is liable to be rejected. Bids/Applications by the Bidders/Applicants whose PAN is not available as per the Demographic Details available in their Depository records, are liable to be rejected.

- (c) The exemption for the PAN Exempted Bidders/Applicants is subject to (a) the Demographic Details received from the respective Depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in “active status”; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same.
- (d) Bid cum Application Forms/Application Forms which provide the General Index Register Number instead of PAN may be rejected.
- (e) Bids/Applications by Bidders whose demat accounts have been ‘suspended for credit’ are liable to be rejected pursuant to the circular issued by SEBI on July 29, 2010, bearing number CIR/MRD/DP/22/2010. Such accounts are classified as “Inactive demat accounts” and demographic details are not provided by depositories.

4.1.3 **FIELD NUMBER 3: BIDDERS/APPLICANTS DEPOSITORY ACCOUNT DETAILS**

- (a) Bidders/Applicants should ensure that DP ID and the Client ID are correctly filled in the Bid cum Application Form/Application Form. The DP ID and Client ID provided in the Bid cum Application Form/Application Form should match with the DP ID and Client ID available in the Depository database, **otherwise, the Bid cum Application Form/Application Form is liable to be rejected.**
- (b) Bidders/Applicants should ensure that the beneficiary account provided in the Bid cum Application Form/Application Form is active.
- (c) Bidders/Applicants should note that on the basis of DP ID and Client ID as provided in the Bid cum Application Form/Application Form, the Bidder/Applicant may be deemed to have authorized the Depositories to provide to the Registrar to the Issue, any requested Demographic Details of the Bidder/Applicant as available on the records of the depositories. These Demographic Details may be used, among other things, for giving refunds and allocation advice (including through physical refund warrants, direct credit, NECS, NEFT and RTGS), or unblocking of ASBA Account or for other correspondence(s) related to an Issue. Please note that refunds shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Bank.
- (d) Bidders/Applicants are, advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the Bidders/Applicants’ sole risk.

4.1.4 **FIELD NUMBER 4: BID OPTIONS**

- (a) Price or Floor Price or Price Band, minimum Bid Lot may be disclosed in the Prospectus/RHP by the Issuer. The Issuer is required to announce the Floor Price or Price Band and minimum Bid Lot by way of an advertisement in at least one English, one Hindi and one regional newspaper, with wide circulation, at least five Working Days before Bid/Issue Opening Date in case of an IPO, and at least one Working Day before Bid/Issue Opening Date in case of an FPO.
- (b) The Bidders may Bid at or above Floor Price or within the Price Band for IPOs /FPOs undertaken through the Book Building Process. In the case of Alternate Book Building Process for an FPO, the Bidders may Bid at Floor Price or any price above the Floor Price (For further details bidders may refer to (Section 5.6 (e))
- (c) **Cut-Off Price:** Retail Individual Investors can Bid at the Cut-off Price indicating their agreement to Bid for and purchase the Equity Shares at the Issue Price as determined at the end of the Book Building Process. Bidding at the Cut-off Price is prohibited for QIBs and NIIs and such Bids from QIBs and NIIs may be rejected.
- (d) **Minimum Application Value and Bid Lot:** Our Company and the Selling Shareholder, in consultation with the BRLM and the CBRLM may decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range

of ₹10,000 to ₹.15,000. The minimum Bid Lot is accordingly determined by an Issuer on basis of such minimum application value.

- (e) **Allotment:** The allotment of specified securities to each RII shall not be less than the minimum Bid Lot, subject to availability of shares in the RII category, and the remaining available shares, if any, shall be allotted on a proportionate basis. For details of the Bid Lot, bidders may to the RHP/Prospectus or the advertisement regarding the Price Band published by the Issuer.

4.1.4.1 Maximum and Minimum Bid Size

- (a) The Bidder may Bid for the desired number of Equity Shares at a specific price. Bids by Retail Individual Investors must be for such number of shares so as to ensure that the Bid Amount payable by the Bidder does not exceed ₹200,000.

In case the Bid Amount exceeds ₹ 200,000 due to revision of the Bid or any other reason, the Bid may be considered for allocation under the Non-Institutional Category.

- (b) For NRIs, a Bid Amount of up to ₹200,000 may be considered under the Retail Category for the purposes of allocation and a Bid Amount exceeding ₹200,000 may be considered under the Non-Institutional Category for the purposes of allocation.
- (c) Bids by QIBs and NIIs must be for such minimum number of shares such that the Bid Amount exceeds ₹200,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the Bid cum Application Form and the RHP/Prospectus, or as advertised by the Issuer, as the case may be. Non-Institutional Bidders and QIBs are not allowed to Bid at 'Cut-off Price'.
- (d) RII may revise their bids till closure of the bidding period or withdraw their bids until finalization of allotment. QIBs and NII's cannot withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after bidding and are required to pay the Bid Amount upon submission of the Bid.
- (e) In case the Bid Amount reduces to ₹200,000 or less due to a revision of the Price Band, Bids by the Non-Institutional Bidders who are eligible for allocation in the Retail Category would be considered for allocation under the Retail Category.
- (f) For Anchor Investors, if applicable, the Bid Amount shall be least ₹100 million. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors. Bids by various schemes of a Mutual Fund shall be aggregated to determine the Bid Amount. A Bid cannot be submitted for more than 60% of the QIB Portion under the Anchor Investor Portion. Anchor Investors cannot withdraw their Bids or lower the size of their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after the Anchor Investor Bid/ Issue Period and are required to pay the Bid Amount at the time of submission of the Bid. In case the Anchor Investor Issue Price is lower than the Issue Price, the balance amount shall be payable as per the pay-in-date mentioned in the revised CAN. In case the Issue Price is lower than the Anchor Investor Issue Price, the amount in excess of the Issue Price paid by the Anchor Investors shall not be refunded to them.
- (g) A Bid cannot be submitted for more than the Issue size.
- (h) The maximum Bid by any Bidder including QIB Bidder should not exceed the investment limits prescribed for them under the applicable laws.
- (i) The price and quantity options submitted by the Bidder in the Bid cum Application Form may be treated as optional bids from the Bidder and may not be cumulated. After determination of the Issue Price, the number of Equity Shares Bid for by a Bidder at or above the Issue Price may be considered for allotment and the rest of the Bid(s), irrespective of the Bid Amount may automatically become invalid. This is not applicable in case of FPOs undertaken through Alternate Book Building Process (For details of bidders may refer to (Section 5.6 (e)).

4.1.4.2 Multiple Bids

- (a) Bidder should submit only one Bid cum Application Form. Bidder shall have the option to make a maximum of Bids at three different price levels in the Bid cum Application Form and such options are not considered as multiple Bids.

Submission of a second Bid cum Application Form to either the same or to another member of the Syndicate, SCSB or Registered Broker and duplicate copies of Bid cum Application Forms bearing the same application number shall be treated as multiple Bids and are liable to be rejected.

- (b) Bidders are requested to note the following procedures may be followed by the Registrar to the Issue to detect multiple Bids:
 - (i) All Bids may be checked for common PAN as per the records of the Depository. For Bidders other than Mutual Funds and FII sub-accounts, Bids bearing the same PAN may be treated as multiple Bids by a Bidder and may be rejected.
 - (ii) For Bids from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Bids on behalf of the PAN Exempted Bidders, the Bid cum Application Forms may be checked for common DP ID and Client ID. Such Bids which have the same DP ID and Client ID may be treated as multiple Bids and are liable to be rejected.
- (c) The following Bids may not be treated as multiple Bids:
 - (i) Bids by Reserved Categories bidding in their respective Reservation Portion as well as bids made by them in the Issue portion in public category.
 - (ii) Separate Bids by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Bids clearly indicate the scheme for which the Bid has been made.
 - (iii) Bids by Mutual Funds, and sub-accounts of FIIs (or FIIs and its sub-accounts) submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.
 - (iv) Bids by Anchor Investors under the Anchor Investor Portion and the QIB Category.

4.1.5 FIELD NUMBER 5 : CATEGORY OF BIDDERS

- (a) The categories of Bidders identified as per the SEBI ICDR Regulations, 2009 for the purpose of Bidding, allocation and allotment in the Issue are RIIs, NIIs and QIBs.
- (b) Up to 60% of the QIB Category can be allocated by the Issuer, on a discretionary basis subject to the criteria of minimum and maximum number of anchor investors based on allocation size, to the Anchor Investors, in accordance with SEBI ICDR Regulations, 2009, with one-third of the Anchor Investor Portion reserved for domestic Mutual Funds subject to valid Bids being received at or above the Issue Price. For details regarding allocation to Anchor Investors, bidders may refer to the RHP/Prospectus.
- (c) An Issuer can make reservation for certain categories of Bidders/Applicants as permitted under the SEBI ICDR Regulations, 2009. For details of any reservations made in the Issue, Bidders/Applicants may refer to the RHP/Prospectus.
- (d) The SEBI ICDR Regulations, 2009, specify the allocation or allotment that may be made to various categories of Bidders in an Issue depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Issue specific details in relation to allocation Bidder/Applicant may refer to the RHP/Prospectus.

4.1.6 **FIELD NUMBER 6: INVESTOR STATUS**

- (a) Each Bidder/Applicant should check whether it is eligible to apply under applicable law and ensure that any prospective allotment to it in the Issue is in compliance with the investment restrictions under applicable law.
- (b) Certain categories of Bidders/Applicants, such as NRIs, FIIs, FPIs, QFIs and FVCIs may not be allowed to Bid/Apply in the Issue or hold Equity Shares exceeding certain limits specified under applicable law. Bidders/Applicants are requested to refer to the RHP/Prospectus for more details.
- (c) Bidders/Applicants should check whether they are eligible to apply on non-repatriation basis or repatriation basis and should accordingly provide the investor status. Details regarding investor status are different in the Resident Bid cum Application Form and Non-Resident Bid cum Application Form.
- (d) Bidders/Applicants should ensure that their investor status is updated in the Depository records.

4.1.7 **FIELD NUMBER 7: PAYMENT DETAILS**

- (a) All Bidders are required to make payment of the full Bid Amount (net of any Discount, as applicable) along-with the Bid cum Application Form. If the Discount is applicable in the Issue, the RIIs should indicate the full Bid Amount in the Bid cum Application Form and the payment shall be made for Bid Amount net of Discount. Only in cases where the RHP/Prospectus indicates that part payment may be made, such an option can be exercised by the Bidder. In case of Bidders specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less Discount offered, if any.
- (b) Bidders who Bid at Cut-off price shall deposit the Bid Amount based on the Cap Price.
- (c) QIBs and NIIs can participate in the Issue only through the ASBA mechanism.
- (d) RIIs and/or Reserved Categories bidding in their respective reservation portion can Bid, either through the ASBA mechanism or by paying the Bid Amount through a cheque or a demand draft (“Non-ASBA Mechanism”).
- (e) Bid Amount cannot be paid in cash, through money order or through postal order.

4.1.7.1 **Instructions for non-ASBA Bidders:**

- (a) Non-ASBA Bidders may submit their Bids with a member of the Syndicate or any of the Registered Brokers of the Stock Exchange. The details of Broker Centres along with names and contact details of the Registered Brokers are provided on the websites of the Stock Exchanges.
- (b) **For Bids made through a member of the Syndicate:** The Bidder may, with the submission of the Bid cum Application Form, draw a cheque or demand draft for the Bid Amount in favour of the Escrow Account as specified under the RHP/Prospectus and the Bid cum Application Form and submit the same to the members of the Syndicate at Specified Locations.
- (c) **For Bids made through a Registered Broker:** The Bidder may, with the submission of the Bid cum Application Form, draw a cheque or demand draft for the Bid Amount in favour of the Escrow Account as specified under the RHP/Prospectus and the Bid cum Application Form and submit the same to the Registered Broker.
- (d) If the cheque or demand draft accompanying the Bid cum Application Form is not made favouring the Escrow Account, the Bid is liable to be rejected.

- (e) 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 Bid cum Application Form is submitted. Cheques/bank drafts drawn on banks not participating in the clearing process may not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected.
- (f) The Escrow Collection Banks shall maintain the monies in the Escrow Account for and on behalf of the Bidders until the Designated Date.
- (g) Bidders are advised to provide the number of the Bid cum Application Form and PAN on the reverse of the cheque or bank draft to avoid any possible misuse of instruments submitted.

4.1.7.2 Payment instructions for ASBA Bidders

- (a) ASBA Bidders may submit the Bid cum Application Form either
 - (i) in physical mode to the Designated Branch of an SCSB where the Bidders/Applicants have ASBA Account, or
 - (ii) in electronic mode through the internet banking facility offered by an SCSB authorizing blocking of funds that are available in the ASBA account specified in the Bid cum Application Form, or
 - (iii) in physical mode to a member of the Syndicate at the Specified Locations, or
 - (iv) Registered Brokers of the Stock Exchange
- (b) ASBA Bidders may specify the Bank Account number in the Bid cum Application Form. The Bid cum Application Form submitted by an ASBA Bidder and which is accompanied by cash, demand draft, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account maintained with an SCSB, may not be accepted.
- (c) Bidders should ensure that the Bid cum Application Form is also signed by the ASBA Account holder(s) if the Bidder is not the ASBA Account holder;
- (d) Bidders shall note that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account.
- (e) From one ASBA Account, a maximum of five Bids cum Application Forms can be submitted.
- (f) **ASBA Bidders bidding through a member of the Syndicate** should ensure that the Bid cum Application Form is submitted to a member of the Syndicate only at the Specified locations. ASBA Bidders should also note that Bid cum Application Forms submitted to a member of the Syndicate at the Specified locations may not be accepted by the Member of the Syndicate if the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has not named at least one branch at that location for the members of the Syndicate to deposit Bid cum Application Forms (a list of such branches is available on the website of SEBI at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>).
- (g) **ASBA Bidders bidding through a Registered Broker** should note that Bid cum Application Forms submitted to the Registered Brokers may not be accepted by the Registered Broker, if the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has not named at least one branch at that location for the Registered Brokers to deposit Bid cum Application Forms.
- (h) **ASBA Bidders bidding directly through the SCSBs** should ensure that the Bid cum Application Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.

- (i) Upon receipt of the Bid cum Application Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the Bid cum Application Form.
- (j) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Bid Amount mentioned in the Bid cum Application Form and for application directly submitted to SCSB by investor, may enter each Bid option into the electronic bidding system as a separate Bid.
- (k) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not upload such Bids on the Stock Exchange platform and such bids are liable to be rejected.
- (l) Upon submission of a completed Bid cum Application Form each ASBA Bidder may be deemed to have agreed to block the entire Bid Amount and authorized the Designated Branch of the SCSB to block the Bid Amount specified in the Bid cum Application Form in the ASBA Account maintained with the SCSBs.
- (m) The Bid Amount may remain blocked in the aforesaid ASBA Account until finalisation of the Basis of allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal or failure of the Issue, or until withdrawal or rejection of the Bid, as the case may be.
- (n) SCSBs bidding in the Issue must apply through an Account maintained with any other SCSB; else their Bids are liable to be rejected.

4.1.7.2.1 Unblocking of ASBA Account

- (a) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Issue may provide the following details to the controlling branches of each SCSB, along with instructions to unblock the relevant bank accounts and for successful applications transfer the requisite money to the Public Issue Account designated for this purpose, within the specified timelines: (i) the number of Equity Shares to be Allotted against each Bid, (ii) the amount to be transferred from the relevant bank account to the Public Issue Account, for each Bid, (iii) the date by which funds referred to in (ii) above may be transferred to the Public Issue Account, and (iv) details of rejected ASBA Bids, if any, along with reasons for rejection and details of withdrawn or unsuccessful Bids, if any, to enable the SCSBs to unblock the respective bank accounts.
- (b) On the basis of instructions from the Registrar to the Issue, the SCSBs may transfer the requisite amount against each successful ASBA Bidder to the Public Issue Account and may unblock the excess amount, if any, in the ASBA Account.
- (c) In the event of withdrawal or rejection of the Bid cum Application Form and for unsuccessful Bids, the Registrar to the Issue may give instructions to the SCSB to unblock the Bid Amount in the relevant ASBA Account within 12 Working Days of the Bid/Issue Closing Date.

4.1.7.3 Additional Payment Instructions for NRIs

The Non-Resident Indians who intend to make payment through Non-Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians (non-repatriation basis). In the case of Bids by NRIs applying on a repatriation basis, payment shall not be accepted out of NRO Account.

4.1.8 FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS

- (a) Only the First Bidder/Applicant is required to sign the Bid cum Application Form/Application Form. Bidders/Applicants should ensure that signatures are in one of the languages specified in the Eighth Schedule to the Constitution of India.
- (b) If the ASBA Account is held by a person or persons other than the ASBA Bidder/Applicant., then the Signature of the ASBA Account holder(s) is also required.

- (c) In relation to the ASBA Bids/Applications, signature has to be correctly affixed in the authorization/undertaking box in the Bid cum Application Form/Application Form, or an authorisation has to be provided to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form/Application Form.
- (d) Bidders/Applicants must note that Bid cum Application Form/Application Form without signature of Bidder/Applicant and /or ASBA Account holder is liable to be rejected.

4.1.9 **ACKNOWLEDGEMENT AND FUTURE COMMUNICATION**

- (a) Bidders should ensure that they receive the acknowledgment duly signed and stamped by a member of the Syndicate, Registered Broker or SCSB, as applicable, for submission of the Bid cum Application Form.
- (b) Applicants should ensure that they receive the acknowledgment duly signed and stamped by an Escrow Collection Bank or SCSB, as applicable, for submission of the Application Form.
- (c) All communications in connection with Bids/Applications made in the Issue should be addressed as under:
 - (i) In case of queries related to Allotment, non-receipt of Allotment Advice, credit of allotted equity shares, refund orders, the Bidders/Applicants should contact the Registrar to the Issue.
 - (ii) In case of ASBA Bids submitted to the Designated Branches of the SCSBs, the Bidders/Applicants should contact the relevant Designated Branch of the SCSB.
 - (iii) In case of queries relating to uploading of Syndicate ASBA Bids, the Bidders/Applicants should contact the relevant Syndicate Member.
 - (iv) In case of queries relating to uploading of Bids by a Registered Broker, the Bidders/Applicants should contact the relevant Registered Broker
 - (v) Bidder/Applicant may contact the Company Secretary and Compliance Officer or BRLM and CBRLM in case of any other complaints in relation to the Issue.
- (d) The following details (as applicable) should be quoted while making any queries –
 - (i) full name of the sole or First Bidder/Applicant, Bid cum Application Form number, Applicants'/Bidders' DP ID, Client ID, PAN, number of Equity Shares applied for, amount paid on application.
 - (ii) name and address of the member of the Syndicate, Registered Broker or the Designated Branch, as the case may be, where the Bid was submitted or
 - (iii) In case of Non-ASBA bids cheque or draft number and the name of the issuing bank thereof
 - (iv) In case of ASBA Bids, ASBA Account number in which the amount equivalent to the Bid Amount was blocked.

For further details, Bidder/Applicant may refer to the RHP/Prospectus and the Bid cum Application Form.

4.2 **INSTRUCTIONS FOR FILING THE REVISION FORM**

- (a) During the Bid/Issue Period, any Bidder/Applicant (other than QIBs and NIIs, who can only revise their bid upwards) who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the Price Band using the Revision Form, which is a part of the Bid cum Application Form.

- (b) RII may revise their bids till closure of the bidding period or withdraw their bids until finalization of allotment.
- (c) Revisions can be made in both the desired number of Equity Shares and the Bid Amount by using the Revision Form.
- (d) The Bidder/Applicant can make this revision any number of times during the Bid/ Issue Period. However, for any revision(s) in the Bid, the Bidders/Applicants will have to use the services of the same member of the Syndicate, the Registered Broker or the SCSB through which such Bidder/Applicant had placed the original Bid. Bidders/Applicants are advised to retain copies of the blank Revision Form and the Bid(s) must be made only in such Revision Form or copies thereof.

A sample Revision form is reproduced below:

COMMON BID REVISION FORM FOR ASBA / NON-ASBA		XYZ LIMITED - PUBLIC ISSUE - R		FOR RESIDENT INDIAN, QIB, ELIGIBLE NRI's APPLYING ON A NON-REPATRIATION BASIS	
Logo		To: The Board of Directors XYZ Limited		BOOK BUILDING ISSUE INE523L01018	
SYNDICATE MEMBERS' STAMP & CODE		BROKERS/AGENTS' STAMP & CODE		1. NAME & CONTACT DETAILS of Sole / First Applicant	
ESCROW BANK / SCSSB BRANCH STAMP & CODE		SUB-BROKERS/SUB-AGENTS' STAMP & CODE		Mr. / Ms. _____ Tel. No. (with STD code) / Mobile _____	
BANK BRANCH SERIAL NO.		REGISTRAR'S / SCSSB SERIAL NO.		2. PAN OF SOLE / FIRST APPLICANT	
				3. BIDDER'S DEPOSITORY ACCOUNT DETAILS <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL	
				For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID	
PLEASE CHANGE MY BID					
4. FROM (as per last Bid or Revision)					
Bid Options		No. of Equity Shares Bid (Bids must be in multiples of Bid Lot as advertised) (In Figures)		Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)	
Option 1		7 6 5 4 3 2 1		Bid Price Discount, if any Net Price "Cut-off" (Please tick)	
(OR) Option 2					
(OR) Option 3					
5. TO (Revised Bid)					
Bid Options		No. of Equity Shares Bid (Bids must be in multiples of Bid Lot as advertised) (In Figures)		Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)	
Option 1		7 6 5 4 3 2 1		Bid Price Discount, if any Net Price "Cut-off" (Please tick)	
(OR) Option 2					
(OR) Option 3					
6. PAYMENT DETAILS (Please tick (✓) any one of payment option A or B below)					
PAYMENT OPTIONS <input type="checkbox"/> Full Payment <input type="checkbox"/> Part Payment					
Additional Amount Paid (₹ in figures) _____ (₹ in words) _____					
<input type="checkbox"/> (A) CHEQUE/ DEMAND DRAFT (DD)					
Cheque/DD No. _____ Dated DD/MM/YYYY					
Drawn on (Bank Name & Branch) _____					
<input type="checkbox"/> (B) ASBA					
Bank A/c No. _____					
Bank Name & Branch _____					
I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID REVISION FORM AND THE ATTACHED FORM 2A AND HEREBY AGREE AND CONFIRM THE BIDDERS UNDERTAKING AS GIVEN OVER EAF. I/We (on behalf of joint applicants, if any) hereby confirm that I/We have read the Instructions for Filing up the Bid revision Form given over at _____					
7A. SIGNATURE OF SOLE/ JOINT APPLICANT(S)		7B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS) (FOR ASBA OPTION ONLY)		BROKERS' / SCSSB BRANCH'S STAMP (Acknowledging upload of Bid in Stock Exchange system)	
Date : _____, 2011		I/We authorize the SCSSB to do all acts as are necessary to make the Application in the issue			
TEAR HERE					
XYZ LIMITED BID REVISION FORM		Acknowledgement Slip for Syndicate Member / SCSSB		Bid cum Application Form No. _____	
DPID / CLID		Bank & Branch		PAN	
Additional Amount Paid (₹)		Cheque / DD/ASBA Bank A/c No.		Stamp & Signature of Banker	
Received from Mr./Ms. _____		Telephone / Mobile _____			
Email _____					
TEAR HERE					
XYZ LIMITED BID REVISION FORM		Acknowledgement of Syndicate Member / SCSSB		Name of Sole / First Applicant	
No. of Equity Shares		Option 1 Option 2 Option 3			
Bid Price					
Additional Amount Paid (₹)					
Cheque / DD/ASBA Bank A/c No.					
Bank & Branch					
				Acknowledgement Slip for Bidder	
				Bid cum Application Form No. _____	

Instructions to fill each field of the Revision Form can be found on the reverse side of the Revision Form. Other than instructions already highlighted at paragraph 4.1 above, point wise instructions regarding filling up various fields of the Revision Form are provided below:

4.2.1 FIELDS 1, 2 AND 3: NAME AND CONTACT DETAILS OF SOLE/FIRST BIDDER/ APPLICANT, PAN OF SOLE/FIRST BIDDER/APPLICANT & DEPOSITORY ACCOUNT DETAILS OF THE BIDDER/APPLICANT

Bidders/Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

4.2.2 FIELD 4 & 5: BID OPTIONS REVISION 'FROM' AND 'TO'

- Apart from mentioning the revised options in the Revision Form, the Bidder/Applicant must also mention the details of all the bid options given in his or her Bid cum Application Form or earlier Revision Form. For example, if a Bidder/Applicant has Bid for three options in the Bid cum Application Form and such Bidder/Applicant is changing only one of the options in the Revision Form, the Bidder/Applicant must still fill the details of the other two options that are not being revised, in the Revision Form. The members of the Syndicate, the Registered Brokers and the Designated Branches of the SCSSBs may not accept incomplete or inaccurate Revision Forms.
- In case of revision, Bid options should be provided by Bidders/Applicants in the same order as provided in the Bid cum Application Form.
- In case of revision of Bids by RIIs, the RIIs should ensure that the Bid Amount, subsequent to revision, does not exceed ₹200,000. In case the Bid Amount exceeds ₹200,000 due to revision

of the Bid or for any other reason, the Bid may be considered, subject to eligibility, for allocation under the Non-Institutional Category and such Bid may be rejected if it is at the Cut-off Price. The Cut-off Price option is given only to the RIIs indicating their agreement to Bid for and purchase the Equity Shares at the Issue Price as determined at the end of the Book Building Process.

