



Dated February 24, 2010
Please read Section 60B of the Companies Act, 1956
(The Draft Red Herring Prospectus will be updated upon filing with the RoC)

Book Building Issue

CAREER POINT INFOSYSTEMS LIMITED

Our Company was incorporated as public limited company on March 31, 2000, under the Companies Act, 1956. We received certificate of commencement of business issued by Registrar of Companies, Jaipur on April 11, 2000. For details of change in the registered office of our Company, please see section titled 'History and Certain Corporate Matters' at page 126 of this Draft Red Herring Prospectus.

Registered Office: 112B, Shakti Nagar, Kota - 324 009, Rajasthan, India. Tel: +91 744 2500492, 2500092; Fax: +91 744 2500892.

Corporate Office: CP Tower, Road No. 1, IPIA, Kota – 324 005, Rajasthan, India. Tel: +91 744 3040000; Fax: +91 744 3040000. Website: www.careerpointgroup.com

Company Secretary and Compliance Officer: Mr. Tarun Kumar Jain; Email: ipo@careerpointgroup.com

PROMOTERS OF OUR COMPANY: MR. PRAMOD MAHESHWARI, MR. OM PRAKASH MAHESHWARI AND MR. NAWAL KISHORE MAHESHWARI

PUBLIC ISSUE OF [♠] EQUITY SHARES OF FACE VALUE OF RS. 10 EACH OF CAREER POINT INFOSYSTEMS LIMITED (THE "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF RS. [♠] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF RS. [♠] PER EQUITY SHARE), AGGREGATING UPTO RS. 1,150 MILLION ("THE ISSUE"). THE ISSUE INCLUDES A RESERVATION OF UPTO 65,000 EQUITY SHARES OF RS. 10 EACH FOR THE ELIGIBLE EMPLOYEES (THE "EMPLOYEE RESERVATION PORTION"). THE ISSUE LESS THE EMPLOYEE RESERVATION PORTION IS REFERRED TO AS THE "NET ISSUE". THE NET ISSUE SHALL CONSTITUTE [♠]% OF THE FULLY DILUTED POST-ISSUE PAID-UP CAPITAL OF OUR COMPANY.

PRICE BAND: RS. [●] TO RS. [●] PER EQUITY SHARE.

THE FACE VALUE OF THE EQUITY SHARES IS RS. 10.

THE FLOOR PRICE IS [•] TIMES OF THE FACE VALUE AND THE CAP PRICE IS [•] TIMES OF THE FACE VALUE.

In case of any revision in the Price Band, the Bidding Period shall be extended for three additional Working Days after such 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, shall be widely disseminated by notification to the National Stock Exchange of India Limited (the "NSE") and the Bombay Stock Exchange Limited (the "BSE"), by issuing a press release, and also by indicating the change on the website of the Book Running Lead Managers and the terminals of the Syndicate.

Pursuant to Rule 19(2)(b) of the Securities Contract Regulation Rules, 1957 ("SCRR"), this being an Issue for less than 25% of the post-Issue share capital, the Issue is being made through the Book Building Process wherein at least 60% of the Net Issue shall be allocated on a proportionate basis to Qualified Institutional Buyers ("QIBs"). Provided that, the Company may, allocate up to 30% of the QIB Portion to Anchor Investors at the Anchor Investor Issue Price on a discretionary basis, out of which at least one-third will be available for allocation to Mutual Funds only ("Anchor Investor Portion"). In the event of under-subscription in the Anchor Investor Portion, the balance Equity Shares shall be added to the QIB portion. 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds, subject to valid Bids being received from them at or above the Issue Price. If at least 60% of the Net Issue cannot be allotted to QIBs, then the entire application money will be refunded forthwith. In addition, in accordance with Rule 19(2)(b) of the SCRR, a minimum of two million securities are being offered to the public and the size of the Issue shall aggregate to at least Rs. 1,000 million. Further, not less than 10% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 30% of the Net Issue shall be available for allocation on a proportionate basis to Employees, subject to valid Bids being received from them at or above the Issue Price. Further, upto [•] Equity Shares shall be available for allocation on a proportionate basis to Employees, subject to valid Bids being received at or above the Issue Price.

RISKS IN RELATION TO FIRST ISSUE

This being the first public issue of the Equity Shares of the Company, there has been no formal market for our Equity Shares. The face value of the Equity Shares is Rs.10 and the Floor Price is [•] times the face value and the Cap Price is [•] times the face value and the Cap Price is [•] times the face value. The Issue Price (as determined by our Company, in consultation with the Book Running Lead Managers, as stated under paragraph on 'Basis for Issue Price') should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue, including the risks involved. The Equity Shares offered in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to the section "Risk Factors" at page 13.

ISSUER'S ABSOLUTE RESPONSIBILITY

The Issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to the Issuer and the Issue, which is material in the context of the Issue, that the information contained in this 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 makes 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.

LISTING ARRANGEMENT

The Equity Shares offered through the Draft Red Herring Prospectus are proposed to be listed on the NSE and the BSE. Our Company has received in-principle approvals from the NSE and the BSE for the listing of the Equity Shares pursuant to letters dated [•] and [•], respectively. For the purposes of the Issue, BSE shall be the Designated Stock Exchange.

IPO GRADING

This Issue has been graded by $[\bullet]$ and has been assigned the "IPO Grade $[\bullet]$ /5" indicating $[\bullet]$, through its letter dated $[\bullet]$, which is valid for a period of $[\bullet]$. The IPO grading is assigned on a five point scale from 1 to 5 with an "IPO Grade 5" indicating strong fundamentals and an "IPO Grade 1" indicating poor fundamentals. For more information on IPO grading, please refer to the section "General Information" at page 53.

BOOK RUNNING LEAD MANAGERS		REGISTRAR TO THE ISSUE
C (N T R U M	JM FINANCIAL	LINK INTIME INDIA PVT LTD Pundy intrial exercisal prosento/ trip
CENTRUM CAPITAL LIMITED Centrum House, Vidya Nagari Marg, CST Road, Kalina, Santacruz (East), Mumbai 400 098, India Tel: +91 22 4215 9000 Fax: +91 22 4215 9707 Website: www.centrum.co.in Email: careerpoint.ipo@centrum.co.in Investor Grievance Id: igmbd@centrum.co.in Contact Person: Mr. Gaurav Saravgi/Ms. Amandeep Sidhu SEBI Registration No.: INM000010445	JM FINANCIAL CONSULTANTS PRIVATE LIMITED 141, Maker Chamber III, Nariman Point Mumbai- 400 021, India Tel: +91 22 6630 3030 Fax: +91 22 2204 7185 Email: cpil.ipo@jmfinancial.in Investor Grievance Id: grievance.ibd@jmfinancial.in Website: www.jmfinancial.in Contact Person: Ms. Lakshmi Lakshmanan SEBI Registration No. INM000010361	LINK INTIME INDIA PRIVATE LIMITED C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai 400 078, India Tel: +9122 2596 0320 Fax: +91 22 2596 0329 Website: www.linkintime.co.in Email: cpil.ipo@linkintime.co.in Contact Person: Mr. Sachin Achar SEBI Registration No.: INR000004058
RID/ISSUE SCHEDILE		

BID/ISSUE CLOSES ON: [●], 2010

BID/ISSUE OPENS ON: [●], 2010#

[#] Anchor Investor Bidding Date shall be one day prior to the Bid/ Issue Opening Date

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates, requires or implies, the following terms shall have the following meanings in this Draft Red Herring Prospectus.

Company Related Terms

Term	Description
Articles or Articles of Association or our Articles	The articles of association of our Company, as amended, from time to time.
Associate company	Imperial Infin Private Limited.
Auditor	The statutory auditor of our Company, being M/s Sharp & Tannan, Chartered Accountants.
Board or Board of Directors or our Board	The board of directors of our Company or committees constituted by it from time to time.
Company or CPIL or the Issuer	Career Point Infosystems Limited, a public limited company incorporated under the Companies Act.
Corporate Office	The corporate office of our Company, presently situated at CP Tower, Road No. 1, IPIA, Kota – 324 005 Rajasthan, India.
Director(s)	The director(s) on our Board.
Memorandum or Memorandum of Association or our Memorandum	The memorandum of association of our Company, as amended from time to time.
Group Companies and entities	The companies identified as our group companies and entities in the section titled "Our Promoters and Group Companies" at page 154.
Promoters	The promoters of our Company, being Mr. Pramod Maheshwari, Mr. Om Prakash Maheshwari and Mr. Nawal Kishore Maheshwari.
Promoter Group	The companies or other entities specified in the section titled "Our Promoters and Group Companies" at page 153.
Registered Office	The registered office of our Company, presently situated at 112B, Shakti Nagar, Kota – 324 009, Rajasthan, India.
Subsidiaries	Career Point Edutech Limited and Career Point Infra Limited.
We or Us or Our	Our Company, and where the context requires, our Subsidiaries and Associate company, on a consolidated basis.

Issue Related Terms

Term	Description
Allot or Allotment or Allotted	The allotment of Equity Shares pursuant to this Issue.
Allottee	A successful Bidder to whom Allotment is made.
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion,
	who has Bid for an amount of at least Rs. 100 million.
Anchor Investor Bidding Date	The date one day prior to the Bid/Issue Opening Date.
Anchor Investor Issue Price	The price at which Allotment is made to Anchor Investors in terms of the Red
	Herring Prospectus, which shall be higher than or equal to the Issue Price, but not
	higher than the Cap Price.
Anchor Investor Margin Amount	An amount representing 25% of the Bid Amount payable by Anchor Investors at
	the time of submission of their Bid.
Anchor Investor Portion	Upto Equity Shares representing 30% of the QIB Portion, available for allocation
	to Anchor Investors on a discretionary basis in accordance with the SEBI
	Regulations.
ASBA	Application Supported by Blocked Amount as detailed in the section titled "Issue
	Procedure–Issue Procedure for ASBA Bidders" at page 260.
ASBA Account	Account maintained by an ASBA Bidder with a SCSB which will be blocked to
	the extent of the appropriate Bid Amount.
ASBA Bidder	A Retail Individual Bidder or a Non-Institutional Bidder who intends to apply
	through ASBA and is applying through blocking of funds in an ASBA Account.

	Description
ASBA Form	The application form, whether physical or electronic, in terms of which an ASBA Bidder shall make a Bid pursuant to the terms of the Red Herring Prospectus.
Bankers to the Issue	[•].
Basis of Allotment	The basis on which the Equity Shares will be allocated as described in the section titled "Issue Procedure–Basis of Allotment" at page 253.
Bid	An indication by a Bidder to make an offer to subscribe for Equity Shares in terms of the Red Herring Prospectus.
Bidder	A prospective investor in this Issue.
Bid Amount	The highest Bid Price indicated in the Bid cum Application Form and in case of ASBA Bidders, the amount mentioned in the ASBA Form.
Bid cum Application Form	The form in terms of which the Bidder (other than an ASBA Bidder) makes a Bid and which will be considered as the application for Allotment.
Bid Price	The prices indicated within the optional Bids in the Bid cum Application Form.
Bid/Issue Opening Date	Except in relation to Anchor Investors, the date on which the members of the Syndicate and SCSBs shall start accepting Bids, which shall be the date notified in an English national daily newspaper and a Hindi national daily newspaper (which is also the regional daily newspaper), each with wide circulation and in case of any revision, the extended Bid/Issue Opening Date also to be notified on the website and terminals of the Syndicate and SCSBs, as required under the SEBI Regulations.
Bid/Issue Closing Date	Except in relation to Anchor Investors, the date after which the members of the Syndicate and SCSBs will not accept any Bids, which shall be notified in an English national daily newspaper, a Hindi national daily newspaper (which is also the regional daily newspaper), each with wide circulation and in case of any revision, the extended Bid/Issue Closing Date also to be notified on the website and terminals of the Syndicate and SCSBs, as required under the SEBI Regulations.
Bidding Centre	A centre for acceptance of the Bid cum Application Form.
Bidding Period	The period between the Bid/Issue Opening Date and the Bid/Issue Closing Date (inclusive of both days) and during which Bidders, other than Anchor Investors, can submit their Bids, inclusive of any revision thereof.
Book Building Process	The book building process as described in Schedule XI of the SEBI Regulations.
Book Running Lead Managers or BRLMs	Book running lead manager to this Issue, being Centrum Capital Limited and JM Financial Consultants Private Limited.
CAN or Confirmation of Allocation Note	Except in relation to the Anchor Investors, the note or advice or intimation sent to the successful Bidders confirming the number of Equity Shares allocated to such Bidders after discovery of the Issue Price.
	In relation to Anchor Investors, the note or advice or intimation sent to the successful Anchor Investors who have been allocated Equity Shares after discovery of the Anchor Investor Price, including any revisions thereof.
Cap Price	The higher end of the Price Band, in this case being Rs. [●], and any revisions thereof above which no Bids will be accepted.
Controlling Branches	Such branches of the SCSBs which co-ordinate Bids under this Issue by the ASBA Bidders with the Registrar to the Issue and the Stock Exchanges and a list of which is available at http://www.sebi.gov.in or at such other website as may be prescribed by SEBI from time to time.
Cut-Off Price	Any price within the Price Band finalized by our Company in consultation with the Book Running Lead Managers, at which only Retail Individual Bidders and the Eligible Employees are entitled to Bid for Equity Shares of an amount not exceeding Rs 100,000.
Depository	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, as amended.
Depository Participant or DP	A depository participant as defined under the Depositories Act.
Designated Branches	Such branches of the SCSBs which shall collect the ASBA Forms and a list of which is available on http://www.sebi.gov.in or at such other website as may be prescribed by SEBI from time to time.
Designated Date	The date on which the Bankers to the Issue and the SCSBs transfer the funds

Term	Description
	from the Escrow Accounts and the ASBA Accounts, respectively, to the Public
	Issue Account, in terms of the Red Herring Prospectus.
Designated Stock Exchange	Bombay Stock Exchange Limited.
Draft Red Herring Prospectus or DRHP	This draft red herring prospectus filed with SEBI and issued in accordance with the SEBI Regulations.
Eligible NRI	An NRI from such a jurisdiction outside India where it is not unlawful to make an offer or invitation under this Issue and in relation to whom the Red Herring Prospectus constitutes an invitation to Bid on the basis of the terms thereof.
Eligible Employee	A permanent and full-time employee or a Director of our Company excluding our Promoters and Promoter Group, as on the date of the Red Herring Prospectus, who is a person resident in India (as defined under the FEMA) and who continues to be in the employment of our Company until submission of the Bid cum Application Form/ASBA Form.
Employee Reservation Portion	The portion of the Issue, upto 65,000 Equity Shares, available for allocation to the Eligible Employees.
Equity Shares	The equity shares of our Company of face value of Rs. 10 each.
Escrow Account	Accounts opened for this Issue to which cheques or drafts of the Bid Amount are deposited by the Bidder.
Escrow Agreement	An agreement to be entered among our Company, the Registrar, the Bankers to the Issue, the Book Running Lead Managers and the Syndicate Members for the collection of Bid Amounts and for remitting refunds, if any, to 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 Revision Form or the ASBA Form.
Floor Price	The lower end of the Price Band in this case being Rs. [●], and any revisions thereof below which no Bids will be accepted.
IPO Grading Agency	[•], the IPO grading agency appointed by our Company for grading this Issue.
Issue	The public issue of [●] Equity Shares for an amount aggregating upto Rs. 1,150 million.
Issue Price	The price at which Allotment will be made, as determined by our Company in consultation with the Book Running Lead Managers.
Key Managerial Personnel	The personnel listed as key managerial personnel in the section titled "Our Management" at page 147.
Margin Amount	The amount paid or blocked in the ASBA Account, at the time of submission of the Bid cum Application Form or the ASBA Form, as applicable, which may range between 10% to 100% of the Bid Amount.
Mutual Fund Portion	5% of the Net QIB Portion or [•] Equity Shares, available for allocation to Mutual Funds out of the QIB Portion.
Net Issue	The Issue less the Employee Reservation Portion.
Net Proceeds	Net proceeds of the Issue after deducting the Issue related expenses.
Net QIB Portion	The portion of the QIB Portion less the number of Equity Shares allocated to the Anchor Investors, being a minimum of [●] Equity Shares, to be allocated to QIBs on a proportionate basis.
NIF	National Investment Fund set up vide resolution F. No. 2/3/2005-DD-II dated November 23, 2005 of Government of India published in the Gazette of India.
Non-Institutional Bidders	All Bidders (including Sub-Accounts which are foreign corporates or foreign individuals and ASBA Bidders) those are not Qualified Institutional Buyers or Retail Individual Bidders and who have Bid for an amount more than Rs. 100,000.
Non-Institutional Portion	The portion of the Net Issue being not less than 10% of the Net Issue consisting of [●] Equity Shares, available for allocation to Non-Institutional Bidders.
Pay-in Date	The Bid/Issue Closing Date with respect to the Bidders whose Margin Amount is 100% of the Bid Amount or the last date specified in the CAN sent to the Bidders with respect to the Bidders whose Margin Amount is less than 100% of the Bid Amount.
Pay-in Period	 (i) With respect to Bidders, except Anchor Investors, whose Margin Amount is 100% of the Bid Amount, the period commencing on the Bid/Issue Opening Date and extending until the Bid/Issue Closing Date; and (ii) With respect to Bidders, except Anchor Investors, whose Margin Amount is

Term	Description
	less than 100% of the Bid Amount, the period commencing on the Bid/Issue Opening Date and extending until the closure of the Pay-in Date specified in the CAN; and (iii) With respect to Anchor Investors, commencing on the Anchor Investor Bidding Date and extending till the last date specified in the CAN, which
	shall not be later than two days after the Bid Closing Date.
Price Band	The price band between the Floor Price and Cap Price, including any revision thereof.
Pricing Date	The date on which the Issue Price is finalised by our Company in consultation with the Book Running Lead Managers.
Prospectus	The prospectus of our Company to be filed with the RoC for this Issue post the Pricing Date in accordance with sections 56, 60 and 60B of the Companies Act and the SEBI Regulations.
Public Issue Account	The bank account opened with the Bankers to the Issue by our Company under section 73 of the Companies Act to receive money from the Escrow Account on the Designated Date and where the funds shall be transferred by the SCSBs from the ASBA Accounts.
QIBs or Qualified Institutional Buyers	Mutual Funds, VCFs, FVCIs, FIIs and Sub-Accounts (other than Sub-Accounts which are foreign corporates or foreign individuals) registered with SEBI, Public financial institutions as defined in Section 4A of the Companies Act, , scheduled commercial banks, multilateral and bilateral development financial institution, state industrial development corporations, insurance companies registered with the Insurance Regulatory and Development Authority, provident funds with a minimum corpus of Rs. 250 million, pension funds with a minimum corpus of Rs. 250 million, the NIF and insurance funds set-up and managed by army, navy or air force of the Union of India, eligible for bidding in this Issue.
QIB Margin Amount	An amount representing at least 10% of the Bid Amount that the QIBs (other than Anchor Investors) are required to pay at the time of submitting a Bid.
QIB Portion	The portion of the Net Issue being a minimum [●] Equity Shares to be Allotted to QIBs, including the Anchor Investor Portion.
Red Herring Prospectus or RHP	The red herring prospectus to be issued by our Company in accordance with sections 56, 60 and 60B of the Companies Act and the SEBI Regulations.
Refund Account(s)	The account opened with the Refund Banker(s), from which refunds of the whole or part of the Bid Amount (excluding the ASBA Bidders), if any, shall be made.
Refund Banker(s)	The Bankers to the Issue with whom the Refund Accounts will be opened, in this case being [●].
Registrar to the Issue	Link Intime India Private Limited.
Retail Individual Bidders	Persons, including HUFs (applying through their <i>Karta</i>) and ASBA Bidders, who have Bid for an amount less than or equal to Rs. 100,000.
Retail Portion	The portion of the Net Issue being not less than 30% of this Issue, consisting of [•] Equity Shares, available for allocation to Retail Individual Bidders on a proportionate basis.
Revision Form	The form used by the Bidders to modify the quantity of their Bids or their Bid Price.
Self Certified Syndicate Bank or SCSB	The banks which are registered with SEBI under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994 and offers services in relation to ASBA, including blocking of bank account and a list of which is available on http://www.sebi.gov.in or at such other website as may be prescribed by SEBI from time to time.
Stock Exchanges	The NSE and the BSE.
Syndicate Agreement	The agreement to be entered into among our Company and members of the Syndicate, in relation to the collection of Bids (excluding Bids from the ASBA Bidders).
Syndicate Members	Intermediaries registered with the SEBI and permitted to carry out activities as an underwriter, in this case being JM Financial Services Private Limited and [•].
Syndicate or members of the Syndicate	The Book Running Lead Managers and the Syndicate Members.
Transaction Registration Slip or TRS	The slip or document issued by any of the members of the Syndicate, or the SCSBs, as the case may be, upon demand to a Bidder as proof of registration of the Bid.

Term	Description
Underwriters	The Book Running Lead Managers and the Syndicate Members.
Underwriting Agreement	The agreement to be entered into between the Underwriters and our Company on or immediately after the Pricing Date.
Working Days	All days except Saturday, Sunday and any public holiday on which commercial
	banks in Mumbai are open for business.

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

Abbreviation	Full Form
A/c	Account.
AGM	Annual General Meeting
AS	Accounting Standards as issued by the Institute of Chartered Accountants of
	India.
BSE	Bombay Stock Exchange Limited.
CDSL	Central Depository Services (India) Limited.
CENVAT	Central Value Added Tax.
Centrum	Centrum Capital Limited.
CEO	Chief Executive Officer.
CESTAT	Custom Excise and Service Tax Appellate Tribunal.
CFO	Chief Financial Officer.
CIN	Corporate identification number.
Companies Act	The Companies Act, 1956, as amended.
Depositories	NSDL and CDSL.
Depositories Act	The Depositories Act, 1996, as amended.
DIN	Director's identification number.
DIPP	Department of Industrial Policy and Promotion, Ministry of Commerce and
	Industry, GoI.
DP ID	Depository Participant's Identity.
EBITDA	Earnings before interest, tax, depreciation and amortisation.
ECS	Electronic clearing service.
EGM	Extraordinary general meeting.
EPS	Earnings per share i.e., profit after tax for a Fiscal/period divided by the
	weighted average number of equity shares/potential equity shares during that
	Fiscal/period.
FCNR Account	Foreign currency non-resident account.
FDI	Foreign direct investment, as understood under applicable Indian regulations.
FEMA	The Foreign Exchange Management Act, 1999, together with rules and
	regulations framed thereunder, as amended.
FEMA Regulations	Foreign Exchange Management (Transfer or Issue of Security by a Person
	Resident Outside India) Regulations, 2000 and amendments thereto.
FII	Foreign Institutional Investor, as defined in and registered under the FII
	Regulations.
FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors)
rii Regulations	Regulations, 1995, as amended.
FIPB	The Foreign Investment Promotion Board, Ministry of Finance, GoI.
FTAMPL	Franklin Templeton Asset Management (India) Private Limited in its capacity as
I I AWII L	portfolio manager of Franklin Templeton Private Equity Strategy.
FTPES	Franklin Templeton Private Equity Strategy – A/c PMS
FVCI	Foreign Venture Capital Investor as defined in and registered under the FVCI
rvci	Regulations.
FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors)
1 V C1 Regulations	Regulations, 2000, as amended.
Fiscal or Financial Year or FY	A period of twelve months ended March 31 of that particular year, unless
risear of rinancial real of ri	otherwise stated.
GIR Number	General index registry number.
GoI or Government of India	Government of India.
G-Sec	Government security.
HUF	Hindu undivided family.
	Times sustricted iminity.

Abbreviation	Full Form
IRR	Internal rate of return.
Indian GAAP	Generally accepted accounting principles in India.
IFRS	International financial reporting standards.
IPO	Initial public offering.
IRDA	The Insurance Regulatory and Development Authority constituted under the Insurance Regulatory and Development Authority Act, 1999, as amended.
IT	Information technology.
IT Act / Income Tax Act	The Income Tax Act, 1961, as amended.
IT Department	Income tax department.
Ltd.	Limited.
Merchant Banker	Merchant banker as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992.
MICR	Magnetic ink character recognition.
Mutual Funds	Mutual funds registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, as amended.
N.A.	Not applicable.
NAV	Net Asset Value.
Net Worth	The aggregate of the paid up share capital, share premium account, and reserves and surplus (excluding revaluation reserve) as reduced by the aggregate of miscellaneous expenditure (to the extent not adjusted or written off) and the debit balance of the profit and loss account.
NEFT	National electronic fund transfer service.
NRE Account	Non-resident external account.
Non Residents or NRs	Persons resident outside India, as defined under FEMA, including Eligible NRIs and FIIs.
NRO Account	Non-resident ordinary account.
Non Resident Indian or NRI	A person resident outside India, as defined under FEMA and who is a citizen of India or a person of Indian origin, such term as defined under the Foreign Exchange Management (Deposit) Regulations, 2000, as amended.
NSDL	National Securities Depository Limited.
NSE	The National Stock Exchange of India Limited.
Overseas Corporate Body or OCB	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date was eligible to undertake transactions pursuant to the general permission granted to OCBs under FEMA.
p.a.	Per annum.
PAN	Permanent Account Number allotted under the IT Act.
P/E Ratio	Price/earnings ratio.
Pvt.	Private.
RBI	Reserve Bank of India.
Regulation S	Regulation S under the Securities Act.
RoC	The Registrar of Companies, Jaipur, Rajasthan.
RoNW	Return on Net Worth.
Rs. Or Rupees	Indian Rupees.
RTGS	Real time gross settlement.
SCRA	The Securities Contracts (Regulation) Act, 1956, as amended.
SCRR	The Securities Contracts (Regulation) Rules, 1957, as amended.
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act.
SEBI Act	The Securities and Exchange Board of India Act, 1992, as amended.
SEBI Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended.
Securities Act	The U.S. Securities Act of 1933, as amended.
SICA	The Sick Industrial Companies (Special Provisions) Act, 1985, as amended.
Sub-Account	Sub-accounts registered with SEBI under the Securities and Exchange Board of India (Foreign Institutional Investor) Regulations, 1995, as amended from time to time.
Takeover Code	The Securities and Exchange Board of India (Substantial Acquisition of Shares

Abbreviation	Full Form
	and Takeovers) Regulations, 1997, as amended.
U.S. or US	The United States of America, including its territories and possessions, any state
	of the Unites States of America and the District of Columbia.
U.S. GAAP	Generally accepted accounting principles in the United States of America.
VCFs	Venture Capital Funds as defined in and registered with SEBI under the VCF
	Regulations.
VCF Regulations	Securities and Exchange Board of India (Venture Capital Fund) Regulations,
-	1996, as amended.

Industry/ Project Related Terms, Definitions and Abbreviations

Abbreviation	Full Form
Academic Session/	
Academic Year	Commences in the month of April and ends in the month of March next year
AICTE	All India Council for Technical Education
AIEEE	All India Engineering Entrance Examination
AIPMT	All India Pre-Medical/Pre-Dental Test
B. Tech.	Bachelor of Technology
BBA	Bachelor in Business Administration
BCI	Bar Council of India
CABE	Central Advisory Board of Education
CBSE	Central Board of Secondary Education
CET	Central Education Institutions
Company Operated Training Centres	Such training centres as are operated directly by our Company
СРТ	Common Proficiency Test
ECAMS	Education Consultancy and Management Services
EFA	Education For All
Franchisee Centres	Such training centres which are operated and managed by franchisees pursuant to the "Education Centre and Affiliate Agreement", in accordance with the terms and conditions mentioned therein
GDP	Gross Domestic Product at factor cost
GER	Gross Enrollment ratio
Higher Education	Education commencing post completion of senior secondary school examination or equivalent
HoDs	Head of Departments
ICSE	Indian Council of Secondary Education
ICT	Information and Communication Technology
IIIT	Indian Institute of Information & Technology
IIM	Indian Institute of Management
IIT	Indian Institute of Technology
IIT-JEE	Indian Institute of Technology – Joint Entrance Examination conducted by IIT every year for the admission to its B.Tech, and other courses offered at all the various IITs, Institute of Technology Varanasi and Indian School of Mines Dhanbad
ISC	Indian School Certificate Examinations
ISM	Indian School of Mines
IT BHU	Institute of Technology, Banaras Hindu University.
K-12	Kindergarten to Class 12 – designation for the sum of primary and secondary education.

Abbreviation	Full Form
	Kishore Vaigyanik Protsahan Yojana is a program administered by Indian Institute of Science to encourage students of Basic Sciences, Engineering and Medicine to take
KVPY	up research careers in these areas
LAN	Local Area Network
M. Phil	Master of Philosophy
M. Sc	Master of Science
M. Tech.	Master of Technology
MBA	Masters in Business Administration.
MBBS	Bachelor of Medicine and Bachelor of Science
MCA	Masters in Computer Applications
MCI	Medical Council of India
MDM	Mid Day Meal Scheme
MHRD	Ministry of Human Resource Development.
Mn	Millions
MOU	Memorandum of Understanding
NAAC	National Assessment and accreditation council
NIT	National Institute of Technology
NKN	National Knowledge Network
NLM	National Literacy Mission
NTSE	National Talent Search Examination is a flagship activity of National Council of Education Research and Training to identify talented students and nurture their talents in the fields like Sciences, Social Science, Engineering, Medical, Medicine,
OBC	Management and Law Other Backward Classes
PGDM Ph. D	Post Graduate Diploma in Management Doctor of Philosophy
PPP	Public Private Partnership
Research and Development Cell	Cell consisting of certain members of our faculty, responsible for development of course material and content repository
SC	Scheduled Castes
Science Olympiad	An academic and scholastic aptitude competition encouraging learning in science, environment and mathematics
SLEEE	State Level Engineering Entrance Examination
SSA	Sarva Shiksha Abhiyaan
ST	Scheduled Tribes
UGC	University Grants Commission
UK	United Kingdom
VPN	Virtual Private Network
VSAT	Very Small Aperture Terminal
WAN	Wireless Area Network
	·

The words and expressions used but not defined herein shall have the same meaning as is assigned to such terms under the Companies Act, the SCRA, the Depositories Act and the rules and regulations made thereunder.

Notwithstanding the foregoing, terms in sections titled "Main Provisions of the Articles of Association", "Statement of Tax Benefits" and "Financial Information" at pages 271, 84 and 169, 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

Currency of Presentation

All references to "Rupees" or "Rs" are to Indian Rupees, the official currency of the Republic of India. All references to "US\$" or "U.S. Dollars" are to United States Dollars, the official currency of the United States of America.

Financial Data

Unless stated otherwise the financial data in this Draft Red Herring Prospectus is derived from our restated consolidated financial statements prepared in accordance with Indian GAAP and the SEBI Regulations, which are included in this Draft Red Herring Prospectus. Our fiscal year commences on April 1 and ends on March 31 of the next year. So all references to a particular fiscal year are to the twelve-month period ended on March 31 of that year.

All the numbers in the document, have been presented in million or in whole numbers where the numbers have been too small to present in millions.

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

In this Draft Red Herring Prospectus, any discrepancies in any table between the totals and the sum of the amounts listed are due to rounding off.

Market and Industry Data

Market and industry data used in this Draft Red Herring Prospectus has generally been obtained or derived from industry publications and sources. These publications typically state that the information contained therein has been obtained from sources believed to be reliable but their accuracy and completeness are not guaranteed and their reliability cannot be assured. Accordingly, no investment decisions should be made based on such information. Although we believe that industry data used in this Draft Red Herring Prospectus is reliable, it has not been verified. Similarly, we believe that the internal company reports are reliable however, they have not been verified by any independent sources.

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. There are no standard data gathering methodologies in the teaching industry in India and methodologies and assumptions may vary widely among different industry sources.

FORWARD-LOOKING STATEMENTS

This Draft Red Herring Prospectus contains certain "forward-looking statements". These forward looking statements can generally be identified by words or phrases such as "aim", "anticipate", "believe", "expect", "estimate", "intend", "objective", "plan", "project", "shall", "will", "will continue", "will pursue" or other words or phrases of similar meaning. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. All forward looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ from those contemplated by the relevant statement.

Important factors that could cause actual results to differ from our expectations include, but are not limited to, the following:

- our ability to successfully implement strategy, growth and expansion plans and technological initiatives;
- our ability to increase student enrollments, course fees and our course offerings;
- the performance of the educational services sector and the availability of financing for this sector in India;
- our ability to respond to technological changes;
- the expected increase in expenditures on education in India;
- occurrences of natural disasters or calamities affecting the areas in which we have operations;
- market fluctuations and industry dynamics beyond our control;
- changes in the competition landscape;
- potential mergers, acquisitions or restructurings;
- general, political, social and economic conditions in India;
- our ability to manage our growth effectively;
- our ability to finance our business growth and obtain financing on favourable terms;
- our ability to compete effectively, particularly in new markets and businesses;
- our dependence on key personnel;
- conflicts of interest with affiliated companies and other related parties;
- the outcome of legal or regulatory proceedings that we are or might become involved in;
- contingent liabilities, environmental problems and uninsured losses;
- government approvals:
- changes in government policies and regulatory actions that apply to or affect our business; and
- developments affecting the Indian economy.

For further discussion of factors that could cause our actual results to differ, see sections titled "Risk Factors", "Our Business" and "Management's Discussion of Financial Condition and Results of Operations" at pages 13, 107 and 170, respectively. By their nature, certain risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated.

Neither we nor any of the Underwriters nor any of their respective affiliates have any obligation 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, we and the BRLMs will ensure that investors in India are informed of material developments until the time of the grant of listing and trading permission by the Stock Exchanges.

SECTION II - RISK FACTORS

An investment in Equity Shares involves a high degree of risk. You should carefully consider all the information contained in this Draft Red Herring Prospectus, including the risks and uncertainties described below, before making an investment decision. The risk factors set forth below do not purport to be complete or comprehensive in terms of all the risk factors that may arise in connection with our business or any decision to purchase, own or dispose of the Equity Shares. The following risk factors are determined on the basis of their materiality. In determining the materiality of risk factors, we have considered risks which may not be material individually but may be material when considered collectively, which may have a qualitative impact though not quantitative, which may not be material at present but may have a material impact in the future. Additional risks, which are currently unknown, if materialises, may in the future have a material adverse effect on our business, financial condition and results of operations. The market prices of the Equity Shares could decline due to such risks and you may lose all or part of your investment.

Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implication of any of the risks described in this section. This Draft Red Herring Prospectus also contains forward-looking statements that involve risks and uncertainties. Our results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including events described below and elsewhere in this Draft Red Herring Prospectus. Unless otherwise stated, the financial information used in this section is derived from and should be read in conjunction with restated standalone financial statements of the Company as of and for the Financial Year 2005, 2006, 2007, 2008 and 2009 and for six months ended September 30, 2009 and 2008, in each case prepared in accordance with Indian GAAP, including the schedules, annexure and notes thereto.

Risk relating to our business

1. We do not have statutory protection of the trademark " "

We use the trademark " " and invest our resources in building the brand. Mr. Pramod Maheshwari, our Promoter has applied for registration of the " " trademark under the Trademarks Act of 1999, which is currently pending before the Trademark and Patents Registry, Ahmedabad. Our Company has the license to use the "Career Point" trademark, pursuant to a license agreement dated February 4, 2010.

Our usage of trademark "Career Point" is subject to following litigations:

- (a) Our Company and Mr. Pramod Maheshwari have filed a plaint before the District Court at Jaipur against Career Point Patiala, Punjab ("**Defendant**") to restrain them from using the trademark "Career Point." The Defendant has registered the trademark "Career Point" under class 16 of the Trademarks Act, 1999. The matter is currently pending before District Court at Jaipur.
- (b) Our Company and Mr. Pramod Maheshwari have filed a plaint before the District Court at Jaipur against Rishabhdev Education and Research Institute, Raipur, Chattisgarh ("**Defendant**") to restrain them from using the trademark "Career Point". The Defendant has registered the trademark under the Trademarks Act, 1999. The Court has granted a temporary injunction, restraining the Defendant from using the trademark "Career Point". The Defendant has filed an appeal before the High Court of Rajasthan, at Jaipur bench challenging the order passed by the District Court. Both the matters are currently pending.
- (c) Mr. Pramod Maheshwari has filed an application before the Intellectual Property Appellate Board, Chennai against Rishabhdev Education and Research Institute, Raipur, Chattisgarh for removal of the trademark "Career Point" from the Register of Trade Marks. The matter is currently pending before the Intellectual Property Appellate Board.
- (d) Mr. Pramod Maheshwari and our Company ("Plaintiffs") have filed a notice of opposition bearing application number 1635801 under Section 21(1) and Rule 47(1) of the Trade Marks Act, 1999

before the Registrar of Trademarks, Chennai for opposing the registration of a trademark sought by Career Point Consultants Private Limited and advertised in the Trade Mark Journal dated June 16, 2009 under class 35. The Plaintiffs have opposed the granting of this trademark as the mark "CAREER POINT" is exclusively associated with the opponent and it is the opponent's property; hence, by seeking to register a deceptively similar trademark, the applicant is invading the opponent's property rights.

In case an adverse order is passed against us, we may not be able to use the trademark "Career Point" at all or may be subject to certain restrictions. Such restrictions or prohibition could significantly affect our business, visibility, reputation and result of operation. For further discussions, see section titled "Outstanding Litigation and Material Developments" at pages 197, 203 and 204.

2. The trademark " has been licensed to us by our Promoter.

The trademark " " is licensed by Mr. Pramod Maheshwari to our Company by a trademark license agreement dated February 4, 2010, granting us an exclusive, irrevocable, renewable right to use the trademark for a term of 11 years. We cannot assure you that we will continue to have the uninterrupted use and enjoyment of the trademark in the event that we are unable to renew the license agreement. Further, renewal of the agreements may be on terms and conditions that are unfavorable to us, as a result we may suffer a disruption in our operations which could have an adverse effect on our business, financial conditions and results of operations.

3. There are certain legal and other proceedings pending against us and our Promoters, which if decided against us or our Promoters, could have an adverse effect on our reputation, business prospects and results of operations.

Our Company and our Promoters are involved in certain legal proceedings and claims. These legal proceedings are pending at different levels of adjudication before various courts and tribunals. Should any new developments arise, such as a change in Indian law or rulings against us by courts or tribunals, we may need to make provisions in our financial statements, which could have an impact on the profitability of our Company. We can give no assurance that these legal proceedings will be decided in our favour. Any adverse decision may have a significant effect on our business, prospects, financial condition and results of operations. The summary of the outstanding litigations, are provided below:

Sl.No.	Name of entity/person	Civil case	Criminal case*
1.	Company	48	18
2.	Promoters Directors		
	Mr. Pramod Maheshwari	12	1
	Mr. Nawal Kishore Maheshwari	5	Nil
	Mr. Om Prakash Maheshwari	2	3
3.	Subsidiaries		
	Career Point Edutech Limited	Nil	Nil
	Career Point Infra Limited	Nil	Nil
4.	Associates	Nil	Nil
5.	Group Companies and entities	Nil	Nil

^{*} These criminal cases are filed by the Company and Promoters Directors.

For further details in this regard, see section titled "Outstanding Litigation and Material Developments" at page 185.

4. Poor performance of our students may cause a loss to our Company and our business.

We tutor students for various competitive entrance examinations for admission into various professional colleges. However, the individual performance in a particular competitive entrance examination determines the rank and the professional college or institute, the student gets admission into. In addition to the tutoring provided by us, individual performance also depends on various personal factors including personal merit, ability to perform under pressure and mental state. The performance of our students is critical for our business. If our students do not perform well in the competitive entrance examinations despite putting in same efforts and resources, our enrollments and therefore our revenues could be adversely affected.

In the past, we have also observed that certain students not performing well in the competitive entrance examinations tend to file complaints against us alleging deficiency in our services, therefore, claiming refund of fees paid by them. We cannot assure you that such claims will not arise in future. Further, if these claims are maintained by the Courts or other appropriate forums, our revenues could be adversely affected.

Further, the satisfaction of the students and quality of our services in terms of teaching, providing study materials, counseling, administration of classes benchmarks our service standards. We believe that before enrollment with any tutorial service provider, the students consult their seniors which may comprise of currently registered students or our alumni. Any kind of student dissatisfaction in relation to any of our services, facilities or methods may cause an opinion shift regarding us among students which may adversely affect our business and profitability.

5. We have been subjected to survey from IT Department in the recent past. Any such raids might affect our reputation, business prospects and our operations.

Our Company has received an impounding order under Section 133A(3)(ia) of the Income Tax Act from the Assistant Director of Income Tax, Jaipur stating that certain documents/diaries/registers/loose papers/books of accounts were found during the survey which could not be verified from the regular books of assessee and no satisfactory explanation could be furnished by the assessee regarding the contents. Hence, the documents were impounded for further examination and verification. The Commissioner of Income Tax, Kota passed an order dated January 13, 2010 transferring the case of our Company including the "Career Point group" to the Deputy Commissioner of Income Tax, Jaipur. For further details in this regard, see section titled "Outstanding Litigation and Material Developments" at page 187.

6. The sector in which we operate is unregulated till date but in light of the increasing number of institutions, growing market and negative publicity or otherwise, the Government may introduce a regulatory framework.

We are not in position to predict whether any legislation will be passed by the Government or signed into law. But in light of the adverse publicity, media coverage and increasing market for private education centres and tutorials, the Government may introduce a law in order to regulate us. A regulation or legislation providing mandatory guidelines regarding functioning, operation, opening of centres, enrollment of students and chargeable fee may be introduced. Such legislation would curtail the operating freedom that our Company enjoys today and might adversely impact our business prospects.

7. We derive significant amount of revenues from our Company Operated Training Centre situated at Kota as compared to other Company Operated Training Centres. Any event negatively affecting the tutoring industry in Kota could have a material adverse effect on our overall business and results of operations.

We currently generate significant amount of our revenues from Company Operated Training Centre at Kota. In terms of the number of enrollments we have received 10,080 enrollments for the Kota centre compared to 5,345 enrollments at other Company Operated Training Centres for the year ending March 31, 2009.

Any event including slowdown or any economic or civil unrest in Kota or failure to perceive Kota as an appropriate destination for preparation of competitive entrance examinations could materially impact

enrollments of prospective students for our Kota centre which may adversely affect our business and results of operations.

8. Some of the immovable properties in which we operate our offices or provide tutoring may have irregularities such as defective title, non-permitted usage, documents inadequately or not stamped or documents not duly registered, as a result of which our operations may be impaired.

Certain of the immovable properties we lease or use under license arrangements may not have been constructed or developed in accordance with local planning and building laws and other statutory requirements. In addition, there may be certain irregularities in title with respect to some of our leased or licensed properties. Some of our properties/premises can be used only for a permitted usage as per the local laws and non-compliance thereof could adversely impact the continuance of our activity from such premises. Some of the agreements for such arrangement may not be adequately stamped or registered with the registering authority of appropriate jurisdiction. An instrument not duly stamped or insufficiently stamped shall not be admitted as evidence in any Indian court. Further, no document required to be registered shall affect any right over the immovable property unless it has been registered.

One of our properties at Jaipur is under dispute for payment of deficit stamp duty. Assistant Collector, Jaipur has passed an order against our Company to pay the deficit stamp duty of Rs. 879,920 and a penalty of Rs. 1,500. The matter is currently pending before High Court of Rajasthan at Jaipur bench. For further details of this case, please refer to section titled, "Legal and Other Information", at page 190.

9. Our Registered Office is situated in a residential area and we have also received a notice from Municipal Corporation of Kota to submit list of buildings.

Our registered office is presently located at 112B, Shakti Nagar, Kota – 324009, Rajasthan. The said premise is situated in a residential area and carrying on any commercial activity on the said premise is not permissible under Rajasthan municipal bye-laws. In the event our Company receives any notice from the concerned local municipal authority for stoppage of commercial activities on the premises, we may have to shift our Registered Office to some other premises. Such shifting of our Registered Office may result in disruption of our business operations, which could adversely affect our business, financial condition and results of operations.

Further, we have also received a notice dated February 3, 2010 from the office of Municipal Corporation, Kota (Rajasthan) to provide a list of Company's buildings/premises, pursuant to an order of the High Court of Rajasthan. For further details refer to section titled "Outstanding Litigation and Material Developments" at page 191.

10. We are using trademark "Proposition" which is owned by our Promoter, without any contractual agreement.

The "Proposition" trademark do not belong to us. The "Proposition" trademark belongs to our Promoter Mr. Pramod Maheshwari and we make use of it through an informal understanding. If the Promoter at any time refuses or objects to the continuing usage of the trademark, we will not be able to make use of the "Proposition" trademark in connection with our business and consequently, we may be unable to capitalize on the brand recognition associated with it. Accordingly, we may be required to invest significant resources in developing a new brand.

11. Our Registered Office from which we operate is not owned by us.

Our Registered Office from which we operate is not owned by us. We operate from premises that are taken on lease from our Promoter, Mr Pramod Maheshwari for a period of 11 months beginning from January 01, 2010 for a consideration of Rs. 40,000 per month. If Mr. Pramod Maheshwari refuses to renew the agreements pursuant to which we occupy the premises or only offers to renew such agreements on terms

and conditions that are unacceptable to us, or at all, we may suffer a disruption in our business operations, which could adversely affect our business, financial condition and results of operations.

12. Our growth may place a strain on our resources that could adversely affect our systems, controls and operating efficiency.

The growth that we have experienced in the past, as well as any future growth that we may experience, may place a significant strain on our resources like management, faculty, infrastructure facilities and administrative support. Future growth will also require continued improvement of our internal controls and systems. If we are unable to manage our growth or successfully carry out our operations, we may experience operational inefficiencies that could increase our costs and adversely affect our profitability and results of operations.

13. Strong competition in the tutorial market, especially in the sector of preparatory courses for competitive entrance examinations, could decrease our market share and compel us to reduce our tuition fee.

Tutoring business for competitive entrance examinations is highly fragmented and competitive. We compete with various institutes that offer courses similar to ours. Some of our competitors may have greater brand recall, better financials and other resources than we have, which may enable them to compete against us more effectively for future enrollments. We may also face competition from new entrants.

We may not be able to compete successfully against current or future competitors and may face competitive pressures that could adversely affect our business and results of operations. These competitive factors may force us to reduce our tuition fees or increase our spending in order to retain or attract faculty members and students and to pursue new market opportunities which may have an adverse impact on our enrollments, revenues and profitability.

Further, due to shift in the teaching methods from traditional model to virtual model, use of technology for digitising the content and creation of virtual classrooms adds to the competition. Any newer technology can be disruptive for our Company's tutorial business and can increase competition in the market. In addition, free online content availability poses a threat to our Company which can have an adverse effect on our revenues and profitability.

14. If we are unable to update and expand the content of our existing courses in a cost-effective manner or at all, our future growth may be impaired.

In order to keep pace with the changing pattern of competitive entrance examinations, we have to continuously update and expand our existing courses. If we fail to update and expand our existing courses in a timely and cost-effective manner or at all or if such updates are not in line with the expectations of students, we may lose such existing or prospective students, which may adversely affect our business and results of operations.

Also, if we are unable to respond adequately to changes in market requirements due to financial constraints, regulatory limitations or other factors, our ability to attract and retain students could be impaired and our financial results could suffer.

15. We may face difficulties in introducing new courses and expanding our network.

Our business strategies include introducing new courses and expanding our network across India. Introducing new courses and expanding our network requires us to make additional investments in infrastructure, faculty, marketing and other resources. We may have limited experience with new course offerings and may need to modify our systems and strategy or enter into arrangements with other institutions to provide new courses effectively and profitably. Expanding our network poses unique challenges like acquisition of premises, establishment of infrastructure across cities and maintain consistent standard of services through-out the network.

Therefore, the expected return on incremental investments, pursuant to expansion of our network and introducing new courses may not be in line with our past performances or such investments may not be profitable at all.

16. Our growth strategies are subject to execution risks.

The success of our business will depend greatly on our ability to effectively implement our growth strategies. Our growth strategies include expanding our course offerings, participation in formal education, use of technological platform to deliver our courses, expanding our own network, development and updation of our course contents and new product offerings in a cost effective and timely manner. Formal education sector is highly regulated sector and hence our participation in formal education sector is subject to inherent regulatory risks. The expansion of our courses and services in terms of the type of offerings and the geographic locations may not succeed due to competition, our failure to effectively market our new offerings and our failure to maintain quality and consistency of our services. In addition, we may fail to identify new cities with sufficient growth potential to expand our network, and we may fail to attract students or increase student enrollments or recruit, train and retain qualified faculty members for training centres. Failure in implementing any of our growth strategies effectively might have an adverse effect on our business and profitability.

17. Our failure to obtain additional capital in future could adversely affect our ability to grow.

We believe that cash flow from our current operations are adequate to fund our current operating and growth plans under implementation. However, we may need additional financing in order to fund our future growth, particularly if we introduce any course in a new vertical or if we intend to set up an additional infrastructure in order to expand our network. The amount, timing and terms of such additional financing will vary primarily depending on the timing and size of our new program offerings and the amount of cash flows generated from our operations. To the extent that we require additional financing in the future, such financing may not be available on terms acceptable to us or at all and, consequently, we may not be able to fully implement our growth strategy.

18. If we are not able to attract students, our financial performance in the future would suffer.

Building awareness of the courses we offer among potential students is critical to our ability to attract new students. In order to maintain and increase our revenues and profitability, we must continue to attract new students in a cost-effective manner. We use promotional tools such as advertising through print and electronic media, awareness seminars and internet advertising to promote our training centres and courses. Additionally, general reputation of our Company and referrals from current students, alumni and faculty members also act as a source for new enrollments. Some of the factors that could dilute the impact of effective advertising and marketing include:

- media strategies of our competitors;
- factors relating to costs of advertising and broad-based branding campaigns; and
- adverse publicity regarding us.

If such factors come into play, we may face dilution of our advertising and marketing strategies which may prevent successful enrollment and retention of students for our courses.

19. The loss of any key member of our management team or faculty may impair our ability to operate effectively and may have an adverse effect on our business.

Our success has depended, and will continue to depend, largely on the skills, efforts and motivation of our management, faculty and experts who generally have significant experience within our industry. Our success also depends in large part upon our ability to attract and retain highly qualified faculty, administrators and senior management. We face significant competition in attracting and retaining personnel who possess the skill sets that we seek. In addition, key personnel may leave us and subsequently

compete against us. Though, we engage our faculty members on the basis of offer letters which provide for restrictions like confidentiality and non-compete, we cannot assure if we will be able to retain our faculty members based on such restrictions, or would be able to enforce such restrictions at all. The loss of one or more members of our key management team or our faculty could adversely affect our business.

20. Our TechEdge Classes are exposed to technological challenges which may affect our business prospects.

Our dependence on delivery of lectures through TechEdge Classes requires us to maintain active voice communications between our main centre and place where our TechEdge Class is situated. Although we maintain back-up facilities and communications links, disruptions could result from, among other things, technical and electricity breakdowns, computer glitches and viruses and adverse weather conditions. Any significant failure of our equipment or systems, or any major disruption to basic infrastructure like power and telecommunications in the locations in which we operate, could impede our ability to provide tutoring services through technology enabled platforms, which may have a negative impact on our reputation and may cause us to lose enrollments thereby affecting our business revenues.

21. Growth of our venture TechEdge Class depends on its acceptability from our students.

To expand our operations, we intend to provide tutoring services to students across the nation including remote towns through our TechEdge Class. TechEdge Class is based on VSAT/VPN technology. Since, this mode of education delivery is in its nascent stage, we might face resistance in acceptance of this technology enabled platform from students. In the event our students refuse to accept this education delivery platform, we may lose potential as well as existing students, which may adversely affect our revenues.

22. Any decrease in the perceived or actual benefits derived from our courses, may affect our enrollments.

We offer preparatory courses to students who intend to appear in various competitive entrance examinations. Students after undergoing preparatory courses appear for such competitive entrance examinations. These competitive entrance examinations enable them to procure admission (based on merit) into specific college. Any decrease in the perceived or actual benefits of admissions into such colleges whether caused due to shift in orientation of students, availability of alternate career options, change in employment opportunities or for any other reason, will cause a decrease in the enrollments, as a result our revenues will suffer.

23. Our study material and content focus receives substantial guidance from analysis of experts in our Research and Development Cell and any wrong analysis may lead to poor quality of service deliverables.

Our Company has a separate Research and Development Cell which continuously analyses the examination trends for various competitive entrance examinations. In order to keep our study materials and course materials updated, we rely on these experts to determine the focus of our course and draft the study materials. Inapt analysis by our experts in Research and Development Cell or loss of any key expert from this team, may substantially affect quality of our study material and course focus thereby adversely affecting our revenues.

24. Inability to integrate our different centres, may experience operational inefficiencies.

Integrating acquired operations into our training centres involves significant risks and uncertainties, including:

- Inability to maintain uniform standards, controls, policies and procedures;
- Distraction of management's attention from normal business operations during the integration process;

- Expenses associated with the integration efforts; and
- Unidentified issues not discovered in our due diligence process, including legal contingencies.

If we are not able to integrate our different centres and institutes functioning all across the country, we may experience operational inefficiencies.

25. Our business is subject to continuous training and development of faculty. Any failure to provide such development and training related services, may impact our business.

Our Company also has an in-house faculty training and development cell which helps us to improve the quality and delivery standards of our faculty. Our faculty development and training cell comprises of senior faculty members who undertake training and development courses on a regular basis to improve the training skills of our faculty. Any problems in the faculty development and training program may directly affect the quality of our teaching services, leading to loss of business.

26. The study material prepared by us may be plagiarised.

The study material provided to our students is prepared after resource consuming analysis and research in our Research and Development Cell. This material is freely available to our students. But we neither have any system or mechanism to track the sale of such study materials in open markets nor can we effectively restrict duplication of the material. Hence the study material may be easily availed, copied and distributed by outsiders. This may adversely affect our business.

27. We do not own all the premises we operate from and hence any problem relating to such premises, may adversely affect our business.

We do not own all the premises from where we operate. Majority of our premises from where we carry our operations are rented. Hence any problem which we may face in future with our landlords in relation to the tenancy agreement would impair the growth of our business and network. Although we at all times would strive for an amicable solution, any dispute faced in this regard may adversely affect our profits and revenues.