- (d) In case the total amount (i.e., original Bid Amount plus additional payment) exceeds ₹200,000, the Bid will be considered for allocation under the Non-Institutional Portion in terms of the RHP/Prospectus. If, however, the RII does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the RII and the RII is deemed to have approved such revised Bid at Cut-off Price.
- (e) In case of a downward revision in the Price Band, RIIs who have bid at the Cut-off Price could either revise their Bid or the excess amount paid at the time of bidding may be unblocked in case of ASBA Bidders or refunded from the Escrow Account in case of non-ASBA Bidder.

4.2.3 **FIELD 6: PAYMENT DETAILS**

- (a) With respect to the Bids, other than Bids submitted by ASBA Bidders/Applicants, any revision of the Bid should be accompanied by payment in the form of cheque or demand draft for the amount, if any, to be paid on account of the upward revision of the Bid.
- (b) All Bidders/Applicants are required to make payment of the full Bid Amount (less Discount (if applicable) along with the Bid Revision Form. In case of Bidders/Applicants specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less discount offered, if any.
- (c) In case of Bids submitted by ASBA Bidder/Applicant, Bidder/Applicant may Issue instructions to block the revised amount based on cap of the revised Price Band (adjusted for the Discount (if applicable) in the ASBA Account, to the same member of the Syndicate/Registered Broker or the same Designated Branch (as the case may be) through whom such Bidder/Applicant had placed the original Bid to enable the relevant SCSB to block the additional Bid Amount, if any.
- (d) In case of Bids, other than ASBA Bids, Bidder/Applicant, may make additional payment based on the cap of the revised Price Band (such that the total amount i.e., original Bid Amount plus additional payment does not exceed ₹200,000 if the Bidder/Applicant wants to continue to Bid at the Cut-off Price), with the members of the Syndicate / Registered Broker to whom the original Bid was submitted.
- (e) In case the total amount (i.e., original Bid Amount less discount (if applicable) plus additional payment) exceeds ₹200,000, the Bid may be considered for allocation under the Non-Institutional Category in terms of the RHP/Prospectus. If, however, the Bidder/Applicant does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for may be adjusted downwards for the purpose of allotment, such that no additional payment is required from the Bidder/Applicant and the Bidder/Applicant is deemed to have approved such revised Bid at the Cut-off Price.
- (f) In case of a downward revision in the Price Band, RIIs who have bid at the Cut-off Price, could either revise their Bid or the excess amount paid at the time of bidding may be unblocked in case of ASBA Bidders/Applicants or refunded from the Escrow Account in case of non-ASBA Bidder/Applicant.

4.2.4 **FIELDS 7: SIGNATURES AND ACKNOWLEDGEMENTS**

Bidders/Applicants may refer to instructions contained at paragraphs 4.1.8 and 4.1.9 for this purpose.

4.3 **INSTRUCTIONS FOR FILING APPLICATION FORM IN ISSUES MADE OTHER THAN THROUGH THE BOOK BUILDING PROCESS (FIXED PRICE ISSUE)**

4.3.1 **FIELDS 1, 2, 3 NAME AND CONTACT DETAILS OF SOLE/FIRST BIDDER/APPLICANT, PAN OF SOLE/FIRST BIDDER/APPLICANT & DEPOSITORY ACCOUNT DETAILS OF THE BIDDER/APPLICANT**

Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

4.3.2 **FIELD 4: PRICE, APPLICATION QUANTITY & AMOUNT**

- (a) The Issuer may mention Price or Price band in the draft Prospectus. However a prospectus registered with RoC contains one price or coupon rate (as applicable).
- (b) **Minimum Application Value and Bid Lot:** Our Company and the Selling Shareholder, in consultation with the BRLM and the CBRLM may decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of ₹10,000 to ₹15,000. The minimum Lot size is accordingly determined by an Issuer on basis of such minimum application value.
- (c) Applications by RIIs must be for such number of shares so as to ensure that the application amount payable does not exceed ₹200,000.
- (d) Applications by other investors must be for such minimum number of shares such that the application amount exceeds ₹200,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the application form and the Prospectus, or as advertised by the Issuer, as the case may be.
- (e) An application cannot be submitted for more than the Issue size.
- (f) The maximum application by any Applicant should not exceed the investment limits prescribed for them under the applicable laws.
- (g) **Multiple Applications:** An Applicant should submit only one Application Form. Submission of a second Application Form to either the same or to Collection Bank(s) or SCSB and duplicate copies of Application Forms bearing the same application number shall be treated as multiple applications and are liable to be rejected.
- (h) Applicants are requested to note the following procedures may be followed by the Registrar to the Issue to detect multiple applications:
 - (i) All applications may be checked for common PAN as per the records of the Depository. For Applicants other than Mutual Funds and FII sub-accounts, Bids bearing the same PAN may be treated as multiple applications by a Bidder/Applicant and may be rejected.
 - (ii) For applications from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Bids on behalf of the PAN Exempted Applicants, the Application Forms may be checked for common DP ID and Client ID. In any such applications which have the same DP ID and Client ID, these may be treated as multiple applications and may be rejected.
- (i) The following applications may not be treated as multiple Bids:
 - (i) Applications by Reserved Categories in their respective reservation portion as well as that made by them in the Issue portion in public category.

- (ii) Separate applications by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Applications clearly indicate the scheme for which the Bid has been made.
- (iii) Applications by Mutual Funds, and sub-accounts of FIIs (or FIIs and its sub-accounts) submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.

4.3.3 **FIELD NUMBER 5 : CATEGORY OF APPLICANTS**

- (a) The categories of applicants identified as per the SEBI ICDR Regulations, 2009 for the purpose of Bidding, allocation and allotment in the Issue are RIIs, individual applicants other than RII's and other investors (including corporate bodies or institutions, irrespective of the number of specified securities applied for).
- (b) An Issuer can make reservation for certain categories of Applicants permitted under the SEBI ICDR Regulations, 2009. For details of any reservations made in the Issue, applicants may refer to the Prospectus.
- (c) The SEBI ICDR Regulations, 2009 specify the allocation or allotment that may be made to various categories of applicants in an Issue depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Issue specific details in relation to allocation applicant may refer to the Prospectus.

4.3.4 **FIELD NUMBER 6: INVESTOR STATUS**

Applicants should refer to instructions contained in paragraphs 4.1.6.

4.3.5 **FIELD 7: PAYMENT DETAILS**

- (a) All Applicants are required to make payment of the full Amount (net of any Discount, as applicable) along-with the Application Form. If the Discount is applicable in the Issue, the RIIs should indicate the full Amount in the Application Form and the payment shall be made for an Amount net of Discount. Only in cases where the Prospectus indicates that part payment may be made, such an option can be exercised by the Applicant.
- (b) RIIs and/or Reserved Categories bidding in their respective reservation portion can Bid, either through the ASBA mechanism or by paying the Bid Amount through a cheque or a demand draft ("Non-ASBA Mechanism").
- (c) Application Amount cannot be paid in cash, through money order or through postal order or through stock invest.

4.3.5.1 **Instructions for non-ASBA Applicants:**

- (a) Non-ASBA Applicants may submit their Application Form with the Collection Bank(s).
- (b) For Applications made through a Collection Bank(s): The Applicant may, with the submission of the Application Form, draw a cheque or demand draft for the Bid Amount in favour of the Escrow Account as specified under the Prospectus and the Application Form and submit the same to the escrow Collection Bank(s).
- (c) If the cheque or demand draft accompanying the Application Form is not made favouring the Escrow Account, the form is liable to be rejected.
- (d) 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. Cheques/bank drafts drawn on banks not participating in the clearing process may not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected.

- (e) The Escrow Collection Banks shall maintain the monies in the Escrow Account for and on behalf of the Applicants until the Designated Date.
- (f) Applicants are advised to provide the number of the Application Form and PAN on the reverse of the cheque or bank draft to avoid any possible misuse of instruments submitted.

4.3.5.2 Payment instructions for ASBA Applicants

- (a) ASBA Applicants may submit the Application Form in physical mode to the Designated Branch of an SCSB where the Applicants have ASBA Account.
- (b) ASBA Applicants may specify the Bank Account number in the Application Form. The Application Form submitted by an ASBA Applicant and which is accompanied by cash, demand draft, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account maintained with an SCSB, may not be accepted.
- (c) Applicants should ensure that the Application Form is also signed by the ASBA Account holder(s) if the Applicant is not the ASBA Account holder;
- (d) Applicants shall note that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account.
- (e) From one ASBA Account, a maximum of five Bids cum Application Forms can be submitted.
- (f) ASBA Applicants bidding directly through the SCSBs should ensure that the Application Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.
- (g) Upon receipt of the Application Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the Application Form.
- (h) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Application Amount mentioned in the Application Form and may upload the details on the Stock Exchange Platform.
- (i) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not upload such Applications on the Stock Exchange platform and such Applications are liable to be rejected.
- (j) Upon submission of a completed Application Form each ASBA Applicant may be deemed to have agreed to block the entire Application Amount and authorized the Designated Branch of the SCSB to block the Application Amount specified in the Application Form in the ASBA Account maintained with the SCSBs.
- (k) The Application Amount may remain blocked in the aforesaid ASBA Account until finalisation of the Basis of allotment and consequent transfer of the Application Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal or failure of the Issue, or until withdrawal or rejection of the Application, as the case may be.
- (l) SCSBs applying in the Issue must apply through an ASBA Account maintained with any other SCSB; else their Applications are liable to be rejected.

4.3.5.3 Unblocking of ASBA Account

- (a) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Issue may provide the following details to the controlling branches of each SCSB, along with instructions to unblock the relevant bank accounts and for successful applications transfer the requisite money to the Public Issue Account designated for this purpose, within the specified timelines: (i) the number of Equity Shares to be Allotted against each Application, (ii) the amount to be transferred from the relevant bank account to the Public Issue Account, for each Application, (iii) the date by which funds referred to in (ii) above may be transferred to the Public Issue Account, and (iv) details of rejected ASBA Applications, if any, along with

reasons for rejection and details of withdrawn or unsuccessful Applications, if any, to enable the SCSBs to unblock the respective bank accounts.

- (b) On the basis of instructions from the Registrar to the Issue, the SCSBs may transfer the requisite amount against each successful ASBA Application to the Public Issue Account and may unblock the excess amount, if any, in the ASBA Account.
- (c) In the event of withdrawal or rejection of the Application Form and for unsuccessful Applications, the Registrar to the Issue may give instructions to the SCSB to unblock the Application Amount in the relevant ASBA Account within 12 Working Days of the Issue Closing Date.

4.3.6 **FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS & ACKNOWLEDGEMENT AND FUTURE COMMUNICATION**

Applicants should refer to instructions contained in paragraphs 4.1.8 & 4.1.9.

4.4 **SUBMISSION OF BID CUM APPLICATION FORM/ REVISION FORM/APPLICATION FORM**

4.4.1 **Bidders/Applicants may submit completed Bid-cum-application form / Revision Form in the following manner:-**

Mode of Application	Submission of Bid cum Application Form
Non-ASBA Application	1) To members of the Syndicate at the Specified Locations mentioned in the Bid cum Application Form
	2) To Registered Brokers
ASBA Application	1) To members of the Syndicate in the Specified Locations or Registered Brokers at the Broker Centres
	2) To the Designated branches of the SCSBs where the ASBA Account is maintained

- (a) Bidders/Applicants should not submit the bid cum application forms/ Revision Form directly to the escrow collection banks. Bid cum Application Form/ Revision Form submitted to the escrow collection banks are liable for rejection.
- (b) Bidders/Applicants should submit the Revision Form to the same member of the Syndicate, the Registered Broker or the SCSB through which such Bidder/Applicant had placed the original Bid.
- (c) Upon submission of the Bid-cum-Application Form, the Bidder/Applicant will be deemed to have authorized the Issuer to make the necessary changes in the RHP and the Bid cum Application Form as would be required for filing Prospectus with the Registrar of Companies (RoC) and as would be required by the RoC after such filing, without prior or subsequent notice of such changes to the relevant Bidder/Applicant.
- (d) Upon determination of the Issue Price and filing of the Prospectus with the RoC, the Bid-cum-Application Form will be considered as the application form.

SECTION 5: ISSUE PROCEDURE IN BOOK BUILT ISSUE

Book Building, in the context of the Issue, refers to the process of collection of Bids within the Price Band or above the Floor Price and determining the Issue Price based on the Bids received as detailed in Schedule XI of SEBI ICDR Regulations, 2009. The Issue Price is finalised after the Bid/Issue Closing Date. Valid Bids received at or above the Issue Price are considered for allocation in the Issue, subject to applicable regulations and other terms and conditions.

5.1 SUBMISSION OF BIDS

- (a) During the Bid/Issue Period, ASBA Bidders/Applicants may approach the members of the Syndicate at the Specified Cities or any of the Registered Brokers or the Designated Branches to register their Bids. Non-ASBA Bidders/Applicants who are interested in subscribing for the Equity Shares should approach the members of the Syndicate or any of the Registered Brokers, to register their Bid.
- (b) Non-ASBA Bidders/Applicants (RIIs) bidding at Cut-off Price may submit the Bid cum Application Form along with a cheque/demand draft for the Bid Amount less discount (if applicable) based on the Cap Price with the members of the Syndicate/ any of the Registered Brokers to register their Bid.
- (c) In case of ASBA Bidders/Applicants (excluding NIIs and QIBs) bidding at Cut-off Price, the ASBA Bidders/Applicants may instruct the SCSBs to block Bid Amount based on the Cap Price less discount (if applicable). ASBA Bidders/Applicants may approach the members of the Syndicate or any of the Registered Brokers or the Designated Branches to register their Bids.
- (d) For Details of the timing on acceptance and upload of Bids in the Stock Exchanges Platform Bidders/Applicants are requested to refer to the RHP.

5.2 ELECTRONIC REGISTRATION OF BIDS

- (a) The Syndicate, the Registered Brokers and the SCSBs may register the Bids using the on-line facilities of the Stock Exchanges. The Syndicate, the Registered Brokers and the Designated Branches of the SCSBs can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis before the closure of the issue.
- (b) On the Bid/Issue Closing Date, the Syndicate, the Registered Broker and the Designated Branches of the SCSBs may upload the Bids till such time as may be permitted by the Stock Exchanges.
- (c) Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/ Allotment. The members of the Syndicate, the Registered Brokers and the SCSBs are given up to one day after the Bid/Issue Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid/Issue Period after which the Stock Exchange(s) send the bid information to the Registrar for validation of the electronic bid details with the Depository's records.

5.3 BUILD UP OF THE BOOK

- (a) Bids received from various Bidders/Applicants through the Syndicate, Registered Brokers and the SCSBs may be electronically uploaded on the Bidding Platform of the Stock Exchanges' on a regular basis. The book gets built up at various price levels. This information may be available with the BRLM and the CBRLM at the end of the Bid/Issue Period.
- (b) Based on the aggregate demand and price for Bids registered on the Stock Exchanges Platform, a graphical representation of consolidated demand and price as available on the websites of the Stock Exchanges may be made available at the bidding centres during the Bid/Issue Period.

5.4 WITHDRAWAL OF BIDS

- (a) RIIs can withdraw their Bids until finalization of Basis of Allotment. In case a RII applying through the ASBA process wishes to withdraw the Bid during the Bid/Issue Period, the same can be done by submitting a request for the same to the concerned SCSB or the Syndicate Member or the Registered Broker, as applicable, who shall do the requisite, including unblocking of the funds by the SCSB in the ASBA Account.
- (b) In case a RII wishes to withdraw the Bid after the Bid/Issue Period, the same can be done by submitting a withdrawal request to the Registrar to the Issue until finalization of Basis of Allotment. The Registrar to the Issue shall give instruction to the SCSB for unblocking the ASBA Account on the Designated Date. QIBs and NIIs can neither withdraw nor lower the size of their Bids at any stage.

5.5 REJECTION & RESPONSIBILITY FOR UPLOAD OF BIDS

- (a) The members of the Syndicate, the Registered Broker and/or SCSBs are individually responsible for the acts, mistakes or errors or omission in relation to
 - (i) the Bids accepted by the members of the Syndicate, the Registered Broker and the SCSBs,
 - (ii) the Bids uploaded by the members of the Syndicate, the Registered Broker and the SCSBs,
 - (iii) the Bid cum application forms accepted but not uploaded by the members of the Syndicate, the Registered Broker and the SCSBs, or
 - (iv) With respect to Bids by ASBA Bidders/Applicants, Bids accepted and uploaded by SCSBs without blocking funds in the ASBA Accounts. It may be presumed that for Bids uploaded by the SCSBs, the Bid Amount has been blocked in the relevant Account.
- (b) The BRLM, the CBRLM and their affiliate Syndicate Members, as the case may be, may reject Bids if all the information required is not provided and the Bid cum Application Form is incomplete in any respect.
- (c) The SCSBs shall have no right to reject Bids, except in case of unavailability of adequate funds in the ASBA account or on technical grounds.
- (d) In case of QIB Bidders, only the (i) SCSBs (for Bids other than the Bids by Anchor Investors); and (ii) The BRLM, the CBRLM and their affiliate Syndicate Members (only in the specified locations) have the right to reject bids. However, such rejection shall be made at the time of receiving the Bid and only after assigning a reason for such rejection in writing.
- (e) All bids by QIBs, NIIs & RIIs Bids can be rejected on technical grounds listed herein.

5.5.1 GROUNDS FOR TECHNICAL REJECTIONS

Bid cum Application Forms/Application Form can be rejected on the below mentioned technical grounds either at the time of their submission to the (i) authorised agents of the BRLM and the CBRLM, (ii) Registered Brokers, or (iii) SCSBs, or (iv) Collection Bank(s), or at the time of finalisation of the Basis of Allotment. Bidders/Applicants are advised to note that the Bids/Applications are liable to be rejected, inter-alia, on the following grounds, which have been detailed at various places in this GID:-

- (a) Bid/Application by persons not competent to contract under the Indian Contract Act, 1872, as amended, (other than minors having valid Depository Account as per Demographic Details provided by Depositories);
- (b) Bids/Applications by OCBs; and

- (c) In case of partnership firms, Bid/Application for Equity Shares made in the name of the firm. However, a limited liability partnership can apply in its own name;
- (d) In case of Bids/Applications under power of attorney or by limited companies, corporate, trust etc., relevant documents are not being submitted along with the Bid cum application form/Application Form;
- (e) Bids/Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- (f) Bids/Applications by any person outside India if not in compliance with applicable foreign and Indian laws;
- (g) DP ID and Client ID not mentioned in the Bid cum Application Form/Application Form;
- (h) PAN not mentioned in the Bid cum Application Form/Application Form except for Bids/Applications by or on behalf of the Central or State Government and officials appointed by the court and by the investors residing in the State of Sikkim, provided such claims have been verified by the Depository Participant;
- (i) In case no corresponding record is available with the Depositories that matches the DP ID, the Client ID and the PAN;
- (j) Bids/Applications for lower number of Equity Shares than the minimum specified for that category of investors;
- (k) Bids/Applications at a price less than the Floor Price & Bids/Applications at a price more than the Cap Price;
- (l) Bids/Applications at Cut-off Price by NIIs and QIBs;
- (m) Amount paid does not tally with the amount payable for the highest value of Equity Shares Bid for. With respect to Bids/Applications by ASBA Bidders, the amounts mentioned in the Bid cum Application Form/Application Form does not tally with the amount payable for the value of the Equity Shares Bid/Applied for;
- (n) Bids/Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;
- (o) In relation to ASBA Bids/Applications, submission of more than five Bid cum Application Forms/Application Form as per ASBA Account;
- (p) Bids/Applications for a Bid/Application Amount of more than ₹200,000 by RIIs by applying through non-ASBA process;
- (q) Bids/Applications for number of Equity Shares which are not in multiples Equity Shares which are not in multiples as specified in the RHP;
- (r) Multiple Bids/Applications as defined in this GID and the RHP/Prospectus;
- (s) Bid cum Application Forms/Application Forms are not delivered by the Bidders/Applicants within the time prescribed as per the Bid cum Application Forms/Application Form, Bid/Issue Opening Date advertisement and as per the instructions in the RHP and the Bid cum Application Forms;
- (t) With respect to ASBA Bids/Applications, inadequate funds in the bank account to block the Bid/Application Amount specified in the Bid cum Application Form/ Application Form at the time of blocking such Bid/Application Amount in the bank account;
- (u) Bids/Applications where sufficient funds are not available in Escrow Accounts as per final certificate from the Escrow Collection Banks;

- (v) With respect to ASBA Bids/Applications, where no confirmation is received from SCSB for blocking of funds;
- (w) Bids/Applications by QIBs (other than Anchor Investors) and Non Institutional Bidders not submitted through ASBA process or Bids/Applications by QIBs (other than Anchor Investors) and Non Institutional Bidders accompanied with cheque(s) or demand draft(s);
- (x) ASBA Bids/Applications submitted to the BRLM and CBRLM at locations other than the Specified Cities and Bid cum Application Forms/Application Forms, under the ASBA process, submitted to the Escrow Collecting Banks (assuming that such bank is not a SCSB where the ASBA Account is maintained), to the Issuer, the Selling Shareholder or the Registrar to the Issue;
- (y) Bids/Applications not uploaded on the terminals of the Stock Exchanges;
- (z) Bids/Applications by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the Bid cum Application Form/Application Form.

5.6 BASIS OF ALLOCATION

- (a) The SEBI ICDR Regulations, 2009 specify the allocation or Allotment that may be made to various categories of Bidders/Applicants in an Issue depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Issue size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the RHP / Prospectus. For details in relation to allocation, the Bidder/Applicant may refer to the RHP / Prospectus.
- (b) Under-subscription in Retail category is allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company and the Selling Shareholder in consultation with the BRLM, the CBRLM and the Designated Stock Exchange and in accordance with the SEBI ICDR Regulations, 2009. Unsubscribed portion in QIB category is not available for subscription to other categories.
- (c) In case of under subscription of the Issue, spill-over to the extent of such under-subscription may be permitted from the Reserved Portion to the Issue. For allocation in the event of an under-subscription applicable to the Issuer, Bidders/Applicants may refer to the RHP.
- (d) **Illustration of the Book Building and Price Discovery Process**

Bidders should note that this example is solely for illustrative purposes and is not specific to the Issue; it also excludes bidding by Anchor Investors.

Bidders can bid at any price within the Price Band. For instance, assume a Price Band of ₹20 to ₹24 per share, Issue size of 3,000 Equity Shares and receipt of five Bids from Bidders, details of which are shown in the table below. The illustrative book given below shows the demand for the Equity Shares of the Issuer at various prices and is collated from Bids received from various investors.

Bid Quantity	Bid Amount (₹)	Cumulative Quantity	Subscription
500	24	500	16.67%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.67%
2,500	20	7,500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the Issuer is able to Issue the desired number of Equity Shares is the price at which the book cuts off, i.e., ₹ 22.00 in the above example. The Company and the Selling Shareholder, in consultation with the BRLM and the CBRLM, may finalise the Issue Price at or below such

Cut-Off Price, i.e., at or below ₹22.00. All Bids at or above this Issue Price and cut-off Bids are valid Bids and are considered for allocation in the respective categories.

(e) **Alternate Method of Book Building**

In case of FPOs, Issuers may opt for an alternate method of Book Building in which only the Floor Price is specified for the purposes of bidding (“Alternate Book Building Process”).

The Issuer may specify the Floor Price in the RHP or advertise the Floor Price at least one Working Day prior to the Bid/Issue Opening Date. QIBs may Bid at a price higher than the Floor Price and the Allotment to the QIBs is made on a price priority basis. The Bidder with the highest Bid Amount is allotted the number of Equity Shares Bid for and then the second highest Bidder is Allotted Equity Shares and this process continues until all the Equity Shares have been allotted. RIIs and NIIs are Allotted Equity Shares at the Floor Price and allotment to these categories of Bidders is made proportionately. If the number of Equity Shares Bid for at a price is more than available quantity then the allotment may be done on a proportionate basis. Further, the Issuer may place a cap either in terms of number of specified securities or percentage of issued capital of the Issuer that may be allotted to a single Bidder, decide whether a Bidder be allowed to revise the bid upwards or downwards in terms of price and/or quantity and also decide whether a Bidder be allowed single or multiple bids.

SECTION 6: ISSUE PROCEDURE IN FIXED PRICE ISSUE

Applicants may note that there is no Bid cum Application Form in a Fixed Price Issue. As the Issue Price is mentioned in the Fixed Price Issue therefore on filing of the Prospectus with the RoC, the Application so submitted is considered as the application form.

Applicants may only use the specified Application Form for the purpose of making an Application in terms of the Prospectus which may be submitted through Syndicate Members/SCSB and/or Bankers to the Issue or Registered Broker.