Besides, the lease agreements for our premises are renewable on mutual consent. If any of the owners of these premises do not renew the agreements under which we occupy the premises or renew such agreements on terms and conditions that are unfavorable to us, we may suffer a disruption in our operations which could have an adverse effect on our business, financial conditions and results of operations.

28. We may face competition from our disassociated faculty members.

Although our offer letters carry a non-compete clause which restricts our faculty members from entering into competing activities for pre-defined period of 12 months, post termination of the engagement, there always exists a probability that they may enter into competing business. Though, in the past we have not attempted to enforce non-compete related obligations upon our disassociated faculty members, we cannot assure you whether such non-compete restriction would be enforced by the courts in India. Therefore, a competitive business establishment opened by former faculty members may hamper the business or decrease our market share.

29. We have made applications for registration of our trademarks, which are yet to be registered and one of our trademark application has received an objection from Patents and Trademarks Registry.

We have applied for registration of trademarks " Tourism ", " Trademarks ", " Trademarks ", " Trademarks ", " Trademarks are pending to the trademarks.

registration. For details of approvals relating to intellectual property, see section titled "Government and Other Approvals" at page 208. In absence of any statutory right, we may be restrained from using the trademarks which may adversely affect our business and operations.

While tracking the progress of our trademarks registration application on the website of Controller General of Patents Designs and Trade Marks Registry, we have observed an objection to our trademark application

for " . We await receipt of written communication from the Patents and Trademark Registry and the grounds for such objection. However, in the event the objection raised has not been responded by us to the satisfaction of the Patents and Trademark Registry, we may not be able to obtain the

registration over the trademark " ", which may force us to look for an alternative brand for our operations. This may affect our operations, business prospects and visibility. We also can not assure you that such objections will not be received in future from Patents and Trademark Registry.

30. If our franchisees fail to operate their training centres successfully, our results of operations may be adversely affected.

Our franchise business generated approximately 9.31% and 5.07% of our restated standalone operational revenues for the year ended March 31, 2009 and for six months ended September 30, 2009, respectively. Franchisees may not have access to financial resources they need in order to maintain the training centres due to unavailability of credit or other factors beyond their control. Any significant inability on the part of franchisees to obtain necessary financing on acceptable terms, or at all, could affect our business, profitability and results of operation.

31. Certain of our Subsidiaries and Group Companies and entities have incurred losses during recent financial years.

Certain of our Subsidiaries and Group Companies and entities have incurred losses in the recent Financial Years. The following are the Subsidiaries and Group Companies and entities which have made losses in one or all of Financial Years 2007, 2008 and 2009:

(Rs. in million)

S. No.	Name of Subsidiaries	Fiscal 2009	Fiscal 2008	Fiscal 2007
1.	Career Point Edutech Limited	(0.15)	(0.10)	(0.01)
2.	Career Point Infra Limited	(0.38)	(0.27)	-

(Rs. in million)

S. No.	Name of our Associate company	Fiscal 2009	Fiscal 2008	Fiscal 2007	
1.	Imperial Infin Private Limited	-	(0.03)		-

(Rs. in million)

				(
S. No.	Name of Group Companies and entities	Fiscal 2009	Fiscal 2008	Fiscal 2007
1.	Rubymerry Enterprises Private Limited	(0.65)	-	-
2.	Swastika Polyolefins Private Limited	(0.33)	(0.60)	(0.001)
3.	Maheshwari Agrobase Private Limited	(0.02)	(0.02)	-
4.	Career Point Publications Limited	(0.10)	(0.08)	(0.01)
5.	Gopi Bai Foundation Trust Kota (Raj.)	(2.29)	(0.85)	(0.25)
6.	Longway Business Solutions Private Limited	(0.24)	-	-

In the event the above mentioned Subsidiaries and our Associate company continue to incur losses, our Company's consolidated results of operations and financial condition may be adversely affected. For further details, please refer to the section titled "History and Certain Corporate Matters" and "Our Promoters and Group Companies" at pages 127 and 154. Further, none of our Subsidiaries and Group Companies and entities has negative networth.

32. Our Business is seasonal in nature.

Our business is closely linked to the academic cycle. Historically, due to summer vacations and declaration of results by various boards for secondary education and competitive entrance examinations, our enrollments have been higher during the first and second quarter of the Financial Year. As a result of this, our quarter-on-quarter data regarding enrollments may not be comparable or a meaningful indicator of our futuristic enrollments. It is possible that in certain quarters our enrollments may be below expectations or we may not receive enrollments at all. Such analysis of our enrollments on a quarter-on-quarter basis may be perceived as negative indicator of our growth, which may adversely impact market price of our Equity Shares.

33. We have filed certain compounding applications for violations of provisions of Companies Act.

Our Company has filed an application for compounding of offence under Section 621A of the Companies Act read with various other sections of the Companies Act, before the Regional Director, Northern Region, Noida, for the following:

- (a) voting for on contract or arrangement in which the directors are interested;
- (b) for entering into related party transactions without obtaining prior approval of the Central Government;
- (c) for non-appointment of whole time company secretary during the period from August 10, 2006 to November 1, 2007;
- (d) for grant of loans to director, any private company of which any such director is a director or member and any firm in which any such director or relative is a partner, without obtaining the previous approval of the Central Government;
- (e) for not having an audit committee in place.

For further details, see section titled "Outstanding Litigation and Material Developments" at page 185.

34. One of our Group Companies and entities has its objects similar to that of our business activities and there could be a potential conflict of interest with us.

One of our Group Companies and entities, Wellwin Technosoft Private Limited, has some objects similar to those of our Company. Presently Wellwin Technosoft Private Limited is not carrying on any business activity which is similar to our business. However, in the event it decides to pursue the objects as stated in its memorandum of association, it may adversely affect our business. To that extent, we may have a potential conflict of interest with Wellwin Technosoft Private Limited.

35. The insurance policies obtained by us may not be adequate to protect us against certain risks and we may be subject to losses that might not be covered in whole or in part by existing insurance coverage.

Our principal types of insurance coverage include motor vehicle insurance, cash-in-transit insurance and Directors' liability insurance, but we cannot assure that the level of insurance maintained by us is adequate. Further, except for our Registered Office and Corporate Office none of our premises are insured. Any damage suffered by us in respect of uninsured events would not be covered by such insurance policies and we would bear the effect of such losses. We cannot assure you that any claim under the insurance policies maintained by us will be honoured fully or on time. Any payments we make to cover any losses, damages or liabilities or any delays we experience in receiving appropriate payments from our insurers could have an adverse effect on our business, financial condition and results of operations.

36. Our ability to pay dividends in the future will depend upon future earnings, financial condition, cash flows, working capital requirements and capital expenditures.

Our ability to pay dividends in future will depend on the earnings, financial condition, cash flow, working capital requirements and capital expenditure. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board and will depend on factors that our Board deems relevant, including among others, our results of future earnings, financial condition, cash requirements, business

prospects and any other financing arrangements. We cannot guarantee our ability to pay dividends.

37. If we are unable to obtain, maintain or renew our statutory and regulatory licenses, permits and approvals required to operate our business it may materially and adversely affect our business and operations.

We are required to obtain statutory and regulatory approvals or permits at various stages of our operation. For example, we are required to obtain certain licenses under the applicable Shops and Establishment Act of the various states in India in which our centres are located. We have applied for, or are in the process of applying for, such approvals or their renewal. However, as of the date of filing the DRHP, we have not applied for any regulatory permit or approvals for two of our centres situated at Hyderabad, Andhra Pradesh and Alwar, Rajasthan.

We may not receive such approvals or renewals of such approvals may not happen in the expected time frame anticipated by us or at all. We may also be faced with investigations and inquiries from various governmental authorities for not obtaining approvals for the abovementioned training centres. Our decision of not applying for the approvals and permits and our inability to obtain or renew the approvals and permits on time or at all, may affect our business and result of operations. For further details in this regard, see section titled "Government and Other Approvals" at page 207.

38. We have entered into, and may continue to enter into related party transactions.

We have entered into certain related party transactions with our Subsidiaries, Directors, Promoters and Promoter Group entities. The related party transactions entered into by us have been disclosed in our restated audited financial statements. See section titled "Financial Statements" at page 169 for further details of these related party transactions. While we believe that all such transactions have been conducted on an arm's length basis, there can be no assurance that we could not have achieved more favourable terms had such transactions been entered into with unrelated parties.

39. Different kind of regulatory policies or legislations in different States may be in effect governing our different centres.

"Education" is a matter of concurrent legislation, since it falls under Schedule VII, List III (Concurrent List), Entry 25 of the Constitution of India. Hence, both the State Governments as well as the Central Government are empowered to enact a legislation on this matter. Since we provide management services to the K-12 segment and Higher Education, we expose ourselves to such regulatory impositions as may arise in future. Hence there might be a situation that State Governments may come up with different kinds of policies or laws regarding management services.

In that case, there might be a situation where our clients situated in different states are subject to different kind of policies, regulations or laws which may pose a threat to feasibility of providing management services.

40. Our indebtedness and the conditions and restrictions imposed by our financing arrangements could adversely affect our ability to conduct our business.

There are restrictive covenants in the financing agreements that our Company has entered into with HDFC Bank for short-term loans. Some of these restrictive covenants require the prior permission of the said bank for certain activities for example, restrictions pertaining to the declaration of dividends, alteration of the capital structure and entering into any merger/amalgamation.

41. We have experienced negative cash flow in the past and may experience the same in future.

We had negative cash flows from investing activities for prior years, as per our restated standalone financial statements. This has been primarily due to addition to fixed assets and purchase of investments of Rs. 16.99 million and Rs. 740.48 million respectively for six months period ending September 30, 2009.

We have also added fixed assets and purchased investments amounting to Rs. 98.94 million and Rs. 6.30 million respectively for the year ending March 31, 2009. This is in addition to fixed assets and investments in Subsidiaries amounting to Rs. 51.87 million and Rs. 34.50 million respectively for period ending March 31, 2008 and addition of fixed assets and purchase of investments amounting to Rs. 37.32 million and Rs. 24.76 million respectively for the year ending March 31, 2007. In addition, we also had a negative cash flow from operating activities of Rs. 19.80 million for period ending March 31, 2009.

For further details see section titled "Financial Statements – Annexure III" at page F-7.

There can be no assurance that we will not experience periods of negative operating cash flow in the future. If the negative operating cash flow trend persists in future, our Company may not be able to generate sufficient amounts of cash flow to finance our Company's working capital and capital expenditure requirements which could have a material adverse effect on our business and results of operations.

42. Our contingent liabilities in standalone restated financial statements could adversely affect our financial condition.

As of September 30, 2009, our aggregate contingent liabilities consists of liability raised in service tax and consumer related matters amounting to Rs. 4.38 million and Rs. 1.22 million respectively. In the event that any of these contingent liabilities materialize, our results of operation and financial condition may be adversely affected. For further details, see section titled "Management's Discussion and Analysis of Condition and Results of Operations" at page 175.

The details of our contingent liabilities for the six month period ended September 30, 2009 and for the Fiscals 2009, 2008, 2007, 2006 and 2005 are:

(Rs in Millions)

	As at		As at March 31			
Particulars	September 30, 2009	2009	2008	2007	2006	2005
Service tax liability in respect of matters in appeal	4.38	4.44	1.77	1.77	Nil	Nil
Consumer cases liability in respect of matter in appeal	1.22	1.05	0.50	0.88	Nil	Nil
Total	5.60	5.49	2.27	2.65	Nil	Nil

In the event that any of the above contingent liabilities fructify, the same could adversely affect the financial condition of our Company.

43. We have not made any provision in our financial statements for potential decline in value of our investments.

Our investments include investments in market securities, which are subject to inherent market risks. Any fluctuation in the market index may fluctuate the value of our investments. We have not made any provision in our financial statements in respect of any potential loss which may be caused due to decline in value of such investments. If the value of these investments were to decline significantly, there could be a material adverse effect on our business, financial condition and results of operations.

As on September 30, 2009 we have made an investment of Rs. 760.35 million in such securities.

Risks Relating to Objects of the Issue

1. The funding requirements of our Company and the deployment of Net Proceeds are based on management estimates and have not been independently appraised by any bank or financial institution and may be revised from time to time.

The deployment of Net Proceeds is based on management estimates and has not been appraised by any bank, financial institution or other independent institution. Our management will have discretion in the application of the Net Proceeds and investors will not have the opportunity, as part of their investment decision, to assess whether we are using the proceeds in a manner that they believe enhances our market value. In view of the highly competitive nature of the industry in which we operate, we may have to revise our management estimates from time to time and consequently, our programs for deployment of Net Proceeds may be rescheduled.

2. Any delay in the schedule of implementation might have an adverse impact on our profitability.

Our schedule of implementation is exposed to various risks including time and cost overrun due to various reasons including those which may be beyond our control. In case any such event occurs, which results in delaying our schedule of implementation, we may have to incur additional cost and we may not execute our business plan in line with the upcoming academic sessions. Such time and cost overrun may adversely impact our profitability.

3. We have not entered into definitive arrangements for the utilization of funds raised in this Issue.

We have not entered into any definitive arrangements for the utilization of funds being raised pursuant to the Issue. In absence of such arrangements, the deployment of funds raised through the Issue, as specified in the section titled "Objects of the Issue", is dependent on the execution of such arrangements with third parties.

We may obtain fresh quotations at the time of actual placement of the order for the respective equipment. The actual cost may thus depend on the prices finally settled with such suppliers and to that extent may vary from the above estimates. Further, our estimated completion dates may vary based on the time and cost, or tax or duty implications, involved in actual procurement. In the event that such arrangements are not executed in a timely manner or on acceptable terms, our ability to use the Net Proceeds may be materially and adversely affected.

4. We have not identified the target company(ies) for the proposed acquisitions.

We are in the process of short listing companies for undertaking acquisitions, investments or strategic relationships as part of our growth strategy. The targets for acquisitions/investment have not been identified yet. We may be unable to identify acquisition targets that complement our business, and even if we are able to identify suitable acquisition targets, we may not be able to complete acquisition of such targets on commercially reasonable terms, or at all. In addition, these acquisitions, investments, divestitures or strategic relationships, may not necessarily contribute to our profitability, may divert the attention of our management or require us to assume high levels of debt or contingent liabilities as part of such transactions. Additionally, we could experience difficulty in combining operations and cultures, and may not realize the anticipated synergies or efficiencies from such transactions. Our ability to successfully integrate acquisitions will depend on number of factors, including our ability to market and sell our courses at our existing Company Operated Training Centres in a manner that results in customer satisfaction. There is no assurance that we will be successful with respect to any of these factors. These difficulties could disrupt our ongoing business, distract our management and employees and increase our expenses.

5. We have not decided the form of investment for infusion of Net Proceeds in potential targets.

We would be deploying a part of Net Proceeds towards acquisition and strategic initiatives. As of the date of the DRHP, we have not entered into any definitive contractual commitment for any acquisition or strategic initiatives. Further, we have also not yet finalized the form of investment for such potential targets and may choose to invest by way of equity or any convertible instruments. Although our mode of investment would be based on various factors including, funding requirements and rate of return, we cannot assure you that each investment would appear to be the best form of investment.

6. We have not received final approval in relation to change in land usage for the land where we intend to develop integrated campus facility.

The land over which we intend to develop an integrated campus facility at Kota, has received an inprinciple approval for conversion of land usage from the Urban Improvement Trust, Government of Rajasthan vide their letters all dated November 25, 2009. However, such approval is subject to receipt of final land conversion approval in order to commence construction over the said land. In the event necessary final approvals cannot be obtained from the concerned authorities, we may not be able to develop integrated campus facility over such land. This may force us to alter our plans in relation to development of integrated campus facility at Kota, which may adversely affect our business and financial prospects.

7. Permission for change in land use of industrial plot E-8(i) of Indraprastha Industrial Area, Kota is subject to certain conditions.

We intend to develop class room infrastructure and office facility over E-8(i), Indraprastha Industrial Area, Kota, Rajasthan. We have received permission from Rajasthan State Industrial Development & Investment Corporation for change in land use, subject to compliance with certain conditions (e.g. depositing conversion charges, obtaining NOCs from other authorities, execution of new lease deed). However, in the event we are not able to comply with the conditions mentioned therein within the stipulated time frame, then the permission would stand withdrawn. We cannot assure you that we will be able to comply with the conditions within the given time frame. Failure to do so may result in withdrawal of the permission, which may adversely affect our business prospects and our revenues.

External Risks

1. There is no existing market for our Equity Shares, and we do not know if one will develop. The price of our Equity Shares may be volatile, and you may be unable to resell your Equity Shares at or above the Issue Price, or at all.

Prior to the Issue, there has been no public market for our Equity Shares, and an active trading market on the Indian Stock Exchanges may not develop or be sustained after the Issue. The Issue Price of the Equity Shares may bear no relationship to the market price of the Equity Shares after the Issue. The market price of the Equity Shares after the Issue may be subject to significant fluctuations in response to, among other factors, variations in our operating results, market conditions and environment towards developments relating to India and volatility in the BSE and the NSE and securities markets elsewhere in the world.

2. There is no guarantee that the Equity Shares will be listed on the Stock Exchanges in a timely manner or at all.

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 issued and allotted. Approval requires all relevant documents authorizing the issue of Equity Shares to be submitted to Stock Exchanges. There could be a failure or delay in listing the Equity Shares on the BSE and the NSE. In accordance with section 73 of the Companies Act, in the event that the permission of listing the Equity Shares is denied by the stock exchanges, we are required to refund all monies collected to investors. Any failure or delay in obtaining the approval could restrict your ability to dispose of your Equity Shares in a timely manner.

3. Any trading closures at the BSE and the NSE may adversely affect the trading price of our Equity Shares.

The regulation and monitoring of Indian securities markets and the activities of investors, brokers and other participants differ, in some cases significantly, from those in Europe and the U.S. The BSE and the NSE have in the past experienced problems, including temporary exchange closures, broker defaults, settlements delays and strikes by brokerage firm employees, which, if continuing or recurring, could affect the market price and liquidity of the securities of Indian companies, including the Equity Shares, in both domestic and

international markets. A closure of, or trading stoppage on, either of the BSE and the NSE could adversely affect the trading price of the Equity Shares.

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

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

5. Increases in interest rates may adversely impact our results of operations.

We are exposed to interest rate risk but we do not currently enter into any swap or interest rate hedging transactions in connection with our loan agreements. We may enter into interest hedging contracts or other financial arrangements in the future to minimize our exposure to interest rate fluctuations. We cannot assure you, however, that we will be able to do so on commercially reasonable terms or any of such agreements we enter into will protect us fully against our interest rate risk. Any increase in interest expense due to factors beyond our control, such as governmental, monetary and tax policies and domestic and international economic and political conditions, may have an adverse effect on our business prospects, financial condition and results of operations.

6. Future issuances or sales of the Equity Shares could significantly affect the trading price of the Equity Shares.

The future issuances of Equity Shares by our Company or the disposal of Equity Shares by any of the major shareholders of our Company or the perception that such issuance or sales may occur may significantly affect the trading price of the Equity Shares. There can be no assurance that we will not issue further Equity Shares or that the shareholders will not dispose of, pledge or otherwise encumber their Equity Shares.

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

Any adverse revision to the rating of India's domestic or 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 funding is available. This could have an adverse effect on our business and future financial performance, its ability to obtain financing for capital expenditures and the trading price of the Equity Shares.

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

Our financial statements are prepared in conformity with Indian GAAP, consistently applied during the stated periods and no attempt has been made to reconcile any of the information given in this Draft Red Herring Prospectus to any other IFRS or to base it on any other standards. Indian GAAP and Indian auditing standards may differ from accounting principles and auditing standards with which prospective investors may be familiar in other countries. Significant differences exist between Indian GAAP and IFRS which may be material to the financial information contained in this Draft Red Herring Prospectus. In making an investment decision, investors must rely upon their own examination of us, the terms of the

offering and the financial information contained in the Draft Red Herring Prospectus. Our failure to successfully adopt IFRS effective from April 2011, though not quantifiable monetarily, could have a material adverse effect on our stock price. There can be no assurance that our adoption of IFRS will not adversely affect our reported results of operations or financial condition and any failure to successfully adopt IFRS by April 2011 could have a material adverse effect on our stock price.

Volatility in political, economic and social developments in India could adversely affect our business.

The central and state governments serve multiple roles in the Indian economy, including producers, consumers and regulators, which may have a significant influence on us. Economic liberalization policies have encouraged private investment in our industry and changes in these governmental policies could have a significant impact on the business and economic conditions in India, which in turn could adversely affect our business, future financial condition and results of operations. In addition, the leadership of India has undergone multiple changes since 1996. Any political instability in India may adversely affect the Indian securities markets in general, which could also adversely affect the trading price of our Equity Shares.

10. Financial instability in Indian financial markets could adversely affect our results of operations and financial condition.

The Indian financial market and the Indian economy are influenced by economic and market conditions in other countries, particularly in Asian emerging market countries. Financial turmoil in global economy in recent years has affected the Indian economy. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss in investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm our results of operations and financial condition.

11. Civil disturbances, regional conflicts and other acts of violence in India and abroad may disrupt or otherwise adversely affect the Indian economy.

Certain events that are beyond the control of our Company, such as violence or war, including those involving India, the United Kingdom, the United States or other countries, may adversely affect worldwide financial markets and could potentially lead to a severe economic recession, which could adversely affect our business, results of operations, financial condition and cash flows, and more generally, any of these events could lower confidence in India's economy. Southern Asia has, from time to time, experienced instances of civil unrest and political tensions and hostilities among neighboring countries. Political tensions could create a perception that there is a risk of disruption of services provided by India-based companies, which could have an adverse effect on our business, future financial performance and price of the Equity Shares. Furthermore, if India were to become engaged in armed hostilities, particularly hostilities that are protracted or involve the threat or use of nuclear weapons, the Indian economy and consequently Company's operations might be significantly affected. India has from time to time experienced social and civil unrest and hostilities, including riots, regional conflicts and other acts of violence. Events of this nature in the future could have an adverse effect on our ability to develop our business. As a result, our business, results of operations and financial condition may be adversely affected.

12. Investors may have difficulty enforcing foreign judgments against our Company or its management.

The Company is a limited liability company incorporated under the laws of India. All Directors and key management personnel are residents of India and a substantial portion of our assets and such persons, are located in India. As a result, it may not be possible for investors to effect service of process upon our Company or such persons outside India, or to enforce judgments obtained against such parties outside India.

Recognition and enforcement of foreign judgments is provided for under Section 13 of the Code of Civil Procedure, 1908, of India (the "Civil Code") on a statutory basis. Section 13 of the Civil Code provides that foreign judgments shall be conclusive regarding any matter directly adjudicated upon, 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 recognize the law of India in cases to 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; and (vi) where the judgment sustains a claim founded on a breach of any law then in force in India. Under the Civil Code, a court in India shall, upon the production of any document purporting to be a certified copy of a foreign judgment, presume that the judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record.

India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. Section 44A of the Civil Code provides that where a foreign judgment has been rendered by a superior court, within the meaning of that Section, in any country or territory outside India which the Government has by notification declared to be in 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 Code is applicable only to monetary decrees not being of the same nature as amounts payable in respect of taxes, other charges of a like nature or of a fine or other penalties.

The United Kingdom has been declared by the Central Government to be a reciprocating territory for the purposes of Section 44A but the United States has not been so declared. A judgment of a court of a country which is not a reciprocating territory may be enforced only by a suit upon the judgment and not by proceedings in execution. Such a suit has to be filed in India within three years from the date of the judgment in the same manner as any other suit filed to enforce a civil liability in India. Generally, there are considerable delays in the disposal of suits by Indian courts. It is unlikely that a court in India would award damages on the same basis as a foreign court if an action was brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if that court were of the view that the amount of damages awarded was excessive or inconsistent with public policy. A party seeking to enforce a foreign judgment in India is required to obtain approval from RBI to execute such a judgment or to repatriate outside India any amount recovered. It is uncertain as to whether an Indian court would enforce foreign judgments that would contravene or violate Indian law.

Prominent Notes

- This is a public issue of [•] Equity Shares for cash at a price of Rs. [•] per Equity Share (including a share premium of Rs. [•] per Equity Share) aggregating up to Rs. 1,150 million. This Issue would constitute [•]% of the post Issue paid-up capital of our Company.
- Pursuant to Rule 19(2)(b) of the SCRR read with Regulation 41(1) of the SEBI Regulations, this being an Issue for less than 25% of the post-Issue equity share capital, is being made through a 100% Book Building Process wherein at least 60% of the Issue shall be Allotted to QIBs. If at least 60% of the Issue cannot be Allotted to QIBs, then the entire application money will be refunded forthwith.
- Our Company in consultation with the Book Running Lead Managers, may allocate up to 30% of the QIB Portion to Anchor Investors at the Anchor Investor Price on a discretionary basis, out of which at least one-third will be available for allocation to domestic Mutual Funds. In the event of under-subscription or non-Allotment in the Anchor Investor Portion, the balance 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. 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 the OIBs in proportion to their Bids.

Further, not less than 10% of the Issue shall be available for allocation on a proportionate basis to Non- Institutional Bidders and not less than 30% of the Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received from them at or above the Issue Price.

Only Eligible Employees would be eligible to apply in this Issue under the Employee Reservation Portion on a competitive basis. Employees other than as defined in this Draft Red Herring Prospectus are not eligible to participate under the Employee Reservation Portion. Bids by Eligible Employees can also be made in the Net Issue portion to the public and such Bids shall not be treated as multiple Bids. If the aggregate demand in the Employee Reservation Portion is greater than 65,000 Equity Shares at or above the Issue Price, allocation shall be made on a proportionate basis. The unsubscribed portion, if any, from the Equity Shares in the Employee Reservation Portion will be treated as part of the Net Issue and the proportionate allocation of the same would be at the sole discretion of our Company in consultation with the BRLMs.

- Under-subscription, if any, in the Non-Institutional Portion and Retail Portion would be met with spill-over from any other category, at the discretion of our Company, in consultation with Book Running Lead Managers and the Designated Stock Exchange.
- In the event of an oversubscription in the Net QIB Portion, all QIBs bidding in the Net QIB Portion who have submitted Bids above the Issue Price shall be allocated Equity Shares on a proportionate basis for up to 95% of the Net QIB Portion. In the event of an oversubscription in the Non-Institutional Portion and Retail Portion, allocation shall be made on a proportionate basis.
- The average cost of acquisition of Equity Shares by our Promoters which has been calculated on the basis of the average of amounts paid by each of them to acquire the Equity Shares currently held by them is as under:

Mr Pramod Maheshwari – Rs. 14.31 per Equity Share; Mr Om Prakash Maheshwari – Rs. 12.39 per Equity Share; and Mr Nawal Kishore Maheshwari – Rs. 12.25 per Equity Share.

- The Net Worth of our Company as on September 30, 2009 was Rs. 1,153.98 million and Rs. 1,177.91 million and as on March 31, 2009 was Rs. 572.40 million and Rs. 586.60 million, as per the restated consolidated financial statements and the restated standalone financial statements of our Company, respectively, included in this Draft Red Herring Prospectus.
- The NAV/book value per Equity Share, as on September 30, 2009 was Rs. 90.21 and Rs. 92.08 and as on March 31, 2009 was Rs. 47.43 and Rs. 48.61, as per the restated consolidated financial statements and the restated standalone financial statements of our Company, respectively, included in this Draft Red Herring Prospectus.
- Except as disclosed in this section and in sections titled "Our Promoter and Group Companies" and "Our Management" at pages 152 and 149, respectively, none of our Promoter, Directors or Key Managerial Personnel have any interest in our Company except to the extent of remuneration, reimbursement of expenses and other benefits provided to them by our Company and to the extent of the Equity Shares held by them or their relatives and associates or held by the companies, firms and trusts in which they are interested as directors, members, partners or trustees and to the extent of the benefits arising out of such shareholding, if any, in our Company. For further details in relation to the interests of our Directors and key managerial personnel, see section titled "Our Management" at pages 141 and 149 respectively.

- During the period of six months immediately preceding the date of filing of this Draft Red Herring Prospectus, no financing arrangements existed whereby the Promoter Group, our Directors and their relatives may have financed the purchase of Equity Shares by any other person, other than in the normal course of the business of such financing entity.
- Our Promoters do not have any common pursuits nor are engaged in businesses similar to those carried out by our Company.

Some of our Group Companies and entities are permitted under their respective objects' clauses to undertake activities which are similar to those being undertaken or intended to be undertaken by us and may be considered to be in the same line of business as we are, which may result in a conflict of interest with respect to our business strategies. We shall adopt the necessary procedures and practices as permitted by law to address any conflict situations, as and when they may arise.

• The premises where our Registered and Corporate Office is located has been leased to us by our Promoter Mr. Pramod Maheshwari and Group Company and entity namely Diamond Business Solutions Private Limited respectively.

Except as stated in the sections titled "Financial Statements - Related Party Transactions" and "Our Promoters and Group Companies" at pages F-39 and 152, respectively, our Promoters do not have any interest in our Company.

Except as disclosed in the sections titled "Financial Statements" and "Our Promoter and Group Companies" at pages 169 and 167, respectively, none of the ventures promoted by our Promoters are interested in our Company.

- For details of transactions in the securities of our Company by our Promoters, members of our Promoter Group, our Group Companies and entities and our Directors in the last six months, see section titled "Capital Structure" at page 72.
- Except as disclosed in the section titled "Capital Structure" at page 72, our Company has not issued any Equity Shares for consideration other than cash.
- Our Company was incorporated under the Companies Act on March 31, 2000 as "Career Point Infosystems Limited". For further details, see section titled "History and Certain Corporate Matters" at page 125.
- The details in relation to transactions with the Group Companies and entities and Subsidiaries during Fiscal 2009 (on a standalone basis) and the nature of such transactions are provided in the table below:

(Rs. million)

Transaction details	Fiscal 2009
Loans & Advances	
Loan/ Advances Given	192.47
Unsecured Loans	
Loans /Advances taken	2.28
Remuneration	
Remuneration paid to KMPs	5.23
Rent	
Rent paid	4.88
Investments	
Investments sold during the period/ year	0.49

For further details pertaining to our related party transactions, refer to the notes on related party transactions in the section titled "Financial Statements" on page 169.

- Our Company has not made any loans and advances to any person(s)/ company in which the Directors are interested, except as disclosed in the sections titled "Financial Statements" and "Related Party Transactions" at pages 169 and F-39, respectively.
- Trading in Equity Shares for all investors shall be in dematerialised form only. For further details, see section titled "Issue Procedure" at page 228.
- Investors are advised to also refer to the section titled "Basis for Issue Price" at page 81.
- Any clarification or information relating to this Issue shall be made available by the Book Running Lead Managers and our Company to the investors at large and no selective or additional information would be available for a section of investors in any manner whatsoever. The Book Running Lead Managers shall be obliged to provide any information or clarification relating to this Issue to any investor. Investors may contact the BRLMs for any complaints or comments pertaining to this Issue. The Book Running Lead Managers undertake to attend to the same expeditiously and satisfactorily.
- All grievances relating to the ASBA process may be addressed to Registrar to the Issue, with a
 copy to the relevant 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.

SECTION III - INTRODUCTION

SUMMARY OF BUSINESS

Company Overview

We are one of the leading providers of tutorial services in India. We provide tutorial services to high school and post high school students for various competitive entrance examinations including All India Engineering Entrance Examination, Indian Institute of Technology – Joint Entrance Examination and All India Pre-Medical and Pre-Dental Test. The tutorial services are provided through our classroom training programmes conducted through a network of Company Operated and Franchisee Centres. As at December 31, 2009 we had 14 Company Operated Training Centres and 18 Franchisee Centres and during the nine months period ending December 31, 2009 we have received 30,538 enrollments. We have a team of 210 faculty members as on December 31, 2009 (excluding faculty members of franchisees) comprising of graduates in engineering and science. We have, over a period of time, built our content repository of over 10,000 pages of text content and over 12,000 minutes of video content for various tutorial services offered by us. For students who are not able to attend our regular classroom programme, we offer distance learning programme comprising of correspondence and test series courses which have been systematically designed to provide effective and efficient education to students in a simple and lucid manner.

We plan to use technology as a tool to provide access of our content repository to students across India. To leverage our content repository and to provide a personalized learning environment to our students, we have recorded the lectures of our experienced faculty members through Career Point Knowledge Lab. Further, we have designed and developed Synchro-School programme to synchronize preparation for competitive examination with formal school education.

We have recently forayed into Education Consultancy and Management Services ('ECAMS'), catering to K-12 and Higher Education segments. Further, to address larger base of potential students, we have introduced technology enabled education delivery platform for delivering content through 'TechEdge Class'.

For the year ending March 31, 2009, our total standalone restated revenues, were Rs. 490.36 million, which represents a 19.12% increase from the year ended March 31, 2008. For the six months ended September 30, 2009, our total standalone restated revenues were Rs. 344.63 million, which represents an increase of 33.28% from the six months ended September 30, 2008.

Given below is the table showing enrollment data of our Company during Financial Year 2008, 2009 and 2010:

Particulars	F		
	2008	2009	2010*
IIT-JEE	5,164	4,296	5,560
AIEEE	15,628	16,730	20,640
AIPMT	1,643	1,141	908
Distance learning programs	5,581	5,543	3,430
Total	28,016	27,710	30,538

^{*} Represents number of enrollments during the nine month period ending December 31, 2009

Competitive Strengths

We believe the following competitive strengths contribute to our success and differentiate us from our competitors:

Commitment to offering quality courses and student success

We offer quality tutorial courses, and intend to improve the learning experience for our students. We believe offering quality academic courses is contingent upon recruiting and retaining experienced faculty members, providing updated educational content and effective academic administration and control on content delivery. We retain faculty and instructors with relevant industry experience and appropriate academic credentials. Our Research and Development Cell helps in reassessing and updating our tutorial courses on a regular basis which also helps us in designing new academic courses. Our academic management team prepares clear and well defined layouts for content delivery by each of our faculty members. It also administers content delivery by obtaining regular feedbacks from our students for each faculty member. Such feedbacks are then compiled, analysed and compared by respective HoDs with our standard procedures for content delivery. In case of any deviations, we take remedial measures to restore the delivery of our standardized content.

Strong brands and geographic presence

We believe that our training centres have established a competitive position and brand recognition in our markets. We currently have presence across 12 states (including our Franchisee Centres) which provide access to major markets in northern and eastern India. Also, our Kota centre draws students from across the country and from Singapore and the Middle East, which in turn reinforces the brand equity and our geographical reach.

Qualified faculty team

We believe that our qualified and experienced faculty members contribute to our success. Our faculty members are graduates in engineering and science from Indian Institute of Technology, National Institute of Technology and other colleges in India. Our faculty members are well equipped with subject knowledge guiding and tutoring students. We also have an ongoing in-house faculty training facility which ensures that all our faculty members undergo training on our teaching methodologies and skills and subject matter of relevant courses and to keep them abreast of the changes in competitive entrance examination trends and changing student needs.

Experienced management team

Our senior management team, comprising of senior vice presidents and above, has collective experience of over 65 years and over 13 years of average experience in the education industry. We believe our management led by our Promoters, some of whom have extensive tutorial experience, have deep understanding of the education industry, which enables us to successfully manage our operations and facilitate our growth.

Quality teaching methodology

We have over a period of time developed a scientific teaching methodology and system of teaching, which we believe is essential for success in any competitive entrance examination. We understand that in order to achieve success, one needs knowledge which should be acquired through a comprehensive systematic approach, rigorous practice, time management and confidence.

Our focus is to train our students by developing necessary conceptual knowledge base, enhance speed and accuracy levels, infuse confidence and build the right temperament to face the competitive entrance examination. In such competitive examinations, we believe our teaching methodology plays a key role in enhancing students' overall performance.

Growth Strategies

Our goal is to strengthen our role as a leading and diversified provider of tutorial services in relation to various competitive entrance examinations and emerge as a significant player in ECAMS by continuing to pursue the following growth strategies:

Development of integrated campus facility

We currently operate 14 Company Operated Training Centres and 18 Franchisee Centres. Our Company Operated Training Centre at Kota attracts highest number of students in terms of enrollments when compared with our other training centres. Realising the need of our students, we are constructing an integrated facility at Kota. We expect to complete the construction of our integrated facility at Kota by Fiscal 2012. In addition to catering to the existing student base, the new integrated facility will also allow us to increase our enrollments. In order to support the expansion, we will also be increasing the number of faculty with a view to ensure adequate faculty student ratio. Further, we believe developing an integrated facility would increase our role in addressing necessary needs of our students in addition to the tutoring services, which in turn will help us in tapping a wide range of the revenue flows arising out of the expenses incurred by a student during his stay at Kota.

Enter new geographic markets and new course offerings

We intend to enter new geographic markets and increase course offerings which will increase our diversification and potential for future course expansion.

- New geographic markets: The size of the potential education market in India is estimated to comprise of approximately 1.2 million schools and approximately 227 million students in the primary, secondary and higher secondary segment. We believe we can increase our student enrollments by entering new geographic markets that offer significant growth potential. In particular, we will look to expand in those markets which offer optimum opportunities in terms of student enrollments based on parameters like lack of proper education, aspiration of students, socio-economic background.
 (Source: Annual Report of Ministry of Human Resource Development for the year 2008-2009)
- New course offerings: We intend to continue enhancing our course offerings to meet the evolving market demand in fields which do not form part of our traditional offerings. As we introduce new course offerings, we intend to achieve higher number of student enrollments. We will leverage our inhouse development capability and third-party consultants to develop new products in areas that we believe will further enhance our growth and profitability. We will also leverage our existing network, customer base, brand reputation, franchise operating experience and educational capabilities when we enter into new market segments. For example, we may seek to provide tutorial services in specialties other than engineering and medical. We also intend to foray into course offerings relating to vocational education and training.

Reaching students through our innovative products

TechEdge Class

TechEdge Class is a concept based on virtual classroom environment which replicates the model of a real classroom with the help of VSAT/VPN technology. In a TechEdge Class, students interact with instructors online using audio and video conferencing facility. To ensure a smooth functioning of this model, TechEdge Classes are equipped with computer systems, headphones, software to provide synchronous learning environment.

Through this delivery platform we are able to deliver lectures at multiple locations simultaneously. From our experience we believe that an average student on any topic raises certain standard sets of questions, which with the help of TechEdge Classes gets addressed to a much wider base of students. This helps us in minimizing our time and cost in terms of resource deployment. Further, the cost involved in setting up TechEdge Class is relatively low. This coupled with minimum human interface enables us to expand our offerings to remote locations where setting up a full fledged training centre is not economically viable. In order to reach the students through this technology, we have entered into an agreement with Hughes Communication India Limited ('HCIL') for providing satellite based interactive services through HCIL's network spread across India.

- Expansion of Synchro-School Programme through technological initiatives

We also intend to provide Synchro-School Programme under our TechEdge Class initiative through VSAT/VPN technology and learning management software. This will facilitate our experienced faculty members to conduct lectures at schools situated at remote locations.

- Career Point Knowledge Labs

The academic requirements of students tend to be diverse and to meet them efficiently we have launched a technology based personalized learning solution which is provided at our Career Point Knowledge Labs. Career Point Knowledge Labs intends to supplement existing learning process as a reinforcement of knowledge learnt. We provide pre-recorded varied educational content developed by our faculty members in video and digital format. Apart from content created exclusively for Career Point Knowledge Labs, content developed by our faculty members in TechEdge Class will also be distributed through these Career Point Knowledge Labs. We intend to increase the number of Career Point Knowledge Labs across the nation. We believe that this concept would address the personalized learning needs of students and revolutionize the process of learning for competitive exams.

Continue to leverage and expand our content development

We have already developed content for various competitive examinations for which we provide tutoring services. We believe that quality content will continue to be an important factor driving the success of education business. We continuously enhance the quality and also the breadth of our content by developing our own content and may enter into strategic tie-ups for sourcing content from international content providers. We also intend to expand our content delivery platform. Our in-house content development model provides us the ability to offer ready solutions to our students and the capability to quickly provide content to enter newer markets.

Opportunistically pursue strategic acquisitions

In evaluating potential acquisitions, we seek to pursue selective strategic acquisitions and joint venture opportunities to augment our capabilities, broaden our service offerings and increase our geographical presence with the potential for course replication at our existing centres, new course offerings, and new markets with attractive growth opportunities. Our potential targets are companies involved in the education sector or companies engaged in providing services to the education sector and whose operations can be scaled up by leveraging our experience.

Participation in formal education through ECAMS

We believe there is a huge potential for ECAMS in the K-12 and Higher Education segment in India. We will explore opportunities to provide ECAMS to a number of privately and/or Government-run schools, colleges and universities. We also intend to enter into partnerships with the Governments under the PPP model to manage schools, colleges and universities in rural and/or urban areas.

SUMMARY OF INDUSTRY

Indian education system comprises of formal and informal education.

a. Formal Education:

Formal education comprises of K-12 (mainly schools) and higher education. This segment is highly regulated by various statutory bodies formed by central and state governments.

K-12 Education:

K-12 education in India is delivered through various schools that are affiliated with CBSE, ICSE, state boards and other international boards. These schools are either run by government or by the private sector.

Government of India has taken various initiatives in increasing the scalability and improving the infrastructure for primary education. It has implemented various programmes like Sarva Shiksha Abhiyan, Mid Day Meal Scheme and National Literacy Mission. To meet the growing demand for access to secondary education, some of the major initiatives proposed to be taken by the Government during Eleventh Five Year Plan include launching the scheme of Rashtriya Madhyamik Shiksha Abhiyan, setting up of 6000 model schools, National Means cum Merit Scholarship scheme, etc. (Source: MHRD Annual Report 2008-09)

Higher and Technical Education:

Higher education is governed by UGC, comprising graduate/ medical/ engineering courses. As on March 31, 2009, there are 471 universities comprising of 268 state universities, 40 central universities, 125 deemed universities, 5 institutions established under state legislations and 33 institutes of national importance established by central legislation. In addition, there are 22,064 colleges including around 2,260 colleges for women. At the beginning of the academic year 2008-09, the total number of students enrolled in universities and colleges has been reported to be 12.38 millions.

Apart from above, as on December 11, 2009, there are 53 private universities established under various States with state of Rajasthan having majority of private universities.

The technical education system in the country can be broadly classified into three categories, viz. Central Government funded institutions, State funded institutions & Self-financed institutions. In 2008-09, there were 63 Centrally funded institutions of technical and science education besides two Apex level Councils, namely, All India Council for Technical Education (AICTE) and the Council for Architecture.

(Source: MHRD Annual Report 2008-09 and website of UGC)

As of 2008-09, the major achievements in Higher and technical education during Eleventh Five Year Plan in various areas are as follows:

- Expansion of intake capacity of CEIs by 54%.
- Establishment of eight new IITs, a IIIT(Design & Manufacturing), 5 Indian Institutes of Science Education & Research, 2 Schools of Planning & Architecture and 1 IIM.
- 15 new Central Universities, one Indira Gandhi National Tribal University.

(Source: MHRD Annual Report 2008-09)

Medical Colleges (Providing MBBS Degree) and Dental Colleges:

Medical colleges in India are required to be recognized by the Medical Council of India. Till the year 1947 there were 24 medical colleges and in the year 2009, the number of recognized medical colleges have been increased to 275.

Dental Colleges are recognized by the Dental Council of India. At present there are 279 recognised/permitted dental colleges in India.

(Source: Website of MCI and Dental Council of India)

b. Informal Education:

Informal education includes coaching classes for various competitive entrance examinations and for sub sectors of formal education, pre-schools and vocational training. This type of education is not governed by any regulatory authority.

Coaching for competitive entrance examinations

Competitive entrance examination is a screening process for providing education in various engineering, medical, MBA, accountancy MCA field. There are various education companies that provide coaching to the students who aspire to get admission in such fields.

a. All India Engineering Entrance Examination (AIEEE)

For admission to Engineering and Architecture/Planning programmes, Government of India has laid down a Three – Exam Scheme (JEE and AIEEE and SLEEE). First AIEEE was conducted in the year 2002. Number of students appearing in this exam has increased at a CAGR of 19.4% between 2005 and 2009.

(Source: website of AIEEE)

b. Indian Institutes of Technology – Joint Entrance Exam (IIT JEE)

The Indian Institutes of Technology (IITs) are institutions of national importance established through an Act of Parliament for fostering excellence in education. The admissions to the undergraduate programmes at IITs for all Indian and Foreign nationals are made through the Joint Entrance Examination. From the year 2005 to 2009 the number of students appearing for IIT-JEE has increased at a CAGR of 14.2%.

(Source: IIT press release and website of IIT Madras, JEE and wikipedia)

c. Growth Drivers in Education Sector:

Increasing population and lower literacy rate: Increasing population and constitution of 32.6% of population in the age group of 0 to 14 years will lead to increase in number of schools, colleges and universities.

(Source: UNESCO)

Increasing per capita income: Per capita income at current prices during 2009-10 is estimated to be Rs. 43,749 as compared to Rs. 40,141 during 2008-09, showing a rise of 9%. This would contribute to increase the spending on education.

(Source: Central Statistical Organisation)

Migration to Knowledge Economy: India is migrating towards a services driven economy with the contribution of service and industry sectors to GDP increasing year on year. The lateral shift to a services economy is resulting in migration of people to cities and towns leading to mass urbanization. Increasing urban population and demand for skilled workforce creates the need for better quality education.

SUMMARY FINANCIAL INFORMATION

The following tables set forth summary financial information derived from our restated standalone financial statements as of and for the years ended March 31, 2005, 2006, 2007, 2008, 2009, September 30, 2008 and September 30, 2009 as well as consolidated restated financial statements as of and for the years ended March 31, 2007, 2008, 2009, September 30, 2008 and September 30, 2009. These restated financial statements have been prepared in accordance with the SEBI Regulations and are presented in the section titled "Financial Statements" on page 169. The summary financial information presented below should be read in conjunction with our restated standalone financial statements, the notes thereon and the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" on page 170.

Restated Standalone Summary Statement of Assets and Liabilities

PARTICULARS	As	at			As at		
	30-Sep-09	30-Sep-08	31-Mar-09	31-Mar-08	31-Mar-07	31-Mar-06	31-Mar-05
A. Fixed Assets	•	•					
Gross Block	85.07	67.10	79.71	35.59	20.56	8.72	5.54
Less: Depreciation	9.28	4.79	7.04	3.38	1.74	0.70	0.40
Net Block	75.79	62.31	72.67	32.21	18.82	8.02	5.14
Intangible Assets(Net)	73.07	63.55	73.44	36.14	37.52	33.36	20.96
Add: Capital WIP	81.29	75.75	69.66	56.76	20.58	-	-
Total Fixed Assets (A)	230.15	201.61	215.77	125.11	76.92	41.38	26.10
B. Investments: (B)							
- in subsidiaries	36.50	35.00	35.00	35.50	1.00	-	-
- in others	763.75	97.35	19.77	13.85	29,21	3.90	5.47
C. Current Assets, Loans and Advances :							
Inventories	9.24	15.53	18.49	9.56	3.53	0.76	-
Sundry Debtors	20.43	22.68	23.46	18.00	5.64	5.78	1.27
Cash and Bank Balances	129.78	162.52	132.80	169.49	119.48	20.12	19.29
Loans and Advances	323.42	201.60	293.78	137.81	92.29	30.88	11.04
Total (C)	482.87	402.33	468.53	334.86	220.94	57.54	31.60
D. Liabilities and Provisions :							
Secured Loans	5.27	0.88	52.19	-	-	-	-
Unsecured Loans	-	-	-	-	29.27	5.46	-
Deferred Tax Liability	2.69	1.77	2.36	1.15	0.92	0.62	0.31
Current Liabilities	323.66	220.19	95.59	81.74	64.95	45.99	26.29
Provisions	3.74	2.01	2.33	1.81	9.52	1.95	0.63
Total (D)	335.36	224.85	152.47	84.70	104.66	54.02	27.23
E. Miscellaneous Expenditure	14.51	2.97	2.53	2.12	1.20	0.05	0.09
(to the extent not w/off)							
F. Net Worth (A+B+C-D):	1,177.91	511.44	586.60	424.62	223.41	48.80	35.94

PARTICULARS	As	As at As at					
	30-Sep-09	30-Sep-08	31-Mar-09	31-Mar-08	31-Mar-07	31-Mar-06	31-Mar-05
G. Represented by							
Share Capital	140.79	120.67	120.67	120.67	50.71	11.40	11.40
Share Application Money	-	-	-	-	5.19	-	-
Reserves and Surplus	1,051.63	393.74	468.46	306.07	168.71	37.45	24.63
Total (G)	1,192.42	514.41	589.13	426.74	224.61	48.85	36.03
H. Net Worth (G-E)	1,177.91	511.44	586.60	424.62	223.41	48.80	35.94

The above Statements should be read with the Significant Accounting Policies and Notes to the Standalone Summary Statements of Assets and Liabilities, Profits and Losses and Cash Flows, as restated as appearing in Annexure V & VA respectively

Restated Standalone Summary Statement of Profit and Loss Account

	For the Half	Year ended		Fo	or the Year en	ded	
Particulars	30-Sep-09	30-Sep-08	31-Mar-09	31-Mar-08	31-Mar-07	31-Mar-06	31-Mar-05
Income:							
Education and training							
income	297.33	204.06	397.72	320.15	225.76	3.26	-
Centre Royalty	16.00	29.40	42.02	49.13	51.32	38.02	25.95
Sale of study material	2.46	9.20	11.77	10.95	13.66	13.04	6.43
Other Income	28.84	15.92	38.85	31.43	8.97	2.62	1.48
Total Income	344.63	258.58	490.36	411.66	299.71	56.94	33.86
Expenditure:							
Administrative expenses	74.31	60.93	99.20	78.55	50.31	13.21	5.34
Manpower	93.67	55.31	118.95	72.05	45.97	8.14	3.03
Cost of Study Material	20,07			7=100	,	313.1	
Consumed	20.16	7.47	17.90	23.76	21.26	13.14	6.16
Deferred Revenue							
Expenditure	0.17	0.15	0.29	0.37	0.22	0.04	0.04
Total expenditure	188.31	123.86	236.34	174.73	117.76	34.53	14.57
Earnings before interest, depreciation & tax	156.32	134.72	254.02	236.93	181.95	22.41	19.29
Interest and finance charges	0.25	0.76	1.83	0.47	0.02	-	-
Depreciation & amortization	2.60	1.63	4.19	2.01	1.33	0.47	0.18
Earnings before tax and extra ordinary items	153.47	132.33	248.00	234.45	180.60	21.94	19.11
Provision for taxation							
Current tax	49.82	42.23	83.70	79.17	60.00	6.90	7.21
Taxation adjustments of earlier years	_	-	-	-	-	-	-
Deferred tax	0.33	0.62	1.21	0.23	0.30	0.31	0.14

	For the Half	Year ended	For the Year ended				
Particulars	30-Sep-09	30-Sep-08	31-Mar-09	31-Mar-08	31-Mar-07	31-Mar-06	31-Mar-05
Fringe benefit Tax	-	0.34	0.68	0.52	0.20	-	-
Profit before extra ordinary items	103.32	89.14	162.41	154.53	120.10	14.73	11.76
Extra ordinary items Adjustment on account	-	-	-	-	-	-	-
of prior period Items	-	-	-	-	-	-	-
Adjusted net profit	103.32	89.14	162.41	154.53	120.10	14.73	11.76
Balance brought forward from previous year	353.81	191.39	191.39	36.86	10.66	7.88	6.78
Dividend on shares	-	-	-	-	7.61	1.71	0.56
Tax on dividend	ı	ı	-	-	1.29	0.24	0.08
Transfer to general reserve	-	-	-	-	85.00	10.00	10.00
Balance carried to balance sheet	457.13	280.53	353.81	191.39	36.86	10.66	7.88

The above Statements should be read with the Significant Accounting Policies and Notes to the Standalone Summary Statements of Assets and Liabilities, Profits and Losses and Cash Flows, as restated as appearing in Annexure V & VA respectively.