ASBA Applicants may submit an Application Form either in physical form to the Syndicate Members or Registered Brokers or the Designated Branches of the SCSBs or in the electronic form to the SCSB or the Designated Branches of the SCSBs authorising blocking of funds that are available in the bank account specified in the Application Form only (“ASBA Account”). The Application Form is also made available on the websites of the Stock Exchanges at least one day prior to the Bid/Issue Opening Date.

In a fixed price Issue, allocation in the net offer to the public category is made as follows: minimum fifty per cent to Retail Individual Investors; and remaining to (i) individual investors other than Retail Individual Investors; and (ii) other Applicants including corporate bodies or institutions, irrespective of the number of specified securities applied for. The unsubscribed portion in either of the categories specified above may be allocated to the Applicants in the other category.

For details of instructions in relation to the Application Form, Bidders/Applicants may refer to the relevant section of the GID.

SECTION 7: ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT

The allotment of Equity Shares to Bidders/Applicants other than Retail Individual Investors and Anchor Investors may be on proportionate basis. For Basis of Allotment to Anchor Investors, Bidders/Applicants may refer to RHP/Prospectus. No Retail Individual Investor is will be allotted less than the minimum Bid Lot subject to availability of shares in Retail Individual Investor Category and the remaining available shares, if any will be allotted on a proportionate basis. The Issuer is required to receive a minimum subscription of 90% of the Issue (excluding any Offer for Sale of specified securities). However, in case the Issue is in the nature of Offer for Sale only, then minimum subscription may not be applicable.

7.1 ALLOTMENT TO RIIs

Bids received from the RIIs at or above the Issue Price may be grouped together to determine the total demand under this category. If the aggregate demand in this category is less than or equal to the Retail

Category at or above the Issue Price, full Allotment may be made to the RIIs to the extent of the valid Bids. If the aggregate demand in this category is greater than the allocation to in the Retail Category at or above the Issue Price, then the maximum number of RIIs who can be Allotted the minimum Bid Lot will be computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Bid Lot ("Maximum RII Allottees"). The Allotment to the RIIs will then be made in the following manner:

- (a) In the event the number of RIIs who have submitted valid Bids in the Issue is equal to or less than Maximum RII Allottees, (i) all such RIIs shall be Allotted the minimum Bid Lot; and (ii) the balance available Equity Shares, if any, remaining in the Retail Category shall be Allotted on a proportionate basis to the RIIs who have received Allotment as per (i) above for the balance demand of the Equity Shares Bid by them (i.e. who have Bid for more than the minimum Bid Lot).
- (b) In the event the number of RIIs who have submitted valid Bids in the Issue is more than Maximum RII Allottees, the RIIs (in that category) who will then be allotted minimum Bid Lot shall be determined on the basis of draw of lots.

7.2 ALLOTMENT TO NIIs

Bids received from NIIs at or above the Issue Price may be grouped together to determine the total demand under this category. The allotment to all successful NIIs may be made at or above the Issue Price. If the aggregate demand in this category is less than or equal to the Non-Institutional Category at or above the Issue Price, full allotment may be made to NIIs to the extent of their demand. In case the aggregate demand in this category is greater than the Non-Institutional Category at or above the Issue Price, allotment may be made on a proportionate basis up to a minimum of the Non-Institutional Category.

7.3 ALLOTMENT TO QIBs

For the Basis of Allotment to Anchor Investors, Bidders/Applicants may refer to the SEBI ICDR Regulations, 2009 or RHP / Prospectus. Bids received from QIBs bidding in the QIB Category (net of Anchor Portion) at or above the Issue Price may be grouped together to determine the total demand under this category. The QIB Category may be available for allotment to QIBs who have Bid at a price that is equal to or greater than the Issue Price. Allotment may be undertaken in the following manner:

- (a) In the first instance allocation to Mutual Funds for up to 5% of the QIB Category may be determined as follows: (i) In the event that Bids by Mutual Fund exceeds 5% of the QIB Category, allocation to Mutual Funds may be done on a proportionate basis for up to 5% of the QIB Category; (ii) In the event that the aggregate demand from Mutual Funds is less than 5% of the QIB Category then all Mutual Funds may get full allotment to the extent of valid Bids received above the Issue Price; and (iii) Equity Shares remaining unsubscribed, if any and not allocated to Mutual Funds may be available for allotment to all QIBs as set out at paragraph 7.4(b) below;
- (b) In the second instance, allotment to all QIBs may be determined as follows: (i) In the event of over-subscription in the QIB Category, all QIBs who have submitted Bids above the Issue Price may be Allotted Equity Shares on a proportionate basis for up to 95% of the QIB Category; (ii) Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis along with other QIBs; and (iii) Under-subscription below 5% of the QIB Category, if any, from Mutual Funds, may be included for allocation to the remaining QIBs on a proportionate basis.

7.4 ALLOTMENT TO ANCHOR INVESTOR (IF APPLICABLE)

- (a) Allocation of Equity Shares to Anchor Investors at the Anchor Investor Issue Price will be at the discretion of the issuer subject to compliance with the following requirements:
 - (i) not more than 60% of the QIB Portion will be allocated to Anchor Investors;

- (ii) one-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors; and
- (iii) allocation to Anchor Investors shall be on a discretionary basis and subject to:
 - a maximum number of two Anchor Investors for allocation up to ₹100 million;
 - a minimum number of two Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than ₹100 million and up to ₹ 2500 million subject to minimum allotment of ₹ 50 million per such Anchor Investor; and
 - a minimum number of five Anchor Investors and maximum number of 25 Anchor Investors for allocation of more than ₹ 2500 million subject to minimum allotment of ₹ 50 million, per such Anchor Investor.
- (b) A physical book is prepared by the Registrar on the basis of the Bid cum Application Forms received from Anchor Investors. Based on the physical book and at the discretion of the Company and the Selling Shareholder in consultation with the BRLM and the CBRLM, selected Anchor Investors will be sent a CAN and if required, a revised CAN.
- (c) **In the event that the Issue Price is higher than the Anchor Investor Issue Price:** Anchor Investors will be sent a revised CAN within one day of the Pricing Date indicating the number of Equity Shares allocated to such Anchor Investor and the pay-in date for payment of the balance amount. Anchor Investors are then required to pay any additional amounts, being the difference between the Issue Price and the Anchor Investor Issue Price, as indicated in the revised CAN within the pay-in date referred to in the revised CAN. Thereafter, the Allotment Advice will be issued to such Anchor Investors.
- (d) **In the event the Issue Price is lower than the Anchor Investor Issue Price:** Anchor Investors who have been Allotted Equity Shares will directly receive Allotment Advice.

7.5 BASIS OF ALLOTMENT FOR QIBs (OTHER THAN ANCHOR INVESTORS), NIIs AND RESERVED CATEGORY IN CASE OF OVER-SUBSCRIBED ISSUE

In the event of the Issue being over-subscribed, our Company and the Selling Shareholder in consultation with the BRLM and the CBRLM shall finalise the Basis of Allotment in consultation with the Designated Stock Exchange in accordance with the SEBI ICDR Regulations, 2009.

The allocation may be made in marketable lots, on a proportionate basis as explained below:

- (a) Bidders may be categorized according to the number of Equity Shares applied for;
- (b) The total number of Equity Shares to be Allotted to each category as a whole may be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio;
- (c) The number of Equity Shares to be Allotted to the successful Bidders may be arrived at on a proportionate basis, which is total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio;
- (d) In all Bids where the proportionate allotment is less than the minimum bid lot decided per Bidder, the allotment may be made as follows: the successful Bidders out of the total Bidders for a category may be determined by a draw of lots in a manner such that the total number of Equity Shares Allotted in that category is equal to the number of Equity Shares calculated in accordance with (b) above; and each successful Bidder may be Allotted a minimum of such Equity Shares equal to the minimum Bid Lot finalised by the Issuer;

- (e) If the proportionate allotment to a Bidder is a number that is more than the minimum Bid lot but is not a multiple of one (which is the marketable lot), the decimal may be rounded off to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5 it may be rounded off to the lower whole number. Allotment to all bidders in such categories may be arrived at after such rounding off; and
- (f) If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares Allotted to the Bidders in that category, the remaining Equity Shares available for allotment may be first adjusted against any other category, where the Allotted Equity Shares are not sufficient for proportionate allotment to the successful Bidders in that category. The balance Equity Shares, if any, remaining after such adjustment may be added to the category comprising Bidders applying for minimum number of Equity Shares.

7.6 DESIGNATED DATE AND ALLOTMENT OF EQUITY SHARES

- (a) **Designated Date:** On the Designated Date, the Escrow Collection Banks shall transfer the funds represented by allocation of Equity Shares (other than ASBA funds with the SCSBs) from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account with the Bankers to the Issue. The balance amount after transfer to the Public Issue Account shall be transferred to the Refund Account. Payments of refund to the Bidders shall also be made from the Refund Account as per the terms of the Escrow Agreement and the RHP.
- (b) **Issuance of Allotment Advice:** Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall upload the same on its website. On the basis of the approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the Allotment and credit of Equity Shares. Bidders/Applicants **are advised to instruct their Depository Participant to accept the Equity Shares that may be allotted to them pursuant to the Issue.**

Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Bidders/Applicants who have been Allotted Equity Shares in the Issue.
- (c) The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract.
- (d) Issuer will ensure that: (i) the Allotment of Equity Shares; and (ii) credit of shares to the successful Bidders/Applicants Depository Account will be completed within 12 Working Days of the Bid/ Issue Closing Date. The Issuer also ensures the credit of shares to the successful Applicant's depository account is completed within two Working Days from the date of Allotment, after the funds are transferred from the Escrow Account to the Public Issue Account on the Designated Date.

SECTION 8: INTEREST AND REFUNDS

8.1 COMPLETION OF FORMALITIES FOR LISTING & COMMENCEMENT OF TRADING

The Issuer may ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges are taken within 12 Working Days of the Bid/Issue Closing Date. The Registrar to the Issue may give instructions for credit to Equity Shares the beneficiary account with DPs, and dispatch the Allotment Advice within 12 Working Days of the Bid/Issue Closing Date.

8.2 GROUNDS FOR REFUND

8.2.1 NON RECEIPT OF LISTING PERMISSION

An Issuer makes an application to the Stock Exchange(s) for permission to deal in/list and for an official quotation of the Equity Shares. All the Stock Exchanges from where such permission is sought are disclosed in RHP/Prospectus. The Designated Stock Exchange may be as disclosed in the RHP/Prospectus with which the Basis of Allotment may be finalised.

If the Issuer fails to make application to the Stock Exchange(s) and obtain permission for listing of the Equity Shares, in accordance with the provisions of Section 40 of the Companies Act, 2013, the Issuer may be punishable with a fine which shall not be less than ₹0.5million but which may extend to ₹5 million and every officer of the Issuer who is in default shall be punishable with imprisonment for a term which may extend to one year or with fine which shall not be less than ₹0.05 million but which may extend to ₹ 0.3 million, or with both.

If the permissions to deal in and for an official quotation of the Equity Shares are not granted by any of the Stock Exchange(s), the Issuer may forthwith repay, without interest, all moneys received from the Bidders/Applicants in pursuance of the RHP/Prospectus.

If such money is not repaid within the prescribed time after the Issuer becomes liable to repay it, then the Issuer and every director of the Issuer who is an officer in default may, on and from such expiry of such period, be liable to repay the money, with interest at such rate, as disclosed in the RHP/Prospectus.

8.2.2 NON RECEIPT OF MINIMUM SUBSCRIPTION

If the Issuer does not receive a minimum subscription of 90% of the Net Issue (excluding any offer for sale of specified securities), including devolvement to the Underwriters, within 60 days from the Bid/Issue Closing Date, the Issuer may forthwith, without interest refund the entire subscription amount received. In case the Issue is in the nature of Offer for Sale only, then minimum subscription may not be applicable.

If there is a delay beyond the prescribed time, then the Issuer and every director of the Issuer who is an officer in default may be liable to repay the money, with interest at the rate of 15% per annum.

8.2.3 MINIMUM NUMBER OF ALLOTTEES

The Issuer may ensure that the number of prospective Allottees to whom Equity Shares may be allotted may not be less than 1,000 failing which the entire application monies may be refunded forthwith.

8.2.4 IN CASE OF ISSUES MADE UNDER COMPULSORY BOOK BUILDING

In case an Issuer not eligible under Regulation 26(1) of the SEBI ICDR Regulations, 2009 comes for an Issue under Regulation 26(2) of SEBI ICDR Regulations, 2009 but fails to allot at least 75% of the Issue to QIBs, in such case full subscription money is to be refunded.

8.3 MODE OF REFUND

- (a) **In case of ASBA Bids/Applications:** Within 12 Working Days of the Bid/Issue Closing Date, the Registrar to the Issue may give instructions to SCSBs for unblocking the amount in ASBA Account on unsuccessful Bid/Application and also for any excess amount blocked on Bidding/Application.
- (b) **In case of Non-ASBA Bid/Applications:** Within 12 Working Days of the Bid/Issue Closing Date, the Registrar to the Issue may dispatch the refund orders for all amounts payable to unsuccessful Bidders/Applicants and also for any excess amount paid on Bidding/Application, after adjusting for allocation/ allotment to Bidders/Applicants.
- (c) In case of non-ASBA Bidders/Applicants, the Registrar to the Issue may obtain from the depositories the Bidders/Applicants' bank account details, including the MICR code, on the basis of the DP ID, Client ID and PAN provided by the Bidders/Applicants in their Bid cum Application Forms for refunds. Accordingly, Bidders/Applicants are advised to immediately update their details as appearing on the records of their DPs. Failure to do so may result in delays in dispatch of refund orders or refunds through electronic transfer of funds, as applicable, and any such delay may be at the Bidders/Applicants' sole risk and neither the Issuer, the Registrar to the Issue, the Escrow Collection Banks, or the Syndicate, may be liable to compensate the Bidders/Applicants for any losses caused to them due to any such delay, or liable to pay any interest for such delay.

- (d) In the case of Bids from Eligible NRIs, FIIs and FPIs, refunds, if any, may generally be payable in Indian Rupees only and net of bank charges and/or commission. If so desired, such payments in Indian Rupees may be converted into U.S. 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 may be dispatched by registered post. The Issuer may not be responsible for loss, if any, incurred by the Bidder/Applicant on account of conversion of foreign currency.

8.3.1 Mode of making refunds for Bidders/Applicants other than ASBA Bidders/Applicants

The payment of refund, if any, may be done through various modes as mentioned below:

- (a) **NECS**—Payment of refund may be done through NECS for Bidders/Applicants having an account at any of the centres specified by the RBI. This mode of payment of refunds may be subject to availability of complete bank account details including the nine-digit MICR code of the Bidder/Applicant as obtained from the Depository;
- (b) **NEFT**—Payment of refund may be undertaken through NEFT wherever the branch of the Bidders/Applicants' bank is NEFT enabled and has been assigned the Indian Financial System Code ("**IFSC**"), which can be linked to the MICR of that particular branch. The IFSC Code may be obtained from the website of RBI as at a date prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Bidders/Applicants have registered their nine-digit MICR number and their bank account number while opening and operating the demat account, the same may be duly mapped with the IFSC Code of that particular bank branch and the payment of refund may be made to the Bidders/Applicants through this method. In the event NEFT is not operationally feasible, the payment of refunds may be made through any one of the other modes as discussed in this section;
- (c) **Direct Credit**—Bidders/Applicants having their bank account with the Refund Banker may be eligible to receive refunds, if any, through direct credit to such bank account;
- (d) **RTGS**—Bidders/Applicants having a bank account at any of the centres notified by SEBI where clearing houses are managed by the RBI, may have the option to receive refunds, if any, through RTGS; and
- (e) For all the other Bidders/Applicants, including Bidders/Applicants who have not updated their bank particulars along with the nine-digit MICR code, the refund orders may be dispatched through speed post or registered post for refund orders. Such refunds may be made by cheques, pay orders or demand drafts drawn on the Refund Bank and payable at par at places where Bids are received.

For details of levy of charges, if any, for any of the above methods, Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centres etc. Bidders/Applicants may refer to RHP/Prospectus.

8.3.2 Mode of making refunds for ASBA Bidders/Applicants

In case of ASBA Bidders/Applicants, the Registrar to the Issue may instruct the controlling branch of the SCSB to unblock the funds in the relevant ASBA Account for any withdrawn, rejected or unsuccessful ASBA Bids or in the event of withdrawal or failure of the Issue.

8.4 INTEREST IN CASE OF DELAY IN ALLOTMENT OR REFUND

The Issuer along with the Selling Shareholder may pay interest at the rate of 15% per annum if 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 Bidders/Applicants or instructions for unblocking of funds in the ASBA Account are not dispatched within the 12 Working days of the Bid/Issue Closing Date.

The Issuer along with the Selling Shareholder may pay interest at 15% per annum for any delay beyond 15 days from the Bid/ Issue Closing Date, if Allotment is not made.

SECTION 9: GLOSSARY AND ABBREVIATIONS

Unless the context otherwise indicates or implies, certain definitions and abbreviations used in this document may have the meaning as provided below. References to any legislation, act or regulation may be to such legislation, act or regulation as amended from time to time.

Term	Description
Allotment/ Allot/ Allotted	The allotment of Equity Shares pursuant to the Issue to successful Bidders/Applicants
Allottee	An Bidder/Applicant to whom the Equity Shares are Allotted
Allotment Advice	Note or advice or intimation of Allotment sent to the Bidders/Applicants who have been allotted Equity Shares after the Basis of Allotment has been approved by the designated Stock Exchanges
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in SEBI ICDR Regulations, 2009.
Anchor Investor Portion	Up to 60% of the QIB Category which may be allocated by the Company and the Selling Shareholder in consultation with the BRLM and the CBRLM, to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion is reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to Anchor Investors
Application Form	The form in terms of which the Applicant should make an application for Allotment in case of issues other than Book Built Issues, includes Fixed Price Issue
Application Supported by Blocked Amount/ (ASBA)/ASBA	An application, whether physical or electronic, used by Bidders/Applicants to make a Bid authorising an SCSB to block the Bid Amount in the specified bank account maintained with such SCSB
ASBA Account	Account maintained with an SCSB which may be blocked by such SCSB to the extent of the Bid Amount of the ASBA Bidder/Applicant
ASBA Bid	A Bid made by an ASBA Bidder
ASBA Bidder/Applicant	Prospective Bidders/Applicants in the Issue who Bid/apply through ASBA
Banker(s) to the Issue/ Escrow Collection Bank(s)/ Collecting Banker	The banks which are clearing members and registered with SEBI as Banker to the Issue with whom the Escrow Account(s) may be opened, and as disclosed in the RHP/Prospectus and Bid cum Application Form of the Issuer
Basis of Allotment	The basis on which the Equity Shares may be Allotted to successful Bidders/Applicants under the Issue
Bid	An indication to make an offer during the Bid/Issue Period by a prospective Bidder pursuant to submission of Bid cum Application Form or during the Anchor Investor Bid/Issue Period by the Anchor Investors, to subscribe for or purchase the Equity Shares of the Issuer at a price within the Price Band, including all revisions and modifications thereto. In case of issues undertaken through the fixed price process, all references to a Bid should be construed to mean an Application
Bid /Issue Closing Date	The date after which the Syndicate, Registered Brokers and the SCSBs may not accept any Bids for the Issue, which may be notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Applicants/bidders may refer to the RHP/Prospectus for the Bid/ Issue Closing Date
Bid/Issue Opening Date	The date on which the Syndicate and the SCSBs may start accepting Bids for the Issue, which may be the date notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Applicants/bidders may refer to the RHP/Prospectus for the Bid/ Issue Opening Date
Bid/Issue Period	Except in the case of Anchor Investors (if applicable), the period between the Bid/Issue Opening Date and the Bid/Issue Closing Date inclusive of both days

Term	Description
	and during which prospective Bidders/Applicants (other than Anchor Investors) can submit their Bids, inclusive of any revisions thereof. The Issuer may consider closing the Bid/ Issue Period for QIBs one working day prior to the Bid/Issue Closing Date in accordance with the SEBI ICDR Regulations, 2009. Applicants/bidders may refer to the RHP/Prospectus for the Bid/ Issue Period
Bid Amount	The highest value of the optional Bids indicated in the Bid cum Application Form and payable by the Bidder/Applicant upon submission of the Bid (except for Anchor Investors), less discounts (if applicable). In case of issues undertaken through the fixed price process, all references to the Bid Amount should be construed to mean the Application Amount
Bid cum Application Form	The form in terms of which the Bidder/Applicant should make an offer to subscribe for or purchase the Equity Shares and which may be considered as the application for Allotment for the purposes of the Prospectus, whether applying through the ASBA or otherwise. In case of issues undertaken through the fixed price process, all references to the Bid cum Application Form should be construed to mean the Application Form
Bidder/Applicant	Any prospective investor (including an ASBA Bidder/Applicant) who makes a Bid pursuant to the terms of the RHP/Prospectus and the Bid cum Application Form. In case of issues undertaken through the fixed price process, all references to a Bidder/Applicant should be construed to mean an Bidder/Applicant
Book Built Process/ Book Building Process/ Book Building Method	The book building process as provided under SEBI ICDR Regulations, 2009, in terms of which the Issue is being made
Broker Centres	Broker centres notified by the Stock Exchanges, where Bidders/Applicants can submit the Bid cum Application Forms/Application Form to a Registered Broker. The details of such broker centres, along with the names and contact details of the Registered Brokers are available on the websites of the Stock Exchanges.
BRLM(s)/ Book Running Lead Manager(s)/Lead Manager/ LM	The Book Running Lead Manager to the Issue as disclosed in the RHP/Prospectus and the Bid cum Application Form of the Issuer. In case of issues undertaken through the fixed price process, all references to the Book Running Lead Manager should be construed to mean the Lead Manager or LM
Business Day	Monday to Friday (except public holidays)
CAN/Confirmation of Allotment Note	The note or advice or intimation sent to each successful Bidder/Applicant indicating the Equity Shares which may be Allotted, after approval of Basis of Allotment by the Designated Stock Exchange
Cap Price	The higher end of the Price Band, above which the Issue Price and the Anchor Investor Issue Price may not be finalised and above which no Bids may be accepted
Client ID	Client Identification Number maintained with one of the Depositories in relation to demat account
Companies Act	The Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon the notification of the Notified Sections) and the Companies Act, 2013.
Companies Act, 1956	The Companies Act, 1956, as amended.
Companies Act, 2013	The Companies Act, 2013, to the extent in force pursuant to the notification of the Notified Sections
Cut-off Price	Issue Price, finalised by the Company and the Selling Shareholder in consultation with the BRLM and the CBRLM, which can be any price within the Price Band. Only RIIs are entitled to Bid at the Cut-off Price. No other category of Bidders/Applicants are entitled to Bid at the Cut-off Price
DP	Depository Participant
DP ID	Depository Participant's Identification Number
Depositories	National Securities Depository Limited and Central Depository Services (India) Limited
Demographic Details	Details of the Bidders/Applicants including the Bidder/Applicant's address, name of the Applicant's father/husband, investor status, occupation and bank account

Term	Description
	details
Designated Branches	Such branches of the SCSBs which may collect the Bid cum Application Forms used by the ASBA Bidders/Applicants applying through the ASBA and a list of which is available on http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html
Designated Date	The date on which funds are transferred by the Escrow Collection Bank(s) from the Escrow Account or the amounts blocked by the SCSBs are transferred from the ASBA Accounts, as the case may be, to the Public Issue Account or the Refund Account, as appropriate, after the Prospectus is filed with the RoC, following which the board of directors may Allot Equity Shares to successful Bidders/Applicants in the fresh Issue may give delivery instructions for the transfer of the Equity Shares constituting the Offer for Sale
Designated Stock Exchange	The designated stock exchange as disclosed in the RHP/Prospectus of the Issuer
Discount	Discount to the Issue Price that may be provided to Bidders/Applicants in accordance with the SEBI ICDR Regulations, 2009.
Draft Prospectus	The draft prospectus filed with SEBI in case of Fixed Price Issues and which may mention a price or a Price Band
Employees	Employees of an Issuer as defined under SEBI ICDR Regulations, 2009 and including, in case of a new company, persons in the permanent and full time employment of the promoting companies excluding the promoters and immediate relatives of the promoter. For further details Bidder/Applicant may refer to the RHP/Prospectus
Equity Shares	Equity shares of the Issuer
Escrow Account	Account opened with the Escrow Collection Bank(s) and in whose favour the Bidders/Applicants (excluding the ASBA Bidders/Applicants) may Issue cheques or drafts in respect of the Bid Amount when submitting a Bid
Escrow Agreement	Agreement to be entered into among the Issuer, the Registrar to the Issue, the Book Running Lead Manager(s), the Syndicate Member(s), the Escrow Collection Bank(s) and the Refund Bank(s) for collection of the Bid Amounts and where applicable, remitting refunds of the amounts collected to the Bidders/Applicants (excluding the ASBA Bidders/Applicants) on the terms and conditions thereof
Escrow Collection Bank(s)	Refer to definition of Banker(s) to the Issue
FCNR Account	Foreign Currency Non-Resident Account
First Bidder/Applicant	The Bidder/Applicant whose name appears first in the Bid cum Application Form or Revision Form
FII(s)	Foreign Institutional Investors as defined under the SEBI (Foreign Institutional Investors) Regulations, 1995 and registered with SEBI under applicable laws in India
Fixed Price Issue/Fixed Price Process/Fixed Price Method	The Fixed Price process as provided under SEBI ICDR Regulations, 2009, in terms of which the Issue is being made
Floor Price	The lower end of the Price Band, at or above which the Issue Price and the Anchor Investor Issue Price may be finalised and below which no Bids may be accepted, subject to any revision thereto
FPIs	Foreign Portfolio Investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
FPO	Further public offering
Foreign Venture Capital Investors or FVCIs	Foreign Venture Capital Investors as defined and registered with SEBI under the SEBI (Foreign Venture Capital Investors) Regulations, 2000
IPO	Initial public offering
Issue	Public Issue of Equity Shares of the Issuer including the Offer for Sale if applicable
Issuer/ Company	The Issuer proposing the initial public offering/further public offering as applicable