Restated Standalone Cash Flow Statement

Particulars	Half Yea	ar ended			Year Ended		
	30-Sep-09	30-Sep-08	31-Mar-09	31-Mar-08	31-Mar-07	31-Mar-06	31-Mar-05
Cash Flows from Operating Activities							
Net Profit Before Taxation after prior period items	153.47	132.33	248.00	234.45	180.60	21.94	19.11
Adjustments for:							
Add:							
Depreciation	2.60	1.63	4.19	2.01	1.33	0.47	0.18
Share Issue Expenses Written Off	0.17	0.15	0.29	0.35	0.22	0.04	0.04
Interest Expenses	0.25	0.76	1.83	0.47	0.02	-	-
Security Written Off	-	_	-	-	-	0.02	-
Bad Debts Written Off	0.58	_	-	-	0.04	-	-
Provision for gratuity	1.15	0.14	0.29	0.72	_	-	-
Add / (Less):							
Dividend Income	(7.38)	(0.57)	(2.29)	(2.86)	(1.06)	(0.13)	-
(Profit) / Loss on sale of shares / Investments	(3.50)	0.39	0.37	(2.56)	(0.54)	(0.82)	0.95
Interest Income	(17.62)	(14.77)	(29.83)	(22.74)	(7.22)	(1.67)	(1.37)
(Profit) / Loss on sale of							

Particulars	Half Yea	ar ended	Year Ended					
	30-Sep-09	30-Sep-08	31-Mar-09	31-Mar-08	31-Mar-07	31-Mar-06	31-Mar-05	
fixed assets	-	-	(1.97)	(2.78)	0.44	-	-	
			(-1,7)	(=1, 0)	****			
Operating Profit before								
Working Capital Changes	129.72	120.06	220.88	207.06	173.83	19.85	18.91	
working cupital changes	12/1/2	120.00	220.00	207.00	170.00	15.00	10.51	
(Increase)/Decrease in Trade								
and Other Receivables	2.44	(5.07)	(5.48)	(12.38)	0.10	(4.49)	(0.20)	
(Increase)/Decrease in								
Inventories	9.24	(5.97)	(8.93)	(6.03)	(2.77)	(0.76)	-	
(Increase)/Decrease in Other	(20, (2)	(62.25)	(1.50, 40)	(20.25)	((1.02)	(0.40)	2.26	
Current Assets	(29.62)	(63.25)	(150.40)	(38.25)	(61.92)	(9.40)	3.26	
Increase/(Decrease) in Provisions	0.26	0.05	(0.46)	(0.04)		(7.22)	(7.10)	
Increase/(Decrease) in	0.26	0.05	(0.46)	(0.04)		(7.22)	(7.10)	
Current Liabilities	228.06	137.39	13.85	16.79	18.95	19.73	(1.01)	
Income- taxes paid	(49.84)	(43.12)	(89.26)	(86.44)	(59.50)	(10.14)	(7.59)	
meome- taxes paid	(42.04)	(43.12)	(89.20)	(80.44)	(39.30)	(10.14)	(7.39)	
Net Cash Flow from								
Operating Activities	290.26	140.09	(19.80)	80.71	68.69	7.57	6.27	
- p			()					
Cash Flow from Investing								
Activities								
Purchase of Fixed Assets								
(including CWIP)	(16.99)	(78.43)	(98.94)	(51.87)	(37.32)	(15.75)	(17.11)	
Investment in Subsidiaries	(1.50)	-	-	(34.50)	(1.00)	-	-	
Sale of Investment in								
Subsidiary	-	0.50	0.50	-	-	-	-	
Sale/(Purchase) of Other	(7.40.40)	(02.00)	(6.20)	17.00	(24.76)	2.20	0.50	
Investments	(740.48)	(83.89)	(6.30)	17.92	(24.76)	2.39	9.58	
Interest Received	17.62	14.77	29.83	22.74	7.22	1.67	1.37	
Sale of Fixed Assets	-	0.30	6.08	4.45	-	-	-	
Dividend Received	7.38	0.57	2.29	2.86	1.06	0.13	-	
Net Cash Flow from								
Investing Activities	(733.97)	(146.18)	(66.54)	(38.40)	(54.80)	(11.56)	(6.16)	
Cash Flows from Financing								
Activities Proceeds from Issue of Share								
Capital (including Premium)	500.00	_	_	52.80	59.81	_	_	
Proceeds from Long Term	300.00		_ _	32.80	37.81			
Borrowings	-	_	52.19	_	_	_	_	
Proceeds from Short Term								
Borrowings	-	0.88	-	-	23.81	5.46	-	
Proceeds from Share								
Application Money Received	-	-	-	-	5.19	-	-	
Repayment of Share								
Application Moneys				(5.10)				
Received Repayment of Short Term	-	-	-	(5.19)	-	-	-	
Borrowings	(46.92)		_	(29.27)	_	_	(1.00)	
Interest on Loan	(0.25)	(0.76)	(1.83)	(0.47)	(0.02)		(1.00)	
Share Issue Expenses	(0.23)	(0.70)	(1.83)	(0.47)	(0.02)	-	-	
Incurred	(12.14)	(1.00)	(0.71)	(1.27)	(1.37)	_	(0.01)	
meanea	(14.14)	(1.00)	(0.71)	(1.47)	(1.57)	_	(0.01)	

Particulars	Half Yea	ar ended			Year Ended		
	30-Sep-09	30-Sep-08	31-Mar-09	31-Mar-08	31-Mar-07	31-Mar-06	31-Mar-05
Dividend Paid	•	-	ı	(7.61)	(1.71)	(0.56)	(0.17)
Corporate Dividend Tax Paid	-	-	-	(1.29)	(0.24)	(0.08)	(0.02)
Net Cash Flow from Financing Activities	440.69	(0.88)	49.65	7.70	85.47	4.82	(1.20)
Net increase in cash and cash equivalents	(3.02)	(6.97)	(36.69)	50.01	99.36	0.83	(1.09)
Cash and Cash Equivalents (Opening Balance) Cash and Cash Equivalents	132.80	169.49	169.49	119.48	20.12	19.29	20.38
(Closing Balance)	129.78	162.52	132.80	169.49	119.48	20.12	19.29
Net increase in cash and cash equivalents	(3.02)	(6.97)	(36.69)	50.01	99.36	0.83	(1.09)

Restated Consolidated Summary Statement of Assets and Liabilities

	(Amount in Rs. Million)							
	As	at		As at				
PARTICULARS	30-Sep-09	30-Sep-08	31-Mar-09	31-Mar-08	31-Mar-07			
A. Fixed Assets								
Gross Block	213.11	192.92	206.80	65.92	20.56			
Less: Depreciation	9.30	4.79	7.05	3.38	1.74			
Net Block	203.81	188.13	199.75	62.54	18.82			
Intangible Assets (Net)	73.08	63.55	73.44	36.14	37.52			
Add: Capital WIP	85.02	78.53	72.75	88.43	20.58			
Total Fixed Assets (A)	361.91	330.21	345.94	187.11	76.92			
B. Investments: (B)								
- in others	765.90	99.85	21.90	13.79	29.16			
C. Current Assets, Loans and Advances :								
Inventories	9.24	15.53	18.49	9.56	3.53			
Sundry Debtors	20.43	22.68	23.46	18.00	5.64			
Cash and Bank Balances	129.91	163.01	132.89	171.95	120.68			
Loans and Advances	201.98	98.10	185.04	107.06	92.02			
Total (C)	361.56	299.32	359.88	306.57	221.87			
D. Liabilities and Provisions :								
Secured Loans	5.27	0.88	52.19	-	-			
Unsecured Loans	0.01	0.03	-	0.03	29.27			
Deferred Tax Liability	2.69	1.77	2.36	1.15	0.92			
Current Liabilities	323.68	220.20	98.44	82.14	64.95			
Provisions	3.74	2.01	2.33	1.81	9.52			
Total (D)	335.39	224.89	155.32	85.13	104.66			
E. Miscellaneous Expenditure	15.54	4.48	3.75	3.97	1.25			
(to the extent not w/off)								

	As	at		As at		
PARTICULARS	30-Sep-09	30-Sep-08	31-Mar-09	31-Mar-08	31-Mar-07	
F. Net Worth (A+B+C-D):	1,153.98	504.49	572.40	422.34	223.29	
G. Represented by Share Capital	140.79	120.67	120.67	120.67	50.71	
Share Application Money	-	-	-	-	5.19	
Reserves and Surplus	1,028.80	386.84	454.05	304.17	168.64	
Minority Interest	(0.07)	1.46	1.43	1.47	0.00	
Total (G)	1,169.52	508.97	576.15	426.31	224.54	
H. Net Worth (G-E)	1,153.98	504.49	572.40	422.34	223.29	

The above Statements should be read with the Significant Accounting Policies and Notes to the Standalone Summary Statements of Assets and Liabilities, Profits and Losses and Cash Flows, as restated as appearing in Annexure V & VA respectively.

Restated Consolidated Summary Statement of Profit and Loss Account

	For the Half	Year ended	Fo	r the Year ended	l
Particulars	30-Sep-09	30-Sep-08	31-Mar-09	31-Mar-08	31-Mar-07
Income:					
Education and training income	297.33	204.06	397.72	320.15	225.76
Centre Royalty	16.00	29.40	42.02	49.13	51.32
Sale of study material	2.46	9.20	11.77	10.95	13.66
Other Income	21.01	10.70	27.02	30.06	8.97
Total Income	336.80	253.36	478.53	410.29	299.71
Expenditure:					
Administrative expenses	74.70	60.96	99.38	78.70	50.31
Manpower	93.67	55.37	119.07	71.92	45.97
Cost of Study Material Consumed	20.16	7.47	17.90	23.76	21.26
Deferred Revenue Expenditure	0.35	0.42	0.75	0.83	0.23
Loss on sale of Shares of Associate Company (Rs.597/-)	0.00	-	-	-	-
Total Expenditure	188.88	124.22	237.10	175.21	117.77
Earnings before interest, depreciation & tax	147.92	129.14	241.43	235.08	181.94
Interest and finance charges	0.25	0.76	1.83	0.47	0.02
Depreciation & amortisation	2.62	1.63	4.19	2.01	1.33
Profit before tax before prior period items	145.05	126.75	235.41	232.60	180.59
Provision for taxation					
Current tax	49.82	42.23	83.70	79.17	60.00
Deferred tax	0.33	0.62	1.21	0.23	0.30

	For the Half Y	Year ended	For	r the Year ended	
Particulars	30-Sep-09	30-Sep-08	31-Mar-09	31-Mar-08	31-Mar-07
Fringe benefit Tax	-	0.34	0.68	0.52	0.20
Profit after tax before prior period items	94.90	83.56	149.82	152.68	120.09
Add / (Less): Share of Profit / (Loss) of associate companies	(0.01)	0.54	0.04	(0.01)	0.00
Add / (Less): Minority Interest in Income / losses	-	(0.01)	0.04	0.03	0.00
Adjustment on account of prior period Items	_	-	-	-	
Profit attributable for Shareholders	94.89	84.09	149.90	152.70	120.09
Balance brought forward from previous year	339.47	189.57	189.57	36.87	10.68
Dividend on shares	-	-	-	-	7.61
Tax on dividend	-	-	-	-	1.29
Transfer to general reserve	-	-	-	-	85.00
Balance carried to balance sheet	434.36	273.66	339.47	189.57	36.87

The above Statements should be read with the Significant Accounting Policies and Notes to the Standalone Summary Statements of Assets and Liabilities, Profits and Losses and Cash Flows, as restated as appearing in Annexure V & VA respectively.

Restated Consolidated Cash Flow Statement

	Half Ye	ar ended	Year Ended		
Particulars	30-Sep-09	30-Sep-08	31-Mar-09	31-Mar-08	31-Mar-07
Cash Flows from Operating Activities					
Net Profit Before Taxation (before					
minority interest)	145.05	126.75	235.41	232.60	180.59
Adjustments for:					
Add / (Less):					
Depreciation	2.62	1.63	4.19	2.01	1.33
Share Issue Expenses Written Off	0.35	0.42	0.75	0.83	0.23
Interest Expenses	0.25	0.76	1.83	0.47	0.02
Provision for gratuity	1.15	0.14	0.29	0.72	-
Dividend Income	(7.42)	(0.59)	(2.38)	(2.86)	(1.06)
(Profit) / Loss on sale of shares /					
Investments	(3.50)	(0.39)	0.37	(2.56)	(0.54)
Interest Income	(9.75)	(9.34)	(17.72)	(21.37)	(7.22)
(Profit) / Loss on sale of fixed assets	-	0.12	(1.97)	(2.78)	0.44
O					
Operating Profit before Working Capital Changes	128.75	119.50	220.77	207.06	173.79
Capital Changes	120.73	117.30	220.77	207.00	173.79
(Increase)/Decrease in Trade and Other					
Receivables	3.01	(2.72)	(7.43)	(12.86)	0.14
(Increase)/Decrease in Inventories	9.24	(5.97)	(8.93)	(6.03)	(2.77)
(Increase)/Decrease in Other Current					

	Half Year ended Year Ende			Year Ended	
Particulars	30-Sep-09	30-Sep-08	31-Mar-09	31-Mar-08	31-Mar-07
Assets	(18.26)	8.97	(81.51)	(54.02)	(167.35)
Increase/(Decrease) in Provisions	0.26	(0.15)	(0.46)	19.46	11.89
Increase/(Decrease) in Current					
Liabilities	225.24	134.55	18.27	17.19	60.16
Income- taxes paid	(48.50)	(42.23)	(80.16)	(59.71)	(6.90)
Net Cash Flow from/ (used in) Operating Activities	299.74	211.95	60.55	111.09	68.96
Cash Flow from Investing Activities					
Purchase of Fixed Assets (including	(19.57)	(145 15)	(17(00)	(112.27)	(27.22)
CWIP) Sale of Investment in Subsidiary	(18.57)	(145.15)	(176.09)	(113.37)	(37.32)
· · · · · · · · · · · · · · · · · · ·	(740.52)	0.50	0.50	17.02	(21.10)
Sale/(Purchase) of Other Investments Interest Received	(740.52) 9.75	(85.64)	(8.94)	17.92 21.37	(21.19)
Sale of Fixed Assets	9.73	9.34 0.30	17.72 15.02	4.45	7.22
Dividend Received	7.42	0.59			1.06
Dividend Received	7.42	0.59	2.38	2.86	1.06
Net Cash Flow from/ (used in)					
Investing Activities	(741.92)	(220.06)	(149.41)	(66.77)	(50.23)
Cash Flows from Financing Activities					
Proceeds from Issue of Share Capital					
(including Premium)	500.00	-	-	52.80	59.81
Proceeds from Long Term Borrowings	-	-	52.19	-	-
Proceeds from Short Term Borrowings	0.01	0.88	-	-	23.81
Proceeds from Share Application					
Money Received	-	-	-	(5.19)	5.19
Repayment of Short Term Borrowings	(46.92)	_	(0.03)	(29.24)	_
Payment (to) / from Minority Interest	(1.50)	(0.02)	-	1.50	_
Interest on Loan	(0.25)	(0.76)	(1.83)	(0.47)	(0.02)
Share Issue Expenses Incurred	(12.14)	(0.93)	(0.53)	(3.55)	(1.43)
Dividend Paid	-	-	-	(7.61)	(1.71)
Corporate Dividend Tax paid	-	-	-	(1.29)	(0.24)
Net Cash Flow from/ (used in)					
Financing Activities	439.20	(0.83)	49.80	6.95	85.41
Net increase in cash and cash	(2.00)	(0.04)	(20.00)	£1 35	104.14
equivalents	(2.98)	(8.94)	(39.06)	51.27	104.14
Cash and Cash Equivalents (Opening					
Balance)	132.89	171.95	171.95	120.68	16.54
Cash and Cash Equivalents (Closing Balance)	129.91	163.01	132.89	171.95	120.68
Darmitti	127,71	105.01	132.07	1/1./3	120.00
Net increase in cash and cash	(2.00)	(0.0 f)	(20.00		
equivalents	(2.98)	(8.94)	(39.06)	51.27	104.14

THE ISSUE

The following table summarizes the Issue details:

Issue:	[•] Equity Shares
Of which:	
Employee Reservation Portion*** Therefore,	65,000 Equity Shares
Net Issue	[•] Equity Shares
Out of the Net Issue:	
QIB Portion**:	At least [●] Equity Shares
Net QIB Portion**:	
Of which	
Mutual Funds	[•] Equity Shares
Balance for all QIBs including Mutual Funds	[•] Equity Shares
Non-Institutional Portion***:	Not less than [●] Equity Shares
Retail Portion***:	Not less than [●] Equity Shares
Equity Shares outstanding prior to the Issue:	14,420,297 Equity Shares
Equity Shares outstanding post the Issue:	[•] Equity Shares
Objects of the Issue:	See the section titled "Objects of the Issue" at page 74.

^{**} Allocation to QIBs is proportionate as per the terms of this Draft Red Herring Prospectus. Provided that, our Company may, allocate up to 30% of the QIB Portion to Anchor Investors at the Anchor Investor Issue Price on a discretionary basis, out of which at least one-third will be available for allocation to Mutual Funds only. In the event of under-subscription in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. 5% of the Net QIB Portion shall be available for allocation to Mutual Funds. Mutual Funds participating in the 5% reservation in the Net QIB Portion will also be eligible for allocation in the remaining Net QIB Portion. Further attention of all QIBs is specifically drawn to the following: (a) QIBs will not be allowed to withdraw their Bid cum Application Forms after 3.00 p.m. on the Bid/Issue Closing Date; and (b) each QIB, including a Mutual Fund is required to deposit a Margin Amount of at least 10% with its Bid cum Application Form. In the event of under-subscription in the Mutual Fund Portion only, the unsubscribed portion would be added to the balance of the Net QIB Portion to be allocated on a proportionate basis to the QIB Bidders. Provided further that the Anchor Investors shall pay Anchor Investor Margin Amount representing 25% on the Bid Amount at the time of submission of the Anchor Investor Bid. Any difference between the amount payable by an Anchor Investor for Equity Shares allocated and the Anchor Investor Margin Amount paid at the time of Anchor Investor Bidding, shall be payable by the Anchor Investor within two days of the Bid/Issue Closing Date.

^{***} Subject to valid Bids being received at or above the Issue Price. Under-subscription, if any, in the Non-Institutional Portion, and Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories, at the discretion of our Company, in consultation with the Book Running Lead Managers and the Designated Stock Exchange. Under-subscription, if any, in the Employee Reservation Portion will be added back to the Net Issue. In case of under-subscription in the Net Issue, spill-over to the extent of under-subscription shall be permitted from the Employee Reservation Portion subject to the Net Issue constituting at least 10% of the post-Issue capital of our Company. If at least 60% of the Net Issue cannot be allotted to QIBs, then the entire application money will be refunded forthwith.

GENERAL INFORMATION

Our Company was incorporated on March 31, 2000, as a public limited company under the Companies Act.

Registered Office of our Company

Career Point Infosystems Limited

112B, Shakti Nagar Kota – 324 009 Rajasthan, India

Tel: +91 744 2500492, 2500092

Fax: +91 744 2500892

Corporate Office of our Company

Career Point Infosystems Limited

CP Tower Road No. 1, IPIA Kota – 324 005 Rajasthan, India Tel: +91 744 3040000 Fax: +91 744 3040000

For details of the changes to our Registered Office, please refer to the section titled "History and Certain Corporate Matters" at page 126.

Registration number

17-016272 of 1999-2000

Corporate Identification Number

U72200RJ2000PLC 016272

Address of the RoC

The Registrar of Companies Corporate Bhawan, G/6-7 Second Floor, Residency Area, Civil Lines Jaipur-302001 Rajasthan India.

Our Board

Sr.	Name, designation and occupation	Age	Director's	Address
No		(years)	Identification Number	
1.	Mr. Pramod Maheshwari	38	00185711	112A, Shakti Nagar
	Chairman, Managing Director and			Kota – 324 009
	CEO			Rajasthan
				India
	Executive and non-independent			
	Director			
	Occupation: Professional			
2.	Mr. Om Prakash Maheshwari	41	00185677	112A, Shakti Nagar
	Whole time Director and CFO			Kota – 324 009

Sr. No	Name, designation and occupation	Age (years)	Director's Identification Number	Address
110	Executive and non-independent Director Occupation: Professional	(Jears)	Author Author	Rajasthan India
3.	Mr. Nawal Kishore Maheshwari Whole time Director Executive and non-independent Director Occupation: Professional	34	00185762	112A, Shakti Nagar Kota – 324 009 Rajasthan India
4.	Mr. Pritam Kumar Goswami Director Non-executive and independent Director Occupation: Practicing chartered accountant	38	00082224	157, Aditya Awas Colony Police Lines Kota – 324 009 Rajasthan India
5.	Mr. Pawan Kumar Lalpuria Director Non-executive and independent Director Occupation: Practicing chartered accountant	42	02016032	A – 835, Pyramid House Indra Vihar Kota – 324000 Rajasthan India
6.	Mr. Ram Swaroop Chaudhary Director Non-executive and independent Director Occupation: Businessman	66	00711599	2-GA-5, Dadabari Kota – 324 009 Rajasthan India
7.	Mr. Arun Luharuka Nominee Director Non-executive and Non-independent Occupation: Service	40	02889091	704, B 3, Siddhi Vinayak Cooperative Housing Society Asha Nagar Western Express Highway Borivali (E), Mumbai – 400066 Maharashtra India.
8.	Mr. Dwarka Das Nihchal Das Nainani Director Non - executive and Independent Occupation: Professional	58	00202188	20/238, Sripura, Opposite Water Works Office Kota – 324 006 Rajasthan India

For further details of our Directors, see the section titled "Our Management" at page 135.

Company Secretary and Compliance Officer

Mr. Tarun Kumar Jain

Career Point Infosystems Limited 112B, Shakti Nagar Kota – 324 009 Rajasthan, India

Tel: +91 744 2500492, 2500092

Fax: +91 744 2500892

Email: ipo@careerpointgroup.com

Investors can contact the Compliance Officer in case of any pre-Issue or post-Issue related problems, such as non-receipt of letters of allotment, credit of allotted Equity Shares in the respective beneficiary accounts and refund orders.

Book Running Lead Managers

Centrum Capital Limited

Centrum House, Vidya Nagari Marg CST Road, Kalina, Santacruz (East) Mumbai – 400 098 Maharashtra

India

Tel: +91 22 4215 9000 Fax: +91 22 4215 9707

Email: careerpoint.ipo@centrum.co.in Investor Grievance Id: igmbd@centrum.co.in

Website: www.centrum.co.in

Contact Person: Mr. Gaurav Saravgi / Ms. Amandeep Sidhu

SEBI Registration No. INM000010445

JM Financial Consultants Private Limited

141, Maker Chambers III Nariman Point

Mumbai- 400 021

India

Tel: +91 22 6630 3030 Fax: +91 22 2204 7185 Email: cpil.ipo@jmfinancial.in

Investor Grievance Id: grievance.ibd@jmfinancial.in

Website: www.jmfinancial.in

Contact Person: Ms. Lakshmi Lakshmanan SEBI Registration No. INM000010361

Syndicate Member

JM Financial Services Private Limited

141, Maker Chambers III Nariman Point Mumbai- 400 021

India

Tel: +91 22 6704 3184/85 Fax: +91 22 6654 1511 Email: cpil.ipo@jmfinancial.in

Investor Grievance Id: grievance.ibd@jmfinancial.in

Website: www.jmfinancial.in

Contact Person: Mr. Deepak Vaidya/ Mr. T. N. Kumar

SEBI Registration No.: NSE SEBI Reg No INB/F231054835 & BSE SEBI Reg No INB/F 011054831

Legal advisors to the Issue

Luthra and Luthra Law Offices

704-706, 7th floor, Embassy Centre Nariman Point Mumbai 400 021 Tel: +91 22 6630 3600

Fax: +91 22 6630 3700 E-mail: mumbai@luthra.com

Registrar to the Issue

Link Intime India Private Limited

C-13, Pannalal Silk Mills Compound L.B.S. Marg, Bhandup (West) Mumbai - 400 078

Maharashtra, India Tel: +91 22 2596 0320 Fax: +91 22 2596 0329

Website: www.linkintime.co.in Email: cpil.ipo@linkintime.co.in Contact Person: Mr. Sachin Achar SEBI Registration No. INR000004058

Self Certified Syndicate Banks

The list of banks who have been notified by SEBI to act as SCSBs are provided at http://www.sebi.gov.in

Banker to the Issue

[•]

Refund Banker(s)

 $[\bullet]$

Bankers to our Company

ICICI Bank Limited 18, Jhalawar Road Kota – 324007, Rajasthan Tel: +91 744 2390319 Fax: +91 744 2390319 Email: kumarg@icicibank.com	HDFC Bank Limited Show Room No 13-14, Jhalawar Road Kota – 324007, Rajasthan Tel: +91 744 2391692 Fax: +91 744 2391690 Email: nitin.daga@hdfcbank.com
State Bank of India LIC Building Chawani Chouraha Kota – 324007, Rajasthan Tel: +91 744 2390725 Fax: +91 744 2390473 Email: sbi.01534@sbi.co.in	The Bank of Rajasthan Limited B.O. Industrial Estate, Arodrom Circle Kota - 324007, Rajasthan Tel: +91 744 2362284 Fax: +91 744 2362284 Email: iekota@rajbank.com
Punjab National Bank	State Bank of Patiala

Industrial State, Aerodrom Circle 655, CAD Circle Kota – 324009, Rajasthan Pratap Nagar Kota – 324009, Rajasthan Tel: +91 744 2363803 Fax: +91 744 2366207 Tel: +91 744 2500516, 2501068 Email: bo0726@pnb.co.in Fax: +91 744 2500224 Email: b55586@sbp.co.in **Union Bank of India** 176, Vishveshvariyanagar Branch Near Rastriya Sanskrit Sansthan Gopalpura Byepass Jaipur – 302018, Rajasthan Tel: +91 141 2761791 Email: CBS-vnagar@unionbankofindia.com

Auditors to our Company

Sharp & Tannan

Chartered Accountants
Delhi Stock Exchange Building
3/1, Asaf Ali Road
New Delhi – 110 002, India
Tel: +91 11 23279809

Fax: +91 11 23264419 Email: contact@stdelhi.com

Responsibilities of the BRLMs

The Book Running Lead Managers shall be responsible for the following:

Sr. No.	Activity	Responsibility	Co-ordination
1.	Capital Structuring with relative components and formalities such as type of instruments, etc.	BRLMs	Centrum
2.	Due diligence of Company's operations / management / business plans / legal etc. Drafting and design of Red Herring Prospectus including memorandum containing salient features of the Prospectus. The BRLMs shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, ROC and SEBI including finalisation of Prospectus and ROC filing.	BRLMs	Centrum
3.	Drafting and approval of all statutory advertisement	BRLMs	Centrum
4.	Drafting and approval of all publicity material other than statutory advertisement as mentioned in 3 above including corporate advertisement, brochure etc.	BRLMs	Centrum
5.	Appointment of other intermediaries viz., Registrar's, Printers, Advertising Agency and Bankers to the Issue	BRLMs	Centrum
6.	Institutional Marketing strategy * Preparation of Road show presentation * Finalise the list and division of investors for one to one meetings, in consultation with the Company, and * Finalizing the International road show schedule and investor meeting schedules	BRLMs	JM Financial

Sr. No.	Activity	Responsibility	Co-ordination
7.	Non-Institutional and Retail marketing of the Issue, which will cover, inter alia, * Formulating marketing strategies, preparation of publicity budget * Finalise Media and PR strategy * Finalising centers for holding conferences for press and brokers * Follow-up on distribution of publicity and Issuer material including form, prospectus and deciding on the quantum of the Issue material	BRLMs	Centrum
8.	Co-ordination with Stock Exchanges for Book Building Software, bidding terminals and mock trading.	BRLMs	JM Financial
9.	Finalisation of Pricing, in consultation with the Company	BRLMs	Centrum
10.	The post bidding activities including management of escrow accounts, co-ordination of non-institutional allocation, intimation of allocation and dispatch of refunds to bidders etc. The post Issue activities for the Issue involving essential follow up steps, which include the finalisation of trading and dealing of instruments and demat of delivery of shares, with the various agencies connected with the work such as the registrar's to the Issue and Bankers to the Issue, SCSBs and the bank handling refund business. The merchant banker shall be responsible for ensuring that these agencies fulfill their functions and enable it to discharge this responsibility through suitable agreements with the Company.	BRLMs	Centrum
11.	In case of under-subscription in an Issue, invoking underwriting obligations and ensuring that the notice for devolvement containing the obligations of the underwriters is issued.	BRLMs	Centrum

Credit rating

As this is an Issue of equity shares, credit rating is not required for this Issue.

IPO Grading Agency

 $[\bullet]$

This Issue has been graded by [●] and has been assigned the "IPO grade [●] indicating [●] fundamentals thorough its letter dated [●]. The initial public offer grading is assigned on a five point scale from 1 to 5 with an "IPO Grade 5" indicating strong fundamental and an "IPO Grade 1" indicating poor fundamentals. A copy of the report provided by [●], furnishing the rationale for its grading will be available for inspection at our Registered office.

Trustees

As this is an Issue of equity shares, the appointment of trustees is not required.

Monitoring Agency

As the Issue size will not exceed Rs. 5,000 million, the appointment of Monitoring Agency would not be required under Regulation 16 of the SEBI Regulations.

Appraising Entity

The objects of this Issue have not been appraised by any agency. The objects of this Issue and means of finance therefore are based on internal estimates of our Company.

Book Building Process

Book building refers to the collection of Bids from investors, on the basis of the Draft Red Herring Prospectus and the Bid-cum-Application forms. The principal parties involved in the Book Building Process are:

- 1. our Company;
- the Book Running Lead Managers;
- 3. Syndicate Members who are intermediaries registered with SEBI or registered as brokers with any of the Stock Exchanges and eligible to act as underwriters. Syndicate Members are appointed by the Book Running Lead Managers;
- 4. Registrar to the Issue;
- 5. Bankers to the Issue; and
- SCSBs.

In terms of Rule 19(2)(b) of the SCRR, the Issue being less than 25% of post Issue capital, the Issue is being made through Book Building Process wherein at least 60% of the Net Issue shall be allocated on a proportionate basis to QIBs. If at least 60% of the Net Issue cannot be allocated to QIBs, then the entire application money will be refunded. 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the 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 10% of the Net Issue shall be available for allocation on a proportionate basis to Non Institutional Bidders and not less than 30% of the Net Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price.

While the Book Building Process under the SEBI Regulations is not new and is subject to change, investors are advised to make their own judgment about investment through this process prior to making a Bid or Application in the Issue. Under the SEBI Regulations, QIBs are not allowed to withdraw their Bid(s) after the Bid/Issue Closing Date. In addition, QIBs are required to pay at least 10% of the Bid Amount upon submission of the Bid cum Application Form during the Bid/Issue Period and allocation to QIBs will be on a proportionate basis. For further details, please refer to the section "Issue Structure" at page 225.

Steps to be taken by the Bidders for making a Bid or application in this Issue:

- Check eligibility for making a Bid. For further details, see the section titled "Issue Procedure" at page 229. Specific attention of ASBA Bidders is invited to the section titled "Issue Procedure Issue Procedure for ASBA Bidders" at page 260;
- Ensure that you have a demat account and the demat account details are correctly mentioned in the Bid cum Application Form or the ASBA Form, as the case may be;
- Ensure that the Bid cum Application Form or ASBA Form is duly completed as per the instructions given in the Draft Red Herring Prospectus and in the respective forms;
- Ensure that you have mentioned your PAN in the Bid cum Application Form or ASBA Form (see the section titled "*Issue Procedure*" at page 237);
- Ensure the correctness of your Demographic Details (as defined in the section titled "Issue Procedure Bidder's Depository Account and Bank Account Details" at page 238), given in the Bid cum Application Form or ASBA Form, with the details recorded with your Depository Participant;
- Bids by ASBA Bidders will only have to be submitted to the SCSBs at the Designated Branches.
 ASBA Bidders should ensure that their bank accounts have adequate credit balance at the time of submission to the SCSB to ensure that their ASBA is not rejected; and
- Bids by QIBs (including Anchor Investors) will only have to be submitted to members of the Syndicate.

Illustration of Book Building Process and the Price Discovery Process

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

Bidders can bid at any price within the Price Band. For instance, assuming a price band of Rs. 20 to Rs. 24 per share, an issue size of 3,000 equity shares and receipt of five bids from bidders, details of which are shown in the table 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 as shown below indicates the demand for the shares of the issuer company at various prices and is collated from bids from various investors.

Bid Quantity	Bid Price (Rs.)	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 shares is the price at which the book cuts off, i.e., Rs. 22 in the above example. The issuer, in consultation with Book Running Lead Managers, will finalise the issue price at or below such cut-off, i.e., at or below Rs. 22. All bids at or above this issue price and cut-off bids are valid bids and are considered for allocation in the respective categories.

Withdrawal of this Issue

Our Company, in consultation with the Book Running Lead Managers, reserves the right not to proceed with the Issue in accordance with SEBI Regulations. Provided, if our Company withdraws the Issue after the Bid/Issue Closing Date, we will give the reason thereof within two days of the Bid/Issue Closing Date by way of a public notice in the same newspapers where the pre-issue advertisement had appeared. The Stock Exchanges shall also be informed promptly. Notwithstanding the foregoing, the Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment and (ii) the final RoC approval of the Prospectus after it is filed with the RoC. In terms of the SEBI Regulations, QIB Bidders shall not be allowed to withdraw their Bid after the Bid/Issue Closing Date.

Bid/Issue Programme

R	i	d	d	in	σ	P	er	ic	h

BID/ISSUE OPENING DATE	[•], 2010*
BID/ISSUE CLOSING DATE	[•], 2010

^{*}The Anchor Investor Bidding Date shall be one day prior to the Bid/Issue Opening Date.

Our Company may consider participation by Anchor Investors in terms of the SEBI Regulations.

Bids and any revision in Bids shall be accepted **only between 10.00 a.m. and 5.00 p.m.** (Indian Standard Time) during the Bidding/Issue Period as mentioned above at the Bidding Centres mentioned on the Bid cum Application Form or, in case of Bids submitted through ASBA, the Designated Branches of the SCSBs **except that on the Bid/Issue Closing Date, Bids shall be accepted only between 10.00 a.m. and 3.00 p.m.** (Indian Standard Time) and uploaded until (i) 4.00 p.m. in case of Bids by QIB Bidders, Non-Institutional Bidders where the Bid Amount is in excess of Rs. 100,000 and (ii) until 5.00 p.m. in case of Bids by Retail Individual Bidders and Eligible Employees bidding under the Employee Reservation Portion where the Bid Amount is up to Rs. 100,000, which may be extended up to such time as deemed fit by the Stock Exchanges after taking into account the total number of applications received up to the closure of timings and reported by Book Running Lead Managers to the Stock Exchanges within half an hour of such

closure. Due to limitation of the time available for uploading the Bids on the Bid/Issue Closing Date, the Bidders are advised to submit their Bids one day prior to the Bid/Issue Closing Date and, in any case, no later than 3.00 p.m.(Indian Standard Time) on the Bid/Issue Closing Date. Bidders 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 offerings in India, 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 under this Issue. Bids will only be accepted on Working Days. In case of discrepancy in the data entered in the electronic book *vis-à-vis* the data contained in the physical Bid form, for a particular Bidder, the details as per physical application form of that Bidder may be taken as the final data for the purpose of Allotment. In case of discrepancy in the data entered in the electronic book *vis-à-vis* the data contained in the physical or electronic ASBA Form, for a particular ASBA Bidder, the Registrar to the Issue shall ask the relevant SCSB for rectified data.

Our Company, in consultation with the Book Running Lead Managers, reserves the right to revise the Price Band during the Bidding Period in accordance with the SEBI Regulations provided that the Cap Price should not be more than 20% of the Floor Price. Subject to compliance with the above mentioned condition, the Floor Price can move up or down to the extent of 20% of the Floor Price advertised atleast one day before the Bid/Issue Opening Date.

In case of revision in the Price Band, the Bidding Period will be extended for three additional Working Days after revision of 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 SCSBs and the Stock Exchanges, by issuing a press release, and also by indicating the change on the website of the Book Running Lead Managers and at the terminals of the Syndicate Members.

Underwriting Agreement

After the determination of the Issue Price and allocation of our Equity Shares but prior to filing of the Prospectus with RoC, our Company will enter into the Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through this Issue. It is proposed that pursuant to the terms of the Underwriting Agreement, the BRLMs shall be responsible for bringing in the amount devolved in the event that the Syndicate Members do not fulfill their underwriting obligations. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters are several and are subject to certain conditions precedent to closing, as specified therein.

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

Name and Address of the Underwriters	Indicative number of Equity Shares to be underwritten*	Amount underwritten* (Rs. million)
Book Running Lead Managers		
Centrum Capital Limited	[•]	[•]
Centrum House, Vidya Nagari Marg		
CST Road, Kalina, Santacruz (East),		
Mumbai – 400 098, Maharashtra, India		
JM Financial Consultants Private Limited	[•]	[•]
141, Maker Chambers III		
Nariman Point		
Mumbai- 400 021		
India		
Syndicate Members	[•]	[•]
JM Financial Services Private Limited	[•]	[•]
141, Maker Chambers III		
Nariman Point		
Mumbai- 400 021		
India		
[•]	[•]	[•]

Name and Address of the Underwriters	Indicative number of		
Name and Address of the Underwriters	Equity Shares to be underwritten*	(Rs. million)	
Total	[•]	(====================================	[•]

^{*} To be filled in before filing of the Prospectus with RoC

The above mentioned amount is provided for indicative purposes only and will be finalised after determination of Issue Price and actual allocation of the Equity Shares. The Underwriting Agreement is dated [•], 2010.

In the opinion of the Board of Directors (based on certificates dated [•], 2010 given to them by the Underwriters), the resources of the Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. All the above-mentioned Underwriters are registered with SEBI under Section 12(1) of the SEBI Act or registered as brokers with the stock exchanges. The above Underwriting Agreement has been accepted by the Board of Directors and our Company has issued letters of acceptance to the Underwriters.

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

CAPITAL STRUCTURE

The share capital of our Company, as of the date of this Draft Red Herring Prospectus, is set forth below:

		Aggregate Value at nominal value (in Rs.)	Aggregate Value at Issue Price (in Rs.)
A)	AUTHORISED SHARE CAPITAL ^(a)		
	25,000,000 Equity Shares	250,000,000	
B)	ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL		
	14,420,297 Equity Shares	144,202,970	
C)	PRESENT ISSUE IN TERMS OF THIS DRAFT RED HERRING PROSPECTUS ^(b)		
	[•] Equity Shares aggregating upto Rs. 1,150 million	[•]	[•]
	Out of which:		
	i) Employee Reservation Portion Upto 65,000 Equity Shares	650,000	[•]
	ii) Net Issue [●] Equity Shares	[•]	[•]
D)	ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL AFTER THE ISSUE		
	[•] Equity Shares	[•]	[•]
E)	SECURITIES PREMIUM ACCOUNT		
	Before the Issue	688,227,752.72	-
	After the Issue	[•]	[•]

⁽a) The authorized share capital of our Company has increased numerous times. Given below are the dates and the manner in which the authorized share capital has increased:

- (i) The initial authorized share capital of our Company was Rs. 100,000 divided into 10,000 Equity Shares. It was increased to Rs. 500,000 comprising of 50,000 Equity Shares pursuant to a shareholders' resolution dated September 30, 2002.
- (ii) The authorized share capital of Rs. 500,000 of our Company was increased to Rs. 10,000,000 comprising 1,000,000 Equity Shares pursuant to a shareholders' resolution dated March 06, 2003.
- (iii) The authorized share capital of Rs. 10,000,000 of our Company was increased to Rs. 11,500,000 comprising 1,150,000 Equity Shares pursuant to a shareholders' resolution dated December 31, 2004.
- (iv) The authorized share capital of Rs. 11,500,000 of our Company was increased to Rs. 46,500,000 comprising 4,650,000 Equity Shares pursuant to a shareholders' resolution dated August 10, 2006.
- (v) The authorized share capital of Rs. 46,500,000 of our Company was increased to Rs. 131,500,000 comprising 13,150,000 Equity Shares pursuant to a shareholders resolution dated December 26, 2006.
- (vi) The authorized share capital of Rs. 131,500,000 of our Company was increased to Rs. 250,000,000 comprising 25,000,000 Equity Shares pursuant to a shareholders' resolution dated November 12, 2007.

Notes to the Capital Structure

- 1. Share Capital History:
- (a) Equity Share capital history of our Company

⁽b) The Issue has been authorized by a resolution of our Board dated January 1, 2010 and by a special resolution passed pursuant to Section 81(1A) of the Companies Act, at an extra-ordinary general meeting of the shareholders of our Company held on January 5, 2010

Date of Allotment / fully paid up	Number of Equity Shares	Face Value (Rs)	Issue Price (Rs)	Consi derati on	Reasons for Allotment	Cumulative number of Equity Shares	Cumulative Equity Share Capital (Rs)	Cumulative Share Premium (Rs)
April 3, 2000	700	10	10	Cash	Initial allotment to subscription to the Memorandum to the following: Mr. Pramod Maheshwari; Mr. Om Prakash Maheshwari; Mr. Nawal Kishore Maheshwari; Mr. Gulabchand Maheshwari; Ms. Kailash Bai Maheshwari; Ms. Neelima Maheshwari; and Ms. Shilpa Maheshwari	700	7,000	Nil
December 2, 2002	49,300	10	10	Cash	Preferential allotment to Mr. Pramod Maheshwari; Mr. Om Prakash Maheshwari; Mr. Nawal Kishore Maheshwari; Mr. Gulabchand Maheshwari; Ms. Kailash Bai Maheshwari; Ms. Neelima Maheshwari; Ms. Shilpa Maheshwari; and Ms. Rekha Maheshwari	50,000	500,000	Nil
March 31, 2003	64,000	10	100	Cash	Preferential allotment to Mr. Pramod Maheshwari; Mr. Om Prakash	114,000	1,140,000	5,760,000

Date of Allotment / fully paid up	Number of Equity Shares	Face Value (Rs)	Issue Price (Rs)	Consi derati on	Reasons for Allotment	Cumulative number of Equity Shares	Cumulative Equity Share Capital (Rs)	Cumulative Share Premium (Rs)
					Maheshwari; Mr. Nawal Kishore Maheshwari; Mr. Gulabchand Maheshwari; Ms. Kailash Bai Maheshwari; Ms. Neelima Maheshwari; Ms. Shilpa Maheshwari; and Ms. Rekha Maheshwari			
December 31, 2004	1,026,000	10	NIL	Bonus issue	Bonus issue in the ratio of 9:1 to Mr. Pramod Maheshwari; Mr. Om Prakash Maheshwari; Mr. Nawal Kishore Maheshwari; Mr. Gulabchand Maheshwari; Ms. Kailash Bai Maheshwari; Ms. Neelima Maheshwari; Ms. Neilma Maheshwari; Ms. Shilpa Maheshwari; and Ms. Rekha Maheshwari	1,140,000	11,400,000	5,760,000
August 10, 2006	2,280,000	10	NIL	Bonus	Bonus issue in the ratio of 2:1 to Mr. Pramod Maheshwari; Mr. Om Prakash Maheshwari; Mr. Nawal Kishore Maheshwari; Mr. Gulabchand	3,420,000	34,200,000	5,760,000

Date of Allotment / fully paid up	Number of Equity Shares	Face Value (Rs)	Issue Price (Rs)	Consi derati on	Reasons for Allotment	Cumulative number of Equity Shares	Cumulative Equity Share Capital (Rs)	Cumulative Share Premium (Rs)
					Maheshwari; Ms. Kailash Bai Maheshwari; Ms. Neelima Maheshwari; Ms. Shilpa Maheshwari; and Ms. Rekha Maheshwari			
December 26, 2006	1,140,000	10	NIL	Bonus issue	Bonus issue in the ratio of 1:3 to Mr. Pramod Maheshwari; Mr. Om Prakash Maheshwari; Mr. Nawal Kishore Maheshwari; Mr. Gulabchand Maheshwari; Ms. Kailash Bai Maheshwari; Ms. Neelima Maheshwari; Ms. Neelima Maheshwari; Ms. Shilpa Maheshwari; and Ms. Rekha Maheshwari	4,560,000	45,600,000	5,760,000
January 21, 2007	511,200	10	117	Cash	Preferential allotment to Mr. Vikas Singhi; Mr. Prayas Singhi; and M/s Volrado Venture Partners	5,071,200	50,712,000	60,458,400
June 10, 2007	6,846,120	10	NIL	Bonus	Bonus issue in the ratio of 27:20 to Mr. Pramod Maheshwari; Mr. Om Prakash Maheshwari; Mr. Nawal Kishore Maheshwari;	11,917,320	119,173,200	60,458,400

Date of Allotment / fully paid up	Number of Equity Shares	Face Value (Rs)	Issue Price (Rs)	Consi derati on	Reasons for Allotment	Cumulative number of Equity Shares	Cumulative Equity Share Capital (Rs)	Cumulative Share Premium (Rs)
					Mr. Gulabchand Maheshwari; Ms. Kailash Bai Maheshwari; Ms. Neelima Maheshwari; Ms. Shilpa Maheshwari; Ms. Rekha Maheshwari; Mr. Vikas Singhi; Mr. Prayas Singhi; and M/s Volrado Venture Partners			
October 31, 2007	90,000	10	320	Unsec ured loan*	Preferential allotment to Mr. Pramod Maheshwari; Mr. Om Prakash Maheshwari; and Mr. Nawal Kishore Maheshwari	12,007,320	120,073,200	88,358,400
March 25, 2008	60,000	10	400	Cash	Preferential allotment to Ms. Ashriya Banu; Mr. Sohan Lal Chandgothia; Mr. Sonu Maheshwari; Mr. Trilok Chand Maheshwari; Mr. Ramesh Chand Maheshwari; Mr. Kushal Kishore Maheshwari; Mr. Yugal Kishore Maheshwari; Ms. Shalini Bhandari; Ms. Shweta Maheshwari;	12,067,320	120,673,200	111,758,400

Date of Allotment / fully paid up	Number of Equity Shares	Face Value (Rs)	Issue Price (Rs)	Consi derati on	Reasons for Allotment	Cumulative number of Equity Shares	Cumulative Equity Share Capital (Rs)	Cumulative Share Premium (Rs)
					Ms. Nisha Taparia; Ms. Kaushalya Devi Taparia; Mr. Ravi Prakash Taparia; M/s Rubymerry Enterprises Limited; Mr. Vishal Maheshwari; Ms. Neetu Maheshwari; Mr. Rahul Nyati; Ms. Piyusha Nyati; M/s Swastika Polyolefins Private Limited; Ms. Shyamadevi Partani; and Ms. Shilpa Agal			
July 27, 2009	2,011,264	10	248.60	Cash	Preferential allotment to FTPES	14,078,584	140,785,840	591,645,990.40
January 7, 2010	341,713	10	292.64	Cash	Preferential allotment to Mr. Nadathur Srinivasa Raghvan, for and on behalf of Kalpa Partners	14,420,297	144,202,970	688,227,752.72

^{*} These Equity Shares have been issued in lieu of an unsecured loan of Rs. 9,600,000 advanced by each of the three Promoters to our Company.

2. Promoter and Promoter Group Build up, Contribution and Lock-in

a) History of the Share Capital held by the Promoters

Name of the Promoters	Date of Allotment/ fully paid up/transfer	No. of Equity Shares	Face Value (Rs.)	Issue/ Transfer Price per Equity Share (Rs.)	Nature of Consideration	Reason for Allotment / Transfer
Mr. Pramod Maheshwari	April 3, 2000	100	10	10	Cash	Initial allotment on subscription to the

Name of the Promoters	Date of Allotment/ fully paid up/transfer	No. of Equity Shares	Face Value (Rs.)	Issue/ Transfer Price per Equity Share (Rs.)	Nature of Consideration	Reason for Allotment / Transfer
						Memorandum
	December 2, 2002	6150	10	10	Cash	Preferential allotment
	March 31, 2003	8000	10	100	Cash	Preferential allotment
	December 31, 2004	128,250	10	NIL	Bonus	Bonus issue
	August 10, 2006	285,000	10	NIL	Bonus	Bonus issue
	December 26, 2006	142,500	10	NIL	Bonus	Bonus issue
	June 10, 2007	769,500	10	NIL	Bonus	Bonus issue
	October 31, 2007	30,000	10	320	Cash	Preferential allotment in satisfaction of loan*
	August 28, 2008	1,000	10	400	Cash	Transfer from Ms. Shilpa Agal
	August 28, 2008	13,400	10	400	Cash	Transfer from M/s Rubymerry Enterprises Private Limited
	November 20, 2008	1,000	10	400	Cash	Transfer from Mr. Kushal Kishore Maheshwari
	November 20, 2008	1,000	10	400	Cash	Transfer from Ms. Shweta Maheshwari
	November 20, 2008	1,000	10	400	Cash	Transfer from Ms. Nisha Taparia
	January 5, 2009	1,000	10	400	Cash	Transfer from Ms. Neetu Maheshwari
	January 5, 2009	1,000	10	400	Cash	Transfer from Mr. Vishal Maheshwari
	February 16, 2009	2,500	10	400	Cash	Transfer from Mr. Sohan Lal Chandgothia
	May 6, 2009	1,300	10	400	Cash	Transfer from Ms. Ashriya Banu
	May 6, 2009	500	10	400	Cash	Transfer from Ms. Shalini Bhandari
Sub-total		1,393,200				
Mr. Om Prakash Maheshwari	April 3, 2000	100	10	10	Cash	Initial allotment on subscription to the Memorandum
	December 2, 2002	6,150	10	10	Cash	Preferential allotment
	March 31, 2003	8,000	10	100	Cash	Preferential allotment
	December 31, 2004	128,250	10	NIL	Bonus	Bonus issue
	August 10, 2006	285,000	10	NIL	Bonus	Bonus issue
	December 26, 2006	142,500	10	NIL	Bonus	Bonus issue
	June 10, 2007	769,500	10	NIL	Bonus	Bonus issue
	October 31, 2007	30,000	10	320	Cash	Preferential allotment in satisfaction of loan*

Name of the Promoters	Date of Allotment/ fully paid up/transfer	No. of Equity Shares	Face Value (Rs.)	Issue/ Transfer Price per Equity Share (Rs.)	Nature of Consideration	Reason for Allotment / Transfer
	August 28, 2008	13,300	10	400	Cash	Transfer from M/s Rubymerry Enterprises Private Limited
	November 20, 2008	1000	10	400	Cash	Transfer from Mr. Yugal Kishore Maheshwari
	November 20, 2008	500	10	400	Cash	Transfer from Ms. Sonu Maheshwari
	November 20, 2008	1000	10	400	Cash	Transfer from Ms. Shyama Devi Partani
	January 5, 2009	1000	10	400	Cash	Transfer from Mr. Rahul Nyati
Sub-total		1,386,300				
Mr. Nawal Kishore Maheshwari	April 3, 2000	100	10	10	Cash	Initial allotment on subscription to the Memorandum
	December 2, 2002	6150	10	10	Cash	Preferential allotment
	March 31, 2003	8,000	10	100	Cash	Preferential allotment
	December 31, 2004	128,250	10	NIL	Bonus	Bonus issue
	August 10, 2006	285,000	10	NIL	Bonus	Bonus issue
	December 26, 2006	142,500	10	NIL	Bonus	Bonus issue
	June 10, 2007	769,500	10	NIL	Bonus	Bonus issue
	October 31, 2007	30,000	10	320	Cash	Preferential allotment in satisfaction of loan*
	August 28, 2008	13,300	10	400	Cash	Transfer from M/s Rubymerry Enterprises Private Limited
	November 20, 2008	300	10	400	Cash	Transfer from M/s Ravi Prakash Taparia
	November 20, 2008	500	10	400	Cash	Transfer from Mr. Trilokchand Maheshwari
	November 20, 2008	200	10	400	Cash	Transfer from Ms. Kaushalya Devi Taparia
	November 20, 2008	1000	10	400	Cash	Transfer from Mr. Ramesh Chand Maheshwari
	January 5, 2009	1000	10	400	Cash	Transfer from Ms. Piyusha Nyati
Sub-total		1,385,800				

^{*} These Equity Shares have been issued in lieu of an unsecured loan of Rs. 9,600,000 advanced by each of the three Promoters to our Company.

b) Details of Promoters' contribution to be locked-in for three years

Pursuant to SEBI Regulations, an aggregate of 20% of the Promoters post-Issue share capital shall be locked-in for a period of three years. The details of such lock-in are given below:

Name of the Promoter	Date on which Equity Shares were allotted	Nature of payment / consideration	No. of Equity Shares locked- in	Percentage of post-Issue Capital
Mr. Pramod Maheshwari	[•]	[•]	[•]	[•]
Mr. Om Prakash Maheshwari	[•]	[•]	[•]	[•]
Mr. Nawal Kishore Maheshwari	[•]	[•]	[•]	[•]
Total	[•]	[•]	[•]	[•]

Our Promoters have, by a written undertaking dated February 23, 2010, given consent to include such number of Equity Shares held by them, as may constitute 20% of post-Issue equity share capital of our Company to be considered towards Promoters' contribution and locked-in for a period of three years from the date of Allotment ("**Promoters' Contribution**").

The Promoters have pursuant to their undertaking dated February 23, 2010, agreed not to sell or transfer or pledge or otherwise dispose of in any manner, the Equity Shares forming part of the Promoters' Contribution from the date of filing of this Draft Red Herring Prospectus until the commencement of the lock-in period specified above.

The Promoters' Contribution has been brought in to the extent of not less than the specified minimum lot and from persons defined as promoters under the SEBI Regulations. All Equity Shares which are to be locked-in as Promoters' Contribution are eligible for computation of promoters' contribution in accordance with the SEBI Regulations. In relation to this, we confirm:

- 1. The Equity Shares to be considered as the Promoters' Contribution:
 - (a) have not been acquired for consideration other than cash and revaluation of assets or capitalization of intangible assets and have not been issued against shares, which are otherwise ineligible for promoters' contribution;
 - (b) are not resulting from a bonus issue, out of revaluation of reserves or reserves created without accrual of cash resources or against equity shares which are otherwise ineligible for computation of promoters' contribution;
 - (c) are not subject to any pledge or any other encumbrance; and
 - (d) are not arising out of securities acquired during the preceding year, at a price lower than the Issue Price except bonus shares not covered in para (b) above;
- 2. Our Company has not been formed by conversion of a partnership firm into a company.

As per the SEBI Regulations, the Equity Shares towards the Promoters' Contribution during the lock-in period can be pledged only with scheduled commercial banks or public financial institutions as collateral security for loans granted by and the pledge of the Equity Shares is one of the terms of the sanction of such loans. Further such a loan should have been granted for the purpose of financing one or more of the objectives of this Issue. For further details regarding the objects of this Issue, see the section titled "Objects of the Issue" at page 74.

c) Build up of shareholding of Promoter Group:

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

Name of the member of our Promoter Group	Date of Acquisition/ Transfer	Nature of Consideration	No. of Equity Shares	Issue/ Acquisitio n Price (Rs. per Equity Share)	% of Post-Issue paid-up Capital	Nature of Transaction
Mr. Gulab Chand Maheshwari	April 3, 2000	Cash	100	10	[•]	Initial allotment on subscription to the Memorandum
	December 2, 2002	Cash	6,150	10	[•]	Preferential allotment
	March 31, 2003	Cash	8,000	100	[•]	Preferential allotment
	December 31, 2004	Nil	128,250	Nil	[•]	Bonus issue
	September 10, 2006	Nil	285,000	Nil	[•]	Bonus issue
	December 26, 2006	Nil	142,500	Nil	[•]	Bonus issue
	June 10, 2007	Nil	769,500	Nil	[•]	Bonus issue
Sub-total			1,339,500			
Ms. Kailash Bai Maheshwari	April 3, 2000	Cash	100	10	[•]	Initial allotment on subscription to the Memorandum
	December 2, 2002	Cash	6,150	10	[•]	Preferential allotment
	March 31, 2003	Cash	8,000	100	[•]	Preferential allotment
	December 31, 2004	Nil	128,250	Nil	[•]	Bonus issue
	September 10, 2006	Nil	285,000	Nil	[•]	Bonus issue
	December 26, 2006	Nil	142,500	Nil	[•]	Bonus issue
	June 10, 2007	Nil	769,500	Nil	[•]	Bonus issue
Sub-total			1,339,500			
Ms. Neelima Maheshwari	April 3, 2000	Cash	100	10	[•]	Initial allotment on subscription to the Memorandum
	December 2, 2002	Cash	6,150	10	[•]	Preferential allotment
	March 31, 2003	Cash	8,000	100	[•]	Preferential allotment
	December 31, 2004	Nil	128,250	Nil	[•]	Bonus issue
	September 10, 2006	Nil	285,000	Nil	[•]	Bonus issue
	December 26, 2006	Nil	142,500	Nil	[•]	Bonus issue
	June 10, 2007	Nil	769,500	Nil	[•]	Bonus issue
Sub - total			1,339,500		[•]	

Name of the member of our Promoter Group	Date of Acquisition/ Transfer	Nature of Consideration	No. of Equity Shares	Issue/ Acquisitio n Price (Rs. per Equity Share)	% of Post-Issue paid-up Capital	Nature of Transaction
Ms. Shilpa Maheshwari	April 3, 2000	Cash	100	10	[•]	Initial allotment on subscription to the Memorandum
	December 2, 2002	Cash	6,150	10	[•]	Preferential allotment
	March 31, 2003	Cash	8,000	100	[•]	Preferential allotment
	December 31, 2004	Nil	128,250	Nil	[•]	Bonus issue
	September 10, 2006	Nil	285,000	Nil	[•]	Bonus issue
	December 26, 2006	Nil	142,500	Nil	[•]	Bonus issue
	June 10, 2007	Nil	769,500	Nil	[•]	Bonus issue
Sub-total			1,339,500		[•]	
Ms. Rekha Maheshwari	December 2, 2002	Cash	6,250	10	[•]	Preferential allotment
	March 31, 2003	Cash	8,000	100	[•]	Preferential allotment
	December 31, 2004	Nil	128,250	Nil	[•]	Bonus issue
	September 10, 2006	Nil	285,000	Nil	[•]	Bonus issue
	December 26, 2006	Nil	142,500	Nil	[•]	Bonus issue
	June 10, 2007	Nil	769,500	Nil	[•]	Bonus issue
Sub-total			1,339,500		[•]	
Rubymerry Enterprises Private	March 25, 2008	Cash	40,000	400	[•]	Preferential allotment
Limited	August 28, 2008	Cash	(13,400)	400	[•]	Transfer to Mr. Pramod Maheshwari
	August 28, 2008	Cash	(13,300)	400	[•]	Transfer to Mr. Om Prakash Maheshwari
	August 28, 2008	Cash	(13,300)	400	[•]	Transfer to Mr. Nawal Kishore Maheshwari
Sub-total			NIL		NIL	
Mr. Vishal Maheshwari	March 25, 2008	Cash	1000	400	[•]	Preferential allotment
	January 5, 2009	Cash	(1,000)	400	[•]	Transfer to Mr. Pramod Maheshwari
Sub-total			NIL		NIL	
Ms. Neetu Maheshwari	March 25, 2008	Cash	1,000	400	[•]	Preferential allotment
	January 5, 2009	Cash	(1,000)	400	[•]	Transfer to Mr. Pramod

Name of the member of our Promoter Group	Date of Acquisition/ Transfer	Nature of Consideration	No. of Equity Shares	Issue/ Acquisitio n Price (Rs. per Equity Share)	% of Post-Issue paid-up Capital	Nature of Transaction
						Maheshwari
Sub-total			NIL		NIL	
Mr. Rahul Nyati	March 25, 2008	Cash	1,000	400	[•]	Preferential allotment
	January 5, 2009	Cash	(1,000)	400	[•]	Transfer to Mr. Om Prakash Maheshwari
Sub-total			NIL		NIL	
Swastika Polyolefins Private Limited	March 25, 2008	Cash	3,200	400	[•]	Preferential allotment
Sub-total			3,200		[•]	
Total			6,700,700		[•]	

d) Equity Shares locked – in for one year

Pursuant to Regulation 37(b) of the SEBI Regulations, 1,001,100 Equity Shares, held by Volrado Venture Partners, shall not be subject to lock-in under the SEBI Regulations.

Other than the Promoters' Contribution which is locked in for three years and Equity Shares held by Volrado Venture Partners which is not subject to lock-in as specified above, our entire pre-Issue equity share capital consisting of [•] Equity Shares will be locked-in for a period of one year from the date of Allotment.

e) Inter-se transfer of locked in Equity Shares

The locked-in Equity Shares held by the Promoters may be pledged with scheduled commercial banks or public financial institutions as collateral security for loans granted by such scheduled commercial banks or public financial institutions, provided the pledge of such shares is one of the terms of sanction of loan and the loan has been granted by such banks or financial institutions for the purpose of financing one or more of the objects of the Issue. For further details in relation to objects of the Issue, see section "Objects of the Issue" at page 74.

The Equity Shares held by persons other than the Promoters, prior to the Issue, which are locked-in for a period one year from the date of Allotment as mentioned above may be transferred to any other person holding the Equity Shares which are similarly locked-in for one year, subject to continuation of the lock-in in the hands of transferees for the remaining period and compliance with the Takeover Code, as applicable.

Further, Equity Shares held by the Promoters, which are locked-in as per the Regulation 40 of the SEBI Regulations, may be transferred to and amongst the Promoters/Promoter Group or to a new Promoter or persons in control of our Company, subject to continuation of lock-in in the hands of the transferees for the remaining period and compliance with the Takeover Code, as applicable.

Furthermore, the Equity Shares subject to lock-in will be transferable, subject to compliance with the SEBI Regulations, including the provisions for lock-in, as amended from time to time.

f) Our shareholding pattern

The table below presents the shareholding pattern of our Company before the proposed Issue and as adjusted for the Issue:

Name of the Shareholder	Pre- Issue		Post- Issue	
	No. of Equity Shares	% of Holding	No. of Equity Shares	% of Holding
Promoters				
Mr. Pramod Maheshwari	1,393,200	9.66	1,393,200	[•]
Mr. Om Prakash Maheshwari	1,386,300	9.61	1,386,300	[•]
Mr. Nawal Kishore Maheshwari	1,385,800	9.61	1,385,800	[•]
Sub Total (A)	4,165,300	28.88	4,165,300	[•]
Promoter Group				
Mr. Gulab Chand Maheshwari	1,339,500	9.29	1,339,500	[•]
Ms. Kailash Bai Maheshwari	1,339,500	9.29	1,339,500	[•]
Ms. Neelima Maheshwari	1,339,500	9.29	1,339,500	[•]
Ms. Shilpa Maheshwari	1,339,500	9.29	1,339,500	[•]
Ms. Rekha Maheshwari	1,339,500	9.29	1,339,500	[•]
Swastika Polyolefins Private Limited	3,200	0.02	3,200	[•]
Sub Total (B)	6,700,700	46.47	6,700,700	[•]
Body Corporates & Others				
FTPES	2,011,264	13.95	[•]	[•]
M/s Volrado Venture Partners	1,001,100	6.94	[•]	[•]
Mr. Nadathur Srinivasa Raghvan, on behalf of Kalpa Partners	341,713	2.37	[•]	[•]
Mr. Vikas Singhi	100,110	0.69	[•]	[•]
Mr. Prayas Singhi	100,110	0.69	[•]	[•]
Sub Total (C)	3,554,297	24.65	[•]	[•]
Issue to Public (D)	-	-	[•]	[•]
Total Shareholding = ((A)+ (B)+(C)+(D))	14,420,297	100.00	[•]	[•]

Our Promoters and the members of our Promoter Group will not participate in this Issue.

3. Except as set forth below, none of the Directors or Key Managerial Personnel holds as of the date hereof, Equity Shares in our Company:

S.	Name	Number of Equity	Pre Issue %	Post Issue %
No.		Shares Held		
1.	Mr. Pramod Maheshwari	1,393,200	9.66	[•]
2.	Mr. Om Prakash Maheshwari	1,386,300	9.61	[•]
3.	Mr. Nawal Kishore Maheshwari	1,385,800	9.61	[•]
	TOTAL	4,165,300	28.88	[•]

4. Top ten shareholders

The list of the top ten shareholders of our Company and the number of Equity Shares held by them is provided below:

(a) Our top ten shareholders and the number of Equity Shares held by them as on the date of filing this Draft Red Herring Prospectus are as follows:

S. No.	Shareholder	No. of Equity Shares Held	Pre Issue %
1.	FTPES	2,011,264	13.95
2.	Mr. Pramod Maheshwari	1,393,200	9.66
3.	Mr. Om Prakash Maheshwari	1,386,300	9.61
4.	Mr. Nawal Kishore Maheshwari	1,385,800	9.61
5.	Mr. Gulab Chand Maheshwari	1,339,500	9.29
6.	Ms. Kailash Bai Maheshwari	1,339,500	9.29
7.	Ms. Neelima Maheshwari	1,339,500	9.29
8.	Ms. Shilpa Maheshwari	1,339,500	9.29
9.	Ms. Rekha Maheshwari	1,339,500	9.29
10.	M/s Volrado Venture Partners	1,001,100	6.94
	Total	13,875,164	96.22

(b) Our top ten shareholders and the number of Equity Shares held by them ten days prior to filing of this Draft Red Herring Prospectus are as follows:

S. No.	Shareholder	No. of Equity Shares Held	Pre Issue %
1.	FTPES	2,011,264	13.95
2.	Mr. Pramod Maheshwari	1,393,200	9.66
3.	Mr. Om Prakash Maheshwari	1,386,300	9.61
4.	Mr. Nawal Kishore Maheshwari	1,385,800	9.61
5.	Mr. Gulab Chand Maheshwari	1,339,500	9.29
6.	Ms. Kailash Bai Maheshwari	1,339,500	9.29
7.	Ms. Neelima Maheshwari	1,339,500	9.29
8.	Ms. Shilpa Maheshwari	1,339,500	9.29
9.	Ms. Rekha Maheshwari	1,339,500	9.29
10.	M/s Volrado Venture Partners	1,001,100	6.94
	Total	13,875,164	96.22

Our top ten shareholders and the number of Equity Shares held by them as of two years prior to filing this Draft Red Herring Prospectus are as follows:

S. No.	Shareholder	No. of Equity Shares Held	Pre Issue %
1.	Mr. Pramod Maheshwari	1,369,500	11.41
2.	Mr. Om Prakash Maheshwari	1,369,500	11.41
3.	Mr. Nawal Kishore Maheshwari	1,369,500	11.41
4.	Mr. Gulab Chand Maheshwari	1,339,500	11.16
5.	Ms. Kailash Bai Maheshwari	1,339,500	11.16
6.	Ms. Neelima Maheshwari	1,339,500	11.16
7.	Ms. Shilpa Maheshwari	1,339,500	11.16
8.	Ms. Rekha Maheshwari	1,339,500	11.16
9.	M/s Volrado Venture Partners	1,001,100	8.33
10.	Mr. Vikas Singhi	100,110	0.83
10.	Mr. Prayas Singhi	100,110	0.83
	Total	12,007,320	100.00

- 5. Our Company, our Promoters, our Directors, our Promoter Group and the Book Running Lead Managers have not entered into any buy-back and/or standby arrangements for the purchase of Equity Shares from any person.
- 6. At least 60% of the Net Issue, that is, [•] Equity Shares shall be available for allocation on a proportionate basis to QIBs. Provided that, our Company may, allocate up to 30% of the QIB Portion to Anchor Investors at the Anchor Investor Issue Price on a discretionary basis, out of which at least one-third will be available for allocation to Mutual Funds only. In the event of under-subscription in the Anchor Investor Portion, the balance 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. The remainder shall be available for allocation on a proportionate basis to QIB Bidders including Mutual Funds, subject to valid Bids being received from them at or above the Issue Price. If at least 60% of the Net Issue cannot be allocated to QIB Bidders, then the entire application money will be refunded forthwith. Not less than 10% of the Net Issue, i.e. [●] Equity Shares shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 30% of the Net Issue, that is [●] Equity Shares shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price.

- 7. A total of up to 65,000 Equity Shares have been reserved for allocation to the Eligible Employees on a proportionate basis, subject to valid Bids being received at or above the Issue Price. Only Eligible Employees would be eligible to apply in this Issue under the Employee Reservation Portion on a competitive basis. Eligible Employees other than as defined in this Draft Red Herring Prospectus are not eligible to participate under the Employee Reservation Portion. Bids by Eligible Employees can also be made in the Net Issue Portion to the public and such Bids shall not be treated as multiple Bids. If the aggregate demand in the Employee Reservation Portion is greater than 65,000 Equity Shares at or above the Issue Price, allocation shall be made on a proportionate basis. The unsubscribed portion, if any, from the Equity Shares in the Employee Reservation Portion will be treated as part of the Net Issue and the proportionate allocation of the same would be at the sole discretion of our Company in consultation with the BRLMs.
- 8. Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in the Non-Institutional Portion, Retail Portion and the Employee Reservation Portion would be allowed to be met with spill-over from other categories at the discretion of our Company in consultation with the BRLMs and the Designated Stock Exchange.
- 9. Except as disclosed in this section, the Directors, the Promoters, or the members of our Promoter Group have not purchased or sold or financed any securities of our Company, during a period of six months preceding the date of filing this Draft Red Herring Prospectus with SEBI.
- 10. An investor cannot make a Bid for more than the number of Equity Shares offered through the Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investor.
- 11. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law. Our Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.
- 12. As on the date of this Draft Red Herring Prospectus, the total number of holders of Equity Shares is 14.
- 13. Our Company has not raised any bridge loans against the proceeds of the Issue.
- 14. Our Company has not issued any Equity Shares out of its revaluation reserves, if any.
- 15. Our Company has not issued any Equity Shares for consideration other than cash.
- Any oversubscription to the extent of 10% of the Issue can be retained for the purpose of rounding off while finalising the 'Basis of Allocation'.
- 17. There will be no further issue of Equity Shares, whether by way of issue of bonus shares, preferential allotment, and rights issue or in any other manner during the period commencing from submission of this Draft Red Herring Prospectus with SEBI until the Equity Shares have been listed.

- 18. Except for the Issue, there is no proposal, intention, negotiations, consideration by the Company to alter the capital structure by way of split, consolidation of the denomination of the Equity Shares, or issue of Equity Shares on a preferential basis or issue of bonus or rights or further public issue of Equity Shares or any other securities, within a period of six months from the date of Allotment.
- 19. The Equity Shares issued pursuant to the Issue shall be fully paid-up at the time of Allotment, failing which no Allotment shall be made.
- 20. Our Company, the Directors, the Promoters or the Promoter Group shall not make any, direct or indirect, payments, discounts, commissions or allowances under this Issue, except as disclosed in this Draft Red Herring Prospectus.

OBJECTS OF THE ISSUE

The objects of the Issue are:

- 1. to construct and develop an integrated campus facility;
- 2. expansion of classroom infrastructure and office facility;
- 3. acquisitions and other strategic initiatives; and
- 4. to meet expenses towards general corporate purposes.

The main object clause of our Memorandum of Association and objects incidental to the main objects enable us to undertake our existing activities and the activities for which we are raising funds through the Issue.

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

(Rupees in million)

Particulars	Estimated Amount *
Gross proceeds of the Issue ("Issue Proceeds")	[•]
Issue related expenses	[•]
Net proceeds of the Issue ("Net Proceeds")	[•]

^{*} Will be included after finalisation of Issue Price

Our requirement of funds and means of finance

We estimate our Net Proceeds to be Rs. [•] million. We intend to utilise the Net Proceeds as per the table set forth below:

(Rupees in million)

	(Tempoos in million)						
Sr. No.	Expenditure Items	Total Estimated	Amount deployed as			schedule of d Proceeds for	eployment of Net Fiscal
		Cost	of December 31, 2009	Net Proceeds	2010	2011	2012
1	Construction and development cost for integrated campus facility	681.50	NIL	681.50	Nil	370.00	311.50
2	Expansion of classroom infrastructure and office facility	164.43	NIL	164.43	Nil	164.43	Nil
3	Acquisitions and other strategic initiatives	150.00	NIL	150.00	Nil	150.00	Nil
4	General corporate purposes	N.A.	N.A.	[•]	[•]	[•]	[•]
	Total			[•]			

The fund requirements are based on internal management estimates and have not been appraised by any bank or financial institution or any other independent agency. These are based on current conditions and are subject to change on account of changes in external circumstances or costs, business situations which may not be in our control.

In the event 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 the Issue. If surplus funds are unavailable, the required financing will be done through internal accruals through cash flow from our operations and debt, as required.

We operate in an evolving, increasingly competitive and dynamic market and may have to revise our

estimated cost and funding requirements from time to time on account of change in regulations or regulatory approvals which may also include modifications in existing planned developments and the initiatives which we may pursue, including any industry consolidation opportunities, such as acquisitions.

Means of Finance

The entire requirement of funds set forth above will be met from the proceeds of the Issue. Hence, 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.

Working Capital Requirement

The Net Proceeds will not be used to meet our working capital requirements. We expect to meet our working capital requirements in the future through internal accruals, availing debt facilities or availing new lines of credit.

Details of objects of the Issue

The details regarding development of abovementioned facilities, including the utilisation of the Net Proceeds, is as follows:

(a) Details of integrated campus facility at Kota

We intend to set-up an integrated campus facility for 3,000 students which in addition to providing tutoring facility will also provide facilities such as accommodation for students, library, guest house for visiting parents, primary health centre, auditorium, canteen, cafeteria, indoor and outdoor recreation, staff quarters, provision for utilities like departmental store, bank facilities etc.

The total land requirement for campus facility is estimated to be 861,113 square feet which has already been leased to our Company by Career Point Infra Limited and Gopi Bai Foundation Trust Kota (Raj.). Details of the lease agreements are as under:

Sl. No.	Description of property	Lessor	Area (in	Terms of lease	Date of lease	Consideration
			square feet)		agreement	
1.	Khasra No. 890, 891, 892/1, 893/2 and 895/4 at Village Thegada, Tahsil Ladpura, Kota, Rajasthan	Gopi Bai Foundation Trust Kota (Raj.)	585,556	19 years commencing from May 1, 2010	February 11, 2010	Rs. 166,700 per month with an escalation clause of 10% after every three years
2.	Khasra No. 895/3, 905/3, 906/3 and 907/3 at Village Thegada, Tahsil Ladpura, Kota, Rajasthan	Career Point Infra Limited	275,556	19 years commencing from May 1, 2010	February 11, 2010	Rs. 100,000 per month with an escalation clause of 10% after every three years
	<u> </u>	Total	861,112			· ·

The details of the break up of the cost for our development of campus facility at Kota are given below:

(Rupees in million)

Sr. No.	Details of campus development	Total cost	Amount deployed as of December 31, 2009	Utilisation of Net Proceeds
i	Land development	20.40 ⁽¹⁾	NIL	20.40
ii	Civil works	559.92 ⁽¹⁾	NIL	559.92
iii	Furniture & fixtures	56.00 ⁽¹⁾	NIL	56.00
iv	Miscellaneous expenses & others	31.50 ⁽¹⁾	NIL	31.50
v	Equipments			
	(a) 200KVA – D.G. Set	5.10 ⁽²⁾	NIL	5.10
	(b) OTIS Electric Traction Passenger Elevator	$3.00^{(3)}$	NIL	3.00
	(c) Transformer & other incidental equipments	5.05 ⁽⁴⁾	NIL	5.05
	(d) Sprinkler fire hydrant	0.51 ⁽⁵⁾	NIL	0.51
	Total	681.50	NIL	681.50

⁽¹⁾ Based on the quotations received from Lahoty Associates, Architect & Consultant, Architects dated January 07, 2010.

(i) Land development

The cost of land developments, *inter alia* includes leveling and filling of land, road development, water and sewerage facility, electricity and drainage and landscaping activities.

(ii) Construction cost

The cost of construction, *inter alia*, includes the designing and engineering cost, construction of administrative building, library, canteen, cafeteria, auditorium, guest house, staff quarters, health centre, provision for utilities like departmental store and banking facilities.

(iii) Furniture and fixtures

The cost of furniture would include furniture for class rooms, administrative building, library, hostel, mess and guest house.

(iv) Miscellaneous expenses

The miscellaneous expenses involve expenses which are in the nature of professional fee, advisory fee and fee towards technical services required in construction of the integrated campus facility. It also includes soil testing.

(v) Equipments

<sup>2010.
&</sup>lt;sup>(2)</sup> Based on the quotations received from Kota Diesel Sales & Services/Cummins Power Generation dated January 09, 2010 towards purchase of 5 (five) D.G. Sets. The amount quoted is inclusive of value added tax.

⁽³⁾ Based on the quotations received from Otis Elevator Company (India) Limited dated February 06, 2010 towards purchase of 3 Otis Electric Traction Passenger Elevator. The amount quoted is inclusive of excise duty and service tax.
(4) Based on the quotation received from Pramod Electricals dated January 10, 2010. Further the amount mentioned above is exclusive of value added taxes

above is exclusive of value added taxes.

(5) Based on quotation received from Rixon Firemark dated January 10, 2010. Further the amount mentioned above is exclusive of value added taxes.

We are required to make substantial investments in capital equipment due to the nature of the integrated campus we intend to develop. We propose to purchase all the equipments from different suppliers.

None of the equipment mentioned above, is used or second hand in nature, and we do not propose to purchase any used or second hand equipment. Our Promoters, Directors and Key Managerial Personnel do not have any interest in the proposed acquisition of the equipments or in suppliers from whom the quotations have been received.

We have not yet placed any orders for the equipments. We may obtain fresh quotations at the time of actual placement of the order for the respective equipment. The actual cost may thus depend on the prices finally settled with such suppliers and to that extent may vary from the above estimates. Further, our estimated completion dates may vary based on the time and cost, or tax or duty implications, involved in actual procurement.

All the expenses to be incurred by our Company towards setting up of integrated campus facility from the date of filing of the DRHP till the actual utilization of the Net Proceeds would be recouped from the Net Proceeds.

(b) Details of expansion of classroom infrastructure and office facility

In order to respond to the additional need of students and faculty, we are setting up additional infrastructure for classroom infrastructure and office facilities at Kota.

The total land requirement for campus facility is estimated to be 45,079.26 square feet which has already been leased for a period of 99 years commencing from February 21, 1981 to our Company by M/s R. A. Stone and Allied Industries, a partnership firm.

The details of the break up of the above facility are as under:

(Rupees in million)

Sr. No.	Details of facilities development	Total cost	Amount deployed as of December 31, 2009	Utilisation of Net Proceeds
i	Land development	7.12 ⁽¹⁾	NIL	7.12
ii	Civil works	64.40 ⁽¹⁾	NIL	64.40
iii	Furniture & fixtures	61.50 ⁽¹⁾	NIL	61.50
iv	Miscellaneous expenses & others	6.70 ⁽¹⁾	NIL	6.70
v	Equipments			
	(a) 200KVA – D.G. Set	2.04 ⁽²⁾	NIL	2.04
	(b) OTIS Electric Traction Passenger Elevator	2.03 ⁽³⁾	NIL	2.03
	(c) Transformer & other incidental equipments	1.99 ⁽⁴⁾	NIL	1.99
	(d) Sprinkler fire hydrant	1.99 ⁽⁵⁾	NIL	1.99
	(e) Computer hardware and software	16.68 (6)	NIL	16.68
	Total	164.43	NIL	164.43

⁽¹⁾ Based on the quotations received from Lahoty Associates, Architect & Consultant, Architects dated January 07, 2010

⁽²⁾ Based on the quotations received from Kota Diesel Sales & Services/Cummins Power Generation dated January 09, 2010 towards purchase of 2 (two) D.G. Sets. The amount quoted above is inclusive of value added tax.

⁽³⁾ Based on the quotations received from Otis Elevator Company (India) Limited dated February 06, 2010 towards purchase of 2 Otis Electric Traction Passenger Elevator. The amount quoted is inclusive of excise duty and service tax.
(4) Based on the quotation received from Pramod Electricals dated January 10, 2010. Further the amount mentioned

above excludes the value added taxes.

(i) Land development

The cost of land developments, *inter alia* includes leveling and filling of land, road development, water and sewerage facility and landscaping activities.

(ii) Construction cost

The cost of construction, *inter alia*, includes the designing and engineering cost, construction of institute building and corporate office and auditorium facility.

(iii) Furniture and fixtures

The cost of furniture and fixtures would include furniture for class rooms, corporate office and air conditioning for corporate office.

(iv) Miscellaneous expenses

The miscellaneous expenses involve expenses which are in the nature of professional fee, advisory fee and fee towards technical services required in construction of classroom infrastructure and office facility. It also includes soil testing.

(v) Equipments

We are required to make substantial investments in capital equipment due to the nature of the classroom infrastructure and office facility we intend to develop. We propose to purchase all the equipments from different suppliers.

None of the equipment mentioned above, is used or second hand in nature, and we do not propose to purchase any used or second hand equipment. Our Promoters, Directors and Key Managerial Personnel do not have any interest in the proposed acquisition of the equipments or in suppliers from whom the quotations have been received.

We have not yet placed any orders for the equipments. We may obtain fresh quotations at the time of actual placement of the order for the respective equipment. The actual cost may thus depend on the prices finally settled with such suppliers and to that extent may vary from the above estimates. Further, our estimated completion dates may vary based on the time and cost, or tax or duty implications, involved in actual procurement.

All the expenses to be incurred by our Company towards expansion of classroom infrastructure and office facility from the date of filing of the DRHP till the actual utilization of the Net Proceeds would be recouped from the Net Proceeds.

(c) Acquisitions and other strategic initiatives

In evaluating potential acquisitions, we seek to pursue selective strategic acquisitions and joint venture opportunities. Such opportunities augment our capabilities, broaden our service offerings and increase our geographical presence. We believe that these opportunities will assist in replication of courses at our existing and new campuses coupled with induction of new course offerings. We target potential companies involved in the education sector or provide services to the education sector whose operations can be scaled up by leveraging our experience in the education sector.

⁽⁵⁾ Based on quotation received from Rixon Firemark dated January 10, 2010. Further the amount mentioned above is exclusive of value added taxes.

⁽⁶⁾ Based on quotation received from Cyber Infosystems dated January 11, 2010. Further the amount mentioned above is inclusive of value added taxes.

We intend to initiate the process of acquisitions and other strategic initiatives by entering into a non-binding letter of intent, once the potential target has been identified. We would then, based upon our broad based diligence evaluate the risks and the rewards associated with such an acquisition. Subsequently, we may either enter into a binding agreement with such target else we may terminate the non-binding letter of intent.

As of the date of this DRHP, we have neither identified any target nor have entered into any letter of intent or definitive contractual commitment for any acquisition or strategic initiatives. Further, we have also not yet finalized the form of investment for such potential targets and may choose to invest by way of equity, debt or any convertible instruments. In the event that there is a shortfall of funds required for such acquisitions and / or strategic initiatives then, such shortfall shall be met out of the amounts allocated for general corporate purposes and/or through internal accruals.

General corporate purposes

The Net Proceeds will be first utilised towards the aforesaid items and the balance is proposed to be utilised for general corporate purposes, including brand building exercises and strengthening of our marketing capabilities, subject to compliance with the necessary provisions of the Companies Act.

Our management, in response to the competitive and dynamic nature of the industry, will have the discretion to revise its business plan from time to time, and consequently, our funding requirement and deployment of funds may also change. In accordance with the policies of our Board, our management will have flexibility in utilizing the proceeds earmarked for general corporate purposes.

Expenses of the Issue

The total expenses of the Issue are estimated to be approximately Rs [●] million. The Issue related expenses include, among others, Issue management fees, registrar fees, printing and distribution expenses, fees of the legal counsels, advertisement and road show expenses, stamp duty, depository charges, listing fees to the Stock exchanges. The break-up of the total expenses for the Issue is as follows:

(Rupees in million)

Activity	Expense	As % of total Issue	As % of Issue
	(Rupees millions)*	related expenses	
Fee payable to Book Running Lead	[•]	[•]	[•]
Managers, Underwriting commission			
and SCSBs' commission			
Advertising and marketing expenses	[•]	[•]	[•]
Printing, stationery and distribution	[•]	[•]	[•]
expenses			
Other (Registrar's fees, legal fees,	[•]	[•]	[•]
regulatory fees, listing fees, IPO			
grading fees etc.)			
Total Issue expenses	[•]	[•]	[•]

^{*} Details will be provided after finalisation of the Issue Price.

Appraisal

None of the objects of the Issue have been appraised by any banks, financial institutions or agency.

Bridge loans

We have not raised any bridge loans against the Net Proceeds.

Interim use of funds

Pending utilisation of funds, our management will have flexibility, in accordance with policies established

by our Board, in deploying the Net Proceeds. Pending utilisation for the purposes described above, our Company intends to invest the funds in high quality interest bearing liquid instruments, including money market mutual funds, deposits with banks, other investment grade interest bearing securities and other financial products, such as principal protected funds, derivative linked debt instruments, other fixed and variable return instruments, listed debt instruments and rated debentures as may be approved by the Board of Directors or a committee thereof or for the necessary duration or for reducing overdrafts. Our Company confirms that pending utilization of the Issue proceeds it shall not use the funds for any investments in the equity markets.

Monitoring utilization of funds

Our Board will monitor the utilization of the proceeds of the Issue. We will disclose the utilization of the proceeds of the Issue under a separate head along with details, for all such proceeds of the Issue that have not been utilised. We will indicate investments, if any, of unutilised proceeds of the Issue in our Balance Sheet for the relevant Financial Years subsequent to our listing. Pursuant to Clause 49 of the Listing Agreement, the Company shall on a quarterly basis disclose to the Audit Committee the uses and applications of the proceeds of the Issue. On an annual basis, the Company 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. Such disclosure shall be made only until such time that all the proceeds of the Issue have been utilised in full. The statement will be certified by the statutory auditors of the Company. Our Company shall be required to inform the stock exchanges of any material deviations in the utilisation of Issue proceeds and shall also be required to simultaneously make the material deviations/adverse comments of the Audit committee through advertisement in newspapers.

No part of the proceeds from the Issue will be paid by us as consideration to our Promoters, our Directors, Promoter Group companies or key managerial employees, except in the normal course of our business.

BASIS FOR ISSUE PRICE

The Issue Price will be determined by our Company in consultation with BRLMs on the basis of assessment of market demand for the Equity Shares issued through the Book Building Process. The face value of the Equity Shares is Rs. 10 and the Floor Price is [•] times the face value and the Cap Price is [•] times the face value.

Qualitative Factors

For some of the qualitative factors, which form the basis for computing the price, refer to "Our Business" and "Risk Factors" at pages 107 and 13 respectively of this Draft Red Herring Prospectus.

Quantitative Factors

The information presented below is based on the restated financial statements prepared in accordance with Indian GAAP. Some of the quantitative factors, which form the basis for computing the price, are as follows:

1. Weighted Average Earnings Per Share (EPS) on Standalone Basis:

Year ended	Basic EPS (Rs.)	Weight	Diluted EPS (Rs.)	Weight
March 31, 2007	25.78	1	25.72	1
March 31, 2008	12.92	2	12.92	2
March 31, 2009	13.46	3	13.46	3
Weighted Average	15.33		15.32	

Note:

- (i) The EPS has been computed on the basis of the adjusted profits and losses of the respective years.
- (ii) The denominator considered for the purpose of calculating earnings per share is the restated weighted average number of Equity Shares outstanding during the year as per AS 20.
- (iii) Basic and diluted EPS for the half year ended September 30, 2009 is Rs. 8.08.

2. Weighted Average Earnings Per Share (EPS) on Consolidated Basis:

Year ended	Basic EPS (Rs.)	Weight	Diluted EPS (Rs.)	Weight
March 31, 2007	25.78	1	25.72	1
March 31, 2008	12.77	2	12.77	2
March 31, 2009	12.42	3	12.42	3
Weighted Average	14.76		14.75	

Note:

- (i) The EPS has been computed on the basis of the adjusted profits and losses of the respective years.
- (ii) The denominator considered for the purpose of calculating earnings per share is the restated weighted average number of Equity Shares outstanding during the year as per AS 20.
- (iii) Basic and diluted EPS for the half year ended September 30, 2009 is Rs. 7.42.

3. Price /Earning* Ratio (P/E ratio) in relation to Issue Price is [●]

Particulars	P/E at the Floor Price (No.	P/E at the Cap Price (No. of
	of times)	times)

Based on year ended March 31, 2009 restated standalone EPS of Rs. 13.46	[•]	[•]
Based on year ended March 31, 2009 restated consolidated EPS of Rs. 12.42	[•]	[•]

Industry P/E*:

(i) Highest: 45.8 (ii) Lowest: 10.6 (iii) Average: 29.4

4. Weighted Average Return on Networth on Standalone Basis

Year ended	RONW%	Weights
March 31, 2007	53.76	1
March 31, 2008	36.39	2
March 31, 2009	27.69	3
Weighted Average	34.93	

For half year ended September 30, 2009 (not annualized): 8.77%

RONW has been calculated by dividing net profit after tax, as restated, by the net worth as restated at the end of the period.

Minimum Return on total Networth post-Issue to maintain Pre-Issue EPS at Rs. [●] is [●] %

5. Weighted Average Return on Networth on Consolidated Basis

Year ended	RONW%	Weights
March 31, 2007	53.78	1
March 31, 2008	36.15	2
March 31, 2009	26.19	3
Weighted Average	34.11	

For half year ended September 30, 2009 (not annualized): 8.22%

RONW has been calculated by dividing net profit after tax, as restated, by the net worth as restated at the end of the period.

Minimum Return on total Networth post-Issue to maintain Pre-Issue EPS at Rs. [●] is [●] %

6. Net Asset Value per share (NAV) (Rs.) on Standalone Basis

- a. NAV as at March 31, 2009 is Rs. 48.61
- b. NAV as at half year ended September 30, 2009 is Rs. 92.08
- c. NAV per Equity Share after the Issue, based on Cap Price (Rs. [•] per Equity Share) is Rs. [•].
- d. NAV per Equity Share after the Issue, based on Floor Price (Rs. [●] per Equity Share) is Rs. [●].
- e. Issue Price per Equity Share is Rs. [•].

^{*}P/E based on trailing twelve month earnings for the Computers – Education Industry (Source: Capital Market Volume XXIV/26 Dated: February 22 – March 7, 2010 Category: Computers – Education)

NAV per Equity Share has been calculated as networth divided by number of Equity Shares outstanding at the end of the period.

7. Net Asset Value per share (NAV) (Rs.) on Consolidated Basis

- a. NAV as at March 31, 2009 is Rs. 47.43
- b. NAV as at half year ended September 30, 2009 is Rs. 90.21
- c. NAV per Equity Share after the Issue, based on Cap Price (Rs. [•] per Equity Share) is Rs. [•].
- d. NAV per Equity Share after the Issue, based on Floor Price (Rs. [●] per Equity Share) is Rs. [●].
- e. Issue Price per Equity Share is Rs. [●].

NAV per Equity Share has been calculated as networth divided by number of Equity Shares outstanding at the end of the period.

8. Comparison with Industry Peers

Our Company is primarily engaged in the business of providing tutorial services for various competitive entrance examinations including AIEEE, IIT-JEE, AIPMT. There is no listed comparable company having a similar business model. However, we have chosen the companies which we believe are our peers in the segment in which we operate:

Peers	EPS (Rs.)	RONW (%)	Book Value per share (Rs.)	P/E Ratio
Career Point Infosystems Limited (1)	13.46	27.69	48.61	[•]
Industry Average				
Everonn Systems India Ltd (2)	15.6	15.4	142.5	18.7
Educomp Solutions Ltd (2)	13.8	37.0	108.6	29.7
NIIT (2)	2.2	10.5	23.3	45.8

⁽¹⁾ Earning Per Share, Return on Networth and Net Asset Value of our Company are based on the last audited restated standalone financial statements for the Financial Year ended March 31, 2009.

(2) Source: Capital Market Volume XXIV/26 Dated: February 22 – March 7, 2010 Category: Computers – Education

We believe that the Issue Price of Rs. [•] is justified in view of the above qualitative and quantitative parameters. For further details see "Risk Factors" on page 13 and the financials of our Company including profitability and return ratios, as set out in the "Financial Statements" on page 169 for a more informed view.

STATEMENT OF TAX BENEFITS

The Board of Directors Career Point Infosystems Limited 112-B, Shakti Nagar, Kota – 324 009.

Dear Sirs,

Sub: Statement of Possible Tax Benefits

We hereby report that the enclosed Annexure A states the possible tax benefits available to Career Point Infosystems Limited (the "Company") and its shareholders under the current tax laws in India. 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 fulfilling such conditions which the Company may or may not choose to fulfill.

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

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

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

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 should be read together with Notes to Annexure A.

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

For Sharp & Tannan Chartered Accountants by the hand of

Pavan K. Aggarwal Partner Membership No.: 91466 New Delhi, FRN 000452N January 29, 2010

ANNEXURE A

PART - A

SPECIAL TAX BENEFITS TO THE COMPANY

No Special tax benefit is available to the company.

GENERAL TAX BENEFITS TO THE COMPANY UNDER THE INCOME TAX ACT, 1961

I. GENERAL CLAUSES:

- 1. In accordance with section 10(34), dividend income (referred to in Section 115-O) declared, distributed or paid will be exempt from tax.
- 2. The amount of tax paid under Section 115JB by the company for any assessment year beginning on or after 1st April 2006 will be available as credit for ten years succeeding the Assessment Year in which MAT credit becomes allowable in accordance with the provisions of Section 115JAA.
- 3. In case of loss under the head "Profit and Gains from Business or Profession", it can be set-off with other income and the excess loss after set-off can be carried forward for set-off with the income of the next eight Assessment Years.
- 4. The unabsorbed depreciation, if any, can be adjusted against any other income and can be carried forward for set-off with the income of future years.
- 5. As per section 10(38) of the Act, long term capital gains arising to the Company from the transfer of a long term capital asset being an equity share in a company or a unit of an equity oriented fund where such transaction is chargeable to securities transaction tax, 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 domestic companies to the extent of more than sixty five percent 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) of the Act.

As per section 115JB, while calculating "book profits" the Company will not be able to reduce the long term capital gains to which the provisions of section 10(38) of the Act apply and will be required to pay Minimum Alternative Tax @ 15 percent (plus applicable surcharge and higher Education Cess) of the book profits.

6. Income received in respect of the units of mutual fund specified under clause 10(23D) or income received in respect of units from administrator of the specified undertakings or income received in respect of units from the specified company is exempt from tax in the hand of the Company, under section 10(35) of the IT Act.

However, this exemption does not apply 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, as the case may be.

For this purpose, (i) "Administrator" means the Administrator as referred to in Section 2(a) of the Unit Trust of India (Transfer of Undertaking and Repeal) Act,2002 and (ii) "Specified Company" means a Company as referred to in Section 2(h) of the said Act.

- 7. Section 48 of the Act, prescribes the mode of computation of capital gains. It provides for deduction of cost of acquisition/ improvement and expenses incurred wholly and exclusively 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, for resident shareholders it offers a benefit by permitting substitution of cost of acquisition/improvement with the indexed cost of acquisition/ improvement, which adjusts the cost of acquisition/improvement by the prescribed cost inflation index. The benefit of indexation is not available in respect of long-term capital gains arising from the transfer of long-term capital asset like bonds and debenture (other than capital indexed bonds issued by the Government).
- 8. In accordance with section 112, the tax on capital gains on transfer of listed shares, where the transaction is not chargeable to securities transaction tax, held as long term capital assets will be the lower of:
 - (a) 20 per cent (plus applicable surcharge and additional surcharge called as 'Education Cess') of the capital gains as computed after indexation of the cost or
 - (b) 10 per cent (plus applicable surcharge and additional surcharge called as 'Education Cess') of the capital gains as computed without indexation.
- 9. In accordance with Section 111A capital gains arising from the transfer of a short term asset being an equity share in a company or units of equity oriented fund and such transaction is chargeable to securities transaction tax, the tax payable on the total income shall be the aggregate of (i) the amount of income-tax calculated on such short term capital gains at the rate of 10 per cent (plus applicable surcharge and additional surcharge called as 'Education Cess') and (ii) the amount of income-tax payable on the balance amount of the total income as if such balance amount were the total income.
- 10. The Company shall be entitled to claim depreciation on tangible and intangible assets owned by it and used for the purposes of its business as explained in Section 32 of the Act.

11. Preliminary Expenses:

The Company shall be eligible for amortization of preliminary expenditure as specified in section 35D of the Act being expenditure on public issue of shares, subject to meeting the conditions and limits specified in that section.

12. Security Transaction tax:

As per Section 36(xv) of the Act, an amount equal to the securities transaction tax paid by the assessee in respect of the taxable securities transactions entered into in the course of business during the previous year shall be allowed 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'.

13. As per section 71 read with section 74, short-term capital loss suffered during the year is allowed to be set-off against short-term as well as long-term capital gains of the said year. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent years' short-term as well as long-term capital gains.

Further, Long-term capital loss suffered during the year is allowed to be set-off against long-term capital gains. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent years' long-term capital gains.

14. As per section 54EC of the Act and subject to the conditions and to the extent specified therein, long-term capital gains (in cases not covered under section 10(38) of the Act) arising on the transfer of a long-term capital asset will be exempt from capital gains tax if the capital gains are invested in a "long term specified asset" within a period of 6 months after the date of such

transfer. It may be noted that investment made on or after April 1, 2007 in the long term specified asset by an assessee during any financial year cannot exceed Rs. 50 lacs.

However, if the assessee transfers or converts the long term specified asset into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long-term capital gains in the year in which the long term specified asset is transferred or converted into money.

A "long-term specified asset" for making investment under this section on or after 1st April, 2007 means any bond, redeemable after three years and issued on or after 1st April, 2007 by:

- (i) National Highways Authority of India constituted under section 3 of the National Highways Authority of India Act, 1988; or
- (ii) Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956.

II. <u>Section 115-O</u>

Tax on distributed profits of domestic companies.

The domestic company is required to pay dividend distribution tax u/s 1150 @ 15% (plus applicable surcharge and Education Cess and Secondary and Higher Education Cess). However, the company will also be entitled to avail the credit of dividend received by it from its subsidiaries in accordance with the provisions of section 115–O (1A) on which tax on distributed profits has been paid by the subsidiary company and the domestic company is not a subsidiary of any other company.

For the purpose of this sub-section, 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.

III. <u>TAX RATES:</u>

The tax rate applicable for domestic companies is 30% The surcharge on Income tax is 10% in case of domestic companies for income exceeding Rs.1 crore. Education Cess is 2% of Income Tax plus surcharge and Secondary & Higher Secondary Education Cess is 1% of Income Tax plus surcharge.

IV 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, these are not liable to wealth-tax.

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PART - B

SPECIAL TAX BENEFITS TO THE SHAREHOLDERS OF THE COMPANY

No Special tax benefit is available to the shareholders of the company.

GENERAL TAX BENEFITS TO THE SHAREHOLDERS OF THE COMPANY

(I) <u>UNDER THE INCOME TAX ACT, 1961:</u>

A) Residents

- 1. In accordance with section 10(34), dividend income declared, distributed or paid by the Company (referred to in section 115-O) will be exempt from tax.
- 2. Shares of the company held as capital asset for a period of more than twelve months preceding the date of transfer will be treated as a long-term capital asset.
- 3. In accordance with section 10(38), any income arising from the transfer of a long-term capital asset being an equity share in a company is not includible in the total income, if the transaction is chargeable to securities transaction tax.
- 4. As per the provision of Section 71, if there is a loss under the head "Capital Gains", it cannot be set-off with the income under any other head. Section 74 provides that the short-term capital loss can be set-off against any long-term capital gain. But Long-term capital loss cannot be set-off against short-term capital gain.
- 5. In accordance with section 112, the tax on capital gains on transfer of listed shares, where the transaction is not chargeable to securities transaction tax, held as long term capital assets will be the lower of:
 - (a) 20 per cent (plus applicable surcharge (only to company shareholders) and additional surcharge called as 'Education Cess') of the capital gains as computed after indexation of the cost or (b) 10 per cent (plus applicable surcharge (only to company shareholders) and additional surcharge called as 'Education Cess') of the capital gains as computed without indexation.
- 6. In accordance with Section 111A capital gains arising from the transfer of a short term asset being an equity share in a company and such transaction is chargeable to securities transaction tax, the tax payable on the total income shall be the aggregate of (i) the amount of income-tax calculated on such short term capital gains at the rate of 15 per cent (plus applicable surcharge (only to company shareholders) and additional surcharge called as 'Education Cess') and (ii) the amount of income-tax payable on the balance amount of the total income as if such balance amount were the total income.
- 7. In accordance with section 54EC, long-term capital gains arising on transfer of the shares of the Company on which securities transaction tax is not payable, shall be exempt from tax, if the gains are invested within six months from the date of transfer in the purchase of a long-term specified asset. The long-term specified assets notified for the purpose of investment are Bonds redeemable after a period of 3 years, issued by Rural Electrification Corporation Ltd. (REC) and National Highways Authority of India (NHAI).

Notification issued by Government of India specifies that any investment made after 1st April, 2007 cannot exceed Rs.50 lacs.

If only a part of the capital gain is so invested, the exemption would be limited to the amount of the capital gain so invested.

If the specified asset is transferred or converted into money at any time within a period of three years from the date of acquisition, the amount of capital gains on which tax was not charged earlier shall be deemed to be income chargeable under the head "Capital Gains" of the year in which the specified asset is transferred.

- 8. In accordance with section 54F, long-term capital gains arising on the transfer of the shares of the Company held by an individual or Hindu Undivided Family on which securities transaction tax is not payable, shall be exempt from capital gains tax, if the net consideration is utilised, within a period of one year before, or two years after the date of transfer, in the purchase of a new residential house, or for construction of a residential house within three years. Such benefit will not be available if the individual or Hindu Undivided Family:
 - owns more than one residential house, other than the new residential house, on the date of transfer of the shares; or
 - purchases another residential house within a period of one year after the date of transfer of the shares; or
 - constructs another residential house within a period of three years after the date of transfer of the shares; and
 - the income from such residential house, other than the one residential house owned on the date of transfer of the original asset, is chargeable under the head "Income from house property".

If only a part of the net consideration is so invested, so much of the capital gains as bears to the whole of the capital gain the same proportion as the cost of the new residential house bears to the net consideration shall be exempt.

If the new residential house is transferred within a period of three years from the date of purchase or construction, the amount of capital gains on which tax was not charged earlier, shall be deemed to be income chargeable under the head "Capital Gains" of the year in which the residential house is transferred.

9. Security Transaction tax:

As per Section 36(xv) of the Act, an amount equal to the securities transaction tax paid by the assessee in respect of the taxable securities transactions entered into in the course of business during the previous year shall be allowed 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'.

Tax Rates:

1. Following are the Exemption Limits of Income for various categories of Assessees:

Assessee	Initial Income Exempt
Resident Individual, HUF, AOP, BOI and AJP	Rs.160,000
Resident Senior Citizen (Age >65 years)	Rs. 240,000
Resident Woman	Rs.190,000

Surcharge applicable is Nil. Education Cess is levied at 2% of Income Tax and Secondary & Higher Secondary Education Cess is levied at 1% of Income Tax.

B) Non-Residents

1. In accordance with section 10(34), dividend income declared, distributed or paid by the company (referred to in section 115-O) will be exempt from tax.

- 2. In accordance with section 10(38), any income arising from the transfer of a long-term capital asset being an equity share in a company is not includible in the total income, if the transaction is chargeable to securities transaction tax.
- 3. In accordance with section 48, capital gains arising out of transfer of capital assets being shares in the company, and such transaction is not chargeable to securities transaction tax, shall be computed by converting the cost of acquisition, expenditure in connection with such transfer and the full value of the consideration received or accruing as a result of the transfer into the same foreign currency as was initially utilised in the purchase of the shares and the capital gains computed in such foreign currency shall be reconverted into Indian currency, such that the aforesaid manner of computation of capital gains shall be applicable in respect of capital gains accruing/arising from every reinvestment thereafter and sale of shares or debentures of an Indian company including the Company.
- 4. As per the provisions of Section 90 of the Income Tax Act, 1961, the provisions of Income Tax Act would prevail over the provisions of the Tax Treaty to the extent they are more beneficial.
- 5. In accordance with section 112, the tax on capital gains on transfer of listed shares, where the transaction is not chargeable to securities transaction tax, held as long term capital assets will be at the rate of 20% (plus applicable surcharge (only to company shareholders) and additional surcharge called as 'Education Cess').
 - A non-resident will not be eligible for adopting the indexed cost of acquisition and the indexed cost of improvement for the purpose of computation of long-term capital gain on sale of shares.
- 6. In accordance with Section 111A capital gains arising from the transfer of a short term asset being an equity share in a company and such transaction is chargeable to securities transaction tax, the tax payable on the total income shall be the aggregate of (i) the amount of income-tax calculated on such short term capital gains at the rate of 15 per cent (plus applicable surcharge (only to company shareholders) and additional surcharge called as 'Education Cess') and (ii) the amount of income-tax payable on the balance amount of the total income as if such balance amount were the total income.

In accordance with section 54EC, long-term capital gains arising on transfer of the shares of the Company and on which securities transaction tax is not payable, the tax payable on the capital gains shall be exempt from tax if the gains are invested within six months from the date of transfer in the purchase of a long-term specified asset. The long-term specified assets notified for the purpose of investments are Bonds redeemable after a period of 3 years, issued by Rural Electrification Corporation Ltd. (REC) and National Highways Authority of India (NHAI). Notification issued by Government of India specifies that any investment made after 1st April, 2007 cannot exceed Rs.50 lacs.

If only a part of the capital gain is so invested, the exemption would be limited to the amount of the capital gain so invested.

If the specified asset is transferred or converted into money at any time within a period of three years from the date of acquisition, the amount of capital gains on which tax was not charged earlier shall be deemed to be income chargeable under the head "Capital Gains" of the year in which the specified asset is transferred.

7. In accordance with section 54F, long-term capital gains arising on the transfer of the shares of the Company held by an individual or Hindu Undivided Family, and on which securities transaction tax is not payable, shall be exempt from capital gains tax if the net consideration is utilised, within a period of one year before, or two years after the date of transfer, in the purchase of a new

residential house, or for construction of a residential house within three years. Such benefit will not be available if the individual or Hindu Undivided Family

- a. owns more than one residential house, other than the new residential house, on the date of transfer of the shares; or
- b. purchases another residential house within a period of one year after the date of transfer of the shares; or
- c. constructs another residential house with in a period of three years after the date of transfer of the shares; and
- d. the income from such residential house, other than the one residential house owned on the date of transfer of the original asset, is chargeable under the head "Income from house property".

If only a part of the net consideration is so invested, so much of the capital gains as bears to the whole of the capital gain the same proportion as the cost of the new residential house bears to the net consideration shall be exempt.

If the new residential house is transferred within a period of three years from the date of purchase or construction, the amount of capital gains on which tax was not charged earlier, shall be deemed to be income chargeable under the head "Capital Gains" of the year in which the residential house is transferred.

B.2) Non-Resident Indians

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

In accordance with section 115E, income from investment or income from long-term capital gains on transfer of assets other than specified assets shall be taxable at the rate of 20% (plus additional surcharge called "Education Cess"). Income by way of long-term capital gains in respect of a specified asset (as defined in Section 115F(2) of the Act) shall be chargeable at 10% (plus additional surcharge called "Education Cess").

- 2. In accordance with section 115F, subject to the conditions and to the extent specified therein, long-term capital gains arising from transfer of shares of the company acquired out of convertible foreign exchange, and on which securities transaction tax is not payable, shall be exempt from capital gains tax, if the net consideration is invested within six months of the date of transfer in any specified asset or savings certificate referred to in clause (4B) of Section 10.
- 3. In accordance with section 115G, it is not necessary for a Non-Resident Indian to file a return of income under section 139(1), if his total income consists only of investment income earned on shares of the company acquired out of convertible foreign exchange or income by way of long term capital gains earned on transfer of shares of the company acquired out of convertible foreign exchange, and the tax has been deducted at source from such income under the provisions of Chapter XVII-B of the Income-tax Act.
- 4. As per section 115H of the Act, where the Non-Resident Indian becomes assessable as a resident in India, he may furnish a declaration in writing to the Assessing Officer, along with his return of income, for the assessment year in which he is first assessable as a Resident, under section 139 of the Act to the effect that the provisions of the Chapter XIIA shall continue to apply to him in relation to such investment income derived from the specified assets for that year and subsequent assessment years until such assets are converted into money.
- 5. In accordance with section 115-I, where a Non-Resident Indian opts not to be governed by the provisions of Chapter XII-A for any assessment year, his total income for that assessment year

(including income arising from investment in the company) will be computed and tax will be charged according to the other provisions of the Income-tax Act.

- 6. As per the provisions of Section 90, where the central government has entered into an agreement with the Government of any country outside India or specified territory outside India, as the case may be, under section 90(1) for granting relief of tax, or as the case may be, avoidance of double taxation, then in relation to the assessee to whom such agreement applies, the provision of this Act shall apply to the extent they are more beneficial to the assessee
- 7. In accordance with section 10(38), any income arising from the transfer of a long-term capital asset being an equity share in a company is not includible in the total income, if the transaction is chargeable to securities transaction tax.
- 8. In accordance with section 10(34), dividend income declared, distributed or paid by the Company (referred to in section 115-O) will be exempt from tax.
- 9. In accordance with section 112, the tax on capital gains on transfer of listed shares, where the transaction is not chargeable to securities transaction tax, held as long term capital assets will be the lower of:
 - (a) 20 per cent (plus additional surcharge called as 'Education Cess') of the capital gains as computed after indexation of the cost. or
 - (b) 10 per cent (plus additional surcharge called as 'Education Cess') of the capital gains as computed without indexation.
- 10. In accordance with Section 111A capital gains arising from the transfer of a short term asset being an equity share in a company and such transaction is chargeable to securities transaction tax, the tax payable on the total income shall be the aggregate of (i) the amount of income-tax calculated on such short term capital gains at the rate of 15 per cent (plus additional surcharge called as 'Education Cess') and (ii) the amount of income-tax payable on the balance amount of the total income as if such balance amount were the total income.
- 11. In accordance with section 54F, long-term capital gains arising on the transfer of the shares of the Company held by an individual or Hindu Undivided Family on which securities transaction tax is not payable, shall be exempt from capital gains tax if the net consideration is utilised, within a period of one year before, or two years after the date of transfer, in the purchase of a new residential house, or for construction of a residential house within three years. Such benefit will not be available if the individual or Hindu Undivided Family-
 - owns more than one residential house, other than the new residential house, on the date of transfer of the shares; or
 - purchases another residential house within a period of one year after the date of transfer of the shares; or
 - constructs another residential house within a period of three years after the date of transfer of the shares; and
 - the income from such residential house, other than the one residential house owned on the date of transfer of the original asset, is chargeable under the head "Income from house property".