Term	Description
Issue Price	The final price at which the Equity Shares may be Allotted in terms of the Prospectus. The Issue Price may be decided by the Company and the Selling Shareholder in consultation with the BRLM and the CBRLM.
Maximum RII Allottees	The maximum number of RIIs who can be allotted the minimum Bid Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Bid Lot.
MICR	Magnetic Ink Character Recognition - nine-digit code as appearing on a cheque leaf
Mutual Fund	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996
Mutual Funds Portion	5% of the QIB Category (excluding the Anchor Investor Portion) available for allocation to Mutual Funds only, being such number of equity shares as disclosed in the RHP/Prospectus and Bid cum Application Form
NECS	National Electronic Clearing Service
NEFT	National Electronic Fund Transfer
Notified Sections	The sections of the Companies Act, 2013 that were notified on September 12, 2013, February 27, 2014 and March 26, 2014.
NRE Account	Non-Resident External Account
NRI	NRIs from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the RHP/Prospectus constitutes an invitation to subscribe to or purchase the Equity Shares
NRO Account	Non-Resident Ordinary Account
Net Issue	The Issue less reservation portion
Non-Institutional Investors or NIIs	All Bidders/Applicants, including sub accounts of FIIs registered with SEBI which are foreign corporate or foreign individuals and FPIs which are Category III foreign portfolio investors, that are not QIBs or RIBs and who have Bid for Equity Shares for an amount of more than ₹.200,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Category	The portion of the Issue being such number of Equity Shares available for allocation to NIIs on a proportionate basis and as disclosed in the RHP/Prospectus and the Bid cum Application Form
Non-Resident	A person resident outside India, as defined under FEMA and includes Eligible NRIs, FIIs, FPIs, QFIs and FVCIs registered with SEBI
OCB/Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA
Offer for Sale	Public offer of such number of Equity Shares as disclosed in the DRHP/RHP/Prospectus through an offer for sale by the Selling Shareholder
Other Investors	Investors other than Retail Individual Investors in a Fixed Price Issue. These include individual applicants other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for.
PAN	Permanent Account Number allotted under the Income Tax Act, 1961
Price Band	Company and the Selling Shareholder, in consultation with the BRLM and the CBRLM and advertised, at least two working days in case of an IPO and one working day in case of FPO, prior to the Bid/ Issue Opening Date, in English national daily, Hindi national daily and regional language at the place where the registered office of the Issuer is situated, newspaper each with wide circulation
Pricing Date	The date on which the Company and the Selling Shareholder in consultation with the BRLM and CBRLM, finalise the Issue Price
Prospectus	The prospectus to be filed with the RoC in accordance with Section 26 of the Companies Act, 2013 after the Pricing Date, containing the Issue Price ,the size of the Issue and certain other information

Term	Description
Public Issue Account	An account opened with the Banker to the Issue to receive monies from the Escrow Account and from the ASBA Accounts on the Designated Date
Qualified Foreign Investors or QFIs	Non-Resident investors, other than SEBI registered FIIs or sub-accounts or SEBI registered FVCIs, who meet 'know your client' requirements prescribed by SEBI and are resident in a country which is (i) a member of Financial Action Task Force or a member of a group which is a member of Financial Action Task Force; and (ii) a signatory to the International Organisation of Securities Commission's Multilateral Memorandum of Understanding or a signatory of a bilateral memorandum of understanding with SEBI. Provided that such non-resident investor shall not be resident in country which is listed in the public statements issued by Financial Action Task Force from time to time on: (i) jurisdictions having a strategic anti-money laundering/combating the financing of terrorism deficiencies to which counter measures apply; (ii) jurisdictions that have not made sufficient progress in addressing the deficiencies or have not committed to an action plan developed with the Financial Action Task Force to address the deficiencies
QIB Category	The portion of the Issue being such number of Equity Shares to be Allotted to QIBs on a proportionate basis
Qualified Institutional Buyers or QIBs	As defined under SEBI ICDR Regulations, 2009
RTGS	Real Time Gross Settlement
Red Herring Prospectus/ RHP	The red herring prospectus issued in accordance with Section 32 of the Companies Act, 2013, which does not have complete particulars of the price at which the Equity Shares are offered and the size of the Issue. The RHP may be filed with the RoC at least three days before the Bid/Issue Opening Date and may become a Prospectus upon filing with the RoC after the Pricing Date. In case of issues undertaken through the fixed price process, all references to the RHP should be construed to mean the Prospectus
Refund Account(s)	The account opened with Refund Bank(s), from which refunds (excluding refunds to ASBA Bidders/Applicants), if any, of the whole or part of the Bid Amount may be made
Refund Bank(s)	Refund bank(s) as disclosed in the RHP/Prospectus and Bid cum Application Form of the Issuer
Refunds through electronic transfer of funds	Refunds through NECS, Direct Credit, NEFT, RTGS or ASBA, as applicable
Registered Broker	Stock Brokers registered with the Stock Exchanges having nationwide terminals, other than the members of the Syndicate
Registrar to the Issue/RTI	The Registrar to the Issue as disclosed in the RHP/Prospectus and Bid cum Application Form
Reserved Category/ Categories	Categories of persons eligible for making application/bidding under reservation portion
Reservation Portion	The portion of the Issue reserved for category of eligible Bidders/Applicants as provided under the SEBI ICDR Regulations, 2009
Retail Individual Investors / RIIs	Investors who applies or bids for a value of not more than ₹.200,000.
Retail Individual Shareholders	Shareholders of a listed Issuer who applies or bids for a value of not more than ₹.200,000.
Retail Category	The portion of the Issue being such number of Equity Shares available for allocation to RIIs which shall not be less than the minimum bid lot, subject to availability in RII category and the remaining shares to be allotted on proportionate basis.
Revision Form	The form used by the Bidders in an issue through Book Building process to modify the quantity of Equity Shares and/or bid price indicates therein in any of their Bid cum Application Forms or any previous Revision Form(s)
RoC	The Registrar of Companies
SEBI	The Securities and Exchange Board of India constituted under the Securities and

Term	Description
	Exchange Board of India Act, 1992
SEBI ICDR Regulations, 2009	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
Self-Certified Syndicate Bank(s) or SCSB(s)	A bank registered with SEBI, which offers the facility of ASBA and a list of which is available on http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html
Specified Locations	Refer to definition of Broker Centres
Stock Exchanges/ SE	The stock exchanges as disclosed in the RHP/Prospectus of the Issuer where the Equity Shares Allotted pursuant to the Issue are proposed to be listed
Syndicate	The Book Running Lead Manager(s) and the Syndicate Member
Syndicate Agreement	The agreement to be entered into among the Issuer, and the Syndicate in relation to collection of the Bids in this Issue (excluding Bids from ASBA Bidders/Applicants)
Syndicate Member(s)/SM	The Syndicate Member(s) as disclosed in the RHP/Prospectus
Underwriters	The Book Running Lead Manager(s) and the Syndicate Member(s)
Underwriting Agreement	The agreement amongst the Issuer, and the Underwriters to be entered into on or after the Pricing Date
Working Day	All days other than a Sunday or a public holiday on which commercial banks are open for business, except with reference to announcement of Price Band and Bid/Issue Period, where working day shall mean all days, excluding Saturdays, Sundays and public holidays, which are working days for commercial banks in India

MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

Interpretation

Unless the context otherwise requires, words or expressions contained in these Articles shall bear the same meaning as in the Act or any statutory modification thereof.

The Marginal notes hereto shall not affect the construction hereof and in these presents, unless there be something in the subject or context inconsistent therewith.

“The Company” means SMC GLOBAL SECURITIES LIMITED.

“The Act” means the Companies Act, 1956 and includes any re-enactment or statutory modification thereof for the time being in force.

“Agreement” shall mean the Shareholders Agreement made and executed by the company with Millennium Investment & Acquisition Company Inc. (formerly known as Millennium India Acquisition Company Inc.) together with the annexure (s) thereto as from time to time made, amended, supplemented or replaced or otherwise modified in accordance with the terms of the Agreement;

“Applicable Law” shall mean any applicable constitution, treaty, statute, rule, regulation, ordinance, order, directive, code Judgment, decree, injunction, or any interpretation, determination, award, permit, license, authorization, directive requirement, ruling or decision of, agreement with, or by a Government Authority;

“Affiliate” in relation to the Investor, being A corporate entity, means any entity, which is a subsidiary (with Investor, directly or indirectly, holding 50.1% or more shares) of the Investor including the Investor's Dubai Subsidiary.

“Completion” means the completion of the subscription by the Investor, and the allotment and issue by the Company to the Investor, of the Subscription Shares as contemplated under the Agreement;

“Directors” means the Directors for the time being of the Company.

"The Board" means the Board of Directors for the time being of the Company.

“Investor” shall mean Millennium Investment & Acquisition Company Inc. (formerly known as Millennium India Acquisition Company Inc.), a company organized under the laws of the State of Delaware, United States of America and having its office address at 301, Winding Road, Old Bethpage, New York, 11804, USA and shall, unless repugnant to the context or meaning thereof, be deemed to mean and include its successors and assigns;

“Investor Director” shall mean the director nominated and appointed as Director on the Board of the Company in accordance to the provisions of Article 118A.

“In writing” and "written" include printing, lithography and any other modes of representing or reproducing words in a visible form.

“Managing Director” means the Managing Director for the time being of the Company.

“Office” means the Registered Office for the time being of the Company.

“Register” means the Register of Members to be kept pursuant to Section 150 of the Act.

“Seal” means the Common Seal for the time being of the Company.

“Month” means calendar month.

“Dividend” includes Bonus.

“Person” includes body corporate and society registered under the Societies Registration Act.

“Proxy” includes Attorney duly constituted under a power of attorney.

“Debenture” includes debenture-stocks.

“Paid up” includes credited as paid-up.

“Promoters” shall mean and include collectively Mr. Subhash Chand Aggarwal and Mr. Mahesh Chand Gupta;

“Promoter Group” shall mean and include collectively Ms. Sushma Gupta, Ms. Hemlata Aggarwal, Ms. Ginni Devi, Mr. Madan Gopal Aggarwal and Mr. Dinesh C. Gupta;

“Special Resolution” and “Ordinary Resolution” have the same meanings assigned thereto by Section 189 of the Act.

“Securities” shall have the meaning provided to the term under Section 2(h) of the Securities Contract (Regulation) Act, 1956.

“Specified Matters” shall mean and include the actions and matters specified in Appendix 1 to these Articles.

These “presents” means the Memorandum of Association and the Articles of Association of the Company for the time being in force.

Words imparting the singular number shall include the plural number and vice-versa.

“Articles” means these Articles of Association as altered and modified, from time to time, according to law.

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| <i>Table 'A' not to apply</i> | 2. | The Regulation contained in Table 'A' in the Schedule 1 to the Companies Act, 1956, shall not apply to the Company, except in so far as they are embodied in the following Articles which shall be the regulations for the management of the Company. |
| <i>Company not to purchase its own shares</i> | 3. | Save as permitted by Section 77 of the Act, the funds of the Company shall not be employed in the purchase of or lent on the security of shares of the Company and the Company shall not give, directly or indirectly, any financial assistance whether by way of loan, guarantee the provisions of security or otherwise any financial assistance for the purpose of or in connection with any purchase of or subscription for any shares in the Company or in its holding Company. |
| <i>Copy of Memorandum and Articles of Association</i> | 4. | Copies of Memorandum and Articles of Association of the Company shall be furnished to every shareholder of the Company at his request on payment of Re. 2/- (Rupee Two) for each copy. |

SHARES

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| <i>Share Capital</i> | 5. | The Authorised Share Capital of the Company is such that stated in Clause V of the Memorandum of Association of the Company or altered thereat, from time to time. The Company has the power from time to time to increase or reduce its capital. Any of the said shares and new shares hereafter to be created may, from time to time, be divided into shares of several classes in such manner as may be provided hereinafter. The shares of each class may have or confer such |
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preferential or other special rights and privileges, may be issued under such restrictions and conditions whether in regard to dividend, voting, return of capital or otherwise as shall have been assigned thereto by or under provisions of the Articles of Association but so that the special rights or privileges belonging to holders of any share issued with preferred or other rights shall not be varied or abrogated or affected except with such sanction as is provided for hereinafter.

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| <i>Redeemable preference shares</i> | 6. | Subject to the provisions of Section 80 of the Act, the Company may issue preference shares which are or at the option of the Company are liable to be redeemed on such terms and in such manner, as the Board may determine. |
| <i>Allotment of Shares</i> | 7. | Subject to the provisions of these Articles, the shares shall be under the control of the Board who may allot or otherwise dispose off the same to such person, on such terms and conditions, at such times, either at par or at a premium and for such consideration as the Board thinks fit, provided that, where at any time it is proposed to increase the subscribed capital of the Company by the allotment of further shares, then, subject to the provisions of Section, 81 (1A) of the Act, the Board shall issue such shares in the manner set out in Section 81(1) of the Act, save the Board may determine whether or not any offer of shares made in such manner shall include a right exercisable by any person concerned to renounce all or any of the shares offered to him in favour of any other person. |
| <i>Board may allot shares for consideration other than cash</i> | 8. | The Board may allot and issue shares in the Capital of the Company as partly or fully paid in consideration of any property sold or goods transferred or machinery supplied or for services rendered to the Company in the conduct of its business and any shares which may be so allotted, may be issued as fully or partly paid up shares. |
| <i>Shares to be numbered</i> | 9. | The shares in the Capital shall be numbered progressively according to their several denominations. |
| <i>Return of allotments</i> | 10 | As regards all allotments made, from time to time, the Company shall duly comply with the provisions of Section 75 of the Act. |
| <i>Restriction of Allotment</i> | 11 | <p>If the Company shall offer any of its shares to the Public for subscription:</p> <ol style="list-style-type: none"> (1) no allotment thereof shall be made, unless the amount stated in the prospectus as minimum subscription has been subscribed and the sum payable on application thereof has been paid to and received by the Company. (2) the amount payable on application on each share shall not be less than 5 (Five) % of the nominal amount of the shares; and (3) the Company shall comply with the provisions of sub- section (4) of Section 69 of the Act. |
| <i>Commission and brokerage</i> | 12 | The Company may exercise the powers of paying commission conferred by Section 76 of the Act provided that the rate % or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by the said section, such Commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in one way and partly in the other. The Company may also on any issue of shares or debentures pay such brokerage as may be lawful. |
| <i>Shares at a discount</i> | 13. | With the previous authority of the Company in general meeting and the sanction of the Company Law Board and upon otherwise complying with Section 79 of the Act, the Board may issue at a discount shares of a class already issued. |
| <i>Instalments on shares to be duly paid</i> | 14 | If, by the conditions of issue of any shares, the whole or part of the amount or issue price thereof shall be payable by instalments, every such instalment shall, when due, be paid to the Company, by the person, who for the time being, shall |

be registered holder of the share or by his executor or administrator.

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| <i>Liability of joint holders of shares</i> | 15 | The joint holders of a share shall be severally as well as jointly liable for the payment of all instalments and calls due in respect of such share. |
| <i>Trust not recognised</i> | 16. | Save as herein otherwise provided the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not except as ordered by a court of competent jurisdiction or as by statute be bound to recognise any equitable or other claim to or interest in such shares on the part of any other person. |
| <i>Who may be registered</i> | 17 | Share may be registered in the name of any person, Company or other body corporate. Not more than four persons shall be registered as joint holders of any shares. |

17 A DEMATERIALISATION OF SECURITIES

(i) Definitions

For the purpose of this Article:

“Beneficial Owner” means a person or persons whose name is recorded as such with a Depository ‘SEBI’ means the Securities & Exchange Board of India.

“Depository” means a company formed and registered under the Companies Act, 1956 and which has been granted a certificate of registration to act as a depository under the Securities and Exchange Board of India Act, 1992 and

“Security” means such security as may be specified by SEBI from time to time.

(ii) Dematerialisation of Securities

Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise its securities and to offer securities in a dematerialised form pursuant to the provisions of the Depositories Act, 1996 or any amendments thereof.

(iii) Issue of Securities and option for investors

Notwithstanding anything contained in these Articles the Company shall be entitled to dematerialise its securities under the Depositories Act and offer and issue its securities in the dematerialised form and the Company shall intimate the details of allotment to the depository immediately on allotment of such securities.

Investors in a new issue and the beneficial owners shall have the option to dematerialise the shares subsequent to the allotment or dematerialisation, as the case may be, in which event the Company shall issue to the investor/beneficiary the required certificates of securities subject to the provisions of applicable laws, rules, regulations or guidelines.

(iv) Securities in depository mode to be in fungible form

All Securities held in the depository mode with a depository shall be dematerialized and be in fungible form. To such securities held by a depository on behalf of the beneficial owner, nothing contained in Sections 153, 153A, 153B, 187B, 187C and 372A of the Act shall apply.

(v) Rights of depositories and Beneficial Owners

(i) Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of security on behalf of the beneficial owner.

(ii) Save as otherwise provided in (a) above, the depository as the registered owner of securities shall not have any voting or other rights in respect of the securities held by it.

(iii) Every person holding securities of the Company and whose name is entered as the beneficial owner in the register maintained by a depository shall be deemed to be a member for the Company. The beneficial owner of securities shall alone be entitled to all the rights and benefits and be subject to all

liabilities in respect of the securities held by the depository.

- (vi) *Service of documents* Notwithstanding anything to the contrary in the Act or these Articles, where securities are held in a depository mode, the records of the beneficial owner may be served by a depository on the Company by means of electronic mode or by delivery of floppies or discs.
- (vii) *Transfer of securities* Nothing contained in Section 108 of the Act or these Articles shall apply to a transfer of securities effected by a transferor and transferee both of whom are entered in the Register maintained under the Depositories Act by a depository as beneficial owners.
- (viii) *Distinctive numbers of securities held in the depository mode* Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for securities issued by the Company shall apply to securities held in the depository mode.
- (ix) *Register and Index on Beneficial Owners* The Register and index on beneficial owners maintained by a depository under the Depositories Act, 1996 shall be deemed to be Register and index of Members and holders of securities for the purpose of these Articles and the Act.

INCREASE AND REDUCTION OF CAPITAL

- Power to increase capital* 18 The Company in general meeting may, from time to time, by ordinary resolution increase the authorised share capital by the creation of new shares by such sum, to be divided into shares of one or more classes and of such amount as may be deemed expedient.
- On what conditions new shares may be issued.* 19 Subject to any special rights or privileges for the time being attached to any shares in the capital of the Company then issued, the new shares may be issued upon such terms and conditions and with such preferential, qualified or such rights and privileges or conditions thereto as general meeting resolving upon the creation thereof, shall direct and if no direction be given, the board shall determine and in particular such shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company.
- Provisions relating to the Issue* 20 Before the issue of any new shares, the Company in general meeting may make provisions as to the allotment and issue of the new shares and in particular may determine to whom the shares be offered in the first instance and whether at par or premium or subject to the provisions of Section 79 of the Act or at a discount. In default of any such provision or so far as the same shall not extend, the new shares may be dealt with according to the provisions of these Articles.
- How far new shares to rank with existing shares* 21 Except so far as otherwise provided by the conditions of issue or by these presents any capital raised by the creation of new shares shall be considered part of the then existing capital of the Company and shall be subject to the provisions herein contained with reference to calls and instalments, transfer and transmission, forfeiture, lien, surrender and otherwise.
- Inequality in number of new shares* 22 If owing to any inequality in the number of new shares to be issued and the number of shares held by members entitled to have the offer of such new shares, any difficulty arises in the apportionment of such new shares or any of them amongst the members shall, in the absence of any direction in the resolution creating the shares or by the Company in general meeting, be determined by the Board.
- Reduction of Capital* 23 The Company, may, from time to time, by special resolution, reduce the capital in any manner and subject to any consent required under Section 100 to 104 of the Act:
- (a) its share capital
 - (b) any capital redemption reserve account or

- (c) any share Premium Account

ALTERATION OF SHARE CAPITAL

Power to sub-divide and consolidate shares 24

Subject to the provisions of these Articles, the Company, by ordinary resolution may, from time to time

- (a) Consolidate and divide all or any of its share capital into shares of larger amount than Its existing shares.
- (b) Sub-divide its shares or any of them into shares of smaller amount than is fixed by the Memorandum of Association so however, that in the sub-division the proportion between the amount paid and the amount if any, unpaid on each reduced share shall be the same as it was in the case of the shares from which the reduced share is derived.
- (c) Cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of shares so cancelled

Surrender of shares

25

Subject to the provisions of Section 100 to 105 of the Act, the Board may accept from any member the surrender, on such terms and conditions as shall be agreed, of all or any of his shares.

VARIATION OF SHARE HOLDER'S RIGHTS

Power to vary rights

26

If at any time the share capital is divided into different classes of shares all or any of the rights and privileges attached to any class (unless otherwise prohibited by the terms of issue of the shares of that class) may, subject to the provisions of Sections 106 and 107 of the Act, whether or not the Company is being wound up, be modified, commuted, affected, abrogated, varied or dealt with by the consent in writing of the holders of three fourth of the issued shares of that class or with the sanction of a special resolution passed at the separate meeting of the holders of the issued shares of that class. To every such separate meeting the provisions of these regulations relating to general meeting shall mutatis mutandis apply but so that necessary quorum shall be two persons at least holding or representing by proxy one third of the issued share of the class in question. This article is not by implication to curtail the power of modification which the Company would have if this Article was omitted. The Company shall comply with the provisions of Section 192 of the Act, as to forward a copy of such agreement or resolution to the Registrar of Companies.

SHARE CERTIFICATES

Issue of Certificates

27

The certificate of title to shares, shall be issued within three months after allotment and within two months from the date of the receipt of application for transfer (or within such other period as the conditions of the issue shall provide).

Member's right to certificates

28

- (i) Every person whose name is entered as a member in the Register shall be entitled to receive within two months after allotment one or more certificate(s) in the marketable lot for all the shares registered in his name, or if the Directors so approve to several certificates each for one or more of such shares.
- (ii) Every certificate shall be issued under the seal and shall specify the shares to which it relates and the amount paid up thereon.
- (iii) In respect of any share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate and delivery of certificate to the first person named in the Register shall be sufficient delivery to all such holders.

<i>Issue of certificates to Joint holders</i>	29.	The certificate of shares registered in the names of two or more persons shall be delivered to the person first named in the Register.
<i>Replacement of share certificates.</i>	30	If any certificate be old, decrepit, worn out, torn or defaced or where the cages on its reverse for recording transfers have been fully utilised, then upon surrender thereof to the Company, the Board shall order the same to be cancelled and issue a new certificate in lieu thereof without any payment. If any certificate be lost or destroyed, then upon proof of such loss or destruction to the satisfaction of the Board and on such indemnity and the payment of out-of-pocket expenses incurred by the Company in investigating evidence, as the Board may think fit, a new certificate in lieu thereof shall be given to the person entitled to such lost or destroyed certificate on a fee of ₹ 2/- (two rupees) for each certificate or such smaller fee as the Board may determine.

CALLS

<i>Calls</i>	31	The Board may, from time to time, subject to the terms on which any shares may have been issued and subject to the provisions of Section 91 of the Act, make such calls as the Board thinks fit upon the members in respect of all moneys unpaid on the shares held by them respectively and not by the conditions of allotment thereof made payable at fixed times and each member shall pay the amount of every call so made on him to the persons and at the times and places appointed by the Board, provided that option or right to make call on shares shall not be given to any person except with the sanction of the Company in general meeting. A call may be made payable by instalments and shall be deemed to have been made at the time when the resolution of the Board authorising such call was passed at a meeting of the Board.
<i>Restriction on power to make calls and notice</i>	32	No call shall exceed one-half of the nominal amount of a share and be made payable at less than one month from the date fixed for the payment of the last proceeding call. Not less than one month's notice of any call shall be given in writing specifying the time and place of payment and the person or persons to who such call, shall be paid. Provided that, before the time for payment of such call the Directors may, by notice in writing to the members or in any other manner revoke the same or extend the time for payment thereof.
<i>When amount payable</i>	33	If by the terms of issue of any share or otherwise any amount is made payable at any fixed time or by instalments at fixed times, whether on account of the nominal amount of the share or by way of premium every such amount or instalments shall be payable as if it were a call duly made by the Board and of which due notice has been given and all the provisions herein contained in respect of calls or otherwise shall relate to such amount or instalment accordingly.
<i>When interest on call or instalment payable</i>	34	If the sum payable in respect of any call or instalment has not been paid on or before the day appointed for payment, the holder for the time being of the shares in respect of which the call shall have been made or the instalment shall be due, shall pay interest for the same at the rate of not more than eighteen % per annum from the day appointed for the payment thereof to the time of the actual payment or at such other rate as the Directors may determine. The Directors may in their absolute discretion waive the payment of interest, wholly or in part in the case of any person liable to pay such calls or instalments.
<i>Evidence in action for call</i>	35	Subject to the provisions of the law of Evidence and Procedure, on the trial or hearing of any action or suit brought by the Company against any shareholder or his representatives to recover any debt or money claimed to be due, to the Company in respect of his shares, it shall be sufficient to prove that the name of the defendant is or was, when the claim arose on the Register of the Company as a holder or one of the holders of the number of shares in respect of which such claim is made and that the amount claimed is not entered as paid in the books of the Company and it shall not be necessary to prove the appointment of the

Directors who made any call nor that a quorum of Directors was present at the Board at which any call was made nor that the meeting at which any call was made was duly convened or constituted, nor any other matter whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.