If only a part of the net consideration is so invested, so much of the capital gains as bears to the whole of the capital gain the same proportion as the cost of the new residential house bears to the net consideration shall be exempt.

If the new residential house is transferred within a period of three years from the date of purchase or construction, the amount of capital gains on which tax was not charged earlier, shall be deemed

to be income chargeable under the head "Capital Gains" of the year in which the residential house is transferred.

12. Security Transaction tax:

As per Section 36(xv) of the Act, an amount equal to the securities transaction tax paid by the assessee in respect of the taxable securities transactions entered into in the course of business during the previous year shall be allowed 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'.

C) Foreign Institutional Investors (FIIs):

- 1. In accordance with section 10(34), dividend income declared, distributed or paid by the Company (referred to in section 115-O) will be exempt from tax in the hands of Foreign Institutional Investors (FIIs).
- 2. As per Section 115AD, FII as notified by the Central Government in the official Gazette will be taxed on the Capital Gains that are not exempt under the provisions of Section 10(38) at the following rates:

Nature of Income	Rate of Tax
Long Term Capital Gains on transfer of Securities	10%
Short Term Capital Gains (other than referred to in Section 111A) on transfer	30%
of securities	

The above rates have to be increased by applicable surcharge and Education Cess and Secondary and Higher Secondary Education Cess.

- 3. As per the provision of Section 90 of the Income Tax Act, 1961, the provision of Income Tax Act would prevail over the provisions of the tax treaty to the extent they are more beneficial to the Non-Resident.
- 4. In accordance with section 10(38), any income arising from the transfer of a long term capital asset being an equity share in a company is not includible in the total income, if the transaction is chargeable to securities transaction tax.
- 5. Under section 196D (2) of the Act, no deduction of tax at source will be made in respect of income by way of capital gain arising from the transfer of securities referred to in section 115AD.

In accordance with section 54EC, long-term capital gains arising on transfer of the shares of the Company on which securities transaction tax is not payable, shall be exempt from tax if the gains are invested within six months from the date of transfer in the purchase of a long-term specified asset. The long-term specified assets notified for the purpose of investment are Bonds redeemable after 3 years, issued by of Rural Electrification Corporation Ltd. (REC) and National Highways Authority of India (NHAI). Notification issued by Government of India specifies that any investment made after 1st April, 2007 cannot exceed Rs.50 lacs.

If only a part of the capital gain is so invested, the exemption would be limited to the amount of the capital gain so invested.

If the specified asset is transferred or converted into money at any time within a period of three years from the date of acquisition, the amount of capital gains on which tax was not charged earlier shall be deemed to be income chargeable under the head "Capital Gains" of the year in which the specified asset is transferred.

6. Security Transaction tax:

As per Section 36(xv) of the Act, an amount equal to the securities transaction tax paid by the assessee in respect of the taxable securities transactions entered into in the course of business during the previous year shall be allowed 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'.

D) Persons carrying on business or profession in shares and securities:

As per Section 36(xv) of the Act, an amount equal to the securities transaction tax paid by the assessee in respect of the taxable securities transactions entered into in the course of business during the previous year shall be allowed 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'.

E) Venture Capital Companies/Funds:

As per the provisions of Section 10(23FB) of the Act, any income of the following companies/funds will be exempt if:

- Venture Capital Company which has been granted a certificate of registration under the Securities and Exchange Board of India Act, 1992 which fulfills the conditions as may be specified, with the approval of Central Government and notified by the SEBI in the official Gazette; and
- Venture Capital Fund, operating under a trust deed under the provisions of Registration Act or
 a operating as a venture capital scheme made by the Unit Trust of India, which has been
 granted a certificate of registration under the Securities and Exchange Board of India Act,
 1992 and which fulfills the conditions as may be specified, with the approval of Central
 Government, as notified by the SEBI in the Official Gazette,
- Venture Capital Undertaking, as per the provisions of the Income tax Act substituted by Finance Act, 2007, w.e.f. 1-4-2008, means a domestic company whose shares are not listed in a recognised stock exchange of India and which is engaged in dairy or poultry industry or in the business of:
- Nanotechnology;
- Information technology relating to hardware and software development;
- Seed research and development;
- Bio-technology;
- Research and development of new chemical entities in the pharmaceutical sector;
- Production of bio-fuels;
- Building and operating composite hotel-cum-convention centre with seating capacity of more than three thousand; or
- Developing or operating and maintaining or developing, operating and maintaining any infrastructure facility as defined in the explanation to clause (i) of sub-section (4) of section 80-IA

G) Mutual Funds

In accordance with section 10(23D), any income of:

(i) a Mutual Fund registered under the Securities and Exchange Board of India Act 1992 or regulations made there under;

(ii) such other Mutual Fund set up by a public sector bank or a public financial institution or authorised by the Reserve Bank of India subject to such conditions as the Central Government may, by notification in the Official Gazette, specify in this behalf, will be exempt from income-tax.

(II) UNDER THE WEALTH TAX ACT, 1957 AND GIFT TAX ACT, 1958

- 1. 'Asset' as defined under section 2(ea) of the Wealth-tax Act, 1957 does not include shares in companies and hence, these are not liable to wealth-tax.
- 2. Gift tax is not leviable in respect of any gifts made on or after October 1, 1998. Therefore, any gift of shares will not attract gift-tax.
- 3. As per section 56(2)(vii) of the I.T. Act, in case where individual or Hindu undivided Family receives shares from any person on or after 1st October, 2009
 - A. without any consideration, aggregate fair market value of which exceeds fifty thousand rupees, then the whole of the aggregate fair market value of such shares or;
 - B. for a consideration which is less than the aggregate fair market value of the share by an amount exceeding fifty thousand rupees, then the aggregate fair market value of such property as exceeds such consideration; shall be taxable as the income of the recipient.

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 shares.

NOTES:

- i. All the above benefits are as per current tax law as amended by Finance Act, 2009. These benefits will be available only to the sole / first named holder in case the shares are held by joint holders.
- ii. In respect of non-residents, the tax rates and the consequent taxation mentioned above shall be further subject to any benefits available under the Double Taxation Avoidance Agreement, if any, between India and the country in which the non-resident has fiscal domicile.
- iii. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her investments in the shares of the company.
- iv. We shall not be liable to Career Point Infosystems Limited for any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this statement.

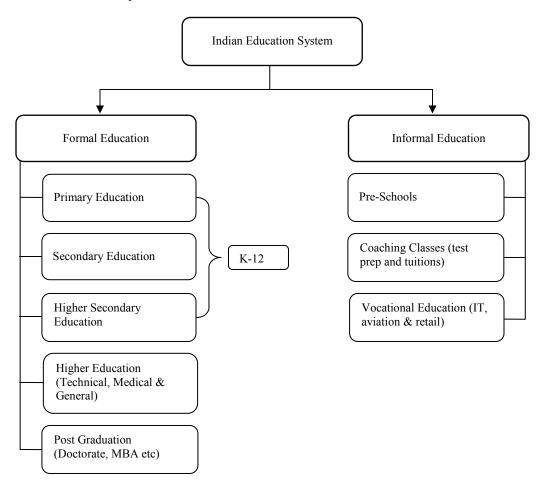
SECTION IV – ABOUT THE COMPANY

INDUSTRY OVERVIEW

The information in this section has been extracted from publicly available documents prepared by various third party sources, including the Government of India and its various ministries. This data has not been prepared or independently verified by us or the BRLMs or any of their or our respective affiliates or advisors. 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" in this Draft Red Herring Prospectus. Accordingly, investment decisions should not be based on such information.

Indian Education System

Indian education system comprises of formal and informal education. The different aspects of formal and informal education are depicted below:



d. Formal Education:

Formal education comprises of K-12 (mainly schools) and higher education. This segment is highly regulated by various statutory bodies formed by central and state governments.

K-12 Education:

K-12 education in India is delivered through various schools that are affiliated with CBSE, ICSE, state boards and other international boards. These schools are either run by government or by the private sector.

Given below is the segment wise data on K-12 education in India:

Segment	Number of Schools	Enrollment	Teachers
Primary	1,056,958	187,885,268	3,888,976
Secondary & Higher Secondary	165,087	39,442,608	2,222,402

There are wide rural-urban disparities in enrollment rates, except in the union territories, North-eastern states, Kerala and to some extent Tamil Nadu. Enrollment rates are particularly low in states like Bihar, Arunachal Pradesh, Jharkhand, Uttar Pradesh, Rajasthan and Madhya Pradesh, with overall enrollment rates below 80 %. Gender disparities also tend to be sharpest in states with low aggregate attendance rates.

(Source: MHRD Annual Report 2008-09, National Knowledge Commission Report 2006 – 2009 Government of India)

Initiatives by Government in K-12 education:

Government of India is committed to the Education for All (EFA) goals, which encompass early childhood care and education, primary education, girls' education, as also adult education. Government has implemented number of programmes for the achievement of EFA goals, including, inter alia, Sarva Shiksha Abhiyan (SSA) and Mid Day Meal Scheme (MDM).

i. **SSA** is the government's flagship programme for achievement of universalization of primary education in a time bound manner, making free and compulsory education to the children of 6-14 years age group, a fundamental right.

SSA is being implemented in partnership with State Governments to cover the entire country and address the needs of 192 million children in 1.1 million habitations.

The programme seeks to open new schools in those habitations which do not have schooling facilities and strengthen existing school infrastructure through provision of additional class rooms, toilets, drinking water, maintenance grant and school improvement grants.

Existing schools with inadequate teacher strength are provided with additional teachers, while the capacity of existing teachers is being strengthened by extensive training, grants for developing teaching-learning materials and strengthening of the academic support structure at a cluster, block and district level.

SSA has not only been able to improve access to 98% at primary level but have also been able to reduce out of school children to 3-4% of 6-14 years age group.

ii. MDM is the world's largest school feeding programme reaching out to about 117.7 million children in over 9.50 lakh schools/EGS centres across the country. MDM Scheme was introduced in 1925 for disadvantaged children in Madras Municipal Corporation. From 2008-09 i.e. w.e.f 1st April, 2008, the programme covers all children studying in Government, Local Body and Government-aided primary and upper primary schools and the EGS/AIE centres of all areas across the country. 84.1 million primary students and 33.6 million upper primary students i.e. a total of 117.7 million students are estimated to be benefited from MDM during 2009-10.

Secondary education serves as a bridge between primary and higher education and prepares young persons between the age group of 14-18 years for entry into higher education or work situations. Successful implementation for SSA for provision of universal elementary education to almost 100% of

the relevant age group by 2010 is likely to create a surge in demand in the secondary schools. The MHRD believes that it is essential to remain prepared to meet this rise in demand through advance action to provide universal access to quality secondary education preferably within a distance of 5 to 7 Kms. from any habitation.

To meet the growing demand for access to secondary education, some of the major initiatives proposed to be taken by the Central Government during Eleventh Five Year Plan include launching the scheme of Rashtriya Madhyamik Shiksha Abhiyan, setting up of 6000 model schools, National Means cum Merit Scholarship scheme, etc.

The Eleventh Five Year Plan (Plan) places high priority on education as a central instrument for achieving rapid and inclusive growth with specific emphasis on expansion, excellence and equity. This is evident from the proposed allocation of Rs 3 trillion, a four fold increase over the Tenth Five Year Plan. The share of education in the total Plan will accordingly increase from 7.7% to 20%.

Initiatives to improve school education in the Plan include reorienting SSA with a strong rights focus to make Right to Education a reality. Under the Scheme for Universal Access and Quality at the Secondary Stage, 6000 new high quality model schools are to be set up, with at least one school in each block. The first stream will consist of 2500 public funded schools (2000 in KVs (Kendriya Vidyalayas) and 500 in NVs (Navodaya Vidyalayas) template) to be launched in the educationally backward blocks which have a significant SC, ST, OBC and minority population. The second stream of about 2500 schools would be set up through Public Private Partnership in other Blocks with emphasis on geographical, demographic, gender and social equity.

To impart functional literacy to adult illiterates in the 15-35 age group, the National Literacy Mission (NLM) was launched in May, 1988. The goal of NLM is to achieve 80% literacy rate by the end of the 11th Plan period. The main schemes of the NLM are the schemes of Literacy Campaign and Operation Restoration which include the Total Literacy Campaign for imparting basic literacy to the adult illiterates, followed by the Post Literacy Programme for the reinforcement of the literacy skills of the new literates. The continuing Education Programme provides opportunities for life long education to the community at large.

(Source: MHRD Annual Report 2008-09 and websites - ssa.nic and education.nic)

Higher Education:

Higher education is governed by UGC, comprising graduate/ medical/ engineering courses. It caters to the 17 years and above age group. Providing higher education for this age group is imperative and has to be provided on an unprecedented scale to meet the challenges of this unique demographic trend. The higher education sector currently faces major challenges of quality and excellence, and of improving access with inclusiveness. The proportion of our population, in the relevant age group, that enters the world of higher education is only about 10% (2004-05). Access to higher education in terms of the available number of seats in universities is simply not adequate in relation to the current demand. There are also large disparities in enrollment rates across states, urban and rural areas, sex, caste and poor-non-poor.

As on March 31, 2009, there are 471 universities comprising of 268 state universities, 40 central universities, 125 deemed universities, 5 institutions established under state legislations and 33 institutes of national importance established by central legislation. In addition, there are 22,064 colleges including around 2,260 colleges for women. At the beginning of the academic year 2008-09, the total number of students enrolled in universities and colleges has been reported to be 12.38 millions i.e. 1.59 millions (12.84%) in universities and 10.79 millions (87.16%) in affiliated colleges.

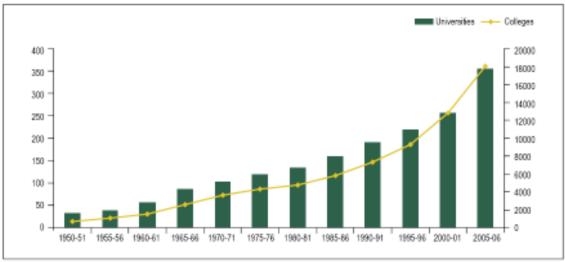
Apart from above, as on December 11, 2009, there are 53 private universities established under various States with state of Rajasthan having majority of private universities.

(Source: MHRD Annual Report 2008-09 and website of UGC)

Issues in the Current Framework

Expansion: While there has been a consistent growth in enrollment in higher education over the last few years, this is not enough when compared to other countries. The GER for higher education currently is around 10% whereas it is 25% for many other developing countries. Even South-east Asian countries show much higher enrollment: Philippines (31%), Thailand (19%), Malaysia (27%) and China (13%). The enrollment figure for the US is 81%, 54% in the UK and 49% in Japan. Various committees that have examined the higher education scenario in India have recommended an increase in the GER to at least 20 %. For instance, the CABE Committee on Financing of Higher Education concluded on the basis of international experience that an enrollment rate of 20 % or more is consistent with a turnaround in economic performance. If India has to achieve the target soon, it would imply more than doubling the scale and size of the higher education system within the next 5 to 7 years.

Growth of higher education system



Source: UGC

Private institutions: The share of private unaided higher education institutions increased from 42.6% in 2001 to 63.21% in 2006. Their share of enrollments also increased from 32.89% to 51.53% in the same period. This trend is likely to continue and therefore, it is reasonable to expect that about half of incremental enrollment targeted for higher education will come from private providers. There is a need for the state to recognise the role of the private sector and encourage their participation. There has already been a de-facto privatisation of the professional education sector, with more than 80% of the engineering colleges being privately funded and managed. While there are strict entry barriers for the private sector, there is not enough regulation on the products and outputs of the private sector.

Accreditation: Accreditation in higher education pertains to determining the quality of an institution. The criteria on which institutions are judged typically involve expected student achievement, quality of curriculum, faculty, academic support and services for students, and financial capacity. In India, accreditation (unlike in other countries such as US and UK) is performed by government agencies. The National Assessment and Accreditation Council (NAAC) was set up by the UGC in 1994 to accredit institutions of higher education. The NAAC's assessment is based on pre-determined criteria that combine self-study and peer review. NAAC accredits and certifies for educational quality in institutions based on seven criteria with different weights for each criterion, and for different types of institutions. NAAC has so far completed accreditation of only 140 out of the 355 universities and 3,492 out of the 18,064 colleges. This covered just over 10 % of all institutions, and barely any private colleges and universities. The results of the accreditation process thus far indicate serious quality problems. Only 9 % of the colleges and 31 % of the universities are rated as 'A' grade and the rest fall

in 'B' and 'C' categories. Accreditation by NAAC is voluntary and valid for five years. However, very few institutions have applied for accreditation by NAAC.

(Source: National Knowledge Commission Report 2006 – 2009 Government of India)

Technical Education:

The technical education system in the country can be broadly classified into three categories, viz. Central Government funded institutions, State funded institutions & Self-financed institutions. In 2008-09, there were 63 Centrally funded institutions of technical and science education besides two Apex level Councils, namely, All India Council for Technical Education (AICTE) and the Council for Architecture.

The details of AICTE approved degree level technical institutions for the academic year 2008-09 and 2007-08 are summarized below:

S.	Programme	Number of Institutes Intake of Students		nts			
No.		Aug-08	Aug-07	% increase	Aug-08	Aug-07	% increase
1	Engineering & Technology	2,388	1,668	43%	0.84mn	0.65mn	29%
2	Architecture	106	116	-9%	4,133	4,543	-17%
3	MCA	1,137	1,017	12%	0.08mn	0.07mn	15%
4	Pharmacy	1,001	854	17%	0.06mn	0.05mn	20%
5	Applied Arts & crafts	10	9	11%	840	650	-16%
6	MBA	1,231	1,149	7%	0.11mn	0.12mn	-6%
7	PGDM	285	NA	NA	0.04mn	NA	NA
8	Hotel Management	86	81	6%	5,847	5,272	17%
	Total	6,244	4,894	28%	1.15mn	0.91mn	26%

(Source: MHRD Annual Report 2008-09 and 2007-08)

As per the above details Engineering & Technology Institutes are highest in numbers and in intake of students and MBA Institutes rank second.

Initiatives by Government for higher and technical education through Eleventh Five Year Plan:

In Higher and Technical Education the focus of the Eleventh Five Year Plan is on expansion, inclusion and rapid improvement in quality by enhancing public spending, encouraging private initiatives and initiating the long overdue major institutional and policy reforms. The Eleventh Plan aims at expansion with the establishment of 30 new universities. Further, 8 new IITs, 7 new IIMs, 20 new IIITs, 5 new Indian Institutes of Science, 2 Schools of Planning and Architecture, 10 NITs, 373 new degree colleges and 1000 new polytechnics will also be set up. In establishing these institutions the scope for Public Private Partnership will be explored. The Plan also recognises the need for the review of regulatory institutions such as the UGC, AICTE, MCI and BCI. Subsequently, a High Level Committee has been set up to suggest a specific reforms agenda in this context. For rejuvenation of research in Universities a National Science & Engineering Research Board is proposed. A provision of Rs. 5,000 crore has been made in the Eleventh Plan for an 'Education Mission through ICT' to leverage the potential of ICT to enhance the GER in Higher Education. The Plan also envisages the setting up of a National Knowledge Network (NKN) interconnecting all knowledge institutions in the country with gigabit capabilities, for sharing resources and research. To operationalise the first phase of the NKN, 1000 institutions would be linked up.

(Source: National Knowledge Commission Report 2006 – 2009 Government of India)

As of 2008-09, the major achievements in Higher and technical education during Eleventh Five Year Plan in various areas are as follows:

- Expansion of intake capacity of CEIs by 54% was taken up, consequent on implementation of CEI (Reservation in Admission) Act, 2006.
- Six new IITs have been established for Rajasthan, Bihar, Gujarat, Orissa, Andhra Pradesh and Punjab.
- Two new IITs in Mandi (Himachal Pradesh) and Indore (Madhya Pradesh) are expected to commence during 2009-10.
- o IIIT (Design & Manufacturing) Kancheepuram, whose establishment was approved by the Cabinet in 2004, commenced its academic session in 2007.
- 5 Indian Institutes of Science Education & Research, 2 Schools of Planning & Architecture and 1 IIM have started functioning.
- 15 new Central Universities have been set up on 15.1.2009 in uncovered States which includes conversion of 3 State Universities into Central Universities.
- o Indira Gandhi National Tribal University, Amarkantak (Madhya Pradesh) was set up in 2008.
- A New Scheme for expansion and strengthening Polytechnic Education has been launched which includes establishment of 1000 new Polytechnics, strengthening of 500 existing Polytechnics, skill development through 1000 Community Polytechnics and Construction of 500 Women's Hostels in Polytechnics.

(Source: MHRD Annual Report 2008-09)

Medical Colleges (Providing MBBS Degree) and Dental Colleges:

Medical colleges in India are required to be recognized by the Medical Council of India.

The Medical Council of India was established in 1934 under the Indian Medical Council Act, 1933, now repealed, with the main function of establishing uniform standards of higher qualifications in medicine and recognition of medical qualifications in India and abroad. The number of medical colleges had increased steadily during the years after Independence. Till the year 1947 there were 24 medical colleges and in the year 2009, the number of recognized medical colleges have been increased to 275.

Given below is the list of top 10 states/union territories that are ranked on the basis of annual intake in the recognized/permitted medical colleges in respective states/union territories:

Sr. No.	State/Union Territories	No. of Colleges	Annual Intake
1	Maharashtra	39	4,410
2	Karnataka	36	4,255
3	Andhra Pradesh	32	4,250
4	Tamil Nadu	30	3,615
5	Kerala	21	2,400
6	Uttar Pradesh	19	2,062
7	Gujarat	14	2,055
8	West Bengal	9	1,105
9	Rajasthan	9	1,050
10	Pondicherry	7	825
	Total	216	26,027

(Source: Website of Medical Council of India)

Dental Colleges are recognized by the Dental Council of India - a statutory body constituted on 12th April 1949 under an Act of Parliament - the Dentists Act, 1948 (XVI of 1948). At present there are 279 recognised/permitted dental colleges in India.

Given below is the list of top 10 states that are ranked on the basis of sanctioned seats in the recognized/permitted dental colleges in respective states:

Sr. No.	State	No. of Colleges	Sanctioned Seats
1	Maharashtra	33	2,830
2	Karnataka	44	2,440
3	Uttar Pradesh	28	2,430
4	Tamil Nadu	27	2,290
5	Andhra Pradesh	21	1,790
6	Rajasthan	13	1,150
7	Punjab	14	1,010
8	Madhya Pradesh	12	910
9	Gujarat	11	870
10	Haryana	10	860
	Total	213	16,580

(Source: Website of Dental Council of India)

e. Informal Education:

Informal education includes coaching classes for various competitive entrance examinations and for sub sectors of formal education, pre-schools and vocational training. This type of education is not governed by any regulatory authority.

Coaching for competitive entrance examinations

Competitive entrance examination is a screening process for providing education in various engineering, medical, MBA, accountancy MCA field. There are various education companies that provide coaching to the students who aspire to get admission in the such fields.

Given below is the overview of some of the competitive entrance examinations:

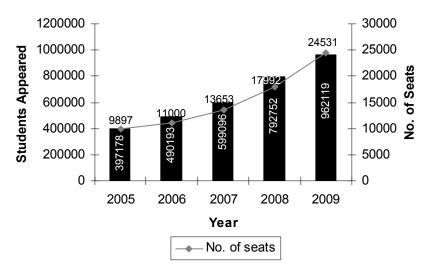
c. All India Engineering Entrance Examination (AIEEE)

Programme of Action, 1992 under the National Policy on Education, 1986 envisaged conduct of a common entrance examination on all India basis for admission to professional and technical programmes in the country. For admission to Engineering and Architecture/Planning programmes, Government of India vide resolution dated 18th October 2001 has laid down a Three – Exam Scheme (JEE and AIEEE at the National Level and SLEEE for State Level Institutions – with an option to join AIEEE). This takes care of varying admission standards in these programmes and helps in maintenance of professional standards. This also solves problems of overlaps and reduces physical, mental and financial burden on students and their parents due to multiplicity of entrance examinations.

First AIEEE was conducted in the year 2002. Number of students appearing in this exam has increased at a CAGR of 19.4% between 2005 and 2009.

Below mentioned diagram gives an insight of number of students that appeared for AIEEE and number of seats offered through this exam:

AIEEE



(Source: website of AIEEE)

d. Indian Institutes of Technology - Joint Entrance Exam (IIT JEE)

The Indian Institutes of Technology (popularly known as IITs) are institutions of national importance established through an Act of Parliament for fostering excellence in education. The IITs offer undergraduate programmes in various branches of engineering and technology; postgraduate programmes with specialization and Ph.D. programmes in various engineering and science disciplines, interdisciplinary areas; and conduct basic, applied and sponsored research. At present, IITs offer B. Tech., M.Sc., M. Design, M.Phil., M.Tech, and Ph.D. Degrees.

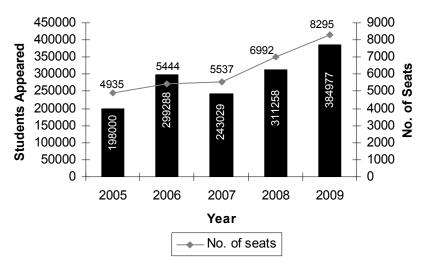
There are fifteen IITs at present, located in Bhubaneswar, Bombay (Mumbai), Delhi, Gandhinagar, Guwahati, Hyderabad, Indore, Kanpur, Kharagpur, Madras (Chennai), Mandi, Patna, Punjab, Rajasthan and Roorkee. Over the years, IITs have created world class educational platforms dynamically sustained through internationally recognized research based on excellent infrastructural facilities. The faculty and alumni of IITs continue making huge impact in all sectors of society, both in India and abroad. IT-BHU, Varanasi and ISM, Dhanbad, are the oldest institutions in India and are known for their contributions towards society at large and for science and technology in particular.

(Source: http://jee.iitd.ac.in)

The admissions to the undergraduate programmes at these institutions for all Indian and Foreign nationals are made through the Joint Entrance Examination. From the year 2005 to 2009 the number of students appearing for IIT-JEE has increased at a CAGR of 14.2%.

Below mentioned diagram gives an insight of number of students that appeared for IIT-JEE and number of seats offered through this exam:

IIT - JEE



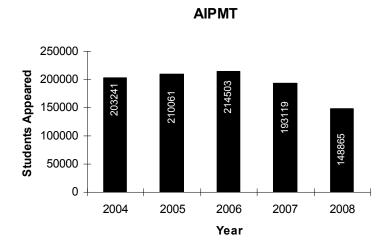
(Source: IIT press release and website of IIT Madras, JEE and wikipedia)

e. All India Pre Medical/Pre-Dental Test (AIPMT)

In compliance with the directive of the Hon'ble Supreme Court of India, the Central Board of Secondary Education, Delhi, conducts the All India Pre-Medical/Pre-Dental Entrance Examination. This entrance examination is being conducted exclusively for the 15% merit positions for the Medical/Dental Colleges of India as specified in the directive of the court and is governed by the rules and regulations specified for the same by the Government of India, Ministry of Health and Family Welfare from time to time.

(Source: Website of AIPMT)

Below mentioned diagram gives an insight of number of students that appeared for pre-medical test/pre-dental test:

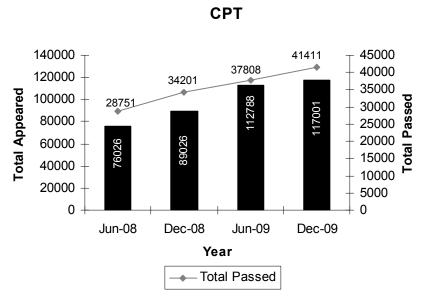


(Source: CBSE Annual Report FY09)

f. Common Proficiency Test (CPT)

CPT is an entry level lest for Chartered Accountancy Course. This test is held twice in a year in the month of June and December every year. A student appeared in senior secondary examination is eligible for appearing in CPT.

The chart below depicts the details of students appeared and passed in June 2008 to December 2009:



(Source: website of ICAI)

Growth Drivers in the Education Sector

Increasing population and lower literacy rate

Population (millions)	1109.8
Population growth rate (%)	1.3
Population ages 0-14 (millions)	362
Population ages 0-14 (% of total population)	32.6
Adult literacy rate (%) [M/F]	[77/54] 66

(Source: UNESCO Institute of Statistics, World Bank, UNAIDS, ILO, Household Surveys, IMF, Country Data are for the most recent year available in 2000-2005.)

Increasing population and constitution of 32.6% of population in the age group of 0 to 14 years will lead to increase in number of schools, colleges and universities.

Adult literacy rate of India is lower than that of countries like Malaysia (92%), China (93%), Burma (90%), Saudi Arabia (85%) and UAE (90%).

(Source: Human development reports)

In order to improve the literacy rate plans like SSA, MDM etc have been introduced by Government. Table below gives the gist of education financing by Government of India.

Public Education Spending (% of GDP)	3.2
Public Education Spending (% of Government Spending)	10.7
Share of Education Spending by level of education (%)	
- Primary	35.6

-	Secondary	42.9
-	Tertiary	19.6
-	Other	1.9

(Source: UNESCO Institute of Statistics, World Bank, UNAIDS, ILO, Household Surveys, IMF, Country. Data are for the most recent year available in 2000-2005.)

To fund the basic education, Government has levied an education cess at the rate of 2% on the payment of customs, excise and service tax. Apart from education cess, additional 1% secondary and higher education cess has been imposed under the Finance Act, 2008 to fund the expansion facilities for higher education. (Source: Website of India Budget)

Increasing per capita income

Per capita income at current prices during 2009-10 is estimated to be Rs. 43,749 as compared to Rs. 40,141 during 2008-09, showing a rise of 9%. Increasing per capita income reflects improvement in the living standards of an average Indian. This would contribute to increase the spending on education. (Source: Central Statistical Organisation)

Budget plan for 2009-10

For developing existing Universities, colleges and institutes, Government has made an outlay of approximately Rs. 94 billions towards Plan expenditure and approximately Rs. 19 billions towards Non-Plan expenditure during the budget for the year 2009-10.(Source: Department of Higher Education)

Migration to Knowledge Economy

India is one of the fast growing developing economies in the world. The growth in GDP during 2009-10 is estimated at 7.2% as compared to the growth rate of 6.7% in 2008-09. India is migrating towards a services driven economy with the contribution of service and industry sectors to GDP increasing year on year.

Sector's contribution in GDP	2000-01	2004-05	2008-09
Service	50.46%	52.62%	53.70%
Industry	26.19%	28.18%	28.83%
Agriculture	23.35%	19.20%	17.47%

(Source: Central Statistical Organisation)

The lateral shift to a services economy is resulting in migration of people to cities and towns leading to mass urbanization. Urbanization occurs from individual and corporate efforts to improve opportunities for jobs, education and housing. It permits individuals and families to take advantage of the opportunities of proximity, diversity, and marketplace competition. Increasing urban population and demand for skilled workforce creates the need for education through better infrastructure, well-established management and innovative products for teaching.

OUR BUSINESS

In this section, unless the context requires otherwise, any reference to the terms "we", "us" and "our" refers to our Company. Unless otherwise stated, all financial and other data regarding our Company's business and operations presented in this section is on a standalone basis.

Company Overview

We are one of the leading providers of tutorial services in India. We provide tutorial services to high school and post high school students for various competitive entrance examinations including All India Engineering Entrance Examination, Indian Institute of Technology – Joint Entrance Examination and All India Pre-Medical and Pre-Dental Test. The tutorial services are provided through our classroom training programmes conducted through a network of Company Operated and Franchisee Centres. As at December 31, 2009 we had 14 Company Operated Training Centres and 18 Franchisee Centres and during the nine months period ending December 31, 2009 we have received 30,538 enrollments. We have a team of 210 faculty members as on December 31, 2009 (excluding faculty members of franchisees) comprising of graduates in engineering and science. We have, over a period of time, built our content repository of over 10,000 pages of text content and over 12,000 minutes of video content for various tutorial services offered by us. For students who are not able to attend our regular classroom programme, we offer distance learning programme comprising of correspondence and test series courses which have been systematically designed to provide effective and efficient education to students in a simple and lucid manner.

We plan to use technology as a tool to provide access of our content repository to students across India. To leverage our content repository and to provide a personalized learning environment to our students, we have recorded the lectures of our experienced faculty members through Career Point Knowledge Lab. Further, we have designed and developed Synchro-School programme to synchronize preparation for competitive examination with formal school education.

We have recently forayed into Education Consultancy and Management Services ('ECAMS'), catering to K-12 and Higher Education segments. Further, to address larger base of potential students, we have introduced technology enabled education delivery platform for delivering content through 'TechEdge Class'.

For the year ending March 31, 2009, our total standalone restated revenues, were Rs. 490.36 million, which represents a 19.12% increase from the year ended March 31, 2008. For the six months ended September 30, 2009, our total standalone restated revenues were Rs. 344.63 million, which represents an increase of 33.28% from the six months ended September 30, 2008.

Given below is the table showing enrollment data of our Company during Financial Year 2008, 2009 and 2010:

Particulars	F	inancial Year	
	2008	2009	2010*
IIT-JEE	5,164	4,296	5,560
AIEEE	15,628	16,730	20,640
AIPMT	1,643	1,141	908
Distance learning programs	5,581	5,543	3,430
Total	28,016	27,710	30,538

^{*} Represents number of enrollments during the nine month period ending December 31, 2009

Competitive Strengths

We believe the following competitive strengths contribute to our success and differentiate us from our competitors:

Commitment to offering quality courses and student success

We offer quality tutorial courses, and intend to improve the learning experience for our students. We believe offering quality academic courses is contingent upon recruiting and retaining experienced faculty members, providing updated educational content and effective academic administration and control on content delivery. We retain faculty and instructors with relevant industry experience and appropriate academic credentials. Our Research and Development Cell helps in reassessing and updating our tutorial courses on a regular basis which also helps us in designing new academic courses. Our academic management team prepares clear and well defined layouts for content delivery by each of our faculty members. It also administers content delivery by obtaining regular feedbacks from our students for each faculty member. Such feedbacks are then compiled, analysed and compared by respective HoDs with our standard procedures for content delivery. In case of any deviations, we take remedial measures to restore the delivery of our standardized content.

Strong brands and geographic presence

We believe that our training centres have established a competitive position and brand recognition in our markets. We currently have presence across 12 states (including our Franchisee Centres) which provide access to major markets in northern and eastern India. Also, our Kota centre draws students from across the country and from Singapore and the Middle East, which in turn reinforces the brand equity and our geographical reach.

Qualified faculty team

We believe that our qualified and experienced faculty members contribute to our success. Our faculty members are graduates in engineering and science from Indian Institute of Technology, National Institute of Technology and other colleges in India. Our faculty members are well equipped with subject knowledge guiding and tutoring students. We also have an ongoing in-house faculty training facility which ensures that all our faculty members undergo training on our teaching methodologies and skills and subject matter of relevant courses and to keep them abreast of the changes in competitive entrance examination trends and changing student needs.

Experienced management team

Our senior management team, comprising of senior vice presidents and above, has collective experience of over 65 years and over 13 years of average experience in the education industry. We believe our management led by our Promoters, some of whom have extensive tutorial experience, have deep understanding of the education industry, which enables us to successfully manage our operations and facilitate our growth.

Quality teaching methodology

We have over a period of time developed a scientific teaching methodology and system of teaching, which we believe is essential for success in any competitive entrance examination. We understand that in order to achieve success, one needs knowledge which should be acquired through a comprehensive systematic approach, rigorous practice, time management and confidence.

Our focus is to train our students by developing necessary conceptual knowledge base, enhance speed and accuracy levels, infuse confidence and build the right temperament to face the competitive entrance examination. In such competitive examinations, we believe our teaching methodology plays a key role in enhancing students' overall performance.

Growth Strategies

Our goal is to strengthen our role as a leading and diversified provider of tutorial services in relation to various competitive entrance examinations and emerge as a significant player in ECAMS by continuing to pursue the following growth strategies:

Development of integrated campus facility

We currently operate 14 Company Operated Training Centres and 18 Franchisee Centres. Our Company Operated Training Centre at Kota attracts highest number of students in terms of enrollments when compared with our other training centres. Realising the need of our students, we are constructing an integrated facility at Kota. We expect to complete the construction of our integrated facility at Kota by Fiscal 2012. In addition to catering to the existing student base, the new integrated facility will also allow us to increase our enrollments. In order to support the expansion, we will also be increasing the number of faculty with a view to ensure adequate faculty student ratio. Further, we believe developing an integrated facility would increase our role in addressing necessary needs of our students in addition to the tutoring services, which in turn will help us in tapping a wide range of the revenue flows arising out of the expenses incurred by a student during his stay at Kota.

Enter new geographic markets and new course offerings

We intend to enter new geographic markets and increase course offerings which will increase our diversification and potential for future course expansion.

- New geographic markets: The size of the potential education market in India is estimated to comprise of approximately 1.2 million schools and approximately 227 million students in the primary, secondary and higher secondary segment. We believe we can increase our student enrollments by entering new geographic markets that offer significant growth potential. In particular, we will look to expand in those markets which offer optimum opportunities in terms of student enrollments based on parameters like lack of proper education, aspiration of students, socio-economic background. (Source: Annual Report of Ministry of Human Resource Development for the year 2008-2009)
- New course offerings: We intend to continue enhancing our course offerings to meet the evolving market demand in fields which do not form part of our traditional offerings. As we introduce new course offerings, we intend to achieve higher number of student enrollments. We will leverage our inhouse development capability and third-party consultants to develop new products in areas that we believe will further enhance our growth and profitability. We will also leverage our existing network, customer base, brand reputation, franchise operating experience and educational capabilities when we enter into new market segments. For example, we may seek to provide tutorial services in specialties other than engineering and medical. We also intend to foray into course offerings relating to vocational education and training.

Reaching students through our innovative products

TechEdge Class

TechEdge Class is a concept based on virtual classroom environment which replicates the model of a real classroom with the help of VSAT/VPN technology. In a TechEdge Class, students interact with instructors online using audio and video conferencing facility. To ensure a smooth functioning of this model, TechEdge Classes are equipped with computer systems, headphones, software to provide synchronous learning environment.

Through this delivery platform we are able to deliver lectures at multiple locations simultaneously. From our experience we believe that an average student on any topic raises certain standard sets of questions, which with the help of TechEdge Classes gets addressed to a much wider base of students. This helps us in minimizing our time and cost in terms of resource deployment. Further, the cost involved in setting up TechEdge Class is relatively low. This coupled with minimum human interface enables us to expand our offerings to remote locations where setting up a full fledged training centre is not economically viable. In order to reach the students through this technology, we have entered into an agreement with Hughes Communication India Limited ('HCIL') for providing satellite based interactive services through HCIL's network spread across India.

- Expansion of Synchro-School Programme through technological initiatives

We also intend to provide Synchro-School Programme under our TechEdge Class initiative through VSAT/VPN technology and learning management software. This will facilitate our experienced faculty members to conduct lectures at schools situated at remote locations.

- Career Point Knowledge Labs

The academic requirements of students tend to be diverse and to meet them efficiently we have launched a technology based personalized learning solution which is provided at our Career Point Knowledge Labs. Career Point Knowledge Labs intends to supplement existing learning process as a reinforcement of knowledge learnt. We provide pre-recorded varied educational content developed by our faculty members in video and digital format. Apart from content created exclusively for Career Point Knowledge Labs, content developed by our faculty members in TechEdge Class will also be distributed through these Career Point Knowledge Labs. We intend to increase the number of Career Point Knowledge Labs across the nation. We believe that this concept would address the personalized learning needs of students and revolutionize the process of learning for competitive exams.

Continue to leverage and expand our content development

We have already developed content for various competitive examinations for which we provide tutoring services. We believe that quality content will continue to be an important factor driving the success of education business. We continuously enhance the quality and also the breadth of our content by developing our own content and may enter into strategic tie-ups for sourcing content from international content providers. We also intend to expand our content delivery platform. Our in-house content development model provides us the ability to offer ready solutions to our students and the capability to quickly provide content to enter newer markets.

Opportunistically pursue strategic acquisitions

In evaluating potential acquisitions, we seek to pursue selective strategic acquisitions and joint venture opportunities to augment our capabilities, broaden our service offerings and increase our geographical presence with the potential for course replication at our existing centres, new course offerings, and new markets with attractive growth opportunities. Our potential targets are companies involved in the education sector or companies engaged in providing services to the education sector and whose operations can be scaled up by leveraging our experience.

Participation in formal education through ECAMS

We believe there is a huge potential for ECAMS in the K-12 and Higher Education segment in India. We will explore opportunities to provide ECAMS to a number of privately and/or Government-run schools, colleges and universities. We also intend to enter into partnerships with the Governments under the PPP model to manage schools, colleges and universities in rural and/or urban areas.

Our Network

Our network of training centres consists of Company Operated Training Centres and Franchisee Centres. The following table sets forth the numbers of our Company Operated Training Centres and Franchisee Centres as of December 31, 2009.

Training centres	No. of centres
Company Operated Training Centres	14
Franchisee Centres	18



Our Products and Services

Our Company operates in two core business areas namely Tutorial services and ECAMS.

Tutorial Services

Our various course offerings under the tutorial segment for competitive entrance examinations include IIT JEE, AIEEE, SLEEE, AIPMT, NTSE, KVPY and Science Olympiad.

We operate our tutorial services business through four delivery platforms:

- (a) Our classroom training program, which consists of Company Operated Training Centres and Franchisee Centres;
- (b) Distance Learning Programme;
- (c) Synchro-School Programme; and
- (d) Career Point Knowledge Labs.

Following is a brief description of our various delivery platforms forming part of our tutorial service offerings:

- Training Centre Platform

(a) Company Operated Training Centres

In our Company Operated Training Centres, we provide tutorial services with educational content, including course materials and assessment services, in accordance with standardised teaching and testing methods. Our standardised teaching methods are developed and regularly updated by our Research and Development Cell. In Company Operated Training Centres, the management and execution is directly controlled by our Company, through a set of faculty members and managerial staff selected by our key management team. Course fees are based on the course opted, duration of the course and geographical location of the training centre. We collect the fees in a lumpsum and instalment basis depending upon the course opted by the student. Our Company Operated Training Centres accounted for 88.09% of the restated standalone operational revenue for the year ended March 31, 2009 and 94.15% for six month period ended September 30, 2009.

The first training centre was started in May 1993 under a proprietary concern, and as of December 31, 2009, we operate 14 Company Operated Training Centres in 11 cities.

We believe our Company Operated Training Centres are important in demonstrating to our franchisees our successful methodologies, developing and testing new courses, marketing and management methods before introducing them to our broader educational network.

(b) Franchisee Centres

Our first Franchisee Centre was established in 2002 at Bareilly, Uttar Pradesh. Since then, the number of our Franchisee Centres has increased, and as of December 31, 2009, we have 18 Franchisee Centres spread across 18 cities of India.

For each of our Franchisee Centres we enter into a franchise agreement for a period of three to four years. These franchisee agreements are in a standard form and require payment of an upfront fee to our Company and subsequently certain percentage of the gross fees earned from enrollment of students. We provide study material, student record forms, information booklets to the franchisee and they are required to provides us with periodic business reports. Further, the franchisee agrees not to involve in any business activity similar to that of our Company for a period of two years from the date of termination of the franchise agreement.

We select new franchisees using the following qualification criteria:

- (i) Potential market for our courses;
- (ii) Educational background and experience of the prospective franchisee; and
- (iii) Financial soundness.

In addition to the qualification criteria above, we also take into consideration the geographic location of the franchisee candidate. Our geographical expansion will primarily target cities with high potential demand for education services where we have limited presence.

After assisting our franchisees in opening new training centres, we communicate with them through following (i) a Franchisee Centre's monthly operations reporting or more frequent reporting as needed, (ii) discussions with respect to the franchise training centre's performance based on our monitoring of key performance indicators, (iii) annual and quarterly franchisee meetings, (iv) annual budgeting for each training centre, and (v) proposed changes to standardization procedures.

We monitor our franchisees to ensure that they are able to maintain the academic and operational integrity of the centres in accordance with our standardized operating procedures. Franchisees are required to operate their centres in conformity with these procedures, and to offer courses in accordance with the standardized curriculum.

We reserve the right to terminate relationships with franchisees who consistently fail to meet our performance standards.

- Distance Learning Programme

Our distance learning programme comprises of correspondence and test series courses primarily aimed at providing effective and efficient education to students who are not able to attend our regular classroom courses. Our correspondence and test series courses are designed to enable the student to understand the subject matter in a simple and lucid manner. Enrollments for distance learning programs takes place at all our Company Operated Training Centres as well as Franchisee Centres.

Under distance learning programme, for each course we divide the entire syllabus into modules. Study material and test series based on these modules are provided to the students. We also provide regular guidance to such students through correspondence.

In test series program, we conduct tests as per a pre-determined schedule at our authorized test centres. We provide feed back to each student on their performance and also give guidance to improve the same. We have a team of faculty members for our distance learning programme, who execute all activities in respect of course delivery.

The course fee varies from course to course depending upon deliverables and duration of the course.

Synchro-School Programme

Synchro-School Programme is a unique combination of providing tutoring for competitive entrance examination integrated with school education through association with schools. We believe this course enables better utilization of the time spent by a student in school. Also, this delivery platform serves the dual benefit of not having to incur any infrastructure cost as the services are typically provided at the respective schools and at the same time getting access to a broad student base, without incurring substantial marketing costs. We believe Synchro-School Programme is an effective means to provide our services to school going students since we are able to synchronise the school course curriculum with tutoring students for competitive entrance examinations. Synchro-School Programmes are funded by either the school or by the students depending on a case to case basis. Our Synchro-School contracts are typically valid for one academic year, subject to renewal with mutual consent. We currently operate our Synchro-School Programme at three locations through tie-ups with schools.

We intend to tie-up with more schools to provide our services to school going students. We believe this will increase our penetration and student enrollments with relatively low investment, thus resulting in better operating efficiency. We further believe that this will enable us to explore new areas of business which will give us an advantage over our competitors.

- Career Point Knowledge Lab

To leverage the experience of our skilled faculty members and to provide a personalized learning environment to students, we have recorded the content delivered by our key faculty members and added it to our content repository. We deliver such content repository through Career Point Knowledge Lab. Career Point Knowledge Lab is a screen based, education delivery system which is aimed at providing quality content on requirement based ideology. Further, Career Point

Knowledge Lab is also based on the premise of 'reinforced learning' which means that students forming part of heterogeneous group possess different levels of knowledge retention capability. Hence, in order to cater to such larger group, we believe Career Point Knowledge Lab is an effective source of reinforcing the learning which can be accessed by our students at their convenience. Moreover, this delivery platform is based on the 'need' and 'preference' based ideology of our students i.e. to say flexible timings of Career Point Knowledge Labs helps the students to access the content repository at his convenience and of his choice.

Education Consultancy and Management Services ('ECAMS')

We provide management services through ECAMS to schools, colleges and universities.

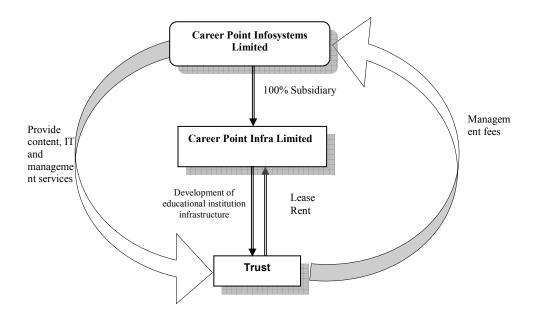
In order to leverage on our experience, we have forayed into ECAMS. In this regard, we enter into ECAMS contract with educational institutions. Presently, we are providing ECAMS to Global Public School situated at Kota, off-campus of Singhania University situated at Kota and Gopi Bai Foundation Trust Kota (Raj.) for their proposed university at Kota namely Career Point University. Under ECAMS we provide necessary management services which include laying strategic plan, human resource management services, administrative services, advisory services and information technology related services.

Under an ECAMS contract, we also assist in identification of appropriate locations for opening of the schools, universities and institutes, preparation of strategies for new schools/universities/institutes, human resource management service for teaching as well as non-teaching staff, administrative services, IT related services including training to the staff, marketing, branding and education development activities, management and maintenance of complete financial system; and advising and conducting cultural, social and sports activities; advisory services including facilitation and assistance in securing licenses, clearance and 'no-objection certificates' required for carrying on the activities.

Providing Infrastructure Support Services

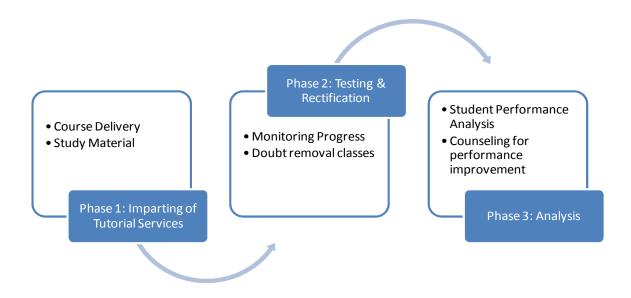
We believe that educational institutions may look towards asset light models, where they would outsource their capital intensive infrastructure requirements to focused third party infrastructure developers. We provide similar services through our wholly owned subsidiary viz. Career Point Infra Limited ("CP Infra"). CP Infra is in the field of rendering infrastructure and allied services for setting-up of physical infrastructure for educational institutions. CP Infra plans to leverage upon our rich experience in understanding the dynamics of infrastructure requirements in the education sector. Our experience has helped CP Infra in assessing the market requirements and customer behavior pattern. Understanding the needs of the education sector, CP Infra has already procured lands at Kota and Jodhpur which may be developed effectively to address the needs of educational institutions. In this regard, we have entered into an infrastructure support contracts for providing infrastructure support services with Gopi Bai Foundation Trust Kota (Raj.) for setting up of their proposed university at Kota, namely Career Point University.

The revenue model for ECAMS and infrastructure support services is as under:



Course Delivery Process

Following chart explains our course and content delivery process, which consists of the following:



Following is the description of the above chart:

Phase 1: Imparting Tutorial Services

• *Course delivery* - We adopt uniform approach for all our classroom sessions, where fundamentals of each subject are taught in a very simple and lucid manner.

• *Study material* - To enhance effectiveness of our training, we provide study material to our students. Our study material comprises of a systematic coverage of relevant theory notes on each chapter prescribed under the syllabus of respective examinations.

Phase 2: Testing & Rectification

- *Monitoring sheet* To monitor day to day progress of a student, we have devised a concept called Daily Practice Problem Sheet. Under this concept, each student is given about 10 questions based on the previous and immediately previous lecture / session in every class.
- *Doubt removal classes* For every topic, we conduct doubt removal classes regularly where our faculty members clarify even slightest doubts of students in order to ensure complete preparation.

Phase 3: Analysis

- Student performance analysis We conduct scheduled periodic tests. Computerised results are given to each student. We analyse these results to monitor the performance of students on personal and relative scale.
- *Counselling* We undertake such sessions with the key objective to prepare the students to face competitive examination environment with confidence and competence.

Marketing and Student Enrollments

We employ a variety of marketing methods to attract students and increase enrollments. We benefit from word-of-mouth referrals by our students and instructors. We also organize marketing activities in specific locations based on market demand. We promote brand awareness by carrying out the following activities:

- (a) Placing advertisements in electronic media and widely circulated newspapers and /or magazines;
- (b) Presentation at schools and seminars; and
- (c) Partnering in talent search examinations, hosting information sessions and distributing printed advertising materials.

Admissions generally occur at the training centre level. When a prospective student responds to our advertisements and contacts a training centre by walk-in or through phone, our counseling desk generates a prospective student profile and guides the candidate through meeting in person or through phone, about various aspects of our courses and educational deliverables. The entire admission process is standardized. For admission to some of our courses which prepares students for IIT-JEE, we conduct a pre-admission test prior to the enrollment.

Competition

The tutoring industry is highly competitive and fragmented, with no single provider controlling significant market share. Our main competitors are other organized tutoring institutes. Amongst the organized private players, we consider Bansal Classes, FIITJEE, Akash Institute, Resonance, Allen and Brilliant Tutorials as our major competitors for tutoring services. Competition is generally based on location, the type of courses offered, the quality of instruction, success rate, reputation and tuition rates. We believe that we are able to compete effectively in the markets with our presence because of the diversity of our course offerings, quality of instruction, the strength of the brand equity, our reputation and our success rate.

We mainly compete with training institutes tutoring students for engineering and medical entrance examinations. We focus on courses that are high in demand. We compete against our competitors by seeking to offer more frequent start dates, more flexible hours, better instructional resources, more hands

on training and providing feedback for mock tests. We compete against others by seeking to offer a higher quality of education, higher quality instructional material and a better overall value. As we continue to add courses, our addressable market increases and thus we face increased competition.

Insurance

Our principal types of insurance coverage include motor fire insurance, vehicle insurance, cash-in-transit insurance and directors' liability insurance. Our operations are subject to hazards inherent to the education business, such as risks of terrorist attacks, riots, fire, earthquake, flood and other *force majeure* events. This includes hazards that may cause injury and loss of life, damage and destruction of property, equipment and environmental damage.

Our insurance policies may not be sufficient to cover our economic losses. For further details, see section titled "Risk Factors" at page 22.

Intellectual Property

Our Company controls the use of, our brands and products by means of intellectual property rights, including, trademarks. Our Company has applied to the Trademark and Patents Registry, Ahmedabad for registration of our trademarks "TechEdge", "Knowledge Lab", "Synchro-School", "Career Institute of Finance and Accounts" and "National Science Proficiency Test" respectively. For further details in this regard, see sections titled "Government and Other Approvals" and "Risk Factors" at pages 208 and 20, respectively.

We have entered into a trademark license agreement dated February 4, 2010 with Mr. Pramod Maheshwari, our Promoter for use of the trademark " ". The license agreement allows us to use the trademark for our services and products on an exclusive, irrevocable and renewable basis for a period of 11 years for an aggregate consideration of Rs.10,000.

Faculty

As of December 31, 2009, our faculty consists of 210 members with relevant teaching and practitioner experience coupled with certain degree standards laid out by us. Exceptions are granted for a limited number of faculty who may not meet the teaching experience or degree standards, but evidence significant degree standard or teaching experience in the subject area they teach.

We attract faculty through referrals by current faculty members, advertisements, and prospective members discovering us. We check references prior to offering positions to new faculty and, upon selection, we require each new faculty member to complete an orientation and training course that leads to their certification and assignment. All our faculty members have relevant experience and teaching skills to guide and tutor aspirants of competitive entrance examinations. We believe that the course curriculum is particularly attractive to aspiring faculty members because of the opportunity to teach relevant material to students. We believe that the quality of our faculty is critical to our success, particularly because faculty members have the largest amount of interaction with our students. Our academic management team administers the content delivery of each faculty member.

Employees

In addition to 210 faculty members, as of December 31, 2009, we had employee strength of 225 non-faculty members administering our academic, technology, service and business operations. Our business operations are driven primarily by our employees.

Our employees do not belong to a union. Our relationship with our employees has been positive and our operations have not been interrupted by any work stoppage, strike, demonstration or other labor disturbances.

Properties, Offices and Facilities

Our Registered Office is licensed to us by our Promoter, Mr Pramod Maheshwari pursuant to Leave and License Agreement dated January 7, 2010 for a period of 11 months expiring on November 30, 2010. Our Corporate Office is leased to us by Diamond Business Solution Private Limited pursuant to a Lease Deed dated January 3, 2008 for a period of 11 years and six months commencing from April 01, 2007.

In order to undertake our operations at our Company Operated Training Centres, we normally acquire land on a lease hold basis for a period of 1-3 years. Further, we have also procured land parcels (through our subsidiary) on a permanent basis and on a long term lease basis at such places which has the potential of becoming a school, college or university.

Following is the details of the land acquired by our subsidiary, Career Point Infra Limited on a long term basis:

Sl. No.	Location	Nature of ownership	Area (in square feet)	Seller/Lessor	Validity	Purpose of acquisition
1.	School plot in the layout plan of Vijaya Raje Nagar Scheme, Jodhpur, Rajasthan	Leasehold	90,522.65	Urban Improvement Trust	99 years commencing from February 27, 2008	For setting up of school

Further, Gopi Bai Foundation Trust Kota (Raj.), our Group Company and entity, has also acquired land on permanent as well as on a long term basis. Following is the details of the same:

Sl. No.	Location	Nature of ownership	Area (in square feet)	Seller/Lessor	Validity	Purpose of acquisition
1.	Indra Vihar Housing Colony, Kota ⁽¹⁾	Leasehold	67,156.03	Rajasthan State Industrial Development and Investment Corporation Limited	For a period of 99 years commencing from October, 1998	To run Global Public School
2.	Village Alniya, Tehsil Ladpura, Kota, Rajasthan	Owned	1,424,065.34	Land owners*		To set up Career Point University

^{*} The land has been acquired vide 6 (six) separate sale deeds entered with land owners namely Mr. Narendra Kumar Singh, Ms. Sonia Jain, Ms. Seema Jain, Ms. Shashi Jain, Mr. Devkaran, Rajaram, Mr. Harisingh, Dayaram, Mr. Ramesh, Ms. Geeta Bai, Mr. Manbhar Bai and Om Metals Infraprojects Limited

REGULATIONS AND POLICIES

Our Company is engaged in the business of providing tutorial services for various competitive entrance examinations including All India Engineering Entrance Examination, Indian Institute of Technology –Joint Entrance Examination, All India Pre-Medical Test and Education Consultancy and Management Services ('ECAMS') to K-12 & Higher Education segment. Since we provide ECAMS and tutorial services, we are governed primarily by the laws laid down for educational sector along with the laws governing commercial establishments which provide for tutorial services. The following description is a summary of laws and regulations in India, which are applicable to our Company. The information below has been obtained from publications in the public domain. It may not be exhaustive and is only intended to provide general information and is neither designed nor intended to substitute for professional legal advice.

Taxation statutes such as the Income Tax Act, 1961, Central Sales Tax Act, 1956, the Finance Act, 1994 the Shops and Establishments Act, 1958, and applicable local sales tax statutes, labour regulations such as the Employees' State Insurance Act, 1948 and the Employees' Provident Fund and Miscellaneous Act, 1952, and other miscellaneous regulations and statutes such as the Trade Marks Act, 1999 apply to us as they do to any other Indian company. The statements below are based on the current provisions of Indian law, and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions. For details of government approvals obtained by us, see the section titled "Government and Other Approvals" at page 207.

CENTRAL LAWS

Finance Act, 1994 ("Finance Act")

The Finance Act is a centralized regulation which levies service tax on provision of services by various entities. The provision of coaching services provided by coaching classes is also covered under the Finance Act and a service tax of 10% plus applicable education cess is levied on these coaching classes. Since, our Company provides coaching class services to various students, it has to levy a service charge on these services and deposit it post collection with the relevant regulatory authority established under the act.

Universities Grants Commission, Act, 1956 (the "UGC Act")

The University Grants Commission ("UGC") was set up to lay down provisions for the co-ordination and determination of standards in Universities. According to the UGC, a University is normally established pursuant to a Central or a State Act. The UGC Act also makes provision for a deemed university and once an institution of higher education is designated as such, all the provisions of the UGC Act apply to it. The main function of the UGC is to recommend to any university the measure necessary for the improvement of university education and advice the university upon the action to be taken for the purposes of implementing such recommendations. It also makes provisions for disbursement of funds to universities recognized under the UGC Act.

UGC (Establishment of and Maintenance of Standards in Private Universities), Regulations, 2003 (the "UGC Private Universities Regulations")

The UGC Private Universities Regulations were brought into force to create an effective regulatory mechanism for the maintenance of standards of teaching, research, examination and extension services in these private universities. All universities which have been established under a State Act need to follow the regulations which prescribe the minimum qualifications that should be possessed by any person to be appointed as a teaching staff of the university, regulations defining the minimum standards on instruction for the grant of a degree by a university.

As per the UGC Private Universities Regulation, every university so established shall be governed by a separate State Act. A private university so established has to operate within the bounds of the State concerned and the overall performance of the campus centre and the study centre shall be monitored by the UGC and the State Government.

A private university has to fulfill the minimum criteria in terms of programmes, faculty, infrastructural facilities, financial viability laid down by the UGC and other concerned statutory authorities such as the All India Council for Technical Education, the Bar Council of India, the Distance Education Council, the Dental Council of India, the Medical Council of India etc. The university is also required to inform the UGC about its first degree and post graduate degree/diploma programmes including the curriculum structure, contents, teaching and learning process, examination and evaluation system and the eligibility criteria for admission of students, to the UGC on a proforma prescribed by the UGC prior to starting of these programmes.

The UGC may also cause periodic inspection of private university and its off-campus centres, study centres, off-shore campuses offering its programmes. After the award of the first degree and/or post-graduate degree/diploma courses, the UGC may indicate to the university any deficiency and non-conformity with the relevant UGC Regulations and provide it a reasonable opportunity to rectify the same. If the university despite being provided such an opportunity does not rectify the same, then the private university shall be prevented from offering any courses for the award of the first degree/post graduate degree and/ or diploma until such time that the deficiency is rectified.

STATE LAWS

The laws relating to the establishment of private universities in Rajasthan and Himachal Pradesh are summarized below:

Rajasthan

The Rajasthan Shops and Establishments Act, 1958 ("Shops and Establishment Act")

The Shops and Establishment Act was introduced to ensure that commercial establishments are registered under this act. The definition of commercial establishment under this Act is exceedingly wide and includes an establishment which carries on any business, trade or profession or any work in connection with or ancillary to any business, trade or profession. Since, our Company prepares students for engineering and medical entrance examinations and is organized as a coaching class, it is imperative for it to be registered as a commercial establishment under this act and comply with all its provisions.

The Rajasthan Private Universities Act, 2005 (the "RPU")

The RPU was established to set-up and institute private universities in the state of Rajasthan through the set-up of a sponsoring body. A sponsoring body as per the RPU means either a trust, a society registered under the Rajasthan Societies Registration Act, 1958 or a section 25 company under the Companies Act. It grants recognition to those universities which provide instructions for teaching and training in higher education and makes provision for research, advancement, dissemination of knowledge, creation of state of the art facilities for education and training and for establishment of campuses in Rajasthan and to have study centres at different places within its jurisdiction.

Through its circular F.3 (14) Edu -4/2006 dated July 26, 2007, the Education Department of the Government of Rajasthan has laid down certain criteria that need to be met for the establishment of a private university. If a sponsoring body wishes to make an application for the establishment of a private university, then, it has to submit a project report detailing its financial resources alongwith audited accounts of the past five years, the objectives of the university, the availability of land for establishment of the university and the details for development of campus and infrastructural facilities.

Once the application is approved, the State Government will give directions to establish a private university through a letter of intent, asking the sponsoring body to create an endowment fund with an amount specified as per the location of the university. If the private university is within 15 kilometres of from the municipal limits of the divisional headquarters cities or within ten kilometres of from the municipal limits of other cities, then the fund shall be Rupees 10 million. Further, in case the university is in a scheduled

tribal area then the fund amount will be Rupees 7.5 million and in all other cases, it will be Rupees 20 million.

Furthermore, the university has to comply with numerous other requirements such as:

- own atleast 30 acres of contiguous land;
- construct a minimum of 10,000 square metres of covered space for administrative purposes and for conducting academic programmes;
- purchase books and journals of atleast Rupees 1 million as per the norms of various regulating bodies:
- purchase equipments, computers, furniture, other mobile and immobile assets and infrastructure facilities worth Rupees 2 million;
- give an undertaking to appoint at least 1 professor, 2 readers and adequate number of lecturers along with necessary supporting staff in each department or discipline to be started by the university;
- give undertaking to take up co-curricular activities like seminars, debates, quiz programmes and extracurricular activities;
- give undertaking for establishment of provident fund and to take up welfare programmes for employees of the university;
- fulfil such other conditions and provide such other information as maybe prescribed by the University Grants Commission, All India Council of Technical Education or any other statutory body established by the law of the Union or State Government; and
- the sponsoring body shall within a maximum period of one year submit to the State Government an unambiguous affidavit alongwith documents that all conditions referred to in the letter of intent have been met.

Himachal Pradesh

The Himachal Pradesh Private Universities (Establishment and Regulation) Act, 2006 (the "HPPU")

The HPPU was established to set-up and institute private universities in Himachal Pradesh through the set-up of a sponsoring body. A sponsoring body as per the HPPU means either a trust, a society registered under the Societies Registration Act, 1860 or a section 25 Company under the Companies Act. It grants recognition to those universities which provide instructions for teaching and training in higher education and make provision for research, advancement, dissemination of knowledge, creation of state of the art facilities for education and training and for establishment of campuses in Rajasthan and to have study centres at different places within its jurisdiction.

Through its circular EDN-A-Ka(3)-1/2008 dated December 4, 2008, the Education Department of the Government of Himachal Pradesh has laid down certain criteria that need to be met for the establishment of a private university. If a sponsoring body wishes to make an application for the establishment of a private university, then, it has to submit a project report, alongwith copies of its registration certificate, constitution and bye-laws, the latest audited accounts, the objectives of the university, the availability of land for establishment of the university and the details for development of campus and infrastructural facilities.

Once the application is approved, the State Government will give directions to establish a private university through a letter of intent, asking the sponsoring body to create an endowment fund with an amount specified as per the location of the university. The sponsoring body shall establish an endowment fund for the university with an amount of Rupees 30 million which shall be pledged with the Government. Further, if the university is located within a tribal area then the amount of the endowment fund will be Rupees 10 million. This endowment fund has to be kept as a security deposit to ensure strict compliance of the provisions of these guidelines and any provisions enacted by the act for the University.

Furthermore, the university has to comply with, *interalia*, other requirements such as:

- own/acquire atleast 50 bighas/100 canals land on ownership basis or on lease from the Government/Government Institution/Local Bodies for a lease period of atleast 30 years;
- construct a minimum of 10,000 square metres of covered space for administrative purposes and for conducting academic programmes;
- purchase books and journals of atleast Rupees 1 million as per the norms of various regulating bodies;
- purchase equipments, computers, furniture, other mobile and immobile assets and infrastructure facilities worth Rupees 10 million and give an undertaking to the Government to procure within first five years equipments, computers, furniture, other movable and immovable assets, infrastructural facilities worth atleast Rupees 30million;
- give an undertaking to appoint atleast one professor, two readers and adequate number of lecturers alongwith necessary supporting staff in each department or discipline to be started by the university;
- give undertaking to take up co-curricular activities like seminars, debates, quiz programmes and extracurricular activities;
- give undertaking for establishment of provident fund and to take up welfare programmes for employees of the university;
- give an undertaking to give preference to bonafide residents of Himachal Pradesh in the employment of the university;
- give an undertaking not to dissolve the university before 15 years of its establishment;
- fulfil such other conditions and provide such other information as maybe prescribed by the University Grants Commission, All India Council of Technical Education or any other statutory body established by the law of the Union or State Government; and
- the sponsoring body shall fulfil the requirements and conditions specified in the Letter of Intent and report compliance with the Government.

BYE-LAWS FOR GETTING SCHOOLS AFFILIATED WITH THE CENTRAL BOARD OF SECONDARY EDUCATION AND COUNCIL FOR THE INDIAN SCHOOL CERTIFICATE EXAMINATIONS

The Council for the Indian School Certificate Examinations and the Council for the Central Board of Secondary Education has laid down guidelines that need to be complied with by schools for affiliation purposes. A synopsis of these guidelines laid down by both the boards is as follows:

Central Board of Secondary Education Affiliation

The Central Board of Secondary Education ("CBSE Board") requirements for affiliation are prescribed under the Central Board of Secondary Education Affiliation Bye-laws ("CBSE Bye-laws"). Applications for affiliation under the bye-laws can be considered if approval is required for any of the following categories of cases:

- (i) approval of middle class syllabus;
- (ii) provisional affiliation of a secondary school;
- (iii) upgradation/provisional affiliation of a senior secondary school;
- (iv) regular affiliation for schools run by the Government, Government aided Kendriya Vidyalaya Sangathan, Navodaya Vidyalaya Samiti , Central Tibetan Schools Organization (CTSO); and
- (v) permanent affiliation.

The CBSE bye-laws mandate that the following conditions need to be complied with if affiliation is required for schools with the CBSE Board:

- school must have prior affiliation or formal recognition from the State or Union Territory
- a no objection certificate should be obtained from the State Government for affiliation of the school with the CBSE Board;

- school must have atleast 2 acres of land (out of which atleast one acre should be through ownership or through a lease in favour of the school for thirty years) and a building constructed on a part of land and proper playgrounds on the remaining land;
- in metropolitan cities with a population exceeding Rupees 2.5 million, the land should not be less than one acre with adequate building and arrangement for imparting physical and health education facilities for conducting games to the satisfaction of the CBSE Board;
- the trust or the society or the section 25 company registered the Companies Act should be on a non-proprietary character and should run the school on a not for profit basis;
- the school needs to submit a list of all members with their addresses, occupations and qualifications along with an affidavit duly attested by a first class Magistrate from the chairman or the secretary of the school stating that none of the members are related to each other and if they are, then the manner in which they are related;
- the school should have adequate teaching staff possessing the necessary qualifications laid down for various subjects and posts for the teachers by the Board;
- the pupil to teacher ratio should not exceed 30 and there must be at least 1.5 teachers per section to teach various subjects to the students;
- it is also mandated that the salary scale and the admissible allowances of the staff should not be less than the corresponding categories of employees in the State Government schools or as per the pay scales prescribed by the Government of India;
- the library of the school shall be well equipped and spacious with atleast five books per students in its stock subject to a minimum of 1500 books to begin with. Further, the school should also subscribe to a sufficient number of books and magazines with atleast 15 magazines suitable for student and professional needs of teachers;
- the school shall maintain a reserve fund in the following manner possible:
 - (i) Upto 500 students Rs. 60,000
 - (ii) From 501 to 750 students Rs. 80,000
 - (iii) From 751 to 1000 students Rs. 100,000
 - (iv) Above 1000 students Rs. 100 per student rounded to the nearest thousand.
 - (v) All admissions and, withdrawal registers are to be properly maintained;
- the service records of teaching and non-teaching staffs are to be duly maintained and updated;
- no teachers are to be appointed on an ad-hoc basis:
- teaching and non-teaching staff is to be appointed on prescribed pay scales and no staff is to be appointed on a consolidated pay. They are also to be paid dearness allowance and other admissible allowances as per Central or State Government rates as required; and
- schools managed directly by Public Sector Undertaking ("PSU") or by reputed societies under financial control of these PSUs may apply for permanent affiliation and all other schools get a provisional affiliation. If a school wishes to get permanently affiliated with the CBSE Board, then, after the expiry of the provisional affiliated period of three years, it may ask the Board to grant it permanent affiliation on the basis of the fulfillment of certain condition which maybe laid down by the CBSE Board.

Council for the Indian School Certificate Examinations

The Council for the Indian School Certificate Examinations ("ISC Council") requirements for affiliation are prescribed under the ISC Guidelines for Affiliation ("ISC Guidelines"). Applications for affiliation under the ISC Guidelines can be considered and will be granted if the following conditions are met:

- the school has to obtain a no objection certificate from the state in which the school is to be set-up;
- if the school is started as an affiliating entity from class VI, then, the school must leave sufficient time for the purpose of preparing candidates and presenting them, in the first instance for the Indian School Certificate of Secondary Education;
- the school has to be run either as a registered society under the Societies Registration Act, 1860 or a trust or a section 25 company under the Companies Act and it must not be run for profit;
- the school must have a properly constituted governing body or managing committee which is responsible to and under the control of the society or trust or company;

- the medium of instruction in the school has to be English and special emphasis has to be placed on oral English, as a really high standard is required to be maintained;
- the school should have two acres of land with suitable buildings constructed on the land alongwith proper playgrounds with adequate facilities;
- in metropolitan cities with a population exceeding 2.5 million, the land should not be less than one acre with adequate building and arrangement for imparting physical and health education facilities for conducting games to the satisfaction of the ISC Council;
- the school should have a well equipped library for the use of its staff and pupils. It should have atleast five books per student in its stock subject with a minimum of 2500 books to begin with. It shall not stock notes, examination guides of any kind;
- the teaching staff must be properly qualified and trained. The minimum qualifications for the teaching staff have been laid down under Chapter II of the ISC Guidelines;
- the schools affiliated to the ISC Council shall place their buildings and furniture at the disposal of
 the ISC Council for the conduct of examinations for which candidates from the school have been
 entered and for such other candidates assigned to the centre of the school by the ISC Council
 which can be reasonably accommodated;
- schools will initially be granted provisional affiliation and after the end of a period of three years, they can apply to the ISC Council for permanent affiliation which will be decided by the ISC Council on the basis of the performance of the school; and
- the ISC Council may have the power to withdraw the affiliation of a school or temporarily suspend affiliation, if the ISC Council is satisfied that the school concerned is not fit to continue as an affiliated school.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief History of our Company

Our Company was incorporated as public limited company on March 31, 2000, under the Companies Act.

The Promoter of our Company, Mr. Pramod Maheshwari has been in the business of tutoring for competitive entrance examinations since 1993 and the business was being administered under proprietorship firms of Mr. Pramod Maheshwari, Mr. Om Prakash Maheshwari and Mr. Nawal Kishore Maheshwari, our Promoters.

However, during Financial Year 2002, our Promoters started undertaking tutoring services via Franchisee Centres through our Company. Subsequently, from April 1, 2006 we also started providing tutoring services through Company Operated Training Centres.

Our Main Objects

The main objects of our Company as contained in our Memorandum of Association are as follows:

- 1. To undertake development and/or trade in sale, import, export of computer software and all varieties of information technology services like medical transcription, GIS/GPS mapping, data entries, data conversion, internet services, intranet services, networking like WAN, LAN and its related protocols, e-commerce, forex operations relation to software, hardware consultancy, hiring, installation sale, export, import, maintenance of computer hardware, platform changing peripherals, and related services either on direct contract or sub-contract basis and running and maintaining institute/school providing general education and coaching in science, math, medical, commerce, arts, engineering and computer education, training, information technologies and training covering, inter-alia to carry on the business of research and development, designing, manufacturing and trading in all types of computer software and hardware in all areas including management information systems, database services, data warehousing, industrial applications, office systems, automation systems, artificial intelligence, cybernatics, simulations, desktop publishing communications including telecommunications and satellite communication, CAD/CAM, animations, operation systems, utilities and all other developments in the field of computers and information technology along with rendering consultancy services and services in the field of software development, turnkey projects and solutions, software export, information and data processing, computer systems, communications, operations research and technical services including commercial exploitations, export import and to act as distributors, dealers, authorized representatives, installers and commissioning agents of the same and publish/trade books, periodicals, newsletters and study materials on papers, CD, internet or other I.T. media.
- 2. To impart training, conduct seminars, workshops, capsules, courses, in computers, computer maintenance, software development, software exports, and to depute personnel to develop and design and implement software in India and abroad and to start ISDLAN (Integrated Services Digits Local Area Network), dial for date centres technology parks in India and abroad and to buy, sell, deal in import, export carry on research and development work, to design implement systems software, application software and any other software in India and abroad and to provide IT consulting service advises in India and abroad about info technology use in manufacturing, technical managerial and marketing services in computer education software's electronics and other allied fields and to offer either parallel or in turnkey basis networking and systems internet services in India and abroad and to depute personnel in India and abroad to offer such services, to render new services or enter into primary agreement in any trial portion for rendering such services to the clients and to undertake, design and development, research of software systems, products and solutions in all areas of application including those in emerging niche segments like internet, intranet, websites, applications solution software, enterprises resource planning, e-commerce, value added products and other business applications either for its own use or for sale in India or for export outside India and to design, develop such systems and application software for or on behalf of manufactures, owners and users of computer

systems, telecom, digital, electronic equipment in India or else where in world and to set up and run software/hardware training centres, software consultancy, system studies, management consultancy techno-economic feasibility studies of projects, design and development of management information systems in India and outside India and focus on identification, selection, training of software manpower for onsite placement in India and outside India for its own use and/or clients use and recruitment and job placement services in India or outside India and to invest in/manage/assist, domestic and overseas software companies for the fulfillment of above objectives and to design and develop import, export, sale, deal and purchase of computer software and hardware for all applications and also maintain, repair and otherwise deal in all kinds of microprocessor modules, systems and mini and macro computer based systems and electronic instrumentation system, data processing equipment, software, all types of computers, required in industrial control applications, electronic circuits, entertainment equipment, space research and electronic industries of every kind and to establish data processing centre, training centres and provide services as programmers, system analysts, and to provide consultancy services in the field of information technology and software and acts venture capital company or venture capital fund.

The main object clause and objects incidental or ancillary to the main objects of the Memorandum and Articles of Association enables our Company to undertake its existing activities and the activities for which the funds are being raised by our Company through this Issue.

Amendments to the Memorandum of Association

Since its incorporation the following changes have been made to the Memorandum of Association:

Amendment	Nature of alteration
September 30, 2002	Increase in Authorized Capital of our Company from Rs. 100,000 to Rs. 500,000
March 06, 2003	Increase in Authorized Capital of our Company from Rs. 500,000 to Rs. 10,000,000
December 31, 2004	Increase in Authorized Capital of our Company from Rs. 10,000,000 to Rs. 11,500,000
August 10, 2006	Increase in Authorized Capital of our Company from Rs. 11,500,000 to Rs. 46,500,000
December 26, 2006	Increase in Authorized Capital of our Company from Rs. 46,500,000 to Rs. 131,500,000
November 12, 2007	Increase in Authorized Capital of our Company from Rs. 131,500,000 to Rs. 250,000,000

Total number of Shareholders of our Company

As of the date of filing of this Draft Red Herring Prospectus, the total number of holders of Equity Shares is 14. For more details on the shareholding of the members, please see the section titled "Capital Structure" at page 70.

Change in Registered Office of our Company

Pursuant to a resolution dated December 1, 2007 there has been a change in the registered office of our Company. The table below represents the change:

Address	Date of Change
112, Shakti Nagar, Kota – 324 009, Rajasthan, India	Since incorporation
112B, Shakti Nagar, Kota – 324 009, Rajasthan, India	December 1, 2007

Major Events and Milestones

The table below sets forth some of the major events in the history of our Company:

S. No.	Calendar Year	Details	
		Formation of our Company as a public limited company viz., Career Point	
1.	2000	Infosystems Limited	
2.	2002	Launched franchisee learning centres as a part of our expansion plans	

3.		Ventured into providing tutoring services through Company Operated Training	
	2006	Centres	
4.	2007	Launched synchro-school programme	
5.	2007	Investment by M/s Volrado Venture Partners	
6.	2008	Launched Career Point Knowledge Lab in Kota	
7.	2008	Test launch of "TechEdge" class	
		Executed management cooperation agreement with Singhania University for	
8.	2008	establishing university off campus	
		Investment of Rs. 500 million in our Company by FTPES, portfolio managed by	
9.	2009	Franklin Templeton Asset Management (India) Private Limited	
		Executed management services agreement with the Gopi Bai Foundation Trust	
10.	2009	Kota (Raj.) for providing management services to Global Public School	
11.	2010	Executed MOU with Hughes Communications India Limited	
		Investment of Rs. 100 million in our Company by Mr. Nadathur Srinivasa	
12.	2010	Raghvan, Partner for and on behalf of Kalpa Partners	
		Executed MOU with Gopi Bai Foundation Trust Kota (Raj.) for providing	
		Education Consultancy and Management Services for the proposed University at	
13.	2010	Alania, Kota, Rajasthan	

Details of Major Events of our Company

For details of our Company's business, products, marketing, the description of its activities, products, market segment, the growth of our Company, standing of our Company with reference to the prominent competitors with reference to its services and geographical segment, please see section titled "Our Business" at page 111.

For details of the management of our Company and its managerial competence, please see section titled "Our Management" at page 135.

There are no time/cost overrun in setting up projects including the proposed projects and no defaults, lock up or strikes in our projects.

Injunctions or restraining order against our Company

There have been no injunctions or restraining order against our Company.

Subsidiaries of our Company

The following are our Subsidiaries:

- 1. Career Point Edutech Limited; and
- 2. Career Point Infra Limited.

1. Career Point Edutech Limited

Career Point Edutech Limited was incorporated under the Companies Act on November 9, 2006. Its registered office is situated at 112B, Shakti Nagar, Kota 324 009, Rajasthan, India and its corporate identification number is U80302RJ2006PLC023306. The objects of this company includes developing technology based educational solution and software. Career Point Edutech Limited has been instrumental in launching two software products i.e. a2zexam.com and examtayari.com.

The authorized share capital of Career Point Edutech Limited is Rs. 50 million comprising 5,000,000 equity shares of face value Rs. 10 each and paid up share capital is Rs. 5.5 million comprising of 550,000 equity shares of Rs.10 each.

Board of directors

The board of directors of Career Point Edutech Limited as on January 31, 2010 comprises of:

- 1. Mr. Om Prakash Maheshwari,
- 2. Mr. Pramod Maheshwari and
- 3. Mr. Nawal Kishore Maheshwari.

Shareholding pattern

The shareholding pattern of Career Point Edutech Limited as on January 31, 2010 is as follows:

Sr. No	Name of the Shareholder	No. of shares	% of total equity holding
1	Career Point Infosystems Limited	549,994	95.00
2	Mr. Gunjan Agrawal	28,947	5.00
3	Mr. Om Prakash Maheshwari	1*	Negligible
4	Mr. Pramod Maheshwari	1*	Negligible
5	Mr. Nawal Kishore Maheshwari	1*	Negligible
6	Ms. Neelima Maheshwari	1*	Negligible
7	Ms. Shilpa Maheshwari	1*	Negligible
8	Ms. Rekha Maheshwari	1*	Negligible
	Total	578,947	100.00

^{*} These equity shares are held under the beneficial ownership of Career Point Infosystems Limited

Financial performance

The audited financial results of Career Point Edutech Limited for the last three financial years 2007, 2008, 2009 are as follows:

(Rs. in million, except per share data)

Particulars	Year ended March 31, 2009	Year ended March 31, 2008	For the period commencing from November 9, 2006 to March 31, 2007
Equity share capital	5.50	5.50	0.50
Reserves	0.00	0.00	0.00
Networth (after deducting miscellaneous expenditure)	4.77	4.88	0.47
Sales (inclusive of other income)	0.10	0.00	0.00
Profit/(loss) after tax	(0.15)	(0.10)	(0.01)
Earnings per share	-	-	-
Net Asset Value	8.67	8.88	9.30

2. Career Point Infra Limited

Career Point Infra Limited was incorporated under the Companies Act on December 6, 2007. Its registered office is situated at 112B, Shakti Nagar, Kota 324009, Rajasthan, India and its Corporate Identification Number is U45201RJ2007PLC025439. The objects of this company are to acquire land and developing such land for maintaining of schools and educational institutions.

The authorized share capital of Career Point Infra Limited is Rs. 201 million comprising 20,100,000 equity shares of face value Rs. 10 each and paid up share capital is Rs. 31 million comprising of 3,100,000 equity shares of Rs. 10 each.

Board of directors

The board of directors of Career Point Infra Limited as on January 31, 2010 comprises of:

- 1. Mr. Om Prakash Maheshwari,
- 2. Mr. Pramod Maheshwari and
- 3. Mr. Nawal Kishore Maheshwari.

Shareholding pattern

The shareholding pattern of Career Point Infra Limited as on January 31, 2010 is as follows:

Sr. No	Name of the Shareholder	No. of shares	% of total equity holding
1	Career Point Infosystems Limited	3,099,994	99.99
2	Mr. Om Prakash Maheshwari	1*	Negligible
3	Mr. Pramod Maheshwari	1*	Negligible
4	Mr. Nawal Kishore Maheshwari	1*	Negligible
5	Ms. Neelima Maheshwari	1*	Negligible
6	Ms. Shilpa Maheshwari	1*	Negligible
7	Ms. Rekha Maheshwari	1*	Negligible
	Total	3,100,000	100.00

^{*} These equity shares are held under the beneficial ownership of Career Point Infosystems Limited

Financial performance

The audited financial results of Career Point Infra Limited for the last two financial years 2008 and 2009 are as follows:

(Rs. in million, except per share data)

Particulars	Year ended March 31, 2009	For the period commencing from December 6, 2007 to March 31, 2008*
Equity share capital	31.00	31.00
Reserves	0.00	0.00
Networth (after deducting miscellaneous expenditure)	29.55	29.21
Sales (inclusive of other income)	0.33	0.22
Profit/(loss) after tax	(0.38)	(0.27)
Earnings per share	-	-
Net Asset Value	9.53	9.42

^{*} Since Career Point Infra Limited was incorporated in December 2007, the financial information for the previous Financial Years are not available.

Associate company

The following are the details of our Associate company, Imperial Infin Private Limited:

1. Imperial Infin Private Limited

Imperial Infin Private Limited was incorporated under the Companies Act on October 5, 1994. Its registered office is situated at 112B, Shakti Nagar, Kota – 324009, Rajasthan, India. The objects of this company are to make investment in various commercial and residential plots.

The authorized share capital of this company is Rs. 8.00 million comprising 80,000 equity shares of face value Rs. 100 each and paid up share capital is Rs. 7.96 million comprising of 79,551 equity shares of Rs.100 each.

Board of Directors

The board of directors of Imperial Infin Private Limited as on January 31, 2010 comprises of:

- 1. Mr. Durga Shankar Maheshwari and
- 2. Ms. Neelima Maheshwari.

Shareholding pattern

The shareholding pattern of Imperial Infin Private Limited as on January 31, 2010 is as follows:

Sr. No	Name of the Shareholder	No. of shares	% of total equity holding
1	Career Point Infosystems Limited	34,000	42.74
2	Global Capital Markets Limited	20,000	25.14
3	Emerald Commercial Limited	14,000	17.60
4	Alka Securities Limited	5,000	6.29
5	Ms. Neelima Maheshwari	4,646	5.84
6	Mr. Durga Shankar Maheshwari	1,125	1.41
7	Mr. Om Prakash Maheshwari	380	0.48
8	Mr. Pramod Maheshwari	200	0.25
9	Mr. Nawal Kishore Maheshwari	200	0.25
	Total	79,551	100.00

Financial performance

The audited financial results of Imperial Infin Private Limited for the last three financial years 2007, 2008 and 2009 are as follows:

(Rs. in million, except per share data)

Particulars	Year ended March 31,	Year ended March 31,	Year ended March	
	2009	2008	31, 2007	
Equity share capital	7.96	7.96	7.96	
Reserves	0.07	0.00	0.00	
Networth (after deducting	8.03	7.78	7.79	
miscellaneous expenditure)				
Sales (inclusive of other	1.34	0.07	0.07	
income)				
Profit/(loss) after tax	0.22	(0.03)	0.002	
Earnings per share	-	-	0.03	
Net Asset Value	100.88	97.79	97.89	

Accumulated profits or losses not accounted for

There are no profits or losses of subsidiaries or associate companies not accounted for by our Company.

Shareholders' Agreement

Subscription cum Shareholders Agreement (the "SSA") dated July 16, 2009 entered between our Company, Franklin Templeton Asset Management (India) Private Limited in its capacity as a portfolio manager of FTPES ("FTAMPL"), Swastika Polyolefins Private Limited, Mr. Pramod Maheshwari, Mr. Om Prakash Maheshwari, Mr. Nawal Kishore Maheshwari, Mr. Gulab Chand Maheshwari, Ms. Kailash Bai Maheshwari, Ms. Neelima Maheshwari, Ms. Shilpa Maheshwari and Ms. Rekha Maheshwari ("Sponsors").

Some of the main provisions of the SSA are summarized as under:

Composition of the board of directors: As per the terms of the SSA, the board shall comprise of seven directors which shall include a director appointed by FTAMPL ("**Investor Director**"). Under the SSA, the Investor Director shall not be liable to retire by rotation. Further, the Investor Director shall be entitled to nominate an observer on our Board ("**Observer**") who shall be able to participate on a non-voting basis at the meetings of our Board.

FTAMPL shall have the right to appoint an alternate director ("Alternate Director") in place of the Investor Director from time to time. Further, FTAMPL shall have the right to appoint the Investor Director, the Alternate Director and/or the Observer as representatives on any existing Committee of the Board which has been formed by the Board or by our Company.

Reserved Matters: As per the SSA, the following matters shall be considered as reserved and these matters cannot be passed without the consent of the Investor Director at the Board meeting or through an affirmative vote of FTAMPL at the AGM or EGM.

Some of the important reserved matters *inter alia* are as follows:

- any significant changes in the liability structure of our Company or its subsidiary including off-balance sheet items, such as leasing, any encumbrances, transfer, pledge or creation of lien;
- incurrence of any indebtedness or capital commitment which is over and above the annual budget in any financial year;
- any appointment, engagement or increase in compensation of any person to a level of Rs.
 5,000,000 in a year. Any appointment, removal, dismissal and changes in compensation terms of the Directors or members of the executive management;
- any change in the face value or rights attached to any shares, except to the extent required for an initial public offering;
- appointment or change of internal/statutory auditors;
- approval of annual accounts of the Company and/or its subsidiaries;
- any change in the accounting year, accounting policy or registered office of the Company;
- any change in the name of our Company;
- distribution of profits/commission to the Directors or employees or to any third person;
- business restructuring, reorganization, diversification, acquisitions, mergers, sale, transfer or amalgamation of the Company and its assets, issuance of sale of equity of the Company and /or its subsidiaries or sale of assets or anything which is in variance with the business plan and annual budget approved by the Board;
- any change in the capital structure of the Company such as issuance of new equity shares and
 equity linked securities, convertible preference shares, other securities, splits, buy-backs, warrants,
 options, bonus issues, convertible debt instruments, debt and other securities except in the case of
 an initial public offering ("IPO");
- any new business initiative that the Company wishes to undertake which is not in the education sector;

- merger or amalgamation of the Company with any other company or reorganization of the Company, creation of joint ventures and/or creation of subsidiaries; and
- any amendment or change of the rights, preference, privileges or powers of, or the restrictions provided for the benefit of FTAMPL and /or any amendment or waiver of any provisions specified in this SSA, except in the case of an IPO.

Quorum of the BOD: As per the terms of the SSA, when the reserved matters come up for consideration before the Board, the Investor Director shall have the right to consent or dissent on such matters. In an adjourned Board Meeting, Investor Director shall send across a written notice indicating the consent or dissent in writing. If the Investor Director dissents on a particular matter, then the Company cannot proceed with respect to such matter. Further, a failure of the Investor Director to issue such a written notice can be construed to mean that the Board can deal with the resolutions relating to reserved matters as it deems fit.

Transfer of Shares: FTAMPL has the right under the SSA to transfer its shareholding in the Company to a Client (as defined in the SSA), without any restrictions of any nature whatsoever, provided the Client agrees to comply with a transfer deed as provided in the SSA. In case, FTAMPL wishes to transfer greater than 50% or more of its shareholding, then, FTAMPL shall have the right to assign all its rights and obligations under the SSA to any third party, and, such third party shall have to execute a deed of adherence.

Tag Along Rights: In case the Sponsors wish to individually or collectively transfer, cumulatively from the date of investment by FTAMPL, more than 10% of their shareholding in the Company, then they shall have to obtain a prior written consent of FTAMPL. If FTAMPL gives such consent, and the Sponsors transfer more than 10% of their shareholding, FTAMPL shall have tag along rights.

Call Option Notice: In the event FTAMPL proposes to make any investment in a Competitor and chooses not to forego the provisions under Reserved Matters, FTAMPL shall, prior to making such investment, be required to intimate the Sponsors and the Company in writing. Within 30 days of receipt of such notice, the Sponsors and / or the Company shall be entitled to purchase FTAMPL's shares at an IRR of 17.5% and this shall be done within a period of 6 months from the date of receipt of this notice subject to applicable laws.

Adjustment in case of an IPO: The Sponsors agree to grant FTAMPL an investor adjustment right in the period between the filing of the DRHP and filing of the RHP. Within a period of 15 days prior to the filing of the RHP, in any initial public offering, the Sponsors shall be required to specify a price band known as the sponsors' price band at which the Company is expected to undertake the IPO.

If at the lower end of the sponsors' price band the investor minimum exit amount (equivalent to an amount that would provide FTAMPL an internal rate of return of 16% on the investment) is not capable of being achieved, then, FTAMPL shall call upon the Sponsors to make good its shortfall, through transfer of such number of additional equity shares to FTAMPL as required or through any other mechanism.

In any case, if the Sponsors inform FTAMPL that applicable laws does not permit such investor adjustment or the Merchant Banker(s) advises the Company after filing of the draft red herring prospectus, that the Investor Adjustment Right is not likely to be accepted or approved by SEBI, then, the Sponsors shall be released from all the obligations under this clause so as to be able to go forward with the IPO.

Buy-Back: In case the Company is unable to secure an exit for FTAMPL by the exit date given in the SSA, then, FTAMPL shall have the right to require the Company to buy-back its shares at a consideration which yields an IRR of 15.5% on FTAMPL's invested amount from the date of the investment.

FTAMPL has the right to exercise this buy-back option during the period of six months following the exit date as defined in the SSA. Any time within this buy-back period, FTAMPL can send a buy-back notice to the Company or the Sponsors to buy-back its shares and they shall have to complete the buy-back within a period of 9 months from the date of the buy-back notice.

If FTAMPL does not exercise the buy-back option then, its right in that regard shall expire. FTAMPL shall have the right to nominate the Investor Director, until it continues to hold at least 25% of its total shareholding in the Company.

Drag Along Rights: At any time after the expiry of nine months from the issuance of the buy-back notice to the Sponsors and/or the Company, if the Sponsors and/or the Company are unable to fulfill their obligations then, FTAMPL can sell its shares without any restrictions. If FTAMPL sells its shares to a third party and such third party desires to acquire additional shares, then, FTAMPL shall be entitled to invoke its drag along rights. By virtue of these rights, FTAMPL can call upon the Sponsors to sell their shares required by the third party at the same price and terms are as are applicable to FTAMPL for its shares.

In case FTAMPL does not utilize these rights within a period of 1 year from the trigger date given in the SSA or it does not exercise any of these rights within the specified time frames, then these rights shall lapse. In such a situation, FTAMPL shall only have the right to nominate the Investor Director so long as FTAMPL holds at least 25% of the total shareholding of the Company.

Liquidation Preference: In the event of a liquidation, dissolution and winding up of the Company, FTAMPL shall be entitled to receive an amount equal to 1.00 times the investment amount plus all declared but unpaid dividends thereon prior to any distribution to the other shareholders. Such amount shall be called the preference amount. If the Company has insufficient assets to permit payment of the preference amount in full to FTAMPL, then the assets of the Company shall be converted into cash and distributed to FTAMPL to meet this deficiency.

Only once this amount is settled, shall the balance amount of the surplus be distributed pro-rata among all the shareholders including FTAMPL.

Termination: The SSA shall stand terminated when the shareholding of FTAMPL falls below 502,816 Equity Shares or FTAMPL has been provided an exit in accordance with the SSA. The SSA defines an exit to mean any strategic sale or merger of the Company or an IPO that the Company undertakes.

In the event of an IPO, all the rights given to FTAMPL in the SSA shall automatically stand withdrawn and cancelled on the day on which the listing of the Company takes place on the requisite stock exchanges.

Other Agreements

Memorandum of Understanding entered between our Company and Hughes Communications India Limited dated January 7, 2010 ("Hughes MoU")

Our Company has entered into the Hughes MoU in order to provide satellite based interactive services which include providing educational courses through Hughes Communications India Limited's VSAT network spread across India. Such education courses shall be delivered based upon the program calendar, jointly prepared by the parties. In terms of the Hughes MoU, there shall be identification of programs from the program calendar, which both the parties shall conduct. Our Company shall be delivering the program using components and qualified professors/or acting managers in the manner as may be represented. Further, we shall also be delivering materials and modules, monitor progress of the program and shall provide feedback to Hughes Communication India Limited.

In consideration of providing the educational courses, our Company shall be entitled to 25% share in the program fee, which shall be in addition to the course material fee, alumni & library fees.

The Hughes MoU has come into effect from January 1, 2010 and would be valid for a period of 5 years.

Trademark License Agreement between Mr. Pramod Maheshwari and our Company dated February 4, 2010 ('Trademark License Agreement')

We have entered into Trademark License Agreement for grant of exclusive, irrevocable, renewable right to use the trademark " or " for activities and services including but not limited to operating and managing schools, universities, learning centres, distance learning service centres, coaching for medical engineering and other such examinations either in classrooms or through other delivery channels such as satellite, internet and video and related services. The agreement is for a period of 11 years. The consideration for grant of the rights is for a lumpsum amount of Rs. 10,000.

Guarantees

Our Company or our Promoters have not given any guarantees to any third parties.

Strategic Partners

Our Company has not entered into any strategic partnership agreements.

Financial Partners

Our Company has not entered into any financial partnership agreements.

OUR MANAGEMENT

Under the Articles of Association, our Company is required to have not less than three Directors and not more than 12 Directors. Our Company currently has eight Directors on its Board.

Board of Directors

The following table sets forth details regarding our Board of Directors as on the date of this Draft Red Herring Prospectus.

Name, Designation, Father's Name, Term, Date of Appointment, Address, Occupation and DIN	Age (Years)	Status of Director in the Company	Other Directorships/Partnerships /Trusteeship
Mr. Pramod Maheshwari Chairman, Managing Director and CEO S/o Mr. Gulab Chand Maheshwari Date of Appointment: March 31, 2000. Designated as Managing Director, CEO and Chairman on July 1, 2007, November 1, 2007 and January 7, 2010 respectively. Term: For a period of five years, with effect from July 1, 2007 Occupation: Professional Address: 112A Chambal Garden Road, Shakti Nagar, Kota – 324 009 Rajasthan India DIN: 00185711	38	Executive Non-independent	Companies 1. Career Point Edutech Limited; 2. Career Point Publications Private Limited; 3. Wellwin Technosoft Private Limited; and 4. Career Point Infra Limited. Partnership 1. Maheshwari Brothers. Trusteeship 1. Gopi Bai Foundation Trust Kota (Raj.); 2. Proseed Foundation; 3. Progressive Foundation; 4. Shakti Foundation. Karta 1. Pramod Maheshwari (HUF).
Mr. Om Prakash Maheshwari Whole time Director and CFO S/o Mr. Gulab Chand Maheshwari Term: Non- retiring	41	Executive Non-independent	Companies 1. Career Point Edutech Limited; 2. Career Point Publications Private Limited; 3. Diamond Business Solutions Private Limited; 4. Rubymerry Enterprises Private Limited;

Name, Designation, Father's Name, Term, Date of Appointment, Address, Occupation and DIN	Age (Years)	Status of Director in the Company	Other Directorships/Partnerships /Trusteeship
Date of Appointment: March 31, 2000. Designated as Whole Time Director and CFO on April 1, 2006 and November 1, 2007 respectively. Occupation: Professional Address: 112A Chambal Garden Road, Shakti Nagar Kota – 324 009 Rajasthan India DIN: 00185677			5. Wellwin Technosoft Private Limited; 6. Longway Business Solutions Private Limited; 7. Swastika Polyolefins Private Limited; 8. Shricon Industries Limited; 9. Career Point Infra Limited; and 10. Maheshwari Agrobase Private Limited. Partnership 1. Maheshwari Brothers. Trusteeship 1. Gopi Bai Foundation Trust Kota (Raj.); 2. Proseed Foundation; 3. Progressive Foundation; 4. Shakti Foundation. Karta 1. Om Prakash Maheshwari (HUF).
Mr. Nawal Kishore Maheshwari Whole time Director S/o Gulab Chand Maheshwari Term: Non-retiring Date of Appointment: March 31, 2000. Designated as Whole Time Director on April 1, 2006 Occupation: Professional Address: 112A, Chambal Garden Road, Shakti Nagar, Kota – 324 009 Rajasthan India	34	Executive Non-independent	Companies 1. Career Point Edutech Limited; 2. Career Point Publications Private Limited; 3. Career Point Infra Limited; 4. Swastika Polyolefins Private Limited; 5. Wellwin Technosoft Private Limited; 6. Shricon Industries Limited; and 7. Maheshwari Agrobase Private Limited. Partnerships 1. Maheshwari Brothers. 2. Shri Bithal Traders. Trusteeship 1. Gopi Bai Foundation Trust Kota (Raj.); 2. Proseed Foundation; 3. Progressive Foundation; and

Name, Designation, Father's Name, Term, Date of Appointment, Address, Occupation and DIN	Age (Years)	Status of Director in the Company	Other Directorships/Partnerships /Trusteeship
			4. Shakti Foundation. Karta 1. Nawal Kishore Maheshwari (HUF).
Mr. Pritam Kumar Goswami Director S/o Mr. Prahlad Goswami Term: Liable to retire by rotation Date of Appointment: November 1, 2007 Occupation: Practicing chartered accountant Address: 157, Aditya Awas Colony Police Lines Kota – 324 001 Rajasthan India	38	Non-executive Independent	Companies 1. Prime Creations Private Limited.
DIN: 00082224			
Mr. Pawan Kumar Lalpuria Director S/o Late Mr. Jagdish Prasad Lalpuria Term: Liable to retire by rotation Date of Appointment: November 1, 2007 Occupation: Practicing chartered accountant	42	Non-executive Independent	1. Pyramid Media and Computer Network Private Limited.
Address: A – 835, Pyramid House, Indra Vihar Kota – 324005 Rajasthan			

Name, Designation, Father's Name, Term, Date of Appointment, Address, Occupation and DIN	Age (Years)	Status of Director in the Company	Other Directorships/Partnerships /Trusteeship
India			
DIN: 02016032			
Mr. Ram Swaroop Chaudhary Director	67	Non-executive Independent	Companies 1. C-Tech Projects (India) Private
S/o Late Mr. Ghanshyam Lal Chaudhary			Limited; and 2. Ani Industries, Kota.
Term: Liable to retire by rotation			
Date of Appointment: November 1, 2007			
Occupation: Businessman			
Address: 2-GA-5, Dadabari Kota – 324 009 Rajasthan India			
DIN: 00711599			
Mr. Arun Luharuka Nominee Director	40	Non - executive Non- independent	Companies NIL
S/o Mr. Mangilal Luharuka			
Term: Non- retiring			
Date of Appointment: January 1, 2010			
Occupation: Service			
Address: 704, B 3, Siddhi Vinayak, C-H-Soc., Asha Nagar, Western Express Highway, Borivali (E), Mumbai – 400066 Maharashtra India.			
DIN: 02889091			Committee
Mr. Dwarka Das Nihchal Das Nainani	58	Non-executive	Companies

Name, Designation, Father's Name, Term, Date of Appointment, Address, Occupation and DIN	Age (Years)	Status of Director in the Company	Other Directorships/Partnerships /Trusteeship
Director S/o Mr. Nihchaldas Nainani Term: Liable to retire by rotation Date of Appointment: January 1, 2010 Occupation: Professional Address: 20/238, Shripura, Opposite Water Works Office, Kota – 324 006 Rajasthan India		Independent	Kaizen Enterprises Private Limited; and Ashirwad Lifestyle Constructions Private Limited.
DIN: 00202188			

Brief Profile of our Directors

Mr. Pramod Maheshwari: Mr. Pramod Maheshwari, age 38 years, is the Chairman, Managing Director and CEO of our Company. He has been a Director of our Company since March 2000. He holds a B.Tech Degree from IIT Delhi. He is a first generation entrepreneur and the key founder member of our Company. Mr. Pramod Maheshwari has over 15 years of experience in developing and implementing training methodologies. He plays a major role in providing thought, leadership and strategic guidance to our Company, in addition to supervising the functional heads. He is responsible for the overall operation and growth of our Company.

Mr. Om Prakash Maheshwari: Mr. Om Prakash Maheshwari, age 41 years, is a wholetime Director and CFO of our Company. He holds a Bachelor's Degree in Mechanical Engineering from University of Rajasthan. He has over 16 years of experience in the field of finance. He is also a founder member of our Company, and is responsible for overall project implementation as well as financial and legal matters of our Company.

Mr. Nawal Kishore Maheshwari: Mr. Nawal Kishore Maheshwari, age 34 years, is a wholetime Director of our Company. He has over nine years of experience in the field of administration. He holds a Bachelor's Degree in Commerce from Maharshi Dayanand Saraswati University, Ajmer. He is associated with our Company since its incorporation. He is in-charge of various functions including administration, liasoning and other day to day affairs of our Company.

Mr. Pritam Kumar Goswami: Mr. Pritam Kumar Goswami, age 38 years, is an independent and non-executive Director of our Company. He is a practicing chartered accountant and partner in Anil Sushil & Co. He has over 16 years of experience in the field of finance and taxation. He is also a certified corporate trainer in soft skills and has conducted numerous programs for companies, colleges, institutions and NGOs.

Mr. Ram Swaroop Chaudhary: Mr. Ram Swaroop Chaudhary, age 67 years, is an independent and non-executive Director of our Company. He holds a Bachelor's Degree in Mechanical Engineering from Vikram University, Ujjain. He started his career as a 'Scientific Engineer' in the Department of Atomic Energy, Government of India Service. He has 27 years of experience of working with the Department of Atomic Energy.

During his tenure with the Department of Atomic Energy, he held senior positions like, Superintendent Engineer (Mechanical), Maintenance Superintendent and Additional Chief Engineer. He has been certified by the Nuclear Power Corporation as a professionally qualified engineer for the erection and maintenance of nuclear power plants.

Mr. Pawan Kumar Lalpuria: Mr. Pawan Kumar Lalpuria, age 42 years, is an independent and non-executive Director of our Company. He is a practicing chartered accountant and also qualified as a Company Secretary. He has over 18 years of experience in the field of income tax, corporate finance and company law matters. He is Chairman of Kota branch of ICAI and is honorary legal advisor to various nongovernmental organizations such as Kota Vyapar Mahasang and Small Scale Industries Association in Kota, Rajasthan.

Mr. Arun Luharuka: Mr. Arun Luharuka, age 40 years, is the nominee of Franklin Templeton Asset Management India (Pvt.) Ltd. on the Board of our Company. He holds a Bachelor of Commerce from University of Mumbai and is a Chartered Accountant. Mr Arun Luharuka has 14 years of experience in the financial sector and currently holds senior position in Franklin Templeton group company.

Mr. Dwarka Das Nihchal Das Nainani: Mr. Dwarka Das Nihchal Das Nainani, age 58 years, is a non-executive and independent Director of our Company. He holds a Bachelor's Degree in Mechanical Engineering from Birla Institute of Technology and Science, Pilani and a Post Graduate Diploma in Industrial Engineering from the National Productivity Council. He has over 30 years of experience in the field of finance, commercial and operations. His fields of specialization are project management and inventory control.

Remuneration details of our directors:

a. Remuneration details of our executive Directors:

- (1) **Mr. Pramod Maheshwari** has been appointed as the Managing Director of our Company with effect from July 1, 2007 pursuant to a resolution passed at the EGM of our Company on July 31, 2007. Subsequently, he has also been appointed as the Chairman of our Company pursuant to a resolution passed by our Board dated January 7, 2010. The remuneration payable to him as Managing Director of our Company has been determined, with effect from July 1, 2007 for a period of 5 years and is constituted as under:
 - a) Salary: Rs. 100,000 per month.
 - b) House rent allowance: Rs. 40,000 per month.
 - Medical reimbursement: expenditure on self and family within a limit of Rs. 1,250 per month.
 - d) Allowance on purchase of books/Journal/ Periodicals: such expenditure for furtherance of academic or professional knowledge and research for furtherance of company's business subjected to maximum of Rs. 3,200 per month.
 - e) Transport allowance: to be paid for to & fro residence to office at Rs. 800 per month.
 - f) Leave travel allowance upto one month's salary, which can be availed once in two years.
 - g) Gratuity: not exceeding on half month's salary for each completed years of service.
 - h) Bonus: as per rules of our Company not exceeding 20% of salary.
 - i) Superannuation fund: superannuation or annuity funds benefits in accordance with any such scheme adopted by our Company.