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| <i>Payment of calls in advance</i> | 36. | The Board may, if it thinks fit, receive from any member willing to advance the same and either the money or money's worth for all or any part of the money due upon the shares held by him beyond the sums actually called for and upon the money so paid or satisfied in advance or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made and the Company may pay interest at such rate not exceeding 6% (six %) or as determined by the Board from time to time unless the Company in General Meeting shall otherwise direct. The Directors may, at any time repay the amount so advanced upon giving to such member one month's notice in writing. The member shall not, however, be entitled to any voting rights or dividend or to participate in the profits of the company in respect of the moneys so paid by him until the same would, but for such payment become presently payable. |
| <i>Voting rights when calls in arrears</i> | 37 | No member shall be entitled to exercise any voting rights either personally or by proxy at any meeting of the Company in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has exercised any right of lien. |
| <i>Revocation of calls</i> | 38. | A call may be revoked or postponed at the discretion of the Board. |
| <i>Directors may Extend time for payment of a call</i> | 39 | The Directors may, from time to time and at their discretion, extend the time fixed for the payment of any call and may extend such time as to all or any of the members who on account of residence at a distance or some other cause, may be deemed fairly entitled to such extension, but no member shall, as a matter of right, be entitled to such extension (save as a matter of grace and favour). |
| <i>Every member to pay the proportion of the capital represented by the share</i> | 40 | Every member, his executors or administrators shall pay to the Company the proportion of the Capital represented by his share or shares which may for the time being, remain unpaid thereon in such amount at such time to time and in such manner as the Directors shall, from time to time, in accordance with the Company's regulations, require or fix for the payment thereof. |

FORFEITURE OF SHARES

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| <i>Notice of payment of call or instalment</i> | | If a member fails to pay any sum payable in respect of any call or any instalment of a call on or before the day appointed for payment thereof, the Board may at any time thereafter during such time as any part of the said call or instalment remains unpaid, serve a notice on such member requiring payment of so much of the call or instalment as is unpaid together with any interest which may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment. |
| <i>Mode of Notice</i> | 42 | The notice aforesaid shall name a further day, (not being earlier than the expiry of thirty days from the date of service of notice), on or before which such call or payment required by the notice, is to be made and a place at which such call or instalment and such interest and expenses as aforesaid are to be paid. The notice shall state that in the event of non-payment on or before the date so named, the shares in respect of which such call or instalment was payable shall be liable to be forfeited. |
| <i>Forfeiture of shares</i> | 43 | If the requirements of any such notice as aforesaid are not complied with, any shares in respect of which such notice has been given may at any time thereafter, before the payment of calls or instalments, interest and expenses due in respect thereof has been made, be forfeited by a resolution of the Board to that effect. |

<i>Notice of forfeiture</i>	44	When any share have been so forfeited, notice of the forfeiture shall be given to the member in whose name it stood immediately prior to the forfeiture and an entry of the forfeiture with the date thereof shall forthwith be made in the Register of members but no forfeiture shall in any manner be invalidated by any commission or failure to give such notice or to make such entry as aforesaid.
<i>Forfeited shares to become property of the Company</i>	45	Any shares so forfeited shall be deemed to be the property of the Company, and may be sold, re-allotted, or otherwise disposed of in accordance with the relevant provisions of the listing agreement on such terms and conditions and in such manner as the board thinks fit.
<i>Board may annul forfeiture</i>	46	The Board may at any time before any shares so forfeited shall have been sold, re-allotted or otherwise disposed of, annul the forfeiture thereof upon such conditions as it thinks fit.
<i>Arrears to be paid notwithstanding forfeiture</i>	47	<p>(i) A person whose shares have been forfeited shall cease to be a member in respect of forfeited shares but shall notwithstanding forfeiture remains liable to pay and shall forthwith pay to the Company all calls, instalments, interest and expenses owing upon or in respect of such shares at the time of forfeiture, together with interest thereon from the time of forfeiture until payment thereof without any deduction or allowance for the value of the shares at the time of forfeiture.</p> <p>(ii) The forfeiture of a share involve the extinction of all interest in and also for all claims and demands against the Company in respect of the shares and all other rights, incidental to the share except any such of those rights as by these Articles are expressly saved.</p>
<i>Evidence of forfeiture</i>	48	Subject to the provisions of the law of Evidence and Procedure, a duly verified declaration in writing that the declarant is a Director of the Company and that certain shares in the Company have been duly forfeited on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share. Such declaration and the 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 such shares and the person to whom the shares are sold shall be registered as the holder of such shares and the purchaser shall not be bound to see to the application of the purchase money, nor shall his title to such shares be affected by any irregularity or invalidity in the proceedings in reference to such forfeiture, sale or disposition.
<i>Forfeiture provisions to apply to non-payment in terms of issue</i>	49	The provisions of these regulations as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share becomes payable at a fixed time whether on account of the nominal value of the share or by way of premium as if the same has been payable by virtue of a call duly made and notified.
<i>Power to issue new certificates</i>	50	When any shares under the powers in that behalf herein contained are sold by the Directors and the certificate thereof has not been delivered to the Company by the former holder of the said shares, the Directors may issue a new certificate for such shares distinguishing it in such manner as they may think fit from the certificate not so delivered.
<i>Partial payment or any indulgence shown not to preclude forfeiture</i>	51	Neither the receipt by the Company of a portion of any money which shall from time to time, be due from any member to the Company in respect of his shares either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money shall preclude the Directors from thereafter proceeding to enforce a forfeiture of such share as provided in these regulations for non- payment of the whole or any balance due in respect of the shares.

COMPANY'S LIEN ON SHARES

<i>Company's lien on shares</i>	52	The Company shall have a first and paramount lien upon all the shares and will not exercise a lien on its fully paid shares and that in respect of partly paid shares it will not exercise any lien except in respect of money called or payable at a fixed times in respect of such shares registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for the amount of call, interest, expenses in respect of shares held by him and for his debts, liabilities, engagements and other moneys whether solely or jointly with any other person to or with the Company whether the period for the payments, fulfilment or discharge thereof shall have actually arrived or not and no equitable interest in any shares shall be created upon the footing and condition that clause 16 hereof is to have full affect and such lien shall extend to all dividends from time to time declared in respect of such shares. Unless otherwise agreed, the registration of a transfer of shares shall operate as a waiver of the Company's lien, if any, on such shares. The Directors may at any time declare any shares wholly as in part to be exempt from the provisions of this clause.
<i>Enforcement of lien by sales</i>	53	For the purpose of enforcing such lien the Board may sell the shares subject thereto in such manner as it thinks fit, but no sale shall be made unless a sum in respect of which the lien exists presently payable and until notice in writing of the intention to sell shall have been served on such member, his executor or administrator committee, curator bonus or other legal representative as the case may be and default shall have been made by him or them in payment of the sum payable as aforesaid in respect of such share for one month after the date of such notice.
<i>Application of proceeds of sales</i>	54	The net proceeds of any such sales shall be received by the Company and after payment of the cost of such sale, be applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable and residue, if any, shall subject to lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the share at the date of the sale.
<i>Validity of sales in exercise of lien and after forfeiture</i>	55	Upon any sale after forfeiture or surrender or for enforcing a lien in purported exercise of the powers herein before conferred, the Board may appoint some person to execute the instrument of transfer of the share sold and cause the purchaser's name to be entered in the Register in respect of the share sold and the purchaser shall not be bound to see to the regularity of the proceedings nor to the application of the purchase money and after his name has been entered into the Register in respect of such share the validity of the sale shall not be impeached by any person on any ground whatsoever and the remedy of any person aggrieved by such sale shall be in damages only and against the company exclusively.
<i>Board may issue new certificates</i>	56	Where any share has been sold by the Board pursuant to these Articles and the certificate in respect thereof has not been delivered to the Company by the former holder of such share, the Board may issue a new certificate for such share, distinguishing it in such manner as it may think fit from the certificate not so delivered. Wherein any such case the certificate in respect of the share forfeited and/or sold is not delivered and new certificate for such share has been issued, the original certificate shall be treated as cancelled and no claim or title based on such certificate shall be binding on the Company.

TRANSFER AND TRANSMISSION

<i>Execution of transfer</i>	57	Save as provided in Section 108 of the Act, no transfer of a share shall be registered unless a proper instrument duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee and specifying the name, address and occupation of the transferee has been delivered to the company along with the certificate relating to the shares or if no such certificate is in existence
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along with the letter of allotment of the shares, in accordance with the provisions of Section 108 of the Act. The transferor shall be deemed to remain a member in respect of such share until the name of the transferee is entered in the Register in respect thereof. Each signature to such transfer shall be duly attested by the signature of one credible witness who shall add his address.

Provided, that, where on an application in writing made to the Company by the transferee and bearing the stamp required for an instrument of transfer, it is proved to the satisfaction of the Board that the instrument of transfer signed by or on behalf of the transferor and by or on behalf of the transferee has been lost, the Company may register the transfer on such terms as to indemnity as the Board may think fit.

Application for registration of transfer 58

Application for the registration of the transfer of a share may be made either by the transferor or the transferee, provided that, where such application is made by the transferor, no registration shall, in the case of the partly paid shares, be effected unless the Company gives notice of the application to the transferee in the manner prescribed by Section 110 of the Act and subject to the provisions of these Articles, 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 same conditions as if the application for registration of the transfer was made by the transferee.

Directors may refuse to register transfer 59

The Board, without assigning any reason for such refusal may, subject to the provisions of Section 22-A of Securities and Contract Regulation Act, and right of appeal conferred by Section 111 of the Companies Act, 1956 decline to Register:

- (a) the transfer of a share not being a fully paid share to a person of whom they do approve; or
- (b) any transfer of shares on which the Company has a lien.

Provided that registration of transfer shall not be refused on the ground of transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except a lien on the shares, If the Directors decline to register any transfer, they shall give notice of such refusal to the transferee and the transferor as required by section 111 of the Act.

Form of transfer 60

Every instrument of transfer of shares shall be in the form prescribed under the Act or as near thereto as the circumstances may admit and shall be in accordance with the provisions of Section 108 of the Act, from time to time.

61 No fee may be charged for registration of transfer and transmission.

No fees to be charged for registration of transfer 62

No fee may be charged :-

- (a) For splitting up, sub-division and consolidation of shares and debenture certificate and for splitting up and sub-division of Letters of Allotment and splitting, consolidation, renewal into denomination corresponding to the market units of trading as per Rules of Stock Exchange concerned.
- (b) For sub-division of renunciation letters of rights.
- (c) For issue of new certificates in replacement of those which are old, decrepit or worn out or whereas the cages on the reverse for recording transfer have been fully utilised.
- (d) For registration of any power of attorney, Probate, or will, Letters of Administration or similar other documents.

Provided that in case of splitting up and/or sub-division of shares other than the market units of trading as determined or as per prevailing Rules of Stock-Exchange concerned, a fee of ₹ 2/- (Rupees two) per share certificate may be charged.

<i>Instrument of transfer to be left at office</i>	63	Every instrument of transfer shall be left at the office of the Company for registration accompanied by the certificate of the shares to be transferred or if there is no certificate, the Letter of Allotment thereto and such other evidence as the Board may require to prove the title of the transferor or his right to transfer the share. The Board may waive the production of any certificate upon of evidence to them of its having lost or destroyed. Every instrument of transfer which shall be registered, shall be retained by the Company, but any instrument of transfer which the Board may refuse to register shall be returned to the person depositing the same.
<i>Suspension of transfers</i>	64	Subject to the provisions of Section 154 of the Act, the registration of transfers may be suspended at such times and for such periods as the Board may, from time to time determine. Provided that, such registration shall not be suspended for more than thirty days at one time or for more than forty-five days in the aggregate in any year
<i>Notice of refusal to registration of transfer</i>	65	If the Board refuses, whether in pursuance of Article 59 or otherwise, to register the transfer of or the transmission by operation of law of the right to any share, the Company shall, within one months from the date on which the instrument of transfer or the intimation of such transmission as the case may be was lodged with the Company, send to the transferee and the transferor or to the person giving intimation of such transmission, as the case may be, notice of such refusal.
<i>Persons entitled to shares by transmission</i>	66	The executors or administrators of a deceased member (not being one of several joint holders) shall be the only persons recognised by the Company as having any title to the shares registered in the name of such member and in case of the death of any one or more of the joint holders of any registered shares, the survivors shall be the only persons recognised by the Company as having any title to or interest in such shares, but nothing herein contained shall be taken to release the estate of a deceased joint-holder from the executor or administrator, Board may require him to obtain a Grant of Probate or Letters of Administration or other legal representation as the case may be from some competent Court. Provided nevertheless that in any case where the Board in its absolute discretion thinks fit, it shall be lawful for the Board to dispense with the production of probate or Letter of Administration or such other Legal representation upon such terms as to indemnity or otherwise as the Board in its absolute discretion may consider necessary.
<i>Transfer of shares of insane, minor, deceased or bankrupt members</i>	67	Any committee or guardian of a lunatic or infant member or any person becoming entitled to transfer shares in consequence of the death or bankruptcy, insolvency of any member upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of the title as the Board thinks sufficient may with consent of the Board (which it shall not be under any obligation to give) be registered as a member in respect of such shares or may Subject to the regulations as to transfer here in before contained, transfer, such shares. This Article is hereinafter referred to as "The Transmission Article".
<i>Rights of persons entitled to shares by reason of death</i>	68	The Directors may retain the dividend payable upon shares to which any person becomes entitled under Article 67 until such person or his transferee shall become a member in respect of shares, subject to Section 205A of the Act.
<i>Election by person becoming entitled to shares</i>	69	(a) If the person becoming entitled to a share under Article 67 shall elect to be registered as a member in respect of the share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so

elects.

- (b) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing an instrument of transfer of shares.
- (c) All the limitations, restrictions and provisions of these Articles relating to the right to transfer and the registration of transfer of shares, shall be applicable to any such notice or transfer as aforesaid as if the death, insanity, bankruptcy or insolvency of the member had not occurred and the notice of transfer were a transfer signed by that member.

70 A person so becoming entitled under The Transmission Articles' to a share by reason of the death, lunacy, bankruptcy or insolvency of a member shall, subject to the provisions of the Articles or Section 206 of the Act, be entitled to the same dividends and other advantages to which he would be entitled if he was the member registered in respect of the share.

Provided that the Board may at any time give notice requiring any such person to elect either to be registered himself or to transfer the share and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the share, until the requirements of the notice have been complied with.

*Company not liable for
disregard of a notice
purporting to prohibit
registration of transfer*

71 The Company shall incur no liability or responsibility whatever in consequence of its registering or to give effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the register) to the prejudice of persons having or claiming any equitable right, title or interest to or in the said shares notwithstanding that the Company may have had notice of such equitable right, title or interest or notice purporting to prohibit registration of such transfer and may have entered such notice referred thereto in any book of the Company and the Company shall not be bound or required to regard or attend or give effect to a notice which may be given to it of any equitable right, title or interest or be under any liability for refusing or neglecting to do, though it may have been entered or referred to in some book of the Company but the Company shall nevertheless be at liberty to regard or attend to any such notice and give effect thereto if the Directors shall think fit.

*No transfer to any insolvent or
to person of unsound mind*

721 No transfer shall be made to any insolvent, partnership firm or person of unsound mind.

72A .1 Restrictions on Transfer. The Promoters and Promoter Group shall not directly or indirectly transfer, and shall not agree to do any of the following during the continuance of the Agreement except (a) if required under or as contemplated in Article 72A 2, or (b) with the prior written consent of the Investor:

1. transfer or exchange any Securities of the Company or SMC Group Companies other than in compliance with this Article;
2. pledge, mortgage, Lien, charge or otherwise encumber any Securities of the Company or SMC Group Companies;
3. redeem any Securities of the Company or SMC Group Companies.

72A Permitted Transfers.

- .2
1. Promoters and Promoter Group are permitted to transfer their Shares amongst individuals forming part of the Promoter Group, subject to compliance of and as permitted under Applicable Law;
 2. Subject to compliance of Applicable Law the Promoters and Promoter Group may transfer up to 5% of the issued and paid-up share capital of the

Company, to any third party ("Purchaser") in a financial year (i.e. April 1 to March 31), subject to (i) the Promoters and Promoter Group shareholding in the Company not falling below 35% of the issued and paid-up share capital of the Company and (ii) the Promoters and Promoter Group not giving any favourable right to the Purchaser than that available to the Investor under the Agreement.

3. Subject to compliance of Applicable Law, if the Promoters and the Promoter Group have divested their Shares to third party under Article 72A.2 (2) of the Article, Promoters and Promoter Group may transfer, in each financial year (i.e. April 1 to March 31) up to further 5% of the issued and paid-up share capital of the Company to any third party, provided: (a) they continue to hold at least 25.1% of the issued and paid-up share capital of the Company, and (b) are in 'control' of the Company, and (c) the Company's shares are listed on either the BSE Limited or the National Stock Exchange Limited, and (d) Promoters and Promoter Group complying with the requirements indicated in Article 72A.4 of the Article. The word 'control' for the purpose of this Article 72A.2 shall mean (i) the right to appoint majority of the directors of the Company, (ii) power to direct the management or policies of the Company and (iii) Promoters and/or Promoter Group continue to be classified as Promoter' of the Company under Applicable Law.

72A Invalid Transfers.

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The Company shall refuse to register any transfer or other disposition of Securities purported to be made by the Promoters in breach of any of the provisions herein. The Shareholders shall cause their nominees on the Board to cast their votes in such a manner as to ensure that the Company registers all transfers made in accordance with these Articles.

72A Transfer of Shares by Promoter.

.4

1. Notice of Transfer. In the event the Promoters or Promoter Group or any of them propose to transfer any of their Securities in the Company (the "Offered Shares") under Article 72A.2, the Promoters and the Promoter Group shall first obtain and provide to the Investor a bonafide written offer from the proposed third party purchaser (the "Purchaser") to purchase the Offered Shares. Such offer (the "Outside Offer") shall :
 - (a) State the identity of the Purchaser (including the proposed ultimate beneficial owner of the Offered Shares), and any group of companies of which such proposed Purchaser is a part;
 - (b) State price per Share offered ("Offer Price");
 - (c) State the number of Shares to be transferred;
 - (d) State the other material terms and conditions of the Outside Offer; and
 - (e) Contain an undertaking from the Purchaser that the Purchaser shall purchase the Shares held by Investor as of the date of the Outside Offer on the same price and terms as that offered to Promoter excluding no compete premium to the extent of fifteen (15%) of the Offer Price.
2. Option of Investor. Within Thirty (30) days after receipt of the Outside Offer, the Investor shall have the option, exercisable in its sole discretion to sell equal number of its Shares of the Company to the Purchaser at the price and substantially in accordance with the terms set out in the Outside Offer in priority of the Promoter and/or Promoter Group. The Investor shall notify

the Promoter in writing (the "Transfer Notice") within Thirty (30) days after receipt of the Outside Offer of the manner of exercise of its option under Article 72A.4. If no such Transfer Notice shall have been received by the Promoter or Promoter Group on the expiry of such period of Thirty (30) days, the Investor shall be deemed to have refused to exercise its option under Article 72A.4, in which event Promoter may execute the transfer in favour of the Purchaser at the Offer Price and on the terms set forth in the Outside Offer within next Thirty (30) days thereafter, and can avail an additional premium of up to 15% of the Offer Price without offering it to Investor provided it is received as non-compete premium as may be permitted under Applicable Law. If the Promoters and/or Promoter Group fail to complete the transfer within this period of Thirty (30) days, the steps and procedure indicated in this Article 72A.4 shall be again followed for any proposed transfer under this Article.

72A Transfer of shares by Investor.
.5

- (1) Investors shall have the right to sell all or part of the Shares as and when they desire without any restrictions. However, if any Investor, at any time during the subsistence of this Agreement, intends to sell or otherwise transfer all or part of their Shares of Company to third parties, Promoters shall have a right of first offer ("Promoters Right of First Offer") to buy the shares from Investor, whereupon the following procedure as indicated in Article 72A.5 (2) to Article 72A.5 (5) shall apply.
- (2) Investor shall deliver a written notice (the "Investor Transfer Notice") to Promoters. Investor Transfer Notice shall state the number of Investor Shares to be sold together with: (a) the identity of the proposed purchaser (including the proposed ultimate beneficial owner of the shares), and any group of companies of which such proposed purchaser is a part; (b) State price per Share offered; (c) State the other material terms and conditions of the offer.
- (3) If the Promoters are willing to buy all of the Investor Shares on offer, they shall notify Investor in writing (the "Promoter Purchase Notice") no later than thirty (30) days after the Investor Transfer Notice of Promoters intent to purchase all the Investor Shares on offer. If the Promoters exercise their right of first offer, then the Promoter Purchase Notice must: (i) relate to all the Investor Shares on offer, (ii) must set out the price at which the Promoters offer to purchase the Investor Shares on offer, and (iii) such price must be immediately payable to the Investor in cash on the date of sale of the offered Investor Shares to the Promoters.
- (4) If no such Promoter Purchase Notice shall have been received by the Investor, Promoters shall be deemed to have refused to exercise their right of first offer and the Investor may execute the transfer of the Shares set forth in the Investor Transfer Notice in favour of any third party at a price not less than that offered to the Promoters, within a period of thirty (30) days from the date of the Investor Transfer Notice.
- (5) On receipt of the Promoter Purchase Notice, the Investor shall at any time within a period of thirty (30) days sell the Shares on offer to the Promoters at the price set out in the Promoter Purchase Notice. It is agreed between the Parties that the Promoters Right of First Offer shall immediately lapse upon the listing of Company's shares on the Bombay Stock Exchange Limited and/or the National Stock Exchange Limited and the Investor shall not be obligated by any provisions of this Article. Provided that the Investor sells the shares through the mechanism of the stock exchange.

SHARE WARRANTS TO BEARER

- Issue of share warrants* 73 The Company may issue share warrants, subject to and in accordance with the provisions of Section 114 and 115 of the Act and accordingly the Board may in its discretion, with respect to any share which is 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 identification of the person signing the application and on receiving the certificates (if any) of the share and the amount of stamp duty on the warrant and such fee as the Board may, from time to time, require, issue a share warrant.
- 74 (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 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 as the holder of the shares included in the deposited warrant.
- (2) Not more than one person shall be recognised as depositor of the share warrant.
- (3) The Company shall, on seven days' written notice, return the deposited share warrant to the depositor.
- 75 (i) Subject as herein otherwise 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.
- (ii) The bearer of a share warrant shall be entitled in all other respects to the same privileges and advantages as if he was 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.
- 76 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

CONVERSION OF SHARE INTO STOCK

- Conversion of paid up share into stock* 77 The Company may by ordinary resolution:—
- (a) convert any paid-up share into stock; and
- (b) reconvert any stock into paid-up shares of any denomination.
- Transfer of stocks* 78 The holders of the stock may transfer the same or any part thereof in the same manner as and subject to the same regulation, under which, the shares from which the stock arose might before the conversion, have been transferred or as near there to 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.
- Powers and rights of stock holders* 79 The holders of stock shall, according to the amount of stock held by them have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have

conferred that privilege or advantage.

79. A “The Company shall and the Promoters shall ensure that the Equity Shares of the Company are listed on the Bombay Stock Exchange Limited and/or National Stock Exchange of India Limited within four years from the Effective Date of this Agreement.”

- Regulation to apply to stock* 80 Such of the regulations of the Company (other than those relating to share warrants) as are applicable to paid-up shares shall apply to stock and the words "share" and 'share-holder' in these regulation shall include 'stock' and “stock-holder”, respectively.

BORROWING POWERS

- Power to borrow* 81 The Board of Directors may, from time to time and at their discretion, raise or borrow any sum or sums of money for the purpose of the Company subject to the provisions of Section 58A, 292,293, and 370 of the Act and Regulations made thereunder and Directions issued by Reserve Bank of India and may secure payment or repayment of same in such manner and upon such terms and conditions in all respects as may be prescribed by the Board in particular by the creation of any mortgage, hypothecation, pledge or charge on and over the Company's stock, book debts and other movable and immovable properties.

- Conditions on which moneys may be borrowed by the Directors* 82 The Board of Directors may raise or secure the payment of such sum or sums in such manner and upon such terms and conditions in all respects as they think fit and in particular, by the issue of bonds, perpetual or redeemable debentures including convertible debentures or debenture stock or any mortgage, charge or other security on the undertaking of the whole or any part of the property of the Company both present and future including its uncalled capital for the time being or by giving, accepting or endorsing on behalf of the Company any promissory notes, bills of exchange, or other negotiable instruments and no debenture shall carry any voting right whether generally or in respect of particular class or classes of business.

- Delegation of powers* 83 If any uncalled capital of the Company be included in or charged by any mortgage or other security, the Board may, make calls on such shares and keep the money in trust for the person in whose favour such mortgage or security is executed or any other person in trust for him.

- Issue at discount or with special privileges* 84 Any debentures, debenture 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, attending at General Meetings of Company, appointment of Directors and otherwise Debentures, debenture-stock, bonds and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued. Debentures, debenture stock, bonds or other securities with a right to allotment of or conversion into shares shall not be issued except with the sanction of the Company in General Meeting.

- Instrument of transfer for debentures* 85 Save as provided in Section 108 of the Act, no transfer of debentures shall be registered unless a proper instrument of transfer duly executed by the transferor and transferee has been delivered to the Company together with the certificate of the debentures.

- Notice of refusal to register transfer* 86. If the Board refuses to register the transfer of any debentures of the Company, it shall within one month from the date on which the instrument of transfer was lodged with the Company, send to the transferee and to the transferor notice of the refusal.

- Execution of charge or* 87. If any Director or any other person shall become personally liable for the payment of any sum primarily due from the Company the Board may execute or cause to

<i>mortgage by Board</i>		be executed any mortgage, charge or security over or effecting the whole or any part of the assets of the Company by way of indemnity to secure the Director or person so becoming liable, as aforesaid from any loss in respect of such liability.
<i>Power to receive deposits</i>	88.	The Directors may receive deposits on such terms and conditions and bearing interest at such rates as they may decide and fix and which may be made payable monthly, quarterly, half yearly or yearly subject to Section 58A, 292 and 293 of the Companies Act, 1956 and the regulations made there under and the notifications issued, from time to time by the Department of Non-Banking Companies, Reserve Bank of India, if any and also subject to the Companies (Acceptance of Deposits) Rules, 1975.
<i>Payment of interest on capital</i>	89.	The Company may subject to the provisions of Section 208 of the Act, pay interest on so much of the share capital as is for the time being paid up as was issued for the purpose of raising money to defray the expenses of the construction of any work or building or the provision of any plant, which cannot be made profitable for a lengthy period.

PROCEEDINGS AT GENERAL MEETING

<i>When Annual General Meeting to be held</i>	90.	In addition to any other meetings, a general meeting of the Company shall be held within such intervals as specified in Section 166(1) of the Act, and subject to the provisions of Section 166(2) and 210 of the Act, at such times and places as may be determined by the Board. Each such general meeting shall be called an "Annual General Meeting" and shall be specified as such in the notice convening the meeting. Any other meeting of the Company shall be called an "Extra Ordinary General Meeting".
<i>Calling an extra ordinary General Meeting</i>	91.	The Board may, whenever it thinks fit, call an Extra Ordinary General Meeting. If at any time (there are not within India) Directors capable of acting who are sufficient in number to form a quorum, the directors present in India may call an Extra Ordinary General Meeting in the same manner and as nearly as possible as that in which such a meeting may be called by the Board.
<i>Accidental omission to give notice</i>	92.	The accidental omission to give notice of any meeting to or the non-receipt of any such notice by any of the members or other persons entitled to receive such notice shall not invalidate any resolution passed at any such meeting.
<i>Circulation of Members resolutions</i>	93.	The Company shall comply with the provisions of Section 188 of the Act as to give notice of resolutions and circulating statements on the requisition of members.
<i>Quorum</i>	94.	No business shall be transacted at General Meeting of the Company unless a quorum of members is present at the time when the meeting proceeds to business. Save as herein otherwise provided, five members present in person shall be the quorum for the meeting of the Company. "However, to constitute a quorum for a general meeting of the Company where any Specified Matter is being considered, the presence in person or through proxy of an authorized representative of Investor shall be necessary at the commencement and throughout the duration of the meeting, unless the Investor has prior to the meeting conveyed in writing to the Company his acceptance or disagreement in relation to the Specified Matter proposed to be considered at such Shareholders Meeting. The Promoters and the Company in so far as the SMC Group Companies are concerned shall not exercise their voting rights at the Shareholders Meeting against the decision conveyed by the Investor Director."
<i>Passing of Resolutions</i>	95.	Any act or resolution which, under these articles or the Act is permitted or required to be done or passed by the Company in General Meeting shall be sufficiently so done or passed if effected by an ordinary resolution as defined in the Act unless either the Act or the Articles specifically require such act to be

done or resolution to be passed by a specific majority or by special resolution as defined in the Act.

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| <i>Chairman of the General Meeting</i> | 96. | The Chairman of the Board shall be entitled to take the chair at every General Meeting. If there be no such chairman or if at any meeting he shall not be present within fifteen minutes after the time appointed for holding such meeting or is unwilling to act, the members present shall choose another Director as Chairman, and if no Director be present or if all the Directors present decline to take the chair, then the members present, shall, on a show of hands or on a poll if properly demanded, elect one of their numbers being a member entitled to vote, to be the Chairman of the meeting. The Chairman shall not have any second or casting vote. |
| <i>Dissolution and adjournment of General Meeting</i> | 97. | If within half an hour from the time appointed for the meeting a quorum be not present the meeting if convened upon the requisition of members shall be dissolved but in any other case it shall stand adjourned to the same day in the next week at the same time and place and if at such adjourned meeting a quorum be not present those members who are present not being less than two shall be a quorum and may transact the business for which the meeting was called. |
| <i>Votes by a show of hands</i> | 98. | <p>(i) Every question submitted to a meeting shall be decided in the first instance by a show of hands and in the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting shall be entitled to a second or casting vote in addition to the vote to which he may be entitled as a member.</p> <p>(ii) A declaration by the chairman that a resolution has on a show of hands been carried or carried unanimously or by a particular majority or lost and an entry to that effect in the minutes shall be conclusive evidence of the fact without further proof.</p> |
| <i>Adjournment of the General Meeting</i> | 99. | <p>(i) The Chairman may, with the consent of the members of the General Meeting at which a quorum is present, adjourn the meeting from time to time and from place to place.</p> <p>(ii) When a meeting is adjourned for thirty days or more, without fixing the date at which it is to be subsequently held, a notice for holding the adjourned meeting shall be given as in the case of an original meeting.</p> <p>(iii) At an adjourned meeting only such business as is left unfinished at the original meeting can be dealt with, unless new notice is properly given for holding the adjourned meeting as required by the Act.</p> <p>(iv) Save as aforesaid, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.</p> |
| <i>What is to be evidence of the passing of a resolution where poll not demanded</i> | 100. | At any General Meeting a resolution put to vote at the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded by the Chairman of the meeting on his own motion or by any member or members present in person or by proxy and holding not less than one-tenth of the total voting power in respect of the resolution or by any member or members present in person or by proxy and holding shares in the Company conferring a right to vote on the resolution being shares on which an aggregate sum of not less than ₹ 50,000/- (Fifty Thousand) has been paid up, The demand for a poll may be withdrawn at any time by the person or persons who made the demand. Unless a poll is so demanded, a declaration by the Chairman that a resolution has on a show of hands, been carried or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the Minute Book of the Company shall be conclusive evidence of the fact, without proof of the |

number or proportion of the votes recorded in favour of or against the resolution.

Poll

101. (a) If a poll is demanded as aforesaid it shall be taken forthwith on a question of adjournment or election of a Chairman of the meeting and in any other case in such manner and at such time not being later than forty eight hours from the time when the demand was made, and at such place as the Chairman of the meeting directs and subject to as aforesaid, either at once or after an interval or adjournment or otherwise and the result of the poll shall be deemed to be the decision of the meeting or the resolution on which the poll was demanded.
- (b) The demand for a poll may be withdrawn at any time by the person or persons who made the demand.
- (c) Where a poll is to be taken, the Chairman of the meeting shall appoint two scrutinisers, at least one of whom shall be a member (not being an officer or employee of the Company) present at the meeting, provided such a member is available and willing to be appointed to scrutinise the votes given on the poll and to report to him.
- (d) The result of the poll shall be deemed to be the decision of the meeting on the resolution on which the poll was taken. On a poll a member entitled to more than one vote or his proxy or other persons entitled to vote for him, as the case may be need not, if he votes, use all his votes or cast in the same way all the votes he uses.
- (e) The demand for a poll shall not prevent the continuance of a meeting from transacting any business other than the business in respect of which a poll has been demanded.

Vote of Members

102. Subject to any right or restrictions for the time being attached to any class or classes of shares.
- (a) On a show of hands, every member present in person, shall have one vote: and
- (b) On a poll, the voting right of members shall be as laid down in Section 87 of the Act.

Voting rights of preferential share holders

103. Except as conferred by Section 87 of the Act, the holders of Preference Shares shall have no voting right. Where the holder of any Preference Share has a right to vote on any resolution in accordance with the provisions of Sub-Section 2 of Section 87 of the Act, his voting right on a poll as the holder of such share shall subject to the provisions of Section 89 and Sub-Section 2 of Section 92 of the Act, be in the same proportion as the Capital paid up in respect of the Preference Share bears to the total paid up equity capital of the company.

Procedure where Company is a member of the Company

104. Where a Company or body-corporate (hereinafter called "Member Company") is a member of the Company a person duly appointed by resolution in accordance with Section 187 of the Act to represent such member company at a meeting of the company shall not by reason of such appointment, be deemed to be a proxy and the production at the meeting of a copy of such resolution duly signed by one Director of such member Company and certified by him as a true copy of the resolution shall, on production at the meeting be accepted by the Company as sufficient evidence of the validity of his appointment. Such a person shall be entitled to exercise the same rights and powers, including the right to vote by proxy on behalf of the Member Company or body corporate which he represents as, that Member Company or body corporate could exercise if it were an individual member.

<i>Votes by joint holders</i>	105.	Where there are joint registered holders of any shares any one of such persons may vote at any meeting either personally or by proxy in respect of such shares as if he were solely entitled thereto and if more than one of such joint holders be present at any meeting either personally or by proxy then one of the said persons so present whose name stands first in the Register in respect of such shares shall alone be entitled to vote in respect thereof. Several executors or administrator of a deceased member in whose name any share stands shall for the purposes of this Article be deemed joint holders thereof.
<i>Vote in respect of deceased, insolvent and minor members</i>	106.	Any person entitled under the Transmission Article 67 to transfer any share may vote at any General Meeting in respect thereof in the same manner as if he were the registered holder of such shares, provided that forty-eight hours at least before the time of holding the meeting or adjourned meeting, as the case may be at which he purposes to vote, he shall satisfy the Directors of the right to transfer such shares or the Directors shall have previously admitted his right to vote at such meeting in respect thereof. If any member be a lunatic, idiot or non-compos mentis, he may vote whether on a show of hands or at a poll by his committee, curator bonus or other legal curator and such last mentioned persons may give their votes by proxy on a poll. If any member is a minor, the vote in respect of his share may be given by his guardian. If more than one person claims to exercise the right of vote under this clause, the Chairman of the meeting may select in his absolute discretion any one person and will accept his vote.
<i>Voting rights on show of hands</i>	107.	A member not personally present shall not be entitled to vote on a show of hands, unless such member is a Company or Corporation present by a representative duly authorised under section 187 of the Act in which case such representative may vote on show of hands as if he were a member of the Company.
<i>Proxies permitted</i>	108.	On a poll, votes may be given either personally or by proxy or in the case of a Company, by a representative duly authorised as aforesaid.
<i>Appointment of Proxies</i>	109.	Any member of a Company entitled to attend and vote at a general meeting of the Company shall be entitled to appoint another person (whether a member or not), as his proxy to attend and vote instead of himself but the proxy so appointed shall not have any right to speak at the meeting and shall not be entitled to vote except to vote on a poll.
<i>Instrument appointing Proxy</i>	110.	The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or, if such appointer is a body corporate under its common seal or the hand of its office or under the hand of its attorney duly authorised. A proxy who is appointed for a specified meeting only shall be called a special proxy. Any other proxy shall be called a general proxy.
<i>Proxies to be deposited at office</i>	111.	The instrument appointing a proxy and the Power of Attorney or other authority (if any) under which it is signed or a notarially certified copy of that power or authority shall be deposited at the office not less than forty-eight hours before the time for holding the meeting at which the person named in the instrument proposes to vote and in default, the instrument of proxy shall not be treated as valid.
<i>When vote by proxy valid through Authority revoked</i>	112.	A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal or revocation of the instrument or transfer of the shares in respect of which the vote is given, provided no intimation in writing of the death, insanity revocation or transfer shall have been received by the Chairman at the office before the meeting. Provided nevertheless, that the Chairman of any meeting shall be entitled to require such evidence as he may in his discretion think fit of the due

execution of an instrument of proxy and that the same has not been revoked.

Form of Proxy

113. Every instrument appointing a special proxy shall, as nearly as circumstances admit, be in any of the forms as set out in Schedule IX to the Act.

Restriction on voting

114. No member shall be entitled to exercise any voting rights, either personally or by proxy, at any meeting of the Company in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has and has exercised any right of lien.

Admission or rejection of vote

115. (i) Any objection as to the admission or rejection of a vote, on a show of hands or on a poll made in due time shall be referred to the Chairman of the meeting who shall forthwith determine the same and such decisions shall be final and conclusive:
- (ii) No objection shall be raised as to the qualification of any voter except at meeting or adjourned meeting at which the vote objected to is given or tendered and every vote not disallowed at such meeting shall be valid for all purposes.

DIRECTORS

Number of Directors

116. The number of Directors of the Company shall not be less than three and not more than Twenty inclusive of all kinds of Directors on the Board.

The first directors of the Company shall be: —

1. Subhash Chand Aggarwal
2. Mahesh Chand Gupta
3. Damodar Krishan Aggarwal
4. Dinesh Chand Gupta

Appointment of Nominee directors

117. (i) Notwithstanding anything to the contrary contained in these Articles, so long as any moneys remain owing by the Company to the Industrial Development Bank of India (IDBI), Industrial Finance Corporation of India (IFCI), Industrial Credit and Investment Corporation of India Limited (ICICI) and Life Insurance Corporation of India (LIC) or to any other Finance Corporation or Credit Corporation or to any other Financing Company or Body or Bank out of any loans granted by them to the Company or so long as IDBI, IFCI, ICICI, LIC and Unit Trust of India (UTI) or any other Financing corporation or Credit Corporation or any other Financing Company or Body or Bank (each of which IDBI, IFCI, ICICI, LIC and UTI or any other Finance Corporation or Credit Corporation or any other Financing Company or Body or Bank is hereinafter in this Article referred to as "the Corporation") continue to hold debentures in the Company by direct subscription or private placement, or so long as the Corporation holds shares in the Company as a result of underwriting or direct subscription or so long as any liability of the Company arising out of any guarantee furnished by the Corporation on behalf of the Company remains out-standing the Corporation shall have a right to appoint, from time to time, any person or persons as a Director or Directors, (which Director or Directors is/are hereinafter referred to as "Nominee Director/s") on the Board of the Company and to remove from such office any person or persons so appointed and to appoint any person or persons in his or their place/s. Such appointment or removal shall be made in writing by the corporation and shall be delivered to the Company at its Registered Office.
- (ii) The Board of Directors of the Company shall have no power to remove from office the Nominee Director/s. At the option of the Corporation, institution such Nominee Director/s shall not be required to hold any share

qualification in the Company. Also at the option of the Corporation, institution such Nominee Director/s shall not be liable to retirement by rotation. The Nominee Director/s shall be entitled to the same powers and privileges and be subject to the same obligations as any other Director of the Company.

- (iii) The Nominee Director/s so appointed shall hold the said office only so long as any moneys remain owing by the Company to the Corporation or so long as the Corporation holds Debentures in the Company as a result of direct subscription or private placement or so long as the Corporation holds shares in the company as a result of underwriting or direct subscription or the liability of the Company arising out of any Guarantee is outstanding and the Nominee Director/s so appointed in exercise of the said power shall ipso facto vacate such office immediately the moneys owing by the Company to the Corporation are paid off or on the Corporation ceasing to hold Debentures/Shares in the company or on the satisfaction of the liability of the Company arising out of any Guarantee furnished by the Corporation.
 - (iv) The Nominee Director/s appointed under this Article shall be entitled to receive all notices of and attend all General Meeting, Board Meetings and all the Meetings of the Committee of which the Nominee Director/s is/are a member and also be entitled to receive all such notices and minutes.
 - (v) The Company shall pay to the Nominee Director/s sitting fees and expenses which the other Directors of the company are entitled. Any expenses that may be incurred by the Corporation or such Nominee Director/s in connection with their appointment or Directorship shall also be paid or reimbursed by the Company to the Corporation or as the case may be to such Nominee Director/s.
 - (vi) Provided that if any such Nominee Director/s is an officer of the Corporation the sitting fees, in relation to such Nominee Director/s shall also accrue to the Corporation and the same shall accordingly be paid by the company directly to the Corporation.
- 117 (a) Any trust deed for securing debentures or debentures-stocks may if so arranged provide for the appointment from time to time by the Trustees thereof or by the holders of the debentures or debenture-stocks of some persons to be the Directors of the Company and may empower such trustees or holders of debentures or debenture stocks from time to time to remove any Director so appointed. The Directors appointed under this Article is herein referred to as "The Debenture Director" and the term "Debenture Director" means the Directors for the time being in office under this Article. The Debenture Director shall not be bound to hold any qualification shares and shall not be liable to retire by rotation or be removed by the Company, The Trust Deed may contain such ancillary provisions as may be arranged between the Company and the Trustees and such provisions shall have effect notwithstanding any other provisions herein contained.

Appointment of Directors of the Company and proportion of those who are to retire by rotation

118. Not less than two-third of total number of Directors of the Company shall:
- (a) be persons whose period of office is liable to determination by retirement of Directors by rotation; and
 - (b) save as otherwise expressly provided in the Act, be appointed by the Company in General Meeting.
 - (c) The investor Director shall be liable to retire by rotation in accordance with the provisions of the Act, but upon such retirement shall be eligible for re-appointment, and shall be duly re-appointed as Director and the Investor Director shall remain Director at all times up to the termination of the

Agreement.

- 11 During the term of the Agreement, Investor shall be entitled to nominate and
8A maintain in office, one (1) non-executive Director to the Board of the Company, and to propose the removal of any Director so appointed from office and to recommend the appointment of another in the place of the Director so removed, provided that the Board shall, as soon as practicable and in any event prior to the consideration of any other matter, upon notice from the Investor, remove such Director and appoint as Director such replacement designated or nominated by the Investor. The rights under the Agreement shall be exercised by the Affiliate holding 7.451 % of the issued and paid-up share capital of the Company at Completion.

The Investor will also have an option to appoint such "observer" in SMC Group Companies. If the Investor exercises its option to appoint such "observer", the Company shall and Promoters shall ensure that such "observer" has the right to attend and speak at all such meetings of the SMC Group Companies and receive all notices, agendas, draft resolutions, reports and other documents provided by or on behalf of SMC Group Companies to its directors. It is clarified that the "observer" shall have no rights to vote at any such meetings of SMC Group Companies. The Company shall have and the Promoters shall have caused each of the SMC Group Companies to appoint a representative individual nominated by Investor as an "observer" with rights to attend all meetings of the board of directors, committees of the board of directors and the shareholders of each of the SMC Group Companies, if requested by the Investor at its discretion under this Article.

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| <i>Increase or reduction in number of directors</i> | 119. The Company in the General Meeting may, subject to provision of the Article 116 and Section 259 of the Act, by special resolution increase or reduce the number of its Directors. |
| <i>Power to appoint additional directors</i> | 120. The Directors shall have powers, at any time and from time to time, to appoint any other person as a Director either to fill up a casual vacancy or as an addition to the Board but so that the total number of Directors shall not at any time exceed the maximum number fixed by the Articles. Any Director so appointed shall hold office only until the conclusion of the next following Annual General Meeting of the Company but shall be eligible for re-election at such Meeting. |
| <i>Alternate Directors</i> | 121. Subject to the provisions of Section 313 of the Act or any statutory modifications thereof, the Board shall have power to appoint any person to act as alternate director for a director during the later's absence for a period of not less than three months from the State in which meetings of the directors are ordinarily held and such appointment shall have effect and such appointee, whilst he holds office as an alternate director, shall be entitled to notice of meetings of the Board and to attend and vote there at accordingly but he shall not require any qualification and shall 'ipso facto' vacates office if and when the absentee- Director returns to the State in which meetings of the Board are ordinarily held or if the absentee director vacates office as a director. |
| <i>Directors need not hold any qualification shares</i> | 122. A director need not hold any share in the Company in his name as his qualification shares but nevertheless shall be entitled to attend, speak and preside at any general meeting of the Company and at any separate meeting of the holders of any class of shares in the Company. |
| <i>Remuneration of directors</i> | 123. Each Director, shall be paid a sitting fee not exceeding the amount as prescribed by Central Government, from time to time for each meeting of the Board of Directors or a Committee thereof attended by him, as may be decided by Board of directors of the Company. The directors may also be paid all the expenses as decided by the Board from time to time in attending the meeting of the Board or a |

Committee of Board.

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| <i>Expenses of Directors</i> | 124. | In addition to the remuneration payable to the Directors under Article 123 hereof, the Directors may be paid all reasonable travelling, hotel and other expenses in attending and returning from the meetings of the Board of Directors or any Committee thereof or in connection with the business of the Company. |
| <i>Extra remuneration of Directors</i> | 125. | Subject to Sections 198, 309, 310 and 314 of the Act, if any Director or Directors being willing shall be called upon to perform extra service or to make any special exertion ingoing or residing outside the office for any of the purposes of the Company or in giving special attention to the business of the Company, the Board may remunerate such Director either by fixed sum or by a percentage of profit or otherwise and such remuneration may be either in addition to or in substitution for any remuneration to which he may be ordinarily entitled. |
| <i>Directors may act notwithstanding vacancy</i> | 126. | The continuing Directors may act notwithstanding any vacancy in the Board but, if and so long as their number is reduced below the quorum fixed by these presents for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum or for summoning of general meeting of the Company, but for no other purpose. |
| <i>When office of Director becomes vacant</i> | 127. | (1) The Office of a Director shall 'ipso facto' be vacated in any of the circumstances as set out in Section 283 of the Act or where he resigns from the office. |
| <i>Director may be directors of Companies promoted by the Company</i> | 128. | A Director of the Company may be or become a Director of any Company promoted by this Company or in which it may be interested as vendor; shareholder or otherwise and no such director shall be accountable for any benefits received as a Director or members of such Company. |
| <i>Conditions under which Directors may contract with the Company</i> | 129. | Subject to the provisions of Sections 297 and 299 to 301 of the Act, a Director shall not be disqualified from contracting with the Company either as vendor, purchaser or otherwise for goods, materials or services or for underwriting the subscription of any shares in or debentures of the Company nor shall any such contract or arrangement entered into by or on behalf of the Company with a relative of such Director or a firm in which such Director or relative is a partner or with any other partner in such firm or with a private Company of which such Director is a member or Director be void, nor shall any Director so contracting or being such member so interested be liable to account to the Company for any profit realised by such contract or arrangement by reason of such Director holding this office or of the fiduciary relation thereby established. |
| <i>Power to remove Directors</i> | 130. | The Company may, subject to the provisions of Section 284 of the Act, by ordinary resolution of which special notice according to Section 190 of the Act has been given, remove any Director before the expiry of his period of office and may by ordinary resolution of which special notice has been given, appoint another person in his stead. A director so appointed shall hold office until the date up to which his predecessor would have held office if he had not been so removed. If the vacancy created by the removal of a Director under the provisions of this Article is not so filled by the meeting at which he is removed, the Board may at any time thereafter fill such vacancy under the provisions of Article 131. |
| <i>Board may fill casual vacancies</i> | 131. | If the office of any Director appointed by the Company in General Meeting is vacated before his term of office will expire, in the normal course, the resulting vacancy may be filled by the Board at a meeting of the Board, but any person so appointed shall hold office only up to the date on which the Directors in whose place he is appointed would have held office if it had not been so vacated, provided that the Board shall not fill such a vacancy by appointing thereto any person who has been removed from the office of Directors under Article 130. |
| <i>Rotation and Retirement of</i> | 132. | (a) At every Annual General Meeting, one third of such of the Directors for the |

Directors

time being as are liable to retire by rotation or, If their number Is not three or a multiple of three, then the number nearest to one third shall retire from office. The retiring Directors shall retain his office until dissolution of the meeting at which his successor Is elected. An ex-officio Directors shall not be liable to retire by rotation within the meaning of this Article.

- (b) The Directors to retire in every year shall be those who have been longest in office since their last election, but as between persons who became Directors on the same day those to retire shall, unless they otherwise agree amongst themselves, be determined by lot.