- j) Earned leave: on full pay and allowances not exceeding one month's leave for every completed 11 month's service and leave accumulated and not availed to be encashed as per our Company's rule.
- k) Reimbursement of expenses: reimbursement of travelling and other expenses incurred by him during the course of business of our Company.
- (2) Mr. Om Prakash Maheshwari and Mr. Nawal Maheshwari's salaries have been revised in the EGM held on July 31, 2007. The salary revision is to take effect from July 1, 2007. It also includes various other emoluments which are as follows:
 - a) Salary: Rs. 100,000 per month.
 - b) House rent allowance: Rs. 40,000 per month.
 - Medical reimbursement: expenditure on self and family within a limit of Rs. 1,250 per month.
 - d) Allowance on purchase of books/journal/periodicals: such expenditure for furtherance of academic or professional knowledge and research for furtherance of company's business subjected to maximum of Rs. 3,200 per month.
 - e) Transport allowance: to be paid for to & fro residence to office at Rs. 800 per month.
 - f) Leave travel allowance upto one month's salary, which can be availed once in two years.
 - g) Gratuity: not exceeding on half month's salary for each completed years of service.
 - h) Bonus: as per rules of our Company not exceeding 20% of salary.
 - i) Superannuation fund: superannuation or annuity funds benefits in accordance with any such scheme adopted by our Company.
 - j) Earned leave: on full pay and allowances not exceeding one month's leave for every completed 11 month's service and leave accumulated and not availed to be encashed as per our Company's rule.
 - k) Reimbursement of expenses: reimbursement of travelling and other expenses incurred by him during the course of business of our Company.

The remuneration for the Financial Year 2009 paid to the three executive directors was Rs. 1.74 million each.

b. Remuneration details of our non-executive and independent Directors

Our non-executive directors are neither paid remuneration nor sitting fees for attending meetings.

Shareholding of Directors in our Company

Our Articles do not require the Directors to hold any qualification shares in our Company. For details of shareholding of our Directors in our Company, see section titled "Capital Structure" at page 70.

Relationships between Directors

Except Mr. Pramod Maheshwari, Mr. Om Prakash Maheshwari and Mr. Nawal Kishore Maheshwari who are brothers, none of our Directors are related to each other.

Details of service contracts

Except as otherwise provided in this section, there are no service contracts entered into with any Directors for provision of benefits or payments of any amount upon termination of employment.

Interest of Directors

All of our Directors 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 and reimbursement of expenses, if any, payable to them under our Articles, and to the extent of remuneration, if any, paid to them for services rendered as an officer or employee of our Company.

Our Directors may also be regarded as interested in Equity Shares, if any, held by them or that may be subscribed by or allotted to the companies, firms, trusts, in which they are interested as directors, members, partners, trustees and promoters, pursuant to this Issue. All our Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares.

Except as stated in the section titled "Financial Statements – Related Party Transactions" at page F-39, and to the extent of shareholding in our Company, our Directors do not have any other interest in:

- (a) Our business; and
- (b) Any property acquired by our Company or its subsidiaries within two years of the date of filing of this Draft Red Herring Prospectus.

Changes in our Board during the last three years

The following changes have occurred in our Board of Directors during the last three years:

Sr. No	Name of Director	Date of Appointment/ Reappointment	Date of Cessation	Reason
1.	Mr. Pramod Maheshwari	July 1, 2007	-	Appointed as Managing Director
2.	Mr. Pritam Kumar Goswami	November 1, 2007	-	Appointed as an Additional Director
3.	Mr. Ram Swaroop Chaudhary	November 1, 2007	-	Appointed as an Additional Director
4.	Mr. Pawan Kumar Lalpuria	November 1, 2007	-	Appointed as an Additional Director
5.	Mr. Pritam Kumar Goswami, Mr. Ram Swaroop Chaudhary and Mr. Pawan Kumar Lalpuria	September 29, 2008	-	Appointed as Director
6.	Ms. Deepa Sankaran	July 27, 2009	January 1, 2010	Personal reasons
7.	Mr. Arun Luharuka	January 1, 2010	-	Appointed as a Nominee Director
8.	Mr. Dwarka Das Nihchal Das Nainani	January 1, 2010	-	Appointed as an Additional Director

Corporate Governance

The provisions of the listing agreements to be entered into with the Stock Exchanges with respect to corporate governance and the SEBI Regulations in respect of corporate governance will be applicable to our Company immediately upon the listing of the Equity Shares on the Stock Exchanges. Our Company has complied with the corporate governance code in accordance with clause 49 of such listing agreement, particularly, in relation to appointment of independent Directors to our Board and constitution of the audit committee, the investor grievance committee and the remuneration committee. The Board functions either as a full board or through various committees constituted to oversee specific operational areas. Our Company undertakes to take all necessary steps to continue to comply with all the requirements of Clause 49 of the listing agreement to be entered into with the Stock Exchanges.

Currently our Board has eight Directors of which the Chairman of the Board is an Executive Director and five non-executive Directors on our Board, of whom four are independent Directors in compliance with the requirements of clause 49 of the listing agreement. In terms of clause 49 of the listing agreement, our Company has constituted the following committees:

- (a) Audit Committee:
- (b) Shareholders/Investor Grievance, Share Allotment and Share Transfer Committee; and
- (c) Remuneration Committee.

Audit Committee

The Audit Committee was constituted by our Directors at their Board meeting held on November 1, 2007 duly reconstituted vide Board meeting dated January 1, 2010 ("Audit Committee"). The Audit Committee presently comprises of the following members:

Sr. No	Name of the Member	Designation	Nature of Directorship
1.	Mr. Pawan Kumar Lalpuria	Chairman	Independent and non-executive
2.	Mr. Pritam Kumar Goswami	Member	Independent and non-executive
3.	Mr. Dwarka Das Nihchal Das Nainani	Member	Independent and non-executive
4.	Mr. Arun Luharuka	Member	Non-independent and non- executive

Scope and terms of reference: The Audit Committee will perform the following functions with regard to accounts and financial management:

- overseeing of our Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees;
- approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- appointment, removal and terms of remuneration of internal auditors
- reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
 - (a) matters required to be included in the 'Director's Responsibility Statement' to be included in our Board's report in terms of Clause (2AA) of Section 217 of the Companies Act;
 - (b) changes, if any, in accounting policies and practices and reasons for the same;
 - (c) major accounting entries involving estimates based on the exercise of judgment by management;
 - (d) significant adjustments made in the financial statements arising out of audit findings;
 - (e) compliance with listing and other legal requirements relating to financial statements;
 - (f) disclosure of any related party transactions;
 - (g) qualifications in the draft audit report.
 - (h) reviewing, with the management, the quarterly financial statements before submission to the board for approval:
 - (i) monitoring the use of the proceeds of the proposed initial public offering of the Company;
 - (j) reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
 - (k) 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;
 - (1) discussion with internal auditors on any significant findings and follow up there on;
 - (m) reviewing internal audit reports and adequacy of the internal control systems;
 - (n) reviewing the adequacy of any 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;
 - (o) reviewing management letters/letters of internal control weaknesses issued by the statutory auditors;

- (p) discussion with internal auditors any significant findings and follow- up thereon;
- (q) 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;
- (r) discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- (s) 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;
- (t) to review the functioning of the 'Whistle Blower' mechanism when the same is adopted by the Company and is existing; and
- (u) carrying out any other function as maybe statutorily required to be carried out by the Audit Committee.

Shareholders'/Investors' Grievance, Share Allotment and Share Transfer Committee

The Shareholders/Investors Grievance, Share Allotment and Share Transfer Committee was constituted by our Directors at the Board meeting held on November 1, 2007 ("Investor Grievance Committee"). The members of the Investor Grievance Committee are as follows:

Sr. No	Name of the Member	Designation	Nature of Directorship
1.	Mr. Ram Swaroop Chaudhary	Chairman	Independent and non-executive
2.	Mr. Pawan Kumar Lalpuria	Member	Independent and non-executive
3.	Mr. Pritam Kumar Goswami	Member	Independent and non-executive
4.	Mr. Arun Luharuka	Member	Non - independent and non-executive

Scope and terms of reference: The Investor Grievance Committee has been constituted to do the following acts, for which purpose it shall have the power to seek all information contained in the records of our Company and external professional advice, if necessary. The Investor Grievance Committee shall have the authority to allot the equity shares of our Company and to supervise and ensure:

- efficient transfer of shares; including review of cases for refusal of transfer/transmissions of shares and debentures;
- redressal of shareholder and investor complaints like transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends etc.;
- issue of duplicate/split/consolidated share certificates;
- allotment and listing of shares:
- review of cases for refusal of transfer/transmission of shares and debentures;
- reference to statutory and regulatory authorities regarding investor grievances; and
- to otherwise ensure proper and timely attendance and redressal of investor queries and grievances.

Remuneration/Compensation Committee

The remuneration/compensation committee was constituted by our Directors at the Board meeting held on November 1, 2007 ("Remuneration Committee"). The Company Secretary of our Company shall assist the Remuneration Committee to convene its meetings and other related matters. The members of Remuneration/Compensation Committee are:

Sr. No	Name of the Member	Designation	Nature of Directorship
1.	Mr. Pritam Kumar Goswami Chairman		Independent and non-executive
2.	Mr. Ram Swaroop Chaudhary	Member	Independent and non-executive
3.	Mr. Pawan Kumar Lalpuria	Member	Independent and non-executive
4.	Mr. Arun Luharuka	Member	Non - independent and non-executive

Scope and terms of reference: The Remuneration Committee is entrusted with the power to determine our Company's policy on specific remuneration packages, including pension rights and other compensation for executive Directors and other employees of our Company. Further, the Remuneration Committee exercises powers in relation to the matters listed below:

- to recommend to the Board, the remuneration packages of our Company's managing/joint managing/ deputy managing/whole time/ executive directors, including all elements of remuneration package (that is salary, benefits, bonuses, perquisites, commission, incentives, stock options, pension, retirement benefits, details of fixed component and performance linked incentives alongwith the performance criteria, service contracts, notice period, severance fees etc.):
- to be authorized at its duly constituted meeting to determine on behalf of the Board of Directors and on behalf of the shareholders with agreed terms of reference, our Company's policy on specific remuneration packages for Company's managing/joint managing/ deputy managing/whole time/ executive directors, including pension rights and any compensation payment; and
- to implement, supervise and administer any share or stock option scheme of our Company.

IPO Committee

The IPO committee was constituted by our Directors at Board meeting held on January 1, 2010 ("IPO Committee"). The IPO Committee comprises of:

Sr. No	Name of the Member	Designation	Nature of Directorship
1.	Mr. Pramod Maheshwari	Chairman	Executive and non-independent
2.	Mr. Om Prakash Maheshwari	Member	Executive and non-independent
3.	Mr. Nawal Kishore Maheshwari	Member	Executive and non-independent
4.	Mr. Arun Luharuka	Member	Non - independent and non-executive

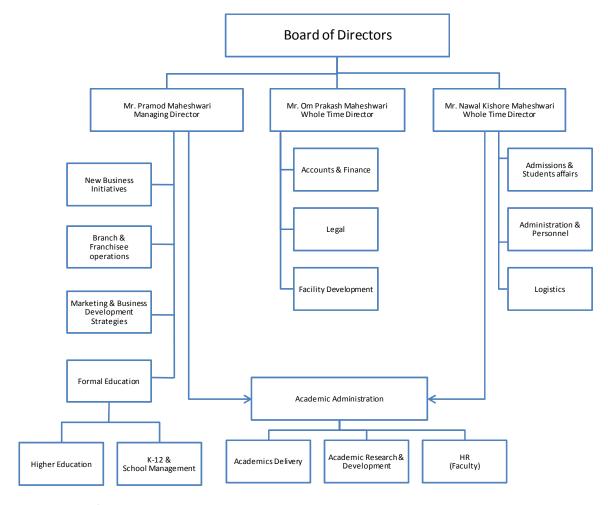
Scope and terms of reference:

- approve, implement, negotiate, carry out and decide upon all activities relating to this Issue;
- preparing, approving, finalising and filing this Draft Red Herring Prospectus and the Red Herring Prospectus with SEBI, the Stock Exchanges and other regulatory bodies as may be required;
- approving a code of conduct and a suitable policy on insider trading, approving any corporate governance requirement;
- deciding on the number of Equity Shares to be offered in this Issue and appointing various intermediaries and advisors to this Issue as may be necessary including determining their remuneration.
- deciding on objects of the Issue and the estimated expense in the Issue and appointing various intermediaries and advisors to this Issue as may be necessary including determining their remuneration,
- deciding on objects of the Issue and the estimated expense on the Issue, allocation of the Equity shares to specific categories of persons, opening of bank accounts, securities account, escrow or custodian accounts,
- submitting applications and seeking listing of Equity Shares with the Stock Exchanges,
- seeking consent of the lenders with whom our Company has entered into various commercial agreements, determining and finalising the price band, bid opening and closing date of this Issue, approving and finalising the 'Basis of Allocation',
- determining the price at which the Equity Shares are to be offered to the investors, settling
 difficulties and doubts arising in relation to the Issue, empowering the authorized officers to enter
 into and execute any agreements or arrangements in relation to the Issue.

Borrowing powers of our Board

Pursuant to a resolution passed by our shareholders dated August 13, 2007 in accordance with provisions of the Companies Act, our Board has been authorized to borrow from time to time, all such sums of money for the purposes of the business of our Company, as the Board may in its discretion think fit, notwithstanding that the money or monies to be so borrowed together with the sums already borrowed by our Company (apart from the temporary loans obtained from our Company's bankers in the ordinary course of business), may exceed the aggregate of the paid-up capital of our Company and its free reserves that is to say, reserves not set apart for any specific purposes, provided however that the sums so borrowed shall not exceed Rs. 1,000 million.

Management Organizational Structure



Key Managerial Personnel

All Key Managerial Personnel are permanent employees of our Company. The details of our Key Managerial Personnel other than our Directors are set forth below:

Mr. Shailendra Maheshwari, age 38 years, is Senior Vice President – Academics & Product Development of our Company and holds a B.E. (Electronics & Communications) degree from University of Rajasthan. He has been working with Career Point group since 1995 and with effect from April 1, 2006, he is on rolls of our Company. He has an experience of 13 years in the teaching field and has grown to fame as 'Math Guru' through his coaching and guiding students for competitive examinations. As a Senior Vice President, he formulates and monitors the implementation of the effective academic system in our Company. The remuneration paid to him for the last Financial Year was Rs. 600,000.

Mr. Mithilesh Dixit, age 48 years, is the Senior Vice President, School & Vocational Education, and holds a M. Sc. (Defense and Strategic Studies) degree from Madras University followed by MBA in business development and marketing and a Doctorate in international relations from Trinity University, USA. He is a member of Indo Canadian Chamber of Commerce. He joined our Company on April 14, 2008 and has over 27 years experience in the army, academic and corporate sector with specific exposure to corporate

affairs. Prior to joining our Company, he worked with ABC Investment and Management Company in USA as Vice President Corporate Affairs. His current responsibilities in our Company include managing the formal and vocational education departments. The remuneration paid to him during the last Financial Year was Rs. 1,175,000.

Mr. Rajneesh Goyal, age 34 years, is the Vice-President (Academics-Test Preparation) in our Company. He is a B.E. (Production & Industrial) from University of Rajasthan. He joined the Career Point group in the year 1999 and with effect from April 1, 2006, he is on the rolls of our Company. Prior to joining our Company, he has worked as a lecturer in the Engineering College, Kota. He has an overall experience of nine years in the field of education. Currently, he is overall in charge of the mathematics department. The remuneration paid to him during the last Financial Year was Rs.1,800,000.

Mr. Sanjay Gupta, age 37 years, is the Regional Head (North) in our Company and has done his B.E. in Electrical Engineering from MNIT, Jaipur. Prior to joining our Company, he was working as an Assistant Manager with Master Mind Classes, Jaipur and has over 13 years of experience in the field of project engineering and branch management. He joined the Career Point group in the year 2002 and with effect from April 1, 2006, he is on the rolls of our Company. He oversees the effective functioning of the Jaipur learning centre. The remuneration paid to him during the last Financial Year was Rs. 634,000.

Mr. Bhimsen Sant, age 40 years, is the Assistant Vice-President (Academic Branch-Test Prep) and has done his B.E. (Hons.) Electrical Engineering from Engineering College, Kota in 1992. Prior to joining our Company, he was an Operational Manager at Kota, Thermal Power Station where he was in charge of boiler operations. He has over eight years' experience as Co-ordinator (Academics) at Career Point, Kota and 2 years of experience as Director Academics, Career Point, Jodhpur. He also has over 16 years of experience as a teaching faculty in physics. He joined our Company on May 20, 2008 and he is not only a part of our faculty, but, also oversees the effective functioning of our learning centres at Jodhpur. The remuneration paid to him during the last Financial Year was Rs. 980,000.

Mr. Ajeet Singh, age 30 years, is the Regional Head (Central) and has done his B.Tech (Civil Engineering) from Indian Institute of Technology, New Delhi. He began his career with our Company's franchisee centre at Durgapur and was appointed as a maths faculty in our Company's franchisee centre where he worked from 2005 to 2008. He has over 6 years of experience in the field of teaching. He joined our Company with effect from April 16, 2008. He was promoted to Regional Head on April 1, 2009, and he now oversees the effective functioning of our learning centre at Nagpur. The remuneration paid to him during the last Financial Year was Rs. 615,000.

Mr. Vinay Nayasar, age 36 years, is the General Manager, Branch Operations and has done his graduation in commerce from Commerce College, Jaipur, University of Rajasthan. He also completed his Bachelor of Business Administration with specialisation in marketing management from Newport University, California, USA. He has over 13 years experience in the field of education. Prior to joining our Company, he was the Director for Jaipur centre of Intelligrowth Edusystems Private Limited which specialises in preparing students for pre-medical examinations in India. He joined our Company with effect from April 17, 2009 and his current responsibilities include overseeing the effective functioning of the various Company operated learning centres. The remuneration during the last Financial Year has not been provided as he joined our Company in April 2009.

Mr. Ankesh Jain, age 31 years, is the General Manager (Sales and Marketing) and has done his MBA – Finance from R.A. Podar Institute of Management. He has also completed his GNIIT training from NIIT and has over 9 years of experience in business development, franchising, media planning, media deal, advertising, brand promotion and consultancy. Prior to joining our Company, he was with GT Computer Hardware Engineering College Private Limited for a period of five years as franchisee development manager handling 76 centres all over India. He joined our Company with effect from April 26, 2007 and is currently responsible for new market development and opening of new Company operated learning centres. The remuneration paid to him during the last Financial Year was Rs. 424,000.

Mr. Modali Venkat Hari Kishen, age 37 years is the General Manager (Franchisee) in our Company. He joined our Company on February 12, 2003 and has nine years of experience in publishing and franchising industries with specific exposure to concept selling, franchisee development and operational support. He is a graduate in commerce from Pandit Ravi Shankar Shukla University, Raipur and holds a post graduate diploma in business development with specialization in marketing from A. M. Jain Institute of Management, Chennai. Prior to joining our Company, he has worked with NIIT as business head of Faridabad branch. His current responsibilities in our Company include business development at national franchisee networks and extending support to our operational aspects. The remuneration paid to him during the last Financial Year was Rs. 536,000.

Mr. Tarun Kumar Jain, age 30 years is a qualified Company Secretary from the Institute of Company Secretaries of India. He joined our Company on November 1, 2007 and has six years of managerial experience. He is currently responsible for management and supervision of secretarial, legal and corporate compliance functions of our Company. He is commerce and law graduate from M.D.S. University, Ajmer, Rajasthan and also a member of Institute of Financial Consultants, USA and Chartered Association of Business Administrators, Canada. Prior to joining our Company, he has worked with TNT Speedage Express Cargo Services as Head of Legal and Company Secretary. The remuneration paid to him during the last Financial Year was Rs. 603,000.

Mr. Akhilesh Jain, age 31 years, is the Vice President, Academics - Formal Education of our Company. He has over 7 years of experience in the field of teaching and administration. He joined our Company with effect from September 8, 2008. He has done his Master's in (Pre) Psychotherapy from IPMS, Mumbai and M. Phil (Mgt.), Alagappa University alongwith graduation in applied sciences from M.D.S. University, Ajmer. Prior to joining our Company, he was with ICFAI National College, Kota as a senior faculty in management education. The remuneration paid to him during the last Financial Year was Rs. 222,000.

Relationship between Key Managerial Personnel

Except for Mr. Shailendra Maheshwari who is related to our Promoters, none of our Key Managerial Personnel are related to each other.

Details of service contracts of our Key Managerial Personnel

Except for the appointment letters, our Key Managerial Personnel have not entered into any other contractual arrangements with our Company.

Further, all our Key Managerial Personnel mentioned above are officers of our Company vested with executive powers and function at a level immediately below the Board.

Interest of Key Managerial Personnel

Except as disclosed below, none of our Key Managerial Personnel have any interest in our Company and/or our Subsidiaries and Associate company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business and to the extent of Equity Shares held by them in our Company and/or our Subsidiaries.

Shareholding of the Key Managerial Personnel

None of our Key Managerial Personnel hold Equity Shares in our Company.

Changes in our Key Managerial Personnel

The following are the changes in the Key Managerial Personnel during the last three years:

C No	Nama	Data of annointment	Data of Connetion	Decema if one
S.No.	Name	Date of appointment	Date of Cessation	Reasons if any

1.	Mr. Ankesh Jain	April 26, 2007	 Appointment
2.	Mr. Tarun Kumar Jain	November 1, 2007	 Appointment
3.	Mr. Mithilesh Dixit	April 14, 2008	 Appointment
4.	Mr. Ajeet Singh	April 16, 2008	 Appointment
5.	Mr. Bhimsen Sant	May 20, 2008	 Appointment
6.	Mr. Akhilesh Jain	September 8, 2008	 Appointment
7.	Mr. Vinay Nayasar	April 17, 2009	 Appointment

Bonus or profit sharing plan for the Key Managerial Personnel

There is no separate bonus or profit sharing plan for our Key Managerial Personnel by our Company.

Scheme of employee stock option or employee stock purchase

Our Company does not have any scheme of employee stock option or employee stock purchase.

Payment of benefit to officers of our Company (non-salary related)

No amount or benefit has been paid or given to any officer of our Company within the two preceding years from the date of filing of this Draft Red Herring Prospectus or is intended to be paid, other than in the ordinary course of their employment.

Except statutory benefits upon termination of their employment in our Company or superannuation, no officer of our Company is entitled to any benefit upon termination of such officer's employment in our Company or superannuation.

Loans taken by Directors / Key Managerial Personnel/ Employees as on September 30, 2009

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, except the following:

- a. Loan amounting to Rs. 1.69 million was given to Mr. Om Prakash Maheshwari in the financial year 2008 which has now been fully paid back by him to our Company. For the period April 2008 to September 2009, no loans have been extended by our Company to any of the Directors.
- b. Loan amounting to Rs. 2.92 million has been provided to our Key Managerial Personnel for the period April 2007 September 2009.
- c. Loan amounting to Rs. 10.17 million has been provided to our employees (excluding Key Managerial Personnel) for the period of April 2007 September 2009.

Except for the above, our Directors, Key Managerial Personnel and employees have not taken any loans from our Company.

Arrangements and understanding with major shareholders

None of our Key Managerial Personnel have been appointed pursuant to any arrangement or understanding with our major shareholders, customers, suppliers or others as a director or member of senior management.

OUR PROMOTERS AND GROUP COMPANIES

Promoters

The following are the Promoters of our Company:

- 1. Mr. Pramod Maheshwari
- 2. Mr. Om Prakash Maheshwari; and
- 3. Mr. Nawal Kishore Maheshwari.

The details of our Promoters are as follows:

1. Mr. Pramod Maheshwari

	Permanent Account Number	ABYPM2876K
	Passport Number	E7115817
The state of the s	Voter ID Number	RJ/14/107/0363933
	Driving License Number	RJ-20/DLC/2007/180632
	Bank Account Number	01671000094061 – HDFC Bank
	Address:	112A, Chambal Garden Road, Shakti
To Tall		Nagar, Kota – 324 009, Rajasthan, India

2. Mr. Om Prakash Maheshwari

	Permanent Account Number	ABHPM3580H
	Passport Number	E1636447
20 Em	Voter ID Number	RJ/14/107/0363809
	Driving License Number	RJ-20/DLC/2004/93277
	Bank Account Number	01671000093846 – HDFC Bank
	Address:	112A, Chambal Garden Road, Shakti
		Nagar, Kota – 324 009, Rajasthan, India
1		

3. Mr. Nawal Kishore Maheshwari

	Permanent Account Number	ABGPM1388N
	Passport Number	A9468764
The same of	Voter ID Number	RJ/14/107/364368
	Driving License Number	35136
Control of the last	Bank Account Number	01671000094051 – HDFC Bank
	Address:	112A, Chambal Garden Road, Shakti
		Nagar, Kota – 324 009, Rajasthan, India
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For more details of Mr. Pramod Maheshwari, Mr. Om Prakash Maheshwari and Mr. Nawal Kishore Maheshwari, see the section titled "Our Management" at page 139.

Declaration

We undertake that the details of the PAN, bank account numbers and passport number of our Promoters will be submitted to the Stock Exchanges at the time of filing the Draft Red Herring Prospectus with them.

Interest of the Promoters

Interest in promotion of our Company

Our Company had been incorporated by Mr. Pramod Maheshwari, Mr. Om Prakash Maheshwari and Mr. Nawal Kishore Maheshwari. For this purpose, they had subscribed to our Memorandum of Association and to the initial issue of our Equity Shares.

Interest in the property of our Company

Except as disclosed in the section titled "Our Business" at page 118 and "Financial Statements – Related Party Transactions" at page F-39, our Promoters do not have any interest in any property acquired by or proposed to be acquired by our Company two years prior to filing of this Draft Red Herring Prospectus.

Interest as member of our Company

Mr. Pramod Maheshwari, Mr. Om Prakash Maheshwari and Mr. Nawal Kishore Maheshwari hold 1,393,200, 1,386,300 and 1,385,800 Equity Shares, respectively, in our Company and are therefore interested to the extent of their shareholding and the dividend declared, if any, by our Company. Except to the extent of shareholding of the Promoters in our Company and benefits as provided to them in the section titled "Our Management" at page 140, our Promoters hold no other interest in our Company.

Interest as Director of our Company

Please refer to section titled "Our Management – Interest of our Directors" at page 141.

Payment of benefits to our Promoters during the last two years

Except as stated in the section "Financial Statements - Related Party Transactions" at page F-39, there has been no payment of benefits to our Promoters since the date of incorporation of our Company.

Common pursuits

Our Promoters do not have any interest in any venture that is involved in any activities similar to those conducted by us.

Confirmations by the Promoters

Our Promoters including relatives of our Promoters have confirmed that they have not been detained as wilful defaulters by the RBI or any other Governmental authority and there are no violations of securities laws committed by them in the past or are pending against them and none of our Promoters including relatives of Promoters have been restricted from accessing the capital markets for any reasons, by SEBI or any other authorities.

Related party transactions

Except as disclosed in the section "Financial Information - Related Party Transactions" at page F-39, our Company has not entered into any related party transactions with the Promoters or Group Companies and entities.

Promoter Group

Promoter Group Individuals

The following natural persons (being the immediate relatives of our Promoters) form part of our Promoter Group:

Relatives of Mr. Pramod Maheshwari

Relationship	
Father	Mr. Gulab Chand Maheshwari
Mother	Ms. Kailash Bai Maheshwari
Brother	Mr. Om Prakash Maheshwari, Mr. Nawal Kishore Maheshwari
Sister	Ms. Radha Rani Nuwal
Spouse	Ms. Shilpa Maheshwari
Children	Ms. Priyal Maheshwari, Ms. Pihul Maheshwari
Spouse's Father	Mr. Shravan Kumar Nyati
Spouse's Mother	Ms. Pramila Nyati
Spouse's Brother	Mr. Rahul Nyati

Relatives of Mr. Om Prakash Maheshwari

Relationship	
Father	Mr. Gulab Chand Maheshwari
Mother	Ms. Kailash Bai Maheshwari
Brother	Mr. Pramod Maheshwari, Mr. Nawal Kishore Maheshwari
Sister	Ms. Radha Rani Nuwal
Spouse	Ms. Neelima Maheshwari
Children	Ms. Akshita Maheshwari, Mr. Anmol Maheshwari
Spouse's Father	Mr. H. S. Maheshwari
Spouse's Mother	Ms. Pushpa Maheshwari
Spouse's Brother	Mr. Vishal Maheshwari
Spouse's Sister	Ms. Neetu Maheshwari

Relatives of Mr. Nawal Kishore Maheshwari

Relationship	
Father	Mr. Gulab Chand Maheshwari
Mother	Ms. Kailash Bai Maheshwari
Brother	Mr. Om Prakash Maheshwari, Mr. Pramod Maheshwari
Sister	Ms. Radha Rani Nuwal
Spouse	Ms. Rekha Maheshwari
Children	Mr. Parv Maheshwari
Spouse's Father	Mr. Anil Bhakkar
Spouse's Mother	Ms. Shrikanta Bhakkar
Spouse's Brother	Mr. Ram Bhakkar
Spouse's Sister	Ms. Ritu Bhakkar

Promoter Group Companies and entities

The companies, HUFs, partnership firms and other entities, other than the entities described in section titled "History and Certain Corporate Matters" at page 127, that form part of our Promoter Group are as follows:

Companies

S. No.	Name
1.	Swastika Polyolefins Private Limited

S. No.	Name
2.	Diamond Business Solutions Private Limited
3.	Wellwin Technosoft Private Limited
4.	Rubymerry Enterprises Private Limited
5.	Longway Business Solutions Private Limited
6.	Shricon Industries Limited
7.	Maheshwari Agrobase Private Limited
8.	Career Point Publications Private Limited

Partnership Firms

S. No.	Name
1.	Gulab Chand Ramesh Chand Traders
2.	Maheshwari Trading Company
3.	Shri Bithal Traders
4.	Maheshwari Brothers

HUF

S. No.	Name
1.	Gulab Chand Maheshwari HUF
2.	Om Prakash Maheshwari HUF
3.	Pramod Maheshwari HUF
4.	Nawal Kishore Maheshwari HUF

Trust/Society

S. No.	Name
1.	Gopi Bai Foundation Trust Kota (Raj.)
2.	Proseed Foundation
3.	Progressive Foundation
4.	Career Point Education Society
5.	Shakti Foundation

Group Companies and entities

As specified in the SEBI Regulations, the companies, firms and other ventures, promoted by our Promoters, other than our Subsidiaries / Associate companies, which form part of our Group Companies and entities, are as follows:

Companies

S. No.	Name
1.	Shricon Industries Limited
2.	Career Point Publications Private Limited
3.	Swastika Polyolefins Private Limited
4.	Longway Business Solutions Private Limited
5.	Rubymerry Enterprises Private Limited
6.	Diamond Business Solutions Private Limited
7.	Wellwin Technosoft Private Limited
8.	Maheshwari Agrobase Private Limited

Ventures/Partnership Firms/HUFs

The ventures, firms etc., which form part of our Group Companies and entities are:

S. No.	Name
1.	Shri Bithal Traders
2.	Maheshwari Brothers
3.	Gulab Chand Maheshwari HUF
4.	Om Prakash Maheshwari HUF
5.	Nawal Kishore Maheshwari HUF
6.	Pramod Maheshwari HUF
7.	Gopi Bai Foundation Trust Kota (Raj.)
8.	Proseed Foundation
9.	Progressive Foundation
10.	Shakti Foundation

Group Companies and entities

The details of our listed Group Company and entities are as follows:

1. Shricon Industries Limited

Shricon Industries Limited was incorporated under the Companies Act on February 24, 1984 as Bharwaneys Builders and Leasing Limited under the Companies Act. The name of the company was changed to Shricon Industries Limited on January 31, 1995. The registered office of the company is situated at 23/25 Dhun Building, Office No. 102, First Floor, Janmabhoomi Marg, Opp. Janmabhoomi Tower, Fort, Mumbai 400 023. The company is engaged in the business of civil work.

Shricon Industries Limited became our group company subsequent to the completion of an open offer made vide public announcement dated November 1, 2005, pursuant to and in compliance with SEBI Takeover Regulations, by Mr. Om Prakash Maheshwari, Mr. Nawal Kishore Maheshwari, Imperial Infin Private Limited and Wellwin Technosoft Private Limited.

Shareholding Pattern

The shareholding pattern of Shricon Industries Limited as on December 31, 2009 is as mentioned below:

Category Code	Category of shareholder	Number of shares	% of shareholding
(A)	Shareholding of Promoter and Promoter Group		
(1)	Indian		
(a)	Individuals / Hindu Undivided Family	364,100	29.36
(b)	Bodies Corporate	357,280	28.81
	Sub Total (A)(1)	721,380	58.18
(2)	Foreign	-	-
	Sub Total (A)(2)	-	-
	Total shareholding of Promoter and Promoter Group (A)=(A)(1) +(A)(2)	721,380	58.18
(B)	Public Shareholding		
(1)	Institutions	-	-
	Sub Total (B)(1)	-	-
(2)	Non-Institutions		
(a)	Bodies Corporate	83,401	6.73
(b)	Individuals	435,219	35.10

Category Code	Category of shareholder	Number of shares	% of shareholding
	Sub Total (B)(2)	518,620	41.83
	Total Public shareholding (B)=(B)(1)+(B)(2)	518,620	41.83
	Total (A)+(B)	1,240,000	100.00
(C)	Shares held by Custodians and against which Depository Receipts have been issued	-	-
	Total (A)+(B)+(C)	1,240,000	100.00

Board of directors

The board of directors of Shricon Industries Limited as on December 31, 2009 comprises of:

- 1. Mr. Om Prakash Maheshwari,
- 2. Mr. Nawal Kishore Maheshwari and
- 3. Ms. Neelima Maheshwari.

Financial Performance

The audited financial results of Shricon Industries Limited for the last three financial years are as follows:

(Rs. in million, except per share data)

Particulars	Financial Year 2009	Financial Year 2008	Financial Year 2007
Sales and other income	1.27	2.29	2.61
Profit/ (Loss) after tax	0.25	1.30	1.81
Equity capital (par value Rs. 10 per share)	12.40	12.40	12.40
Reserves and Surplus (excluding revaluation reserves)	6.70	6.46	5.17
Earnings/ (Loss) per share (basic)	0.00	1.10	
(Rs.)	0.20	1.13	1.46
Earnings/ (Loss) per share			
(diluted) (Rs.)	0.20	1.13	1.46
Net Asset Value (Rs.)	15.41	15.21	14.17

Significant notes of auditors

There are no qualifications provided by the auditors.

Share price information

The equity shares of Shricon Industries Limited are listed only on BSE.

The monthly high and low of the market price, number of shares and net turnover of the equity shares of Shricon Industries Limited on BSE for the last six months is as follows:

Date	High (Rs.)	Low (Rs.)	No. of Shares	Net Turnover (in Rs.)
August 2009	78.05	78.05	2,004	156,412
September 2009	75.15	75.15	15	1,127
October 2009	-	-	-	-
November 2009	79.80	75.85	4,764	367,548

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December 2009	72.10	67.00	300	20,787
January 2010	77.50	70.00	257	18,523

(Source: www.bseindia.com)

The market capitalization of Shricon Industries Limited as on the closing price of Rs. 70 per equity share on the BSE on January 29, 2010 was Rs. 86.80 million.

Shricon Industries Limited does not fall under the definition of a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 and is not under winding up.

Shricon Industries Limited has not been restrained by SEBI or any other regulatory authority in India from accessing the capital markets for any reason.

Details of public issue/rights issue

Shricon Industries Limited has not made public or rights issue in the preceding three years.

Promise v/s Performance

Shricon Industries Limited made an initial public offering of equity shares having a face value of Rs. 10/each in August, 1984. The details of the same are not available with the company.

Mechanism for redressal of shareholder/investor grievances:

The board of Shricon Industries Limited has delegated the power for redressal of shareholder/ investor complaint related to transfer of shares, non-receipt of balance sheet, etc to the compliance officer of the company and Registrar and Transfer Agents of the company. The compliance officer oversees performance of the Registrar and Transfer Agents, and recommends measures for overall improvement in the quality of investor services.

The company redresses the complaint/investor grievances within a period of seven days from the date of receipt of complaint. As of December 31, 2009 there were no investor complaints pending against the company.

The details of our four largest Group Companies and entities based on the turnover are as follows:

1. Rubymerry Enterprises Private Limited

Rubymerry Enterprises Private Limited was incorporated under the Companies Act on March 2, 2006 as a public limited company. It was converted into a private limited company on January 1, 2009. The registered office of the company is situated at 1-GHA-1, Dadabari Extension, Kota 324 009, Rajasthan, India. The object of this company is to carry on the business as processors, importers, exporters, packers, sellers, buyers, dealers, agents, stockists, wholesalers of all kinds of seeds, hybrids, seeds, grains, pulses and to deal in all kinds of buildings, colonies, commercial complexes and to carry on the business of electronic, mechanical, electrical, domestic and industrial goods..

Shareholding pattern

The shareholding pattern of the company as on January 31, 2010 is as mentioned below:

		Number of	% of
Sr. No	Name of the Shareholder	shares	Shareholding

Sr. No	Name of the Shareholder	Number of shares	% of Shareholding
1	Mr. Om Prakash Maheshwari	25,000	50.00
2	Ms. Radha Rani Nuwal	20,000	40.00
3	Mr. Pramod Maheshwari	600	1.20
4	Mr. Nawal Kishore Maheshwari	600	1.20
5	Ms. Rekha Maheshwari	600	1.20
6	Ms. Shilpa Maheshwari	600	1.20
7	Nawal Kishore Maheshwari HUF	600	1.20
8	Pramod Maheshwari HUF	600	1.20
9	Ms. Neelima Maheshwari	200	0.40
10	Om Prakash Maheshwari HUF	200	0.40
11	Mr. Gulab Chand Maheshwari	100	0.20
12	Ms. Kailash Bai Maheshwari	100	0.20
13	Gulab Chand Maheshwari HUF	100	0.20
14	Longway Business Solutions Private Limited	100	0.20
15	Diamond Business Solutions Private Limited	100	0.20
16	Imperial Infin Private Limited	100	0.20
17	Swastika Polyolefins Private Limited	100	0.20
18	Wellwin Technosoft Private Limited	100	0.20
19	Mr. Durga Shankar Maheshwari	100	0.20
20	Shricon Industries Limited	100	0.20
	Total	50,000	100.00

Board of directors

The board of directors of the company as on January 31, 2010 comprises of:

- 1. Mr. Om Prakash Maheshwari,
- 2. Mr. Harendra Singh Solanki and
- 3. Ms. Radha Rani Nuwal.

Financial Performance

The audited financial results of the company for the last three financial years are as follows:

(Rs. in million, except per share data)

(18. in militon, except per share				
Particulars	Financial Year 2009	Financial Year 2008	Financial Year 2007	
Sales and other income	32.70	77.65	0.01	
Profit/ (Loss) after tax	(0.65)	0.95	0.003	
Equity capital (par value Rs. 10 per share)	0.50	0.50	0.50	
Reserves and Surplus (excluding revaluation reserves)	0.30	0.95	0.003	

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Earnings/ (Loss) per share (basic)	-	19.02	0.07
(Rs.)			
Earnings/ (Loss) per share (diluted) (Rs.)	-	19.02	0.07
(difuted) (NS.)			
Net Asset Value (Rs.)	15.41	28.26	9.03

Significant notes of auditors

There are no qualifications provided by the auditors.

Rubymerry Enterprises Private Limited is an unlisted company and has not made any public issue (including any rights issue to the public) in the preceding three years. It has not become a sick company under the meaning of the SICA, it is not under winding up and does not have a negative net worth.

2. Swastika Polyolefins Private Limited

Swastika Polyolefins Private Limited was incorporated under the Companies Act on March 24, 1994. The registered office of the company is situated at 112B, Shakti Nagar, Kota - 324009, Rajasthan, India. The object of this company is to carry on the business as manufacturers of commercial, industrial and domestic plastic.

Shareholding pattern

The shareholding pattern of the company as on January 31, 2010 is as mentioned below:

Sr. No.	Name of shareholders	Number of shares	% of shareholding
1.	Mr. Om Prakash Maheshwari	40,000	23.65
2.	Mr. Vinod Kumar Bansal	20,000	11.83
3.	Mr. Sameer Bansal	18,000	10.64
4.	Ms. Richa Bansal	15,000	8.87
5.	Ms. Anguri Bansal	15,000	8.87
6.	Ms. Neelam Bansal	12,000	7.10
7.	Emerland Systems Engineering Limited	9,000	5.32
8.	Ms. Radha Rani Nuwal	8,000	4.73
9.	Fast Track Entertainment Limited	5,000	2.96
10.	Shree Datta Industries (India) Limited	4,000	2.37
11.	Komal Commercial Limited	4,000	2.37
12.	Mr. Himanshu Shukla	1,900	1.12
13.	Mr. Manoj Jain	1,900	1.12
14.	Mr. Manish Jhanwar	1,800	1.06
15.	Mr. Durga Shankar Maheshwari	1,800	1.06
16.	Ms. Kailash Devi	1,800	1.06
17.	Mr. Deepak Vijay	1,800	1.06
18.	Ms.Mamta Jhanwar	1,700	1.01

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19.	Mr. Harshvardhan Singh	1,700	1.01
20.	Mr. Sandeep Sharma	1,600	0.95
21.	Mr. Pramod Maheshwari	1,600	0.95
22.	Mr. Hemant Gautam	1,500	0.89
	Total	169,100	100.00

Board of directors

The board of directors of the company as on January 31, 2010 comprises of:

- 1. Mr. Om Prakash Maheshwari,
- 2. Mr. Anil Nyati and
- 3. Mr. Nawal Kishore Maheshwari.

Financial Performance

The audited financial results of the company for the last three financial years are as follows:

(Rs. in million, except per share data)

Particulars	Financial Year 2009	Financial Year 2008	Financial Year 2007
Sales and other income	17.06	42.27	0.02
Profit (Loss) after tax	(0.33)	(0.60)	(0.001)
Equity capital (par value Rs. 10			
per share)	1.69	1.69	1.69
Reserves and Surplus (excluding			
revaluation reserves)	9.18	9.18	9.18
Earnings/ (Loss) per share (basic)	-	-	-
(Rs.)			
Earnings/ (Loss) per share	-	-	-
(diluted) (Rs.)			
Net Asset Value (Rs.)	57.52	59.45	62.94

Significant notes of auditors

There are no qualifications provided by the auditors.

Swastika Polyolefins Private Limited is an unlisted company and has not made any public issue (including any rights issue to the public) in the preceding three years. It has not become a sick company under the meaning of the SICA, it is not under winding up and does not have a negative net worth.

3. Diamond Business Solutions Private Limited

Diamond Business Solutions Private Limited was incorporated under the Companies Act on July 19, 2005 as a public limited company. It was converted into a private limited company on October 21, 2008. The registered office of the company is situated at 1-GHA-1, Dadabari Extension, Kota – 324009, Rajasthan, India. The object of this company is to engage in the business of investment in commercial plots.

Shareholding pattern

The shareholding pattern of the company as on January 31, 2010 is as mentioned below:

Sr. No	Name of the Shareholder	Number of shares	% of Shareholding
1.	Classic Comptech Private Limited	200,000	21.51

Sr. No	Name of the Shareholder	Number of shares	% of Shareholding
2.	Longway Business Solutions Private Limited	190,000	20.43
3.	Mr. Om Prakash Maheshwari	100,000	10.75
4.	Mr. Pramod Maheshwari	100,000	10.75
5.	Mr. Nawal Kishore Maheshwari	100,000	10.75
6.	Jackson Investments Limited	100,000	10.75
7.	Prathama Trading Limited	100,000	10.75
8.	Ms. Radha Rani Nuwal	10,000	1.08
9.	Mr. Kuldeep Mathur	10,000	1.08
10.	Mr. Pradeep Jain	5,000	0.54
11.	Mr. Vijay Pareta	5,000	0.54
12.	Mr. Himanshu Shukla	5,000	0.54
13.	Mr. Yogendra Jain	5,000	0.54
	Total	930,000	100.00

Board of directors

The board of directors of the company as on January 31, 2010 comprises of:

- 1. Mr. Om Prakash Maheshwari,
- 2. Ms. Radha Rani Nuwal and
- 3. Mr. Pradeep Jain.

Financial Performance

The audited financial results of the company for the last three financial years are as follows:

(Rs. in million, except per share data)

Particulars	Financial Year 2009	Financial Year 2008	Financial Year 2007
Sales and other income	1.23	0.77	0.52
Profit/ (Loss) after tax	0.90	0.32	0.26
Equity capital (par value Rs. 10 per share)	9.30	9.30	9.30
Reserves and Surplus (excluding revaluation reserves)	1.52	0.62	0.31
Earnings/ (Loss) per share (basic) (Rs.)	0.97	0.34	0.28
Earnings/ (Loss) per share (diluted) (Rs.)	0.97	0.34	0.28
Net Asset Value (Rs.)	11.60	10.59	10.21

Significant notes of auditors

There are no qualifications provided by the auditors.

Diamond Business Solutions Private Limited is an unlisted company and has not made any public issue (including any rights issue to the public) in the preceding three years. It has not become a sick company under the meaning of the SICA, it is not under winding up and does not have a negative net worth.

4. Longway Business Solutions Private Limited

Longway Business Solutions Private Limited was incorporated under the Companies Act on May 4, 2005 as a public limited company. It was converted into a private limited company on January 2, 2009. The registered office of the company is situated at 112B, Shakti Nagar, Kota - 324009, Rajasthan, India. The object of this company is to deal in immoveable properties such as land and buildings, to carry on the business of trading in agricultural products and in all kinds of derivatives of all the above commodities and securities.

Shareholding pattern

The shareholding pattern of the company as on January 31, 2010 is as mentioned below:

Sr. No	Name of the Shareholder	No. of shares	% of Shareholding
1.	Global Capital Market Limited	200,000	24.51
2.	Mr. Om Prakash Maheshwari	100,000	12.25
3.	Mr. Pramod Maheshwari	100,000	12.25
4.	Mr. Nawal Kishore Maheshwari	100,000	12.25
5.	Emerald Commercial Limited	100,000	12.25
6.	BiswarupTrading (P) Limited	100,000	12.25
7.	Wellwin Technosoft Private Limited	100,000	12.25
8.	Imperial Infin Private Limited	10,000	1.23
9.	Ms. Kailash Devi	1,000	0.12
10.	Mr. Inder Prakash Jain	1,000	0.12
11.	Mr. Shyam Maheshwari	1,000	0.12
12.	Mr. Suresh Chandra Jain	1,000	0.12
13.	Mr. Kuldeep Mathur	1,000	0.12
14.	Mr. Himanshu Shukla	1,000	0.12
	Total	816,000	100.00

Board of directors

The board of directors of Longway Business Solutions Limited as on January 31, 2010 comprises of:

- 1. Mr. Om Prakash Maheshwari,
- 2. Mr. Inder Prakash Jain and
- 3. Ms. Kailash Devi.

Financial performance

The audited financial results of the company for the last three financial years are as follows:

(Rs in million, except per share data)

Particulars	Financial Year 2009	Financial Year 2008	Financial Year 2007
Sales and other income	0.15	0.23	0.06
Profit/ (Loss) after tax	(0.24)	0.14	0.14
Equity capital (par value Rs. 10			
per share)	8.16	8.16	8.16
Reserves and Surplus (excluding			
revaluation reserves)	0.04	0.28	0.14
Earnings/ (Loss) per share (basic)			
(Rs.)	(0.30)	0.17	0.02

Earnings/ (Loss) per share			
(diluted) (Rs.)	_	0.17	0.02
Net Asset Value (Rs.)	10.00	10.26	10.05

Significant notes of auditors

There are no qualifications provided by the auditors.

Longway Business Solutions Private Limited is an unlisted company and has not made any public issue (including any rights issue to the public) in the preceding three years. It has not become a sick company under the meaning of SICA, it is not under winding up and does not have a negative net worth.

The details of our other Group Companies and entities are as provided below:

1. Career Point Publications Private Limited

Career Point Publications Private Limited was incorporated under the Companies Act on November 10, 2006 as a public limited company. It was converted into a private limited company on January 1, 2009. The registered office of the company is situated at 112B, Shakti Nagar, Kota - 324009, Rajasthan, India. The object of this company is to engage in the business of printers, publishers, stationers, lithographers, type founders, stereotypes, electrotypers, photographic printers, photo-lithographers, printing and publishing of books of all types.

Shareholding pattern

The shareholding pattern of the company as on January 31, 2010 is as mentioned below:

Sr. No	Name of the Shareholder	Number of shares	% of shareholding
1.	Mr. Nawal Kishore Maheshwari	16,333	32.666
2.	Mr. Om Prakash Maheshwari	16,332	32.664
3.	Mr. Pramod Maheshwari	16,332	32.664
4.	Mr. Gulab Chand Maheshwari	1,000	2.000
5.	Ms. Neelima Maheshwari	1	0.002
6.	Ms. Shilpa Maheshwari	1	0.002
7.	Ms. Rekha Maheshwari	1	0.002
	Total	50,000	100.000

Board of directors

The board of directors of Career Point Publications Private Limited as on January 31, 2010 comprises of:

- 1. Mr. Om Prakash Maheshwari,
- 2. Mr. Pramod Maheshwari and
- 3. Mr. Nawal Kishore Maheshwari.

Career Point Publications Private Limited is an unlisted company and has not made any public issue (including any rights issue to the public) in the preceding three years. It has not become a sick company under the meaning of SICA, it is not under winding up and does not have a negative net worth.

2. Wellwin Technosoft Private Limited

Wellwin Technosoft Private Limited was incorporated under the Companies Act on July 8, 1999 under the name of "Scholars Career Point Private Limited". The registered office of the company is situated at 112B, Shakti Nagar, Kota – 324009, Rajasthan, India. The name of the company was changed to Wellwin Technosoft Private Limited on February 16, 2005 and subsequently it became a public limited company with the name of "Wellwin Technosoft Limited" on March 4, 2005. On January 1, 2009, the company received fresh certificate of incorporation upon conversion into a private limited company.

The object of this company is to engage in the business of providing internet services, e-commerce facility, telecommunication services, lease lines and lease links and related activities, host websites and web pages, ERP applications, accounts, create networking, development and manufacturing of computer hardware, software development, cybercafé development, internet, development and related activities and to impart general, engineering and computer education.

Shareholding pattern

The shareholding pattern of the company as on January 31, 2010 is as mentioned below:

Sr. No	Name of the Shareholder	Number of shares	% of Shareholding
1	Mr. Pramod Maheshwari	50,400	16.09
2	Mr. Om Prakash Maheshwari	50,400	16.09
3	Mr. Nawal Kishore Maheshwari	50,400	16.09
4	Manasi Securities & Commercials Limited	30,000	9.58
_5	Drashti Industries Limited	27,000	8.62
6	Emerald Systems Engineering Limited	25,000	7.98
_ 7	Gujrat Chemi Plasto Limited	15,000	4.79
8	Larite Industries Limited	15,000	4.79
9	Komal Commercial Limited	15,000	4.79
_10	Shree Datta Industries Limited	15,000	4.79
11	Shanta Marketing Limited	10,000	3.19
12	Dhawani Marketing Limited	10,000	3.19
	Total	313,200	100.00

Board of directors

The board of directors of Wellwin Technosoft Private Limited as on January 31, 2010 comprises of:

- 1. Mr. Om Prakash Maheshwari,
- 2. Mr. Pramod Maheshwari and
- 3. Mr. Nawal Kishore Maheshwari.

Wellwin Technosoft Private Limited is an unlisted company and has not made any public issue (including any rights issue to the public) in the preceding three years. It has not become a sick company under the meaning of SICA, it is not under winding up and does not have a negative net worth.

3. Maheshwari Agrobase Private Limited

Maheshwari Agrobase Private Limited was incorporated under the Companies Act on December 20, 2007. The registered office of the company is situated at 112-A, Shakti Nagar, Kota – 324 009, Rajasthan, India The object of this company is to engage in the business of warehousing and cold storage.

Shareholding pattern

The shareholding pattern of the company as on January 31, 2010 is as mentioned below:

Sr. No	Name of the Shareholder	No. of shares	% of Shareholding
1	Mr. Om Prakash Maheshwari	34,000	34.00
2	Mr. Nawal Kishore Maheshwari	33,000	33.00
3	Ms. Radha Rani Nuwal	33,000	33.00
	Total	100,000	100.00

Board of directors

The board of directors of Maheshwari Agrobase Private Limited as on January 31, 2010 comprises of:

- 1. Mr. Om Prakash Maheshwari and
- 2. Mr. Nawal Kishore Maheshwari.

Maheshwari Agrobase Private Limited is an unlisted company and has not made any public issue (including any rights issue to the public) in the preceding three years. It has not become a sick company under the meaning of SICA, it is not under winding up and does not have a negative net worth.

Other Group Companies and entities: Partnership Firms/HUF/Trusts

The details of our other Group Companies and entities which are in the nature of partnership firms, HUF and trusts are as provided below:

1. Shri Bithal Traders

Shri Bithal Traders is a partnership firm formed on June 16, 1991. Its office is situated at, B-41, Bhamashah Mandi, Kota 324 009. Shri Bithal Traders is engaged in the business of grain merchant and commission agent.

Profit and loss sharing ratios

The ratio for sharing of profits and losses as on January 31, 2010 is as provided below:

Sr. No.	Name of Partner	(%) Share
1	Mr. Pramod Kumar Gupta	50.00
2	Mr. Nawal Kishore Maheshwari	50.00
	Total	100.00

2. Maheshwari Brothers

Maheshwari Brothers is a partnership firm formed on June 30, 2008 and is registered with the office of the Registrar of Firms, Kota having the registration no. as 19/85/2008. Its office is situated at, 112A, Shakti Nagar, Kota – 324 009. The firm is involved in trading of shares, marketable securities and commodities.