Retiring Director eligible for re-election

133. A retiring Director shall be eligible for re-election.

When candidate for office of director must give notice to file consent in writing

134. No person not being a retiring Director, shall be eligible for election to the office of Director at any General Meeting unless he or some other member intending to propose him has, not less than fourteen days and not more than two months before the Meeting, left at the office a notice in writing signifying his candidature for the office of Director or the intention of such member to propose him as a candidate for that office as the case may be, along with a deposit of ₹ 500/- (Five Hundred Rupees) which shall be refunded to such person or as the case may be, to such member, if the person succeeds in getting elected as a Director.

APPOINTMENT, REMOVAL AND ROTATION OF DIRECTORS

Vacancies to be filled in Annual General Meeting

135. (a) At an Annual General Meeting at which a Director retires by rotation, the Company may fill up the vacancy by appointing the retiring Director or some other person thereto. If the place of the retiring Director is not so filled 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.
- (b) If at the adjourned meeting also the place of the retiring Director is not filled up and that meeting also has not expressly resolved not to fill up the vacancy, the retiring Director shall be deemed to have been reappointed at the adjourned meeting unless:
- (i) at that meeting or at the previous meeting resolution for the re-appointment of such Director has been put to the meeting and lost; or
 - (ii) the retiring Director has by a notice in writing addressed to the Company or the Board, expressed his unwillingness to be so reappointed; or
 - (iii) he is not qualified or is disqualified for appointment; or
 - (iv) a resolution whether special or ordinary is required for his appointment or re-appointment by virtue of any provisions of the Act; or
 - (v) the proviso to Sub-Section (2) of Section 263 of the Act is applicable to the case

PROCEEDINGS OF DIRECTORS

Meeting of Directors

136. (1) The Directors may meet together for the dispatch of business and may adjourn and otherwise regulate their meetings and proceedings as they may think fit, subject to the provisions of Section 285 of the Act.
- (2) The Chairman, Director or any Officer authorised by the Directors may call a

meeting of the Board of Directors.

- (3) Subject to the provisions of Sections 316, 372(5) and 386 of the Act, questions arising at any meeting shall be decided by a majority of votes and in case of an equality of votes the Chairman shall have a second or casting vote.

Notices

137. "Notice of every meeting of the Board or a Committee thereof shall ordinarily be given in writing to every Director for the time being at his usual address. At least 7 (seven) days prior written notice shall be given to each of the Directors of any meeting of the Board or a committee or sub-committee of the Board where any Specified Matter are being considered. Every notice to an Investor Director shall also be sent to one of its designated addresses in India. A meeting of such Board or a committee meeting where Specified Matters are proposed to be considered may be held at shorter notice with the written consent (which may be signified by letter, facsimile or e-mail with receipt acknowledged) of a majority of Directors which shall include at least 1 (one) Investor Director.

Quorum

138. (a) Subject to Section 287 of the Act, a quorum for the meeting of the Board of Directors shall be one third of its total strength (any fraction contained in that one-third being rounded off as one) or two Directors whichever is higher. Provided that where at any time the number of interested Directors exceed or is equal to two third of the total strength, the number of remaining Directors, that is to say the number of Directors who are not interested present at the meeting being not less than two shall be the quorum during such time.
- (b) If a quorum shall not be present within fifteen minutes from the time appointed for holding a meeting of the Board, it shall be adjourned until such date and time as the chairman shall appoint.
- (c) "Notwithstanding anything contained hereinabove, a quorum of the Board shall include at least 1 (one) Investor Director at the commencement and throughout the duration of the meeting where any Specified Matters are proposed to be or are considered. If the Investor Director is not present at any meeting of the Board ("Initial Meeting"), the meeting shall be adjourned to the same time and place in the next week (unless otherwise agreed by all the Directors) or if that day is not a day to the immediately succeeding business day. Not less than 5 (five) days' notice shall be given of any adjourned meeting ("Adjourned Meeting"). At the Adjourned Meeting, the Board, in the absence of the Investor Director, the Board can decide upon matters other than the Specified Matters. If the Investor Director is unable to attend the Initial Meeting he shall on or before the date of the Adjourned Meeting convey in writing to the Company his acceptance or disagreement in relation to the Specified. Matter proposed to be considered at such Initial Meeting or the Adjourned Meeting. None of the Specified Matters will be taken up at the Shareholders Meeting (except an agenda item for dividend required under the Act to be taken-up at the Annual General Meeting of the Company) unless: (i) it has been approved at the Board meeting with Investor Director voting in favour of such resolution, or (ii) the Investor Director has given his affirmative consent in writing to take-up and consider such Specified Matter at the Shareholders meeting. The Promoters and the Company in so far as the SMC Group Companies are concerned shall not exercise their voting rights at the Board and/or the Shareholders meeting against the decision conveyed by the Investor Director".

Chairman may Summon Meetings

139. The Chairman may, and on the requisition of a Director shall, at any time summon a meeting of the Board.

Power to appoint Chairman

140. The Directors, may choose someone of their numbers to be chairman and the Director so chosen shall continue as Chairman until otherwise determined by the Board. If at any meeting of the Board, the Chairman be not present within fifteen minutes after the time appointed for holding the same, the Directors present shall

choose someone of their numbers to be the Chairman of such meeting.

Power to the Board Meeting

141. A meeting of Board at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions by or under the Articles or the Act for the time being vested in or exercisable by the Board.

Power to appoint committee and to delegate powers

142. Subject to the provisions of Section 292 and 293 of the Act, the Board may from time to time delegate any of its powers to a committee consisting of such member or members of their body, managers and other officers of the Company as it may think fit and may, from time to time, revoke such delegation. Any committee so formed shall, in exercise of the powers so delegated, confirm to any regulations that may from time to time be imposed upon it by the Board, The meetings and proceedings of any such committee, consisting of two or more members shall be governed by the provisions hereinafter contained for regulating the meetings and proceedings of the Directors, so far as the same are applicable thereof and are not superseded by any regulations made by the Directors under this clause.

“The Investor Director shall be entitled to attend all committees and sub-committees (by whatever name called) of the Board. The Investor Director shall be a necessary part of the quorum for every meeting of the committee or sub-committee of the Board where any Specified Matters are considered.”

When Act of Directors or Committee valid

143. All acts done at any meeting of the Directors or of a Committee or by any person acting as a Director, shall notwithstanding that it may afterwards be discovered that there was some defect in the appointment of such Directors or person acting as aforesaid or that they or any of them were disqualified be as valid as if every such Director or person had been duly appointed and was qualified to be a Director or a member of a Committee.

Resolution by circulation

144. Save for the purposes of Sections 262, 292, 297, 316, 372(5) and 386 of the Act, a resolution shall be valid and effectual as if had been passed at a meeting of the Directors or of the Committee thereof duly called and constituted if it is circulated in draft together with the necessary papers, if any, to all the Directors or to all the members of the committee, then in India (not being less in number than the quorum fixed for a meeting of the Board or Committee, as the case may be) and to all other Directors or members at their usual address in India and has been approved by such of the Directors or members as are then in India or by a majority of such of them, as are entitled to vote on the resolution.

“This shall not be applicable to any Specified Matter. A notice with at least 7 (seven) days shall be circulated for any circular resolution considering Specified Matters. The draft of the resolution must be circulated to all Directors including the Investor Director and as regards the Investor Director a copy shall also be sent to one of its designated addresses in India. Each circular resolution must be in writing and will be deemed to have been passed only when signed by the Investor Director on any Specified Matter.”

- 144 A “The Promoters and the Promoter Group and the Company, in so far as the SMC Group Companies is concerned undertake to ensure that they, their representatives and proxies representing them at the general meetings of the Company and the SMC Group Companies, shall at all times exercise their votes and through their respective appointed/nominated Directors (or alternate Directors) at Board meetings and otherwise, act in such manner so as to comply with, and to fully and effectually implement the spirit, intent and specific provisions of the Agreement and the

respective Articles of Association. If a resolution contrary to the terms of the Agreement is passed at any meeting of shareholders or at any meeting of the Board or any committee or sub-committee thereof, such resolution shall be null and void.

Each Promoter shall vote all of its Equity Shares, and shall take all other actions necessary, to (i) ensure that the Company's Memorandum and Articles of Association facilitate and do not at any time conflict with any provision of this Agreement, and (ii) to ensure compliance by the Company of its obligations hereunder”

MINUTES

145. (a) The Board shall, in accordance with the provisions of Section 193 of the Act, cause minutes to be kept of proceedings of every general meeting of the Company and of every meeting of the Board or of every Committee of the Board.
- (b) Any such minutes of proceedings of any meeting of the Board or of any Committee of the Board or of the Company in general meeting, if kept in accordance with the provisions of Section 193 of the Act, shall be evidence of the matters stated in such minutes.

POWER TO THE BOARD

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| <i>General Powers of the Company vested in the Board</i> | 146. Subject to the provisions of the Act, control of the Company shall be vested in the Board, who shall be entitled to exercise all such powers and to do all such acts and things as the Company is authorised to exercise and do, provided that the Board shall not exercise any power or do any act or thing which is directed or required whether by the Act or any other statute or by the Memorandum of Association of the Company or by these Articles or otherwise, to be exercised or done by the Company in General Meeting. Provided further, that in exercising any such powers or doing any such Act or thing the Board shall be subject to the provisions in that behalf contained in the Act or any other statute or in the Memorandum of Association of the Company or in these Articles or in any regulations made by the Company in General Meeting but no regulations, made by the Company in General Meeting shall invalidate any prior act(s) of the Director which would have been valid if that regulation had not been made. |
| <i>Power to keep foreign register</i> | 147. The Company may exercise the powers conferred on it by Sections 157 and 158 of the Act with regard to keeping of a foreign Register and the Board may (subject to the provisions of these sections) make and vary such regulations as it may think fit in respect of the keeping of any such register. |
| <i>Debentures</i> | 148. Every debenture or other instrument issued by the Company for securing the payment of the money may be so framed that the moneys thereby secured shall be assigned free from any equities between the Company and the person to whom the same may be issued. Any debentures debenture stock bonds or other instrument or securities may be issued at a discount, premium or otherwise and may be issued on a condition that they shall be convertible into any shares of any denomination and with any special privilege as to redemption, surrender, drawing and allotment of shares or otherwise, provided that the debentures with right to conversion into or allotment of shares shall not be issued without the consent of the Company in General Meeting. |
| <i>Directors may pay commission</i> | 149. The Directors may at any time pay or agree to pay Commission to any person in consideration of his subscribing, underwriting or agreeing to subscribe or underwrite (whether absolutely or conditionally) debentures, shares of the Company, but so that if the commission shall be paid or be payable out of the capital, the statutory conditions and requirements shall be observed and complied with. |
| <i>Drawings of negotiable and</i> | 150. All cheques, promissory notes, drafts, bundles, bills of exchange and other negotiable instruments and all receipts for the moneys paid to the Company, shall be |

other Instruments

signed, drawn, accepted, endorsed or otherwise executed, as the case may be, by the Managing Director or by such person and in such manner as the Board shall, from time to time, by resolution determine.

Management of Company's Affairs abroad

151. The Board may make such arrangement as may be thought fit for the management of the Company's affairs abroad and may for the purpose (without prejudice to the generality of their powers) appoint legal boards, and agents and fix their remuneration and delegate to them such powers as may be deemed requisite or expedient.

Specific powers given to the Directors

152. Without prejudice to the general powers conferred by the last preceding Articles and other powers conferred by these presents but, subject, however to Sections 292, 293, 294, 295, 297 and 314 of the Act it is hereby expressly declared that the Directors shall have the following powers:

- (a) To pay the costs, charges, preliminary and incidental to the promotion, formation, establishment and registration of the Company.
- (b) To pay for any property, rights or privileges acquired by or services 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 specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged
- (c) To purchase or otherwise acquire for the Company and property, rights or privileges which the Company is authorised to acquire at such price and generally on such terms and conditions as they think fit.
- (d) To secure fulfilments of any contracts or engagement entered into by the Company by mortgage or charge of all or any of the property of the Company or in such other manner as they may think fit.
- (e) To appoint, and at their discretion remove or suspend such managers, secretaries, experts and other officers, clerks, agents and servants for permanent, temporary or special services as they may from time to time think fit and determine their powers and duties and fix their salaries or emoluments and to require security in such instances and to such amounts as they think fit.
- (f) To appoint any person (whether incorporated or not) to accept and to hold in trust for the Company any property belonging to the Company or in which it is interested or for other purposes and to execute and do all such deeds and things as may be requisite in relation to any such trust and to provide for the remuneration of such trustee or trustees.
- (g) To institute, conduct, defend, compound, refer to arbitration or abandon any legal proceedings by or against the Company or its officers or otherwise concerning the affairs of the Company and also to compound and allow time for payment in satisfaction of any debts, dues and of any claims or demands by or against the Company and act on behalf of the Company in all matters relating to bankrupts and insolvents, apply and obtain Letters of Administration, provided that the Board shall not except with the consent of the general meeting remit or give time for the repayment of any debt by a Director.
- (h) To refer any claims or demands by or against the Company, or to enter into any contract or agreement for reference to arbitration and to observe, enforce, perform, compound or challenge such awards.
- (i) To make and give receipts, releases and other discharges for money payable to

the Company and for the claims and demands of the Company.

- (j) To act as trustees in composition of the Company's debtors.
- (k) To make, vary and repeal bye laws for regulation of business of the Company and the duties of officers and servants.
- (l) Subject to the provisions of the Act and in particular subject to Sections 309 and 310 of the Act, to give a Director, any officer or any other person whether employed or not by the Company a commission on the profits of any particular business or transaction or share in the general profits of the Company and such commission or share of profits shall be treated as part of the working expenses of the Company.
- (m) At any time, and from time to time, by power of attorney under the seal of the Company, to appoint any person or persons to be the attorney of the Company in India or abroad for such purposes and with such powers, authorities and discretion and for such period and subject to such conditions as the Directors may from time to time think fit and any such appointment may be made in favour of any Company or the members, Directors, nominees or managers of any Company of firm or otherwise in favour of fluctuating body of persons whether nominated directly or indirectly by the Directors and any such power of attorney may contain such powers enabling any such delegates or attorneys as aforesaid to sub-delegate all or any of the powers, authorities and discretion for the time being vested in them.
- (n) With the sanction of the Board to execute in the name and on behalf of the Company, in favour of any Director or other person who may incur or be about to incur any personal liability on behalf of the Company, such mortgages of the Company's property (present and future) as they think fit and any such mortgage may contain a power of sale and any such powers, convenient and provisions as shall be agreed upon or other agreements as may be thought fit.
- (o) In conformity with Section 293 (1) (c) and 372 of the Act to invest and deal with any of the moneys of the Company in such manner as they may think fit and from time to time to vary or realise such investments.
- (p) To enter into all such negotiations and contracts, 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.
- (q) To act jointly or severally in all or any of the powers conferred on them.
- (r) To comply with the instruments of the Act or any other local law which in their opinion shall, in the interests of the Company be necessary or expedient to comply with.
- (s) To delegate all or any of the powers, authorities and discretions for the time being vested in them and in particular, from time to time provide by the instrument of an attorney or attorneys for the management and transaction of the affairs of the Company in any specified locality in such manners as they may think fit..
- (t) To provide for the welfare of employees or ex-employees of the Company and the wives, widows and families or the dependants or connections of such persons by building or contributing to the building of houses, dwelling or chawls or by grants of money, pensions, allowances, bonuses or other payments or by creating and from time to time subscribing or contributing to provident fund and other associations, institutions, funds or trusts and by providing or subscribing or contributing toward places of instructions and

recreations, hospitals and dispensaries and all other kinds of medical relief.

- (u) Subject to Section 293 (1) (e) of the Act to subscribe or contribute or otherwise to assist or to grant money to charitable, benevolent, religious, national, social, scientific, literary, educational, medical or other institutions, the object of which shall have any moral or other claim for support for aid by the Company either by reason of locality of operation or of public and general utility or otherwise.
- (v) To open and deal with the current accounts, overdraft accounts and any other accounts with any bank or banks for carrying on any business of the Company.
- (w) To sell or dispose of any of the properties of the Company to any person in consideration of cash payment in lump sum or instalments or in return for any other services rendered to the Company.
- (x) To get insured any or all the properties of the Company and any or all the employees and their dependants against any or all risks.
- (y) To appoint and nominate any person or persons to act as proxy or proxies for the purpose of attending or voting on behalf of the Company at a meeting of any Company or Association.
- (z) To appoint purchasing and selling agents for the purchase and the sale of the Company's requirements and products respectively.
- (aa) Before declaring any dividend to set aside such portion of the profits of the Company as they may think fit, to form a fund to provide for the pension, gratuities or compensation or create a provident fund or benefit fund in such manner as the Directors may deem fit
- (bb) To realise, compound and allow time for the payment or satisfaction of any debts due to or by the Company and any claims or demands by or against the Company and to refer any claims or demands by or against the Company to arbitration and observe and perform the awards.
- (cc) To borrow or raise or secure the payment of money in such manner as the Company shall think fit and in particular by the issue of debentures or debenture-stock, perpetual or otherwise, charged upon all or any of the Company's property (both present and future) including its uncalled capital and to purchase, redeem or pay off any such securities.

LOCAL MANAGEMENT

Local Management

153. The Board of Directors may, from time to time, provide for the management and transaction of the affairs of the Company in any specified locality whether at home or abroad in such manner as they think fit and the provisions contained in the three next following Articles shall be without prejudice to the general powers conferred by this Article but, subject to the provisions of Sections 292 to 297 of the Act.

Local Board delegation

154. The Board of Directors, from time to time and at any time, may establish any local boards or agencies for managing any of the affairs of the Company in any such specified locality and may appoint any persons to be members of such local boards or any managers or agents and may fix their remuneration. And the Directors, from time to time and at any time, may subject to the provisions of Sections 292 to 297 of the Act, delegate to any person so appointed any of the powers and authorities and discretions for the time being vested in them and may authorise the members for the time being of any such local boards or any of them to fill up vacancies therein and to act notwithstanding vacancies and any such appointment or delegations may be made on such terms and conditions as the Directors may think fit and the Directors may at any time remove any person so appointed and may annul or vary any such

delegation.

Power of attorney

155. The Board of Directors may, at any time and from time to time, by powers of attorney under the Company's Seal, appoint any person or persons to be the attorneys of the Company for such purposes and subject to the provisions of Sections 292 to 297 of the Act, with such powers, authorities and discretion not exceeding those vested in or exercisable by the Directors under these presents and for such period and subject to such conditions as the Directors may, from time to time, think fit and any such appointment may, if the Directors think fit, be made in favour of the members or of any Company or of the members, directors nominees or managers of the Company or firm or in favour of any fluctuating body or persons, whether nominated directly or indirectly by the Directors and any such power of attorney may contain such provisions for the protection or conveniences of persons dealing with such attorneys as the Directors think fit.

Sub-delegation

156. Any such delegate or attorneys aforesaid may be authorised by the Directors to sub-delegate all or any of the powers, authorities and discretion for the time being vested in them.

MANAGING/WHOLE-TIME DIRECTORS

*Appointment of
Managing/whole time directors*

157. The Company by ordinary resolution or the Directors may, subject to the provisions of Sections 268, 269 and 314 of the Act, from time to time, appoint one or more of the Directors to be Managing Director or Managing Directors or other whole-time Directors of the Company, for a term not exceeding five years at a time and may, from time to time, (subject to the provisions of any contract between him or them and the Company) remove or dismiss him or them from office and appoint another or others in his or their place or places and the remuneration of Managing or Whole-Time Director by way of salary and commission shall be in accordance with the provisions of Schedule XIII of the Act, or as decided by members in general meeting.

*What provisions he will be
subject to*

158. A Managing Director shall not be liable to retire by rotation. However, a Whole-Time Director shall be a person whose period of office is liable to determination by retirement of directors by rotation and save as otherwise provided expressly in the Act, be appointed by the company in General Meeting and if re-appointed as a director immediately on the retirement by rotation, shall continue to hold his office of Whole-Time Director and such re-appointment as such director shall not be deemed to constitute a break in his appointment as Whole-Time Director.
159. Subject to the provisions of Section 198, 309, 310 and 311 of the Act, a Managing Director or whole-time Director shall in addition to the usual remuneration payable to him as a Director of the Company under these Articles, receive such additional remuneration as may, from time to time, be sanctioned by the Company and maybe by way of fixed salary or at a specified percentage of the net profits of the Company or both, provided that such percentage shall not exceed five % for any one Managing or whole-time Director and 10% (ten %) for all of them together.
160. The Directors may, subject to the provisions of Sections 291 to 297 of the Act, from time to time, entrust to and confer upon a Managing Director, or whole-time Director for the time being such of the powers exercisable under these presents by the Directors as they may think fit and may confer such powers for such time and to be exercised for such objects and purposes and upon such terms and conditions and with such restrictions as they think expedient and they may confer such powers either collaterally with or the exclusion of and substitution for, all or any of the powers of the Directors in that behalf and may, from time to time, revoke, withdraw, alter or vary all or any such powers.

MANAGER

161. Subject to the provisions of the Act, and part I of Schedule XIII of the Act, the Board shall have power to appoint or employ any person to be the Manager of the Company upon such terms and conditions as the Board thinks fit and the Board may subject to the provisions of Section 292 and 293 of the Act, vest in such manager such of the powers, vested in the Board generally, as it thinks fit and such powers may be made exercisable for such period or periods and upon such conditions and subject to such restrictions as it may determine and at such remuneration, subject to Section 387 of the Act, as it may think fit.
162. A Director may be appointed as Manager, subject to Sections 314, 386 and 388 of the Act.

SECRETARY

- Directors may be appointed as Manager/Secretary* 163. Subject to Section 383A of the Act, the Board may, from time to time, appoint or employ and at their discretion to remove any person to be the Secretary of the Company upon such terms, conditions and remuneration as it thinks fit, to perform any functions which by the Act or the Articles for the time being of the Company are to be performed by the Secretary and to execute any other purely ministerial or Administrative duties which may, from time to time, be assigned to the Secretary by the Board. The Board may also at any time appoint some person (who need not to be the Secretary) to keep the registers required to be kept by the Company.
- Directors may be appointed as Secretary* 164. Subject to the provisions of the Act, a Director may be appointed as Secretary.

THE SEAL

- Directors to provide a Common Seal and its custody* 165. (a) The Directors shall provide a common seal for the purpose of the Company and shall have power from time to time to destroy the same and substitute a new seal in lieu thereof and the Directors shall provide for the safe custody of the seal.
- Use of seal* (b) The Seal shall not be affixed to any instrument except in the presence of a director or an officer duly authorised who shall sign every instrument to which the seal shall be affixed. Provided, nevertheless, that any instrument other than a share certificate bearing the seal of the Company and issued for valuable consideration shall be binding on the Company notwithstanding any irregularly touching the authority of the Board to issue the same. Provided further that in respect of issue of share certificates the provisions of the Companies (Issue of Shares Certificates) Rules, 1960 shall apply.
- Use of Official seal outside India* (c) The Directors may provide for use in any territory outside India an Official seal subject to the provisions of the Section 50 of the Act.

ANNUAL RETURNS

- Annual Returns* 166. The Company shall make the requisite Annual Return in accordance with Sections 159 and 161 of the Act.

RESERVES.

- Reserves* 167. The Board may subject to Section 205 (2A) of the Act from time to time before recommending any dividend set apart any portion of the profits of the Company as it thinks fit as reserves to meet contingencies or for the liquidation of any debentures, debts or other liabilities of the Company or for equalization of dividends or for repairing, improving or maintaining any of the property of the Company and for such other purposes of the Company as the Board in its absolute discretion thinks

conducive to the interest of the Company and may, subject to the provisions of Section 372 of the Act, invest the several sums so set aside upon such investment (other than shares in the Company) as it may think fit and may from time to time deal with and vary such investments and dispose all or any part thereof for the benefit of the Company and may divide the reserves into such special funds as it thinks fit, with full power to employ the reserve or any part thereof in the business of the Company and that without being bound to keep the same separated from the other assets. The Board may also carry forward any profits which it may think prudent not to divide without setting them aside as a reserve.

Investment of the money

168. All moneys carried to the reserves shall nevertheless remain and be the profits of the Company. Subject to due provisions being made for actual loss or depreciation, for the payment of dividends and such moneys and all other moneys of the Company not immediately required for the purposes of the Company may subject to the provisions of Sections 370 and 372 of the Act, be invested by the Board in or upon such investments or securities as it may select or may be used as working capital or be kept at any Bank or deposit or otherwise as the Board may from time to time think proper.

CAPITALISATION OF PROFITS

Capitalisation

169. (1) The Company in General Meeting may, upon the recommendation of Board, resolve :
- (a) to capitalise whole or any part of the amount for the time being standing to the credit of any of the Company's reserve account or to the credit of the profit and loss account or otherwise available for distribution,; and
 - (b) that such sum be accordingly set free for distribution in the manner specified in clause (2) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions
- (2) The sum aforesaid shall not be paid in cash but shall be applied subject to the provisions contained in clause (3), either in or towards:
- (i) paying up any amounts for the time being unpaid on any shares held by such members respectively.
 - (ii) paying up in full, unissued shares of the Company to be allotted and distributed, credited as fully paid up, to and amongst such members in the proportion aforesaid or
 - (iii) partly in the way specified in sub-clause (i) and partly in that specified in sub-clause (ii).
- (3) A share premium account and a capital redemption reserve fund may, for the purposes of this Article, only be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares.
- (4) The Board shall give effect to the resolution passed by the Company in pursuance of this article.