Profit and loss sharing ratios

The ratio for sharing of profits and losses as on January 31, 2010 is as provided below:

Sr. No.	Name of Partner	(%) Share
1	Mr. Om Prakash Maheshwari	33.33
2	Mr. Pramod Maheshwari	33.33
3	Mr. Nawal Kishore Maheshwari	33.33
	Total	100.00

3. Om Prakash Maheshwari HUF

Om Prakash Maheshwari HUF was formed on February 18, 1995 and is represented by its karta, Mr. Om Prakash Maheshwari.

Other Members of the HUF

- (1) Ms. Neelima Maheshwari;
- (2) Ms. Akshita Maheshwari; and
- (3) Mr. Anmol Maheshwari.

4. Pramod Maheshwari HUF

Pramod Maheshwari HUF was formed on January 25, 2003 and is represented by its karta, Mr. Pramod Maheshwari.

Other Members of the HUF

- (1) Ms. Shilpa Maheshwari;
- (2) Ms. Priyal Maheshwari; and
- (3) Ms. Pihul Maheshwari.

5. Nawal Kishore Maheshwari HUF

Nawal Kishore Maheshwari HUF was formed on December 24, 2002 and is represented by its karta, Mr. Nawal Kishore Maheshwari.

Other Members of the HUF

- (1) Ms. Rekha Maheshwari; and
- (2) Mr. Parv Maheshwari.

6. Gopi Bai Foundation Trust Kota (Raj.)

Gopi Bai Foundation Trust Kota (Raj.) was settled by means of trust deed dated October 01, 1998. The trust runs a school named "Global Public School" in Kota and its income is mainly on account of fees received by the school.

Board of trustees

The trustees of the trust are Mr. Gulab Chand Maheshwari (settlor), Mr. Om Prakash Maheshwari, Mr. Pramod Maheshwari and Mr. Nawal Kishore Maheshwari.

7. Proseed Foundation

Proceed Foundation was settled by means of trust deed dated September 1, 2009. The trust has been set up to establish, develop, maintain and run schools, colleges, universities, technical training institutions, etc solely for education purposes.

Board of trustees

The trustees of the trust are Mr. Gulab Chand Maheshwari (settlor), Mr. Om Prakash Maheshwari, Mr. Pramod Maheshwari and Mr. Nawal Kishore Maheshwari.

8. Progressive Foundation

Progressive Foundation was settled by means of trust deed dated October 29, 2009. The trust has been set up to establish, develop, maintain and run schools, colleges, universities, technical training institutions, etc solely for education purposes.

Board of trustees

The trustees of the trust are Mr. Gulab Chand Maheshwari (settlor), Mr. Om Prakash Maheshwari, Mr. Pramod Maheshwari and Mr. Nawal Kishore Maheshwari.

9. Shakti Foundation

Shakti Foundation was settled by means of a trust deed dated December 16, 2009. The trust has been set up to establish, develop, maintain and run schools, colleges, universities, technical training institutions and any other type of educational institution. The trust has been set up solely for educational purposes.

Board of trustees

The trustees of the trust are Mr. Gulab Chand Maheshwari (settlor), Mr. Om Prakash Maheshwari, Mr. Pramod Maheshwari and Mr. Nawal Kishore Maheshwari.

Companies from which our Promoters have been disassociated

Our Promoters have not disassociated themselves from any of the companies or firms during the three years preceding the date of the filing of this Draft Red Herring Prospectus.

Conflict of Interest

Our Group Company and entity, Wellwin Technosoft Private Limited, has objects similar to those of our Company. However, presently Wellwin Technosoft Private Limited is not carrying on any business activity which is similar to our business. However, in the event it decides to pursue the objects as stated in its memorandum of association, it may have an adverse effect on the business interest of our Company. To this extent, we may have a potential conflict of interest between the said Group Company and entity and our Company.

Related Party Transactions

For details of the related party transactions, see section titled "Financial Statements - Related Party Transactions" at page F-39.

Business Interests

None of our Group Companies and entities / Subsidiaries / associate companies have business interests in our Company.

DIVIDEND POLICY

The declaration and payment of dividends will be recommended by our Board of Directors and approved by our Company's shareholders, in their discretion, and will depend on a number of factors, including but not limited to our earnings, capital requirements and overall financial position. All dividend payments are made in cash to the shareholders.

The dividends declared by our company in respect of the five Financial Years ended March 31, 2009, 2008, 2007, 2006 and 2005 as per the audited financial statements of our Company are as given below:

Particulars	Financial Performance (For the year ending March 31)								
	2009	2008	2007	2006	2005				
Face value per share (Rs.)	10	10	10	10	10				
Equity Share Capital (Rs. in million)	120.67	120.67	50.71	11.40	11.40				
Rate of dividend (%)	Nil	Nil	15	15	15				

The amount paid as dividend in the past is not necessarily indicative of the dividend policy or dividend amount, if any, in the future.

SECTION V – FINANCIAL INFORMATION

FINANCIAL STATEMENTS

S. No.	Particulars	Page
1	Auditor's Report dated January 29, 2010 on the Restated	F - 1
	Standalone Financials of our Company	
2	Auditor's Report dated January 29, 2010 on the Restated	F - 45
	Consolidated Financials of our Company	

AUDITOR'S REPORT

(as required by Part II of Schedule II to the Companies Act, 1956)

To,
The Board of Directors,
Career Point Infosystems Limited,
112-B, Shakti Nagar,
Kota – 324 009,
Rajasthan, India.

Dear Sirs,

- 1. We have examined the attached financial information of Career Point Infosystems Limited ('the Company'), as of September 30, 2009, March 31, 2009, September 30, 2008, March 31, 2008, March 31, 2007, March 31, 2006 and March 31, 2005 and the related Restated Standalone Summary Statement of profits and losses and Restated Standalone Summary Statement of cash flows for the six months ended September 30, 2009 and September 30, 2008 and financial years ended March 31, 2009, March 31, 2008, March 31, 2007, March 31, 2006 and March 31, 2005 (collectively the 'Restated Standalone Summary Statements'). These Restated Standalone Summary Statements have been prepared by the Company and approved by the Board of Directors, in accordance with the requirements of:
 - a. Paragraph B (1) of Part II of Schedule II to the Companies Act, 1956 ('the Act')
 - b. the Securities and Exchange Board of India ('SEBI)-(Issue of Capital and Disclosure Requirements) Regulations, 2009 (the SEBI ICDR Regulations), the related clarifications issued by the Securities and Exchange Board of India ('SEBI') as amended to date and pursuant to Section 11 of the Securities and Exchange Board of India Act,1992 (the 'SEBI Act')
- 2. We have examined such restated financial information taking into consideration:
 - a. the terms of our engagement letter dated November 25, 2009, in connection with the offer document being issued by the Company for its proposed Initial Public Offering ('IPO') of equity shares and
 - The Guidance Note on Reports in Company Prospectuses (Revised) issued by the Institute of Chartered Accountants of India.

3. Financial Information as per Audited Financial Statements

We have examined the 'Standalone Summary Statement of Assets and Liabilities, as restated' of Career Point Infosystems Limited as at September 30, 2009, March 31, 2009, September 30, 2008, March 31, 2008, March 31, 2007, March 31, 2006 and March 31, 2005 (Annexure I), the related 'Standalone Summary Statement of Profit and losses, as restated (Annexure II) and restated 'Standalone Summary Statement of Cash Flows' (Annexure III) of Career Point Infosystems Limited for the six months ended September 30, 2009 and September 30, 2008 and financial years ended March 31, 2009, year ended March 31, 2008, year ended March 31, 2007, year ended March 31, 2006 and year ended March 31, 2005 together referred to herein as 'Standalone Restated Summary Statements'. These Standalone Restated Summary Statements have been extracted by the management from the financial statements of Career Point Infosystems Limited as at and for the six months ended September 30, 2009 and September 30, 2008 and financial years ended March 31, 2009, March 31, 2008, March 31, 2007, March 31, 2006 and March 31, 2005 and have been approved by the Board of Directors for those respective periods.

The standalone financial statements as at and for six months ended September 30, 2009 and September 30, 2008 and for financial years ended March 31, 2009 and March 31, 2008, were audited by us. The standalone financial statements as at and for the year ended March 31, 2007, year ended March 31, 2006 and year ended March 31, 2005 were audited by P. Khandelwal & Co, Chartered Accountants.

- 4. Based on our examination of the Standalone Restated Summary Statements, we state that:
 - The changes due to adoption of Accounting Standards which require adjustments to arrive at the Standalone Restated Summary Statements are given in Annexure IV.
 - ii. The Standalone Restated Summary Statements have to be read in conjunction with the 'Significant Accounting Policies' given in Annexure V and 'Notes to the Standalone Restated Summary Statements' given in 'Annexure VA' to this report.
 - The restated profits/losses have been arrived at after making such adjustments and regroupings as in our opinion are appropriate in the year/period to which they relate;
 - iv. There are no extraordinary items that need to be disclosed separately in the Standalone Restated Summary Statements.
 - v. There are no qualifications in the auditors' report on the financial statements that require adjustments to the Standalone Restated Summary Statements.

5. Other Financial Information

We have also examined the following financial information relating to the Company and as approved by the Board of Directors and annexed to this report:

- a. Significant Accounting Policies as adopted by the Company and Notes to the Standalone Restated Summary Statements (Annexure V & VA) as at September 30, 2009;
- b. Details of Secured and Unsecured Loans as at September 30, 2009, September 30, 2008, March 31, 2009, March 31, 2008, March 31, 2007, March 31, 2006 and March 31, 2005 (Annexure VI and VI A)
- c. Details of Loans and Advances as at September 30, 2009, September 30, 2008, March 31, 2009, March 31, 2008, March 31, 2007, March 31, 2006 and March 31, 2005 (Annexure VII)
- d. Details of Sundry Debtors as at September 30, 2009, September 30, 2008, March 31, 2009, March 31, 2008, March 31, 2007, March 31, 2006 and March 31, 2005 (Annexure VIII)
- e. Details of Investments as at September 30, 2009, September 30, 2008, March 31, 2009, March 31, 2008, March 31, 2007, March 31, 2006 and March 31, 2005 (Annexure IX)
- f. Details of Operational Income and Other Income for six months ended September 30, 2009 and September 30, 2008, and for the financial years ended March 31, 2009, March 31, 2008, March 31, 2007, March 31, 2006 and March 31, 2005 (Annexure X and XA)
- g. Details of Share Capital as at September 30, 2009, September 30, 2008, March 31, 2009, March 31, 2008, March 31, 2007, March 31, 2006 and March 31, 2005 (Annexure XI)
- h. Details of Cash & Bank Balances as at September 30, 2009, September 30, 2008, March 31, 2009, March 31, 2008, March 31, 2007, March 31, 2006 and March 31, 2005 (Annexure XII)
- Details of Current Liabilities and Provisions as at September 30, 2009, September 30, 2008, March 31, 2009, March 31, 2008, March 31, 2007, March 31, 2006 and March 31, 2005 (Annexure XIII)
- j. Details of Contingent Liabilities as at September 30, 2009, September 30, 2008, March 31, 2009, March 31, 2008, March 31, 2007, March 31, 2006 and March 31, 2005 (Annexure XIV)

- k. Summary of Accounting Ratios relating to earnings per share, return on net worth and net asset value (Annexure XV)
- Details of Tax Shelter for six months ended September 30, 2009 and September 30, 2008, and for the financial years ended March 30, 2009, March 31, 2008, March 31, 2007, March 31, 2006 and March 31, 2005 (Annexure XVI)
- m. Capitalisation Statement as at September 30, 2009 (Annexure XVII)
- n. Details of Related Party Transactions done during the six months ended September 30, 2009 and September 30, 2008, and for the financial years ended March 31, 2009, March 31, 2008, March 31, 2007, March 31, 2006 and March 31, 2005 (Annexure XVIII)
- Details of Dividend paid for six months ended September 30, 2009 and September 30, 2008, and for the financial years ended March 31, 2009, March 31, 2008, March 31, 2007, March 31, 2006 and March 31, 2005 (Annexure XIX)
- 6. Based on our examination of the financial information of the Company attached to this report, we state that in our opinion, the 'Standalone Restated Summary Statement' and 'Other Financial Information' mentioned above, as at September 30, 2009, year ended March 31, 2009, September 30, 2008, year ended March 31, 2008, year ended March 31, 2006 and year ended March 31, 2005 have been prepared in accordance with paragraph B (1) of Part II of Schedule II of the Act the SEBI ICDR Regulations and the SEBI Act.
- 7. This report should not, in any way, be construed as reissuance or re-dating of any of the previous audit reports nor should this be construed as a new opinion on any of the financial statement referred to herein.
- 8. This report is intended solely for use of the management and for inclusion in the Offer Documents, in connection with the proposed initial public offering of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For SHARP & TANNAN Chartered Accountants Registration No: 000452N by the hand of

Pavan K. Aggarwal

Partner

Membership No. 91466

New Delhi, January 29, 2010

Annexure I – Restated Standalone Summary Statement of Assets and Liabilities

(Amount in Rs. Million)

PARTICULARS	As	at			As at	mount in Rs. M	
	30-Sep-09	30-Sep-08	31-Mar-09	31-Mar-08	31-Mar-07	31-Mar-06	31-Mar-05
A. Fixed Assets		_					
Gross Block	85.07	67.10	79.71	35.59	20.56	8.72	5.54
Less: Depreciation	9.28	4.79	7.04	3.38	1.74	0.70	0.40
Net Block	75.79	62.31	72.67	32.21	18.82	8.02	5.14
Intangible Assets(Net)	73.07	63.55	73.44	36.14	37.52	33.36	20.96
Add: Capital WIP	81.29	75.75	69.66	56.76	20.58	-	-
Total Fixed Assets (A)	230.15	201.61	215.77	125.11	76.92	41.38	26.10
B. Investments : (B)							
- in subsidiaries	36.50	35.00	35.00	35.50	1.00	_	-
- in others	763.75	97.35	19.77	13.85	29.21	3.90	5.47
C. Current Assets,							
Loans and Advances:							
Inventories	9.24	15.53	18.49	9.56	3.53	0.76	-
Sundry Debtors	20.43	22.68	23.46	18.00	5.64	5.78	1.27
Cash and Bank Balances	129.78	162.52	132.80	169.49	119.48	20.12	19.29
Loans and Advances	323.42	201.60	293.78	137.81	92.29	30.88	11.04
Total (C)	482.87	402.33	468.53	334.86	220.94	57.54	31.60
D. Liabilities and Provisions :							
Secured Loans	5.27	0.88	52.19	-	-	-	-
Unsecured Loans	-	ı	ı	-	29.27	5.46	-
Deferred Tax Liability	2.69	1.77	2.36	1.15	0.92	0.62	0.31
Current Liabilities	323.66	220.19	95.59	81.74	64.95	45.99	26.29
Provisions	3.74	2.01	2.33	1.81	9.52	1.95	0.63
Total (D)	335.36	224.85	152.47	84.70	104.66	54.02	27.23
E. Miscellaneous Expenditure	14.51	2.97	2.53	2.12	1.20	0.05	0.09
(to the extent not w/off)							
F. Net Worth (A+B+C-D):	1,177.91	511.44	586.60	424.62	223.41	48.80	35.94
G. Represented by							
Share Capital	140.79	120.67	120.67	120.67	50.71	11.40	11.40
Share Application Money	-	_	_	_	5.19	_	_
Reserves and Surplus	1,051.63	393.74	468.46	306.07	168.71	37.45	24.63
Total (G)	1,192.42	514.41	589.13	426.74	224.61	48.85	36.03
H. Net Worth (G-E)	1,177.91	511.44	586.60	424.62	223.41	48.80	35.94

The above Statements should be read with the Significant Accounting Policies and Notes to the Standalone Summary Statements of Assets and Liabilities, Profits and Losses and Cash Flows, as restated as appearing in Annexure V & VA respectively

Annexure II – Restated Standalone Summary Statement of Profit and Loss Account

(Amount in Rs. Million)

	For the Half	e Half Year ended For the Year ended						
Particulars	+ + +		31-Mar-09	31-Mar-08	1	31-Mar-07 31-Mar-06 3		
Income:	30-5ср-07	50-5ср-00	31-1v1a1-0)	31-Wai-00	31-iviai-07	SI-Mai-00	31-Mar-05	
Education and training								
income	297.33	204.06	397.72	320.15	225.76	3.26	_	
Centre Royalty	16.00	29.40	42.02	49.13	51.32	38.02	25.95	
Sale of study material	2.46	9.20	11.77	10.95	13.66	13.04	6.43	
Other Income	28.84	15.92	38.85	31.43	8.97	2.62	1.48	
Total Income	344.63	258.58	490.36	411.66	299.71	56.94	33.86	
Expenditure:								
Administrative expenses	74.31	60.93	99.20	78.55	50.31	13.21	5.34	
Manpower	93.67	55.31	118.95	72.05	45.97	8.14	3.03	
Cost of Study Material								
Consumed	20.16	7.47	17.90	23.76	21.26	13.14	6.16	
Deferred Revenue Expenditure	0.17	0.15	0.29	0.27	0.22	0.04	0.04	
•	0.17	0.15	1	0.37	0.22		0.04	
Total expenditure	188.31	123.86	236.34	174.73	117.76	34.53	14.57	
Earnings before								
interest, depreciation	156.32	134.72	254.02	236.93	181.95	22.41	19.29	
& tax								
Interest and finance								
charges	0.25	0.76	1.83	0.47	0.02	_	_	
Depreciation &				2117	****			
amortization	2.60	1.63	4.19	2.01	1.33	0.47	0.18	
Earnings before tax								
and extra ordinary	152 47	122 22	248.00	224.45	180.60	21.04	10.11	
items	153.47	132.33	240.00	234.45	180.00	21.94	19.11	
Provision for taxation								
Current tax	49.82	42.23	83.70	79.17	60.00	6.90	7.21	
Taxation adjustments of								
earlier years	-	-	-	-	-	-	-	
Deferred tax	0.33	0.62	1.21	0.23	0.30	0.31	0.14	
Fringe benefit Tax	-	0.34	0.68	0.52	0.20	-	-	
Profit before extra								
ordinary items	103.32	89.14	162.41	154.53	120.10	14.73	11.76	
Extra ordinary items	_	_	_	_	_	_	_	
Adjustment on account								
of prior period Items			_	_	-	-	-	
Adjusted net profit	103.32	89.14	162.41	154.53	120.10	14.73	11.76	
Dolomoo kaassakii Coo a 1								
Balance brought forward from previous year	353.81	191.39	191.39	36.86	10.66	7.88	6.78	
Dividend on shares	333.61	191.39	191.39	30.80	7.61	1.71	0.76	
Tax on dividend	-							
	-	-	-	-	1.29	0.24	0.08	
Transfer to general								

	For the Half	Year ended	For the Year ended					
Particulars	30-Sep-09	30-Sep-08	31-Mar-09	31-Mar-08	31-Mar-07	31-Mar-06	31-Mar-05	
reserve	-	-	-	-	85.00	10.00	10.00	
Balance carried to								
balance sheet	457.13	280.53	353.81	191.39	36.86	10.66	7.88	

The above Statements should be read with the Significant Accounting Policies and Notes to the Standalone Summary Statements of Assets and Liabilities, Profits and Losses and Cash Flows, as restated as appearing in Annexure V & VA respectively.

Annexure III - Restated Standalone Cash Flow Statement

(Amount in Rs. Million)

	(Amount in Rs. Million)									
Particulars	Half Ye	ar ended	Year Ended							
	30-Sep-09	30-Sep-08	31-Mar-09	31-Mar-08	31-Mar-07	31-Mar-06	31-Mar-05			
Cash Flows from										
Operating Activities										
Net Profit Before Taxation										
after prior period items	153.47	132.33	248.00	234.45	180.60	21.94	19.11			
A At										
Adjustments for:										
Add:	2 (0	1.62	4.10	2.01	1 22	0.47	0.10			
Depreciation	2.60	1.63	4.19	2.01	1.33	0.47	0.18			
Share Issue Expenses Written Off	0.17	0.15	0.29	0.35	0.22	0.04	0.04			
Interest Expenses	0.17	0.76	1.83	0.47	0.02	0.04	0.04			
•	0.23	0.70	1.03	0.47	0.02	0.02	-			
Security Written Off		-	-	-	-	0.02	-			
Bad Debts Written Off	0.58	-	-	-	0.04	-	-			
Provision for gratuity	1.15	0.14	0.29	0.72	-	-	-			
Add / (Less):										
Dividend Income	(7.38)	(0.57)	(2.29)	(2.86)	(1.06)	(0.13)				
(Profit) / Loss on sale of	(7.36)	(0.57)	(2.29)	(2.80)	(1.00)	(0.13)	-			
shares / Investments	(3.50)	0.39	0.37	(2.56)	(0.54)	(0.82)	0.95			
Interest Income	(17.62)	(14.77)	(29.83)	(22.74)	(7.22)	(1.67)	(1.37)			
(Profit) / Loss on sale of	(17.02)	(11.77)	(27.03)	(22.71)	(7.22)	(1.07)	(1.57)			
fixed assets	-	-	(1.97)	(2.78)	0.44	-	-			
Operating Profit before										
Working Capital Changes	129.72	120.06	220.88	207.06	173.83	19.85	18.91			
() m										
(Increase)/Decrease in Trade and Other Receivables	2.44	(5.07)	(5.49)	(12.29)	0.10	(4.40)	(0.20)			
(Increase)/Decrease in	2.44	(5.07)	(5.48)	(12.38)	0.10	(4.49)	(0.20)			
Inventories	9.24	(5.97)	(8.93)	(6.03)	(2.77)	(0.76)	_			
(Increase)/Decrease in Other	7,21	(0.5.7)	(0,00)	(0,00)	(=111)	(01,0)				
Current Assets	(29.62)	(63.25)	(150.40)	(38.25)	(61.92)	(9.40)	3.26			
Increase/(Decrease) in										
Provisions	0.26	0.05	(0.46)	(0.04)	-	(7.22)	(7.10)			
Increase/(Decrease) in Current Liabilities	228.06	137.39	13.85	16.79	18.95	19.73	(1.01)			
							ì			
Income- taxes paid	(49.84)	(43.12)	(89.26)	(86.44)	(59.50)	(10.14)	(7.59)			
Net Cash Flow from										
Operating Activities	290.26	140.09	(19.80)	80.71	68.69	7.57	6.27			
G 170 6 5										
Cash Flow from Investing Activities										
Purchase of Fixed Assets										
(including CWIP)	(16.99)	(78.43)	(98.94)	(51.87)	(37.32)	(15.75)	(17.11)			
Investment in Subsidiaries	(1.50)	-		(34.50)	(1.00)					
Sale of Investment in							_			
Subsidiary	-	0.50	0.50	-	-	-	-			
Sale/(Purchase) of Other	(7.40.40)	(02.00)	// ^^	1= 0=	21-0	• • • •	0.50			
Investments	(740.48)	(83.89)	(6.30)	17.92	(24.76)	2.39	9.58			

Particulars	Half Yea	ar ended	Year Ended					
	30-Sep-09	30-Sep-08	31-Mar-09	31-Mar-08	31-Mar-07	31-Mar-06	31-Mar-05	
Interest Received	17.62	14.77	29.83	22.74	7.22	1.67	1.37	
Sale of Fixed Assets	-	0.30	6.08	4.45	_	_	-	
Dividend Received	7.38	0.57	2.29	2.86	1.06	0.13	_	
Net Cash Flow from Investing Activities	(733.97)	(146.18)	(66.54)	(38.40)	(54.80)	(11.56)	(6.16)	
Cash Flows from Financing Activities								
Proceeds from Issue of Share Capital (including Premium)	500.00	-	-	52.80	59.81	-	-	
Proceeds from Long Term Borrowings	-	-	52.19	-	-	-	-	
Proceeds from Short Term Borrowings	-	0.88	-	-	23.81	5.46	-	
Proceeds from Share Application Money Received	-	-	-	-	5.19	-	-	
Repayment of Share Application Moneys Received	_	-	-	(5.19)	_	_	-	
Repayment of Short Term Borrowings	(46.92)	-	-	(29.27)	-	-	(1.00)	
Interest on Loan	(0.25)	(0.76)	(1.83)	(0.47)	(0.02)	-	-	
Share Issue Expenses Incurred	(12.14)	(1.00)	(0.71)	(1.27)	(1.37)	-	(0.01)	
Dividend Paid	-	-	-	(7.61)	(1.71)	(0.56)	(0.17)	
Corporate Dividend Tax Paid	-	-	-	(1.29)	(0.24)	(0.08)	(0.02)	
Net Cash Flow from Financing Activities	440.69	(0.88)	49.65	7.70	85.47	4.82	(1.20)	
Net increase in cash and cash equivalents	(3.02)	(6.97)	(36.69)	50.01	99.36	0.83	(1.09)	
Cash and Cash Equivalents (Opening Balance)	132.80	169.49	169.49	119.48	20.12	19.29	20.38	
Cash and Cash Equivalents (Closing Balance)	129.78	162.52	132.80	169.49	119.48	20.12	19.29	
Net increase in cash and cash equivalents	(3.02)	(6.97)	(36.69)	50.01	99.36	0.83	(1.09)	

Annexure: IV Statement on Adjustments to Audited Financial Statements

(Amount in Rs. Millions)

	Half yea	r ended	Year Ended				
Particulars	30-Sep-09	30-Sep-08	31-Mar-09	31-Mar-08	31-Mar-07	31-Mar-06	31-Mar-05
Profit /(loss) after Tax as per audited statement of accounts	103.32	87.55	160.99	158.03	117.81	14.90	11.79
Add/ (Less):							
Impact on Changes in accounting policies:							
Amortization on lease hold land	NIL	NIL	NIL	0.49	(0.29)	(0.17)	(0.03)
Add/ (Less):							
Impact on material adjustment and prior period item:							
1.Royalty income	NIL	(1.79)	(1.97)	(0.61)	2.58	NIL	NIL
2.Security Transaction Tax	NIL	NIL	NIL	0.00	0.00	NIL	NIL
3.Advertisement & Labour Expense	NIL	3.38	3.38	(3.38)	NIL	NIL	NIL
Restated Profit/(Loss) after Tax	103.32	89.14	162.41	154.53	120.10	14.73	11.76

Explanatory Notes for these adjustments are discussed below:

- a. During the year ended on March 31, 2008, lands purchased on leasehold basis have been regrouped as "Land-Leasehold" under intangible assets in terms of the provisions of Accounting Standard 26 on Intangible Assets effective from April 1, 2003. The entire amortisation charges of Rs. 0.49 million for the period from the year 2003-04 to 2006-07 has been charged in the audited accounts for the year ended on March 31, 2008. But in the restated accounts the same has been split up/adjusted in the respective years to which they are related.
- b. Prior Period Adjustment Prior period adjustment as disclosed in the profit and loss account have now been restated and charged to the respective years to which they are related as under:
 - i) Royalty income amounting to Rs 2.58 million pertaining to financial year 2006-07 and security transaction tax of Rs. 1,436 also pertaining to financial year 2006-07.
 - ii) Royalty income amounting to Rs. 1.97 million pertaining to financial year 2007-08 and Advertisement and labour expenses amounting to Rs. 3.38 million pertaining to financial year 2007-08.
 - iii) Royalty income amounting to Rs. 1.79 million pertaining to half year ended September 30, 2008 and Advertisement and labour expenses amounting to Rs.3.38 million pertaining to the same period.

Annexure IVA – Statement of Tax Savings / Expenses due to Restatement

(Amount in Rs. Millions)

Particulars		Half Year ended		Year Ended				
		30-Sep- 09	30- Sep-08	31-Mar- 09	31-Mar- 08	31-Mar- 07	31-Mar- 06	31-Mar- 05
Profit /(loss) after Tax as per audited statement of accounts	(A)	103.32	87.55	160.99	158.03	117.81	14.90	11.79
Restated Profit/(Loss) after Tax	(B)	103.32	89.14	162.41	154.03	120.39	14.90	11.79
(Increase) / Decrease in Profit $(C = A-B)$	(C)	-	(1.60)	(1.42)	4.00	(2.58)	-	-
Effective Tax Rate	(D)	33.99%	33.99%	33.99%	33.99%	33.66%	33.66%	36.59%
Net Tax Savings / (Expenses) due to Restatement (E = C * D)	(E)	-	(0.54)	(0.48)	1.36	(0.87)	-	

Annexure - V

Significant Accounting Policies (Standalone)

1. Basis of Accounting

The Company maintains its accounts on accrual basis following the historical cost convention in accordance with generally accepted accounting principles (GAAP) and in compliance with the Accounting Standards notified under section 211(3C) and other requirements of the Companies Act, 1956.

The preparation of financial statements in conformity with GAAP requires that the management of the Company makes estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as at the date of the financial statements. Examples of such estimates include the useful life of tangible and intangible fixed assets, provision for doubtful debts/ advances, future obligations in respect of retirement benefit plans etc. Actual results could differ from these estimates.

2. Revenue Recognition

Revenue is recognized only when it can be reasonably measured and there exists reasonable certainty of its recovery. Fees/income collected in advance for the period subsequent to the accounting period is shown as current liability.

Interest: Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividend: Dividend income is recognized when the right to receive dividend is established.

3. **Employee Benefits**

a. Defined Contribution plan

Company's contributions paid/ payable during the year to provident fund and employee pension scheme are recognized in the Profit and Loss Account

b. Defined Benefit Plan

Company's liabilities towards gratuity and leave encashment, are determined using the projected unit credit method which considers each period of service as giving rise to additional unit of benefit entitlement and measures each unit separately to build up the final obligation. Actuarial gain and losses are recognised immediately in the statement of Profit and Loss Account as income or expenses. Obligation measured at the present value of estimated future cash flows using discounted rate that is determined by reference to market yields at the balance sheet date on government bonds where the currency and terms of the Government are consistent with currency and estimated terms of the defined benefit obligation.

The Company has adopted AS-15 (Revised) from the Financial year 2007-08.

4. Fixed Assets

Fixed Assets are stated at cost of recognition/ installation less accumulated depreciation and include directly attributable cost including installation and freight charges for bringing the assets to working condition for intended use.

5. Depreciation

Depreciation on assets carried at historical cost is provided on straight-line basis at the rates prescribed under schedule XIV of the Companies Act, 1956.

Depreciation for additions to/deletions from assets is calculated pro-rata from/to the date of addition/deletion.

6. Intangible Assets and Amortisation

Intangible assets are recognized as per the criteria specified in Accounting Standard (AS) 26 "Intangible Assets" issued by the Institute of Chartered Accountants of India, adopted by the company from the Financial Year 2007-08 and are amortised as follows:

-Cost of Lease hold land is amortized over the period of lease

7. **Impairment of Assets**

- a) At each Balance Sheet date, the carrying amount of assets is tested for impairment so as to determine:
 - i. The provision for impairment loss required, if any, or
 - ii. The reversal required of impairment loss recognized in previous periods, if any.
- b) An impairment loss is recognized whenever the carrying amount of an asset or its cash generating units exceed its recoverable amount.

Recoverable amount is determined:

- i. in the case of an individual asset, at higher of the net selling price or value in use.
- ii. in the case of cash generating unit, at higher of the cash generating unit's net selling price or value in use.

8. Investments

- (a) Long term investments are carried at cost after providing for any diminution in value, if such diminution is of permanent nature.
- (b) Current investments that are readily realizable and intended to be held for not more than a year are carried at lower of cost or market value. The determination of carrying costs of such investments is done on the basis of specific identification.

9. Inventories

Inventories are valued at lower of cost and net estimated realizable value, mainly comprises of publication and printed material. Publication and printed materials have been computed on the basis of estimated cost of materials, labour, cost of conversion and other costs incurred for bringing the inventories to their present location and condition. Cost is determined on FIFO method.

10. Miscellaneous Expenditure

Preliminary expenses incurred on formation of the company and expenses incurred for increase in authorised capital are amortised over a period of 5 years.

11. Foreign Currency Transactions

- (a) The reporting currency of the company is Indian Rupee.
- (b) Foreign currency transactions are recorded on initial recognition in reporting currency, using the exchange rate at the date of transaction. At each Balance sheet, foreign currency monetary items are reported using the closing rate.

The exchange differences arising on settlement of monetary items are recognised as income or expenses in the year in which they arise.

12. Taxes on Income

Tax on income for the current period is determined on the basis of taxable income and tax credits computed in accordance with the provision of the Income Tax Act, 1961.

Deferred Tax is recognized on timing differences between the accounting income and the taxable income for the year and quantified using the tax rates and laws enacted or substantively enacted as on the balance sheet data.

13. Provisions, Contingent Liabilities and Contingent Assets

- (a) Provisions are recognised for liabilities that can be measured only by using substantial degree of estimation, if
 - (i) if the company has a present obligation as a result of past event;
 - (ii) a probable outflow of resources is expected to settle the obligation;
 - (iii) the amount of the obligation can be reliably estimated.
- (b) Contingent liability is disclosed in the case of:
 - (i) present obligation arising from a past event, when it is not probable that an outflow of resource will be required to settle the obligation,
 - (ii) a present obligation when no reliable estimate is possible; and
 - (iii) a possible obligation arising from past events where the probability of outflow of resource is not remote
- (c) Contingent Assets are neither recognized, nor disclosed.

Provision, Contingent Liabilities and Contingent Assets are reviewed at each Balance Sheet date.

As per report attached

SHARP & TANNAN

Chartered Accountants

By the hand of

Pavan K. Aggarwal

Partner

Membership No. 91466 FRN No. – 000452N

New Delhi,

January 29, 2010

Annexure - VA

Notes forming part of Restated Standalone Financial Information:

The Company has issued 1,026,000 equity shares of Rs. 10.00 each as fully paid-up in the financial year 2004-05
as bonus shares after capitalizing the general reserve.

The Company has issued 3,420,000 equity shares of Rs. 10.00 each as fully paid-up in the financial year 2006-07 as bonus shares after capitalizing the general reserve and share premium.

The Company has issued 6,846,120 equity shares of Rs. 10.00 each as fully paid-up in the financial year 2007-08 as bonus shares after capitalizing the general reserve and share premium.

The above 11,292,120 Equity shares were issued as bonus shares by way of capitalisation of General Reserve Rs. 107.16 million and Share Premium Rs. 5.76 million.

During the year 2006-07 the company has issued 511,200 equity shares of Rs. 10/- each fully paid up at a premium of Rs. 107/- per share.

During the year 2007-08 the company has issued 60,000 equity shares of Rs. 10/- each fully paid up at a premium of Rs. 390/- per share. 90,000 equity shares of Rs. 10/- each fully paid up have been issued at a premium of Rs. 310/- per share in satisfaction of unsecured loan from directors.

Share Application money amounting to Rs.5.19 million received in the FY 2006-07 was refunded to the applicants during the financial year 2007-08.

During the half year ended September 30, 2009 the company has allotted 2,011,264 equity shares of Rs. 10 each fully paid up at a premium of Rs. 238.60 per share in pursuance to an agreement with Franklin Templeton Asset Management (India) Private Limited on pari passu basis with the existing issued equity shares in all respect.

2. Contingent Liabilities:

(Amount in Rs. Millions)

Particulars	Half Yea	r ended	Year ended				
	30-Sep-09	30-Sep-08	31-Mar-09	31-Mar-08	31-Mar-07	31-Mar-06	31-Mar-05
Service tax liability in respect of matters in appeal	4.38	2.28	4.44	1.77	1.77	Nil	Nil
Consumer cases liability in respect of matter in appeal	1.22	0.94	1.05	0.50	0.88	Nil	Nil
Total	5.60	3.22	5.49	2.27	2.65	Nil	Nil

3. Estimated amount of contracts remaining to be executed on capital account (net of advances):

Particulars	Half Year ended		Year ended					
	30-Sep-09	30-Sep-08	31-Mar-09	31-Mar-08	31-Mar-07	31-Mar-06	31-Mar-05	
Estimated amount of contracts (net of advances)	2.38	3.57	2.31	14.37	10.43	Nil	Nil	

4. Earning in foreign exchange:

(Amount in Rs. Millions)

	Half	Year		Year Ended			
	30-Sep-09	30-Sep-08	31-Mar-09	31-Mar-08	31-Mar-07	31-Mar-06	31-Mar-05
Education service fees	Nil	Nil	Nil	5.40	Nil	Nil	Nil

5. Expenditure in foreign exchange:

(Amount in Rs. Millions)

	Half	Year	Year Ended				
	30-Sep-09	30-Sep-08	31-Mar-09	31-Mar-08	31-Mar-07	31-Mar-06	31-Mar-05
Software Purchased	Nil	0.19	0.19	Nil	Nil	Nil	Nil

6. Segment Reporting

The Company operates in one business segment i.e. Learning Solutions. Hence the reporting requirements pertaining to Accounting Standard 17 on "Segmental Reporting" are not applicable

7. Borrowing Cost

According to the management of the company, the funds utilized for the purpose of Assets capitalized/under Work in Progress are generated by internal accruals exclusively.

8. Basic and Diluted Earning per share ("EPS") computed in accordance with Accounting Standard (AS) 20

"Earning per Share"

			Year Ended		
Particulars	31-Mar-09	31-Mar-08	31-Mar-07	31-Mar-06	31-Mar-05
Net profit available to equity shareholders (Rs. million)	162.41	154.53	120.10	14.73	11.76
Weighted average number of equity shares outstanding during the period for Basic EPS (nos)	12,067,320	11,955,539	4,658,038	1,140,000	1,140,000
Weighted average number of equity shares outstanding during the period for Dilutive EPS (nos)	12,067,320	11,955,539	4,669,048	1,140,000	1,140,000
Total number of equity shares outstanding at the end of the year	12,067,320	12,067,320	5,071,200	1,140,000	1,140,000
Earning Per Share (Basic) (Rs.)	13.46	12.92	25.78	12.92	10.31
Earning Per Share (Diluted) (Rs.)	13.46	12.92	25.72	12.92	10.31

Particulars	Half year ended		
	30-Sep-09	30-Sep-08	
Net profit available to equity shareholders (Rs. million.)	103.32	89.14	
Weighted average number of equity shares outstanding during the period for Basic EPS (nos)	12,792,694	12,067,320	
Weighted average number of equity shares outstanding during the period for Dilutive EPS (nos)	12,792,694	12,067,320	
Total number of equity shares outstanding at the end of the year	14,078,584	12,067,320	
Earning Per Share (Basic) (Rs.)	8.08	7.39	
Earning Per Share (Diluted) (Rs.)	8.08	7.39	

9. Major components of Deferred Tax Assets and Deferred Tax Liabilities:

(Amount in Rs. Million)

Particular	Half Year ended		Year ended				
	30-Sep-09	30-Sep-08	31-Mar-09	31-Mar-08	31-Mar-07	31-Mar-06	31-Mar-05
(A) Deferred Tax Liability:							
Difference between book and	3.72	2.31	2.97	1.61	1.04	0.66	0.31
tax Depreciation							
(B) Deferred Tax Assets							
Disallowance under Income	1.03	0.54	0.61	0.46	0.12	0.04	-
Tax Act							
(C) Net Deferred Tax	2.69	1.77	2.36	1.15	0.92	0.62	0.31
<u>Liability</u>	2.09	1.//	2.30	1.13	0.92	0.02	0.51

- 10. Amount payable to Micro, Small & Medium Enterprises (MSMED Act)
 - (a) Inspite of absence of a data-base identifying creditors as Micro, Small & Medium Enterprises, the management is of the opinion that there are no parties which can be classified as Micro, Small & Medium Enterprises to whom the company owes any sum. The Auditors have accepted the representations of the management in this matter.
 - (b) The Company will identify the suppliers who are covered under "The Micro, Small & Medium Enterprises Development Act, 2006" on receiving the information from them, after which necessary information as required under the said Act will be complied.

11. Managerial Remuneration

(Amount in Rs. Millions)

Particulars	Half Yea	ar ended	Year ended				
	30-Sep-09	30-Sep-08	31-Mar-09	31-Mar-08	31-Mar-07	31-Mar-06	31-Mar-05
Salary	1.80	1.80	3.60	3.60	3.60	-	-
Allowances	0.81	0.81	1.63	1.22	-	-	-
Total	2.61	2.61	5.23	4.82	3.60	-	-

12. Auditors remuneration (excluding service tax and education cess) expenses charged to the accounts:

(Amount in Rs. Millions)

					(/
Particulars	Half Yea	ar ended	Year ended.				
	30-Sep-09	30-Sep-08	31-Mar-09	31-Mar-08	31-Mar-07	31-Mar-06	31-Mar-05
Auditors Remuneration for							
services rendered:							
a) As Auditor	0.05	0.03	0.05	0.05	0.03	0.02	0.01
b) As adviser in:							
-taxation matters	-	-	-	-	0.01	0.01	0.00
-company law matters	-	-	-	-	-	-	-
-management services	-	-	-	-	-	-	_
c) Other services	-	-	-	-	0.00	0.00	-
Total	0.05	0.03	0.05	0.05	0.04	0.03	0.01

13. The Company has classified the various benefits provided to employees as follows:

(i)Defined Contribution Plans - Provident Fund

Particulars	Half Yea	ar ended	Year ended				
	30-Sep-09	30-Sep-08	31-Mar-09	31-Mar-08	31-Mar-07	31-Mar-06	31-Mar-05
Employer's contribution	0.07	0.06	0.13	0.17	0.24	Nil	Nil

(ii) State Plans – Employer's Contribution to Employees Pension Scheme, 1995.

(Amount in Rs. Millions)

Particulars	Half Yea	ar ended	Year ended				
	30-Sep-09	30-Sep-08	31-Mar-09	31-Mar-08	31-Mar-07	31-Mar-06	31-Mar-05
Employer's contribution	0.13	0.13	0.25	0.24	0.12	Nil	Nil

(iii) Defined Benefit Plans:

a) Gratuity

Pursuant to transitional provisions of Accounting Standard 15 (Revised) on Employee Benefits an amount of Rs. 416,896 has been debited to the General Reserve in the FY 2007-08. The said amount represents the difference between the liability in respect of gratuity determined under AS-15 (Revised) as on April 1, 2007 and the liability that existed as on that date as per AS-15 prior to revision.

In accordance with Accounting Standard-15 (revised 2005) actuarial valuation was carried out as at year end in respect of Defined Benefit Plan's – Gratuity on the following assumptions:

Sr No	Particulars	As at Sept 30, 2009	As at March 31, 2009
i)	Discounting Rate	8.00 %	7.00 %
ii)	Future salary Increase	6.00 %	6.00 %
iii)	Expected Rate of return on plan assets	8.00 %	7.00 %
iv)	Retirement Age	58	58
v)	Attrition rate	5.00%	5.00%

The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

In the absence of any investment, description of the basis required to be used to determine the overall expected rate of return on assets including major categories of plan assets has not been given.

Change in present value of the defined benefit obligation

(Amount in Rs. Millions)

Sr No	Particulars	As at 30-Sep-09	As at 31- Mar-09	As at 31-Mar-08
a)	Present value of obligation as at	1.43	1.14	0.42
	the beginning of the period			
b)	Acquisition adjustment	-	-	-
c)	Interest cost	0.06	0.08	0.03
d)	Past service cost	-	1	1
e)	Current service cost	0.93	0.61	0.74
f)	Curtailment cost/(Credit)	-	-	-
g)	Settlement cost/(Credit)	-	-	-
h)	Benefits paid	(0.20)	-	-
i)	Actuarial (gain)/loss on obligation	0.17	(0.40)	(0.05)
j)	Present value of obligation as at the end of period.	2.39	1.43	1.14

Changes in the fair value of plan assets

Sr No	Particulars	As at 30-Sep-09	As at 31- Mar-09	As at 31-Mar-08
a)	Fair value of plan assets at the	-	-	-
	beginning of the period			
b)	Acquisition adjustment	-	-	-
c)	Expected return on plan assets	-	-	-
d)	Contributions	0.20	-	-
e)	Benefits paid	(0.20)	-	-

Sr No	Particulars	As at 30-Sep-09	As at 31- Mar-09	As at 31-Mar-08
f)	Actuarial gain/(loss) on plan	-	-	-
	assets			
g)	Fair value of plan assets at the	-	-	-
	end of the period			

Amount recognized in the Balance Sheet

(Amount in Rs. Millions)

Sr No	Particulars	As at 30-Sep-09	As at 31- Mar-09	As at 31-Mar-08
a)	Present value of Defined Benefit Obligation			
	- Funded	-	-	-
	- Unfunded	2.39	1.43	1.14
	Total	2.39	1.43	1.14
b)	Less. Fair value of Plan Assets	-	-	-
c)	Amount to be recognized as liability or	2.39	1.43	1.14
	(asset)			

Expense recognized in the statement of profit and loss

(Amount in Rs. Millions)

Sr No	Particulars	As at 30-Sep-09	As at 31- Mar-09	As at 31-Mar-08
a)	Current service cost	0.93	0.61	0.74
b)	Past service cost	-	•	•
c)	Interest cost	0.06	0.08	0.03
d)	Expected return on plan assets	-	-	-
e)	Curtailment cost / (credit)	•	•	ı
f)	Settlement cost / (credit)	•	•	ı
g)	Net actuarial (gain)/ loss recognized in the period	0.17	(0.40)	(0.05)
h)	Expenses recognized in the statement of profit	1.16	0.29	0.72
11)	& losses	1.10	0.29	0.72

Amount for the current year is as follows

(Amount in Rs. Millions)

		(21111Ott	ni in 165. minions)
Particulars	As at 30-Sep-09	As at 31- Mar-09	As at 31-Mar-08
Defined Benefit Obligation	2.37	1.43	1.14
Plan Assets			
Surplus/ (Deficit)	(2.37)	(1.43)	(1.14)
Experience adjustments on plan liabilities	-	-	-
Experience adjustments on plan assets	-	-	-

14. Classification of Inventories as required by As-2 "Valuation of Inventories"

(Amount in Rs. Millions)

	Half Yea	r ended					
Particulars	30-Sep-09	30-Sep-08	31-Mar-09	31-Mar-08	31-Mar-07	31-Mar-06	31-Mar-05
Publication Material	Nil	Nil	2.78	3.25	1.20	0.24	
(Paper)	1111	INII	2.76	3.23	1.20	0.24	_
Printed Material	9.24	15.53	15.71	6.31	2.33	0.52	
(Books)	9.24	13.33	13./1	0.31	2.33	0.32	-
Total	9.24	15.53	18.49	9.56	3.53	0.76	-

Inventory consists of various small items and therefore the itemwise breakup is not given.

15. Share Issue Expenses

Upto September 30, 2009, the company has incurred Rs.1.71 million in connection with the proposed public issue of its equity shares. This amount will be adjusted against securities premium arising from the proposed issue of equity shares, as permitted under section 78 of Companies Act, 1956. This amount has been carried forward under the head 'Miscellaneous Expenditure' in the Restated Standalone Summary Statements of Assets and Liabilities.

- 16. There are no amounts due and outstanding to be credited to Investor Education & Protection Fund as at September 30, 2009.
- 17. During the year ended March 31, 2009 the company has obtained secured loan-overdraft facility of Rs. 50.00 million from HDFC Bank against the security of below mentioned property.
 - E-8(2), Road No.1, IPIA, Kota
 - 112A, Shakti Nagar, Kota
 - 112B, Shakti Nagar, Kota

However, no amount has been utilized from the said facility till September 30, 2009.

- 18. During the half year ended September 30, 2009 the company has obtained secured loan-overdraft facility of Rs. 90.00 million from HDFC Bank against the security of Fixed Deposit Receipts of Rs.100.00 million issued by HDFC Bank in the name of the company.
- 19. The management of the company has reviewed the existing assets working conditions and utility as at March 31, 2009, the balance sheet date and are of the opinion that there exists no indication that an asset has been impaired and hence no impairment has been carried out.
- 20. Un-hedged foreign currency exposures as at September 30, 2009 are as under:

Particulars	Amount (Rs.)
Receivables	Nil
Payables	Nil

21. Figures for the previous period have been regrouped / reclassified wherever necessary.

As per report attached

SHARP & TANNAN

Chartered Accountants

By the hand of

Pavan K. Aggarwal

Partner

Membership No. 91466 FRN No. - 000452N

New Delhi,

January 29, 2010

Annexure VI - Restated Standalone Statement of Secured Loans

(Amount in Rs. Millions)

Particulars		Amount (Outstanding		As at 30th September,2009				
	Half Yea			Sanctioned	Rate of	Repayment Terms	Security		
	30-Sep- 09	30-Sep- 08	ended 31-Mar- 09	31-Mar- 08	Amount	Interest	Terms		
HDFC Bank - Overdraft Facility (Note 1)	5.27	0.88	52.19	-	90.00	8.00%	-	Against Fixed Deposit Receipts amounting to Rs. 100.00 million in the name of the Company	
HDFC Bank - Overdraft Facility (Note 2)	_	-		_	50.00	13.75%	Dropline of Rs. 0.83 million every month plus interest on amount utilized	Against below mentioned property: - E-8(2), Road No.1, IPIA, Kota - 112A, Shakti Nagar, Kota - 112B, Shakti Nagar, Kota	
Total	5.27	0.88	52.19	-	140.00			_	

Notes:

- There were no loans taken by the Company against any security for the financial years 2006-07, 2005-06 and 2004-05. As on 31st March, 2008, the sanctioned limit for overdraft was Rs. 36.00 million, during the year ended 31st March, 2009, the sanctioned amount was upgraded to Rs. 88.00 million and during the half year ended 30th September, 09 the sanctioned amount was upgraded to Rs. 90.00 million.
- 2. This overdraft facility has been sanctioned in financial year 2008-09, however Company has not utilized any amount till September 30, 2009

Annexure VIA – Restated Standalone Statement of Unsecured Loans

(Amount in Rs. Millions)

Particulars	As	As at A			As at				
	30-Sep-09	30-Sep-08	31-Mar-09	31-Mar-08	31-Mar-07	31-Mar-06	31-Mar-05		
From Directors	-	-	-	-	28.80	5.46	-		
From Others		-	-	-	0.47	-	-		
Total	_	-	-	-	29.27	5.46	-		

Note:

During the year 2007-08 unsecured loan of Rs. 28.8 million from director has been converted in to 90,000 equity shares of Rs. 10 each at a premium of Rs. 310.

Annexure VII - Restated Standalone Statement of Loans and Advances

Particulars	As	at			As at		
	30-Sep- 09	30-Sep- 08	31-Mar- 09	31-Mar- 08	31- Mar-07	31- Mar-06	31-Mar- 05
Advances and Loans to-							
- Subsidiaries	207.76	150.45	196.28	40.83	1.38	-	0.01
- Others	3.02	2.64	2.66	1.73	0.90	0.07	-
Inter Corporate Deposits	7.51	0.01	6.43	5.63	18.84	9.45	0.18
Deposits with Government Authorities	1.77	0.60	1.34	1.77	1.50	0.20	3.62
Security Deposit against Lease Properties	5.04	5.32	5.99	5.29	3.66	0.02	0.05
Advance Income Tax (Net of Provision for Tax)	13.12	7.45	12.66	6.61	2.18	3.09	0.36
Loans and Advances to Others	66.10	18.73	59.56	49.11	48.76	14.80	6.67
Advances recoverable in Cash or kind or for value to be received	19.10	16.40	8.86	26.84	15.07	3.25	0.15
Total	323.42	201.60	293.78	137.81	92.29	30.88	11.04

Annexure VIII - Restated Standalone Statement of Sundry Debtors

(Amount in Rs. Millions)

Particulars	As	s at	As at				
	30-Sep-09	30-Sep-08	31-Mar- 09	31-Mar- 08	31-Mar- 07	31-Mar- 06	31-Mar- 05
(Unsecured, considered doubtful)							
- Outstanding for a period less than six months	-	-	-	-	-	-	-
- Outstanding for a period exceeding six months	-	-	-	-	_	-	1
(Unsecured, considered good)							
- Outstanding for a period less than six months (Refer Note							
Below)	10.34	5.50	8.53	14.89	4.90	4.37	1.19
- Outstanding for a period exceeding six months	10.09	17.18	14.93	3.11	0.74	1.41	0.08
Less: Provision for Doubtful debts	-	-	-	-	-	-	-
Total	20.43	22.68	23.46	18.00	5.64	5.78	1.27

Note:

- 1. There are no receivables due from promoters/Promoters' group/Directors
- 2. Debtors for less than six months for the FY 2006-07 includes debtors pertaining to royalty income for FY 2006-07 accounted for in FY 2007-08, as restated
- 3. Debtors for less than six months for the FY 2007-08 includes debtors pertaining to royalty income for FY 2007-08 accounted for in FY 2008-09, as restated

Annexure IX – Restated Standalone Statement of Investments

Particulars	(Amount in Rs. Millions) As at As at								
rarticulars	30-Sep- 09	30-Sep- 08	31-Mar- 09	31-Mar- 08	31-Mar- 07	31- Mar-06	31-Mar-05		
Equity Shares of Subsidiary	0,2		0,	00	0,	1/141 00			
Companies		 							
Career Point Edutech Limited									
550,000 (March 2007 - 49,994		<u> </u>							
and March 2008 - 399,994)		 							
shares of Rs. 10 each	5.50	4.00	4.00	4.00	0.50	-	-		
Career Point Publications									
Limited (49,994 shares of Rs.		<u> </u>							
10 each)	-	_ '	-	0.50	0.50	-	-		
Career Point Infra Limited									
(3,099,994 shares of Rs. 10		<u> </u>							
each)	31.00	31.00	31.00	31.00	-	-	-		
Equity Shares of Associates									
Imperial Infin (P) Ltd.									
(34,000 shares @ Rs. 100		 							
each)	3.40	3.40	3.40	3.40	3.40	3.40	3.40		
Rubymerry Enterprises									
Private Limited		 							
(100 shares @ Rs 10 each)	-	0.00	0.00	0.00	-	-	-		
Other Investments – Quoted									
Action Financial Services									
India Ltd	_	0.13	_	0.13	_	_	-		
CHD Developers	_	0.07	_	0.07	_	_	_		
Garnet