Board may make appointments

170. (1) Whenever such a resolution as aforesaid shall have been passed, the Board shall :-
- (a) make all appropriations and applications of the undivided profits resolved to be capitalized thereby and all allotments and issues of fully paid shares if any; and
 - (b) do all acts and things required to give effect thereto.
- (2) The Board shall have full powers :-
- (a) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, in the case of shares

becoming distributable in fractions.

- (b) to authorise any person to enter, on behalf of the members, entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any further shares to which they may be entitled upon such capitalisation or (as the case may require) for the payment by the Company on their behalf by the application thereto of their respective proportions of the profits resolved to be capitalised of the amounts or any part of the amounts remaining unpaid on their existing shares.

- (3) Any agreement made under such authority shall be effective and binding on all such members.

INTEREST OUT OF CAPITAL

Interest out of capital

- 171. Where any shares are issued for the purposes of raising money to defray the expenses of the construction of any work or building or the provisions of any plant, which cannot be made profitable for a lengthy period, the Company may pay interest on so much of the share capital as is for the time being paid up, for the period, at the rate and subject to the conditions and the restrictions imposed by Section 208 of the Act and may charge the sum so paid by way of interest on Capital as part of the cost of construction of the work or building or the provisions of Plant.

DIVIDENDS

How profit shall be divisible

- 172. Subject to the rights of members entitled to a share (if any) with preferential or special rights attached thereto the profits of the Company which shall from time to time be determined to be divided in respect of any year or other period shall be applied in the payment of dividend on the Equity shares of the Company, but so that the holder of partly paid up share shall be only entitled to such proportion of the distribution upon a fully paid up share proportionally to the amount paid or credited thereon during any portion or portions of the period in respect of which the dividend is paid, but if any share is issued on terms providing that it shall rank for dividend as from a particular date, such share shall rank for dividend accordingly. Where capital is paid in advance of calls upon the footing that the same shall carry interest, such capital shall not, whilst carrying interest, confer a right to dividend or to participate in profits.

Dividends

- 173. The profits of the Company, subject to any special rights relating thereto created or authorised to be created by these presents and subject to the provisions of these Articles, shall be divisible among the members in proportion to the amount of capital paid up on the Shares held by them respectively.

Declaration of Dividends

- 174. The Company, in Annual General Meeting may declare a dividend to be paid to the members according to their rights and interests in the profits and may, subject to the provisions of Section 207 of the Act, fix the time for payment.

Amount of dividend

- 175. No larger dividend shall be declared than that recommended by the Board, but the Company in general meeting may declare a smaller dividend.

Dividends out of profits only

- 176. No dividend shall be payable except out of the profits of the Company or out of moneys provided by the Central or State Government for the payments of dividend in pursuance of any; guarantee given by such Government and no dividend shall carry interest against the Company.

What to be deemed to be net profits

- 177. The declaration of the Board as to the amount of net profits of the Company shall be conclusive.

Interim Dividend

- 178. The Directors, if in their opinion the position of the Company justifies may from time to time without the sanction of a general meeting pay interim dividend to one or

more classes of shares to the exclusion of others at rates which may differ from class to class and when declaring such dividend they should satisfy themselves that the preference shares which have prior claim in respect of payment of dividend shall have their entire rated dividend at the time of final preparation of the accounts for the period.

<i>Debts may be deducted</i>	179. No member shall be entitled to receive payment of any dividend or interest in respect of his share or shares whilst any money may be due or owing from him as is presently payable to the Company in respect of such share or shares or otherwise on account of any debts, liabilities or engagements of the members of the Company, either alone or jointly with any other person or persons and the Directors may deduct from the dividend or interest payable to any member all sums of money so due from him to the Company, subject to Section 205-A of the Act.
<i>Dividend and call together</i>	180. Any general meeting declaring a dividend 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, subject to Section 205-A and 205-B of the Act. The making of a call under this Article shall be deemed ordinary business of an annual general meeting which declares dividend.
<i>Effect of Transfer</i>	181. A transfer of share shall not pass the right to any dividend declared there to before the registration of the transfer by the Company.
<i>Retaining of Dividend under transmission clause</i>	182. Subject to Section 205-A of the Act, the Directors may retain the dividends payable upon shares in respect of which any person is under the Transmission Article entitled to become a member or which any person under that Article is entitled to transfer until such person shall become a member in respect thereof or shall duly transfer the same.
<i>Dividend, right share and bonus share to be held in abeyance</i>	<p>183. Subject to the provisions of Section 206A of the Act the right to dividend, right shares and bonus shares shall be held in abeyance pending registration of transfer of shares.</p> <p>Where any instrument of transfer of shares has been delivered to any Company for registration and the transfer of such shares has not been registered by the Company, it shall notwithstanding anything contained in any other provision of this Act, shall</p> <p>(a) transfer the dividend in relation to such shares to the special account referred to in Section 205-A of the Act, unless the Company is authorised by the registered holder of such shares in writing to pay such dividend to the transferee specified in such instrument of transfer; and</p> <p>(b) keep in abeyance in relation to such shares any offer of rights shares under clause (a) of sub-section (1) of section 81 and any issue of fully paid-up bonus shares in pursuance of sub-section (3) of section 205 of the Act.</p>
<i>Retaining of dividend on which the Company has lien</i>	184. Subject to Section 205-A of the Act, the Board may retain any dividend on which the Company has a lien and may apply the same in or towards satisfaction of the debts, liabilities or engagement in respect of which the lien exists.
<i>Joint Holders</i>	185. Any one of several persons who are members registered jointly in respect of any share may give effectual receipts for all dividends, bonuses and any other payments in respect of such shares.
<i>Notice of any dividend</i>	186. Notice of any dividend, whether interim or otherwise, shall be given to the person entitled to share therein the manner hereinafter provided.
<i>Payment by post</i>	187. Unless otherwise directed in accordance with Section 206 of the Act, any dividend may be paid by cheque or warrant sent through the post to the registered address of the member or person entitled thereto or in the case of joint-holders to the registered

address of that one whose name stands first on the register in respect of the joint holding or to such person and at such address as the member or person entitled or such joint holders as the case maybe, direct and every cheque or warrant so sent shall be made payable to the order of the person to whom it is sent or to the order of such other person as the member or person entitled or such joint holders as the case may be direct.

Unclaimed Dividends

188. All unclaimed or unpaid dividends shall be dealt with as per Section 205A of the Act and Rules made thereunder.
189. The Company shall not be responsible for the loss of any cheque, dividend warrant or postal order sent by post in respect of dividends, whether by request or otherwise, at the registered address or the Address communicated to the office before hand by the member or any dividend lost to the member or person entitled thereto by e forged endorsement of any cheque or warrant or the fraudulent recovery thereof or by any other means.

BOOKS AND DOCUMENTS

Books of Account to be kept

190. The Directors shall cause to be kept in accordance with Section 209 of the Act, proper books of accounts with respect to:—
 - (a) all sums of money received and spent by the Company and the matters in respect of which the receipt and expenditures take place.
 - (b) all sales and purchases of goods by the Company.
 - (c) the assets and liabilities of the Company.

Inspection by member

191.
 - (a) The books of accounts shall be kept at the Registered Office or at such other place as the Board thinks fit and shall be open to inspection by the Directors during business hours.
 - (b) Printed copy of every Balance Sheet (including Profit and Loss Account, the Auditor's Report and every other document required by law to be annexed or attached as the case may be, to the Balance Sheet) which is to be laid before the Company in Annual General Meeting shall be made available for inspection at the Registered Office of the Company during working hours for a period of twenty one days before the date of the meeting. A statement containing the salient features of such documents in the prescribed form or the copies of the documents aforesaid, as the Company may deem fit will be sent to every member of the Company and to every trustee for the holders of any debentures issued by the Company, not less than twenty-one days before the date of the meeting, subject to the provisions of Section 219 of the Act.
192. The Directors shall, from time to time, subject to the provisions of actions 168,196 and 219 of the Act, determine whether and to what extent and at what time and places and under what conditions, the documents and registers or any of them maintained by the company of which inspection is allowed by the Act, shall be kept open for the inspection of the members. Till decided otherwise by the Board such documents and registers shall be kept open for inspection to the persons entitled thereto between 11 A.M. to 1 P.M. on all working days. No member (not being a Director) shall have any right to inspection of any account or book or document of the Company except as conferred by law or by Act or authorised by the Directors or by resolution of the Company in general meeting and no member not being a director shall be entitled to require or receive any information concerning the business, trading or customers of the Company or any trade secret or process of or used by the Company.

AUDIT

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| <i>Audit</i> | 193. Once at least in every year, the books of accounts of the Company shall be examined by one or more Auditor or Auditors. |
| <i>Appointment of Auditors</i> | 194. The Company at each Annual General Meeting shall appoint an Auditor or Auditors to hold office until the conclusion of next Annual General Meeting and their appointment, remuneration, rights and duties shall be regulated by Sections 224 to 227 of the Act. |
| <i>Branch Audit</i> | 195. Where the Company has a branch office, the provisions of Section 228 of the Act, shall apply. |
| <i>Rights of Auditor to attend general meeting</i> | 196. All notices of and other communications relating to any General Meeting of the Company which any member of the Company is entitled to have been sent to him shall also be forwarded to the Auditor of the Company 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 on the business which concerns him as an auditor. |
| <i>Auditor's report to be read</i> | 197. The Auditor's Report shall be read before the Company in Annual General Meeting and shall be open to inspection by any member of the Company. |
| <i>When accounts deemed to be settled</i> | 198. Every Balance Sheet and Profit and Loss Account of the Company when audited and adopted by the Company in Annual General Meeting shall be conclusive, in respect of transactions of the Company for the relevant year. |

SERVICE OF NOTICE AND DOCUMENTS

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| <i>Service of documents and notice to members</i> | 199. The Company shall comply with the provisions of Sections 53, 172 and 190 of the Act as to the serving of notices. |
| <i>Accidental omission not to invalidate</i> | 200. The accidental omission to give notice to or the non-receipt of notice, by any member or other person to whom it should be given shall not invalidate the proceedings at the meeting. |
| <i>Transferees etc. bound by prior notice</i> | 201. Every person who by operation of law, transfer or other means whatsoever shall become entitled to any share, shall be bound by every notice in respect of such share which previous to his name and address being entered in the Register, shall be duly given to the person from whom he derives his title to such share. |
| <i>Mode of signature</i> | 202. The Signature to any notice to be given by the Company may be written printed or lithographed. |
| <i>Member deceased</i> | 203. Any notice or document delivered or sent by post to or left at the registered address of any member in pursuance of these Articles shall, notwithstanding such member be then deceased and whether or not the Company has notice of his death, be deemed to have been duly served in respect of any share whether registered solely or jointly with other persons, until some other person be registered in his stead as the member in respect thereof and such service for all purposes of the Articles be deemed a sufficient service of such notice or document on his or her heirs, executors or administrators and all persons, if any, jointly interested with him or her in any such share. |
| <i>When notice may be given by advertisement</i> | 204. Any notice required to be given by the Company to the members or any of them and not expressly provided for by these Articles or by the Act shall be sufficiently given if given by advertisement. |
| <i>How to be advertised</i> | 205. Any notice required to be or which may be given by advertisement shall be advertised once in one or more vernacular newspapers circulating in the neighbourhood of the registered office. Any notice by advertisement shall be deemed to have been given on the day on which the advertisement shall first appear. |

RECONSTRUCTION

Reconstruction

206. On any sale of the whole or any part of the undertaking of the Company, the Board or the Liquidators on a winding up may, if authorised by special resolution, accept fully paid or partly paid-up shares, debentures or securities of any other Company, whether incorporated in India or not either then existing or to be formed for the purchase in, the whole or in the part of the property of the Company and the Board (if the profits of the Company permit) or the Liquidators (in a winding up) may distribute such shares or securities or any other property of the Company amongst the members without realisation or vest the same in trustees for them and any special Resolution may provide for the distribution or appropriation of cash, shares or other securities, benefits or property, otherwise than in accordance with the strict legal rights of the member, contributors of the Company and for the valuation of any such securities or property at such price and in such manner as the meeting may approve and all holders of shares shall subject to the provisions of Section 395 of the Act be bound to accept and shall be bound by any valuation or distribution so authorised and waive all rights in relation thereto save only in case the Company is proposed to be or is in course of being wound up and subject to the provision of Section 494 of the Act as are in capable of being varied or excluded by these Articles.

WINDING UP

Rights of preference

207. On winding up preference shares will rank, as regards capital, in priority to equity shares, to the extent of the paid up value of the said shares but to no other rights of participating in its assets.

Distribution of assets

208. (1) Subject to the provisions of the Act, if the Company shall be wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Act, divide amongst contributors in specie or in kind the whole or any part of the assets of the Company whether they shall consist of property of the same kind or not.
- (2) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members of different classes of members.
- (3) The liquidator may, with the like sanction of a Special Resolution, vest the whole or any part of such assets in trustees upon such Trusts for the benefit of the contributors or any of them as the liquidator shall think fit.

Distribution of assets in specie

209. (1) In the event of the Company being wound up the holders of preference shares, if any, shall be entitled to have the surplus assets available for distribution amongst members as such applied in the first place in repayment to them of the amount paid up on the preference shares held by them respectively and any arrears of dividend up to the commencement of the winding up, whether declared or not. If the surplus assets available as aforesaid shall be insufficient to repay the whole of the amount paid upon the preference shares and any arrears of dividend, such assets shall be distributed amongst the holders of preference shares so that the losses shall be borne by the holders of preference shares as nearly as may be in proportion to the capital paid up or which ought to have been paid up on the shares held by them at the commencement of the winding up and the arrears of dividend as aforesaid.
- (2) The assets, if any, available for distribution after payment to the preference share-holders as aforesaid shall be distributed amongst the holders of equity shares in proportion to the Capital, at the commencement of the winding up, paid up or which ought to have been paid upon the shares in respect of which they were respectively registered.
- (3) This Article is to be without prejudice to the rights and privileges amongst the

holders of preference shares of different series.

SECRECY

Secrecy

210. Subject to the provisions of Section 635-B of the Act, every Director, Manager, Auditor, Trustee, Member of a Committee, Officer, Servant, Agent, Accountant or other person employed in the business of the Company shall if so required by the Board before entering upon his duties, sign a declaration pledging himself to observe a strict secrecy respecting all transactions of the Company with its customers and the state of accounts with individuals and in matters relating thereto and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required so to do by the Board or by any meeting or by the law of the country and except so far as maybe necessary in order to comply with any of the provisions in these presents contained.

No member to enter the premises of the Company without permission

211. No member or other person (not being a Director) shall be entitled to visit or inspect any works of the Company or to enter upon the property of the Company or to inspect or examine the Company's premises or properties of the Company without the permission of the Board or, subject to Article 190 to require discovery of or any information respecting any detail of the Company's trading or any matter which is or may be in the nature of trade secret, mystery of trade, or secret process or of any matter whatsoever which may relate to the conduct of the business of the Company and which in the opinion of the Directors it will be in-expedient in the interest of the members of the Company to communicate.

INDEMNITY

Indemnity

212. (a) Subject to Section 201 of the Act, every Director, Managing Director, Manager, Secretary or Officer of the Company or any person (whether an Officer of the Company or not) employed by the Company, and any person appointed by the Company as Auditors shall be indemnified out of the assets of the Company against, all bonafide liability incurred by him as such Director, Managing Director, Manager, Secretary, Officer or Auditor in defending any proceedings, whether civil or criminal in which judgments is given in his favour, or in which he is acquitted or in connection with any application under Section 633 of the Act, in which relief is granted to him by the Court.
- (b) Save and except so far as the provision of these Articles shall be avoided by Section 201 of the Act, the Managers, Auditors, Secretary and other Officers and Servants for the time being of the Company and Trustees (if any) for the time being acting in relation to any of the affairs of the Company and every one of them and every one of their executors and administrator shall be indemnified and secured harmless out of the assets and profits of the Company from and against all bonfide actions, costs, charges, losses, damages and expenses which they or any of them, their executors or administrators shall sustain by reason of any act done, concurred in or omitted on or about the execution of their duty or supposed duty in their respective offices or trusts, except such (if any) as they shall incur or sustain through or by their own wilful neglect or default respectively and none of them shall be answerable for the act, receipts neglects or defaults of the other or either of them or for joining in any receipt for the sake of conformity or for any bankers or other persons with whom any moneys or effects belonging to the Company shall be deposited or for insufficiency or deficiency of any security upon which any moneys of or belonging to the Company shall be placed or invested or for any other loss, misfortune or damage which may happen in the execution of their respective offices or trust or in relation thereto unless the same shall happen by or through their own wilful neglect or default respectively.

APPENDIX 1

SPECIFIED MATTERS

- (a) Any amendment or change of the rights, preferences, privileges or powers of, or the restrictions provided for the benefit of the holders of any class of shares;
- (b) Till the expiry of 2 (two) years from the Completion Date or till the Company lists its Shares on the Bombay Stock Exchange or the National Stock Exchange, whichever is later, any action that authorizes, creates or issues shares including rights issue of any class or series of shares and the valuation in respect of all fresh issues, buy backs, splits, issuance of convertible debt/ instruments or Securities, bonuses, debt restructuring involving conversion into equity, redemption of preference shares etc and modification of the capital structure;
- (c) Any capital expenditure or indebtedness (including giving of security for or guaranteeing debts but excluding (i) loan taken against the investments as appearing in the stock-in trade and investments in third party securities and given as security to exchanges/banks/institution by Company on behalf of SMC Group Companies or SMC Group Companies on behalf of the Company, and (ii) any guarantees given to exchanges on behalf of the Company or any Group Companies or vice versa) beyond 25% of that budgeted for in the annual business plan (including a revised annual business plan) that is approved by the Board of Directors;
- (d) Any acquisition or consolidation which does not fall under point (e) or effects the paid up capital of the company;
- (e) Any acquisition of existing entity or business from any third party in financial services (broking, insurance, forex, commodities) exceeding ₹41 million;
- (f) Any transfer of Securities held by the Promoters or the Company otherwise than as permitted under this Agreement;
- (g) Declaration of dividend;
- (h) Redemption of any class or series of Securities otherwise than on the terms as previously agreed by the Investor;
- (i) Creation and modification of an employee stock option plan including the terms and conditions of their granting and vesting and/or the issuance of employee stock options;
- (j) Any compensation packages to Promoters or the Key Managerial Personnel, which is above market compensation packages;
- (k) Amendments or any proposal to amend the Memorandum or Articles of Association of the company;
- (l) Commencement of any new line of business or acquisition of shares (other than investment in IPOs, mutual funds and purchase of shares from secondary market in Ordinary Course of Business) or interest of a company or entity or firm, which is unrelated to the Business;
- (m) Changes to material accounting or tax policies or practices other than those required by Applicable Law;
- (n) Recommend, giving or renewing of security for or the guaranteeing of debts or obligations of the Company or SMC Group Companies or SAM Global Securities limited other than in the Ordinary Course of Business;
- (o) Any change in the financial year for preparation of audited accounts;
- (p) Any resolution for removal of statutory auditors;
- (q) Winding up and/or liquidation;

- (r) Any agreement, arrangement, transaction to sell or assignment of intellectual property rights including those relating to copyrights, trademarks, patents and designs belonging to the Company, other than in the normal course of business;
- (s) The accounting policy and policies for the dispensation of cash, payments, receivables;
- (t) Any commitment or agreement to do any of the foregoing

SECTION IX – OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been entered or are to be entered into by our Company which are or may be deemed material and will be attached to the copy of the Red Herring Prospectus delivered to the RoC for registration. Copies of the abovementioned contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of our Company between 10 a.m. and 5 p.m. on all Working Days from Bid/Issue Opening Date until the Bid/Issue Closing Date.

A. Material Contracts for the Issue

1. Issue Agreement dated October 15, 2014 between our Company, the Selling Shareholder, the BRLM and the CBRLM.
2. Registrar Agreement dated October 14, 2014 between our Company, the Selling Shareholder and the Registrar to the Issue.
3. Escrow Agreement dated [●] between our Company, the Selling Shareholder, the BRLM, the CBRLM the Escrow Collection Bank, the Syndicate Members and the Registrar to the Issue.
4. Syndicate Agreement dated [●] between our Company, the Selling Shareholder, the BRLM, the CBRLM and the Syndicate Members.
5. First Underwriting Agreement dated [●] between our Company, the Selling Shareholder, the CBRLM, the BRLM and the Registrar to the Issue.
6. Second Underwriting Agreement dated [●] between our Company, the Selling Shareholder, the Underwriters and the Registrar to the Issue.

B. Material Documents

1. Certified copies of the updated Memorandum and Articles of Association of our Company as amended from time to time.
2. Certificate of incorporation of our Company dated December 19, 1994.
3. Certificate of commencement of business of our Company dated January 2, 1995.
4. Annual reports for FY 2014, FY 2013, FY 2012, FY 2011 and FY 2010
5. Resolutions of the Board of Directors dated August 13, 2014 in relation to the Issue and other related matters.
6. Shareholders' resolution dated September 26, 2014 in relation to this Issue and other related matters.
7. Resolution dated October 14, 2014 passed by the board of directors of the Selling Shareholder approving the Offer for Sale.
8. The examination reports of the statutory auditor, on our Company's restated unconsolidated financial information and restated consolidated financial information, included in this Draft Red Herring Prospectus.
9. The Statement of Tax Benefits dated September October 15, 2014 from the Statutory Auditors.
10. Consent of the Directors, the BRLM, the CBRLM, the Syndicate Members, Domestic Legal Counsel to the Issue, Registrar to the Issue, Escrow Collection Banker, Bankers to the Issue, Bankers to our Company, Company Secretary and Compliance Officer as referred to in their specific capacities.
11. Due Diligence Certificate dated October 20, 2014 addressed to SEBI from the BRLM and the CBRLM.

12. In principle listing approvals dated [●], [●], [●], [●], [●] and [●] issued by the DSE, the LSE, the CSE, the ASE, the NSE and the BSE, respectively.
13. Tripartite Agreement dated August 03, 2010 between our Company, NSDL and Link Intime India Private Limited.
14. Tripartite Agreement dated July 10, 2010 between our Company, CDSL and Link Intime India Private Limited.
15. Shareholders Agreement between our Company, Mr. Subhash Chand Aggarwal, Mr. Mahesh Chand Gupta and Bennett, Coleman & Co. Limited dated March 10, 2008 and amendment thereto.
16. Share Subscription Agreement between our Company, Mr. Subhash Chand Aggarwal, Mr. Mahesh Chand Gupta and Millennium India Acquisition Company Inc. (now known as Millennium Investment & Acquisition Company Inc.) dated May 12, 2007 and amendments thereto.
17. Shareholders Agreement between our Company, Mr. Subhash Chand Aggarwal, Mr. Mahesh Chand Gupta and Millennium India Acquisition Company Inc.(now known as Millennium Investment & Acquisition Company Inc.) dated May 12, 2007 and amendments thereto
18. Share Subscription Agreement between our Company, Mr. Subhash Chand Aggarwal, Mr. Mahesh Chand Gupta and Sanlam International Investment Partners Ltd., dated September 14, 2008 and amended thereto.
19. Shareholders Agreement between our Company, Mr. Subhash Chand Aggarwal, Mr. Mahesh Chand Gupta and Sanlam International Investment Partners Ltd., dated December 1, 2010 and amended thereto.

Any of the contracts or documents mentioned in this Draft Red Herring 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 BY THE SELLING SHAREHOLDER

The undersigned Selling Shareholder, hereby certifies that all statements and undertakings made by the Selling Shareholder in this Draft Red Herring Prospectus about or in relation to itself and the Equity Shares being sold by it in the Offer for Sale are true and correct.

Signed by the Selling Shareholder

For **Millennium Investment & Acquisition Company Inc.**

David H. Lesser
Chairman & Chief Executive Officer
Millennium Investment & Acquisition Company Inc.

DECLARATION BY THE ISSUER

We hereby declare that all relevant provisions of the Companies Act, 1956, the Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the 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 Red Herring Prospectus is contrary to the provisions of the Companies Act, 1956, the Companies Act, 2013, the Securities Contract (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulations issued thereunder, as the case may be. We further certify that all statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY

Name	Signature
Mr. Subhash Chand Aggarwal	
Mr. Mahesh Chand Gupta	
Mr. Ajay Garg	
Mr. Anurag Bansal	
Mr. Pradeep Aggarwal	
Mr. Finney Cherian	
Mr. Narain Dass Gupta	
Mr. Hari Das Khunteta	

Name	Signature
Mr. Johannes Hendrik Petrus Van Der Merwe	
Mr. Roop Chand Jindal	
Mr. Pawan Kumar Bansal	
Mr. Kundan Mal Agarwal	
Mr. Satish Chandra Gupta	
Mr. Chandra Wadhwa	
Dr. Madhu Vij	
Signed by the Chief Financial Officer	
Mr. Vinod Kumar Jamar	
Date: October 20, 2014	
Place: New Delhi, India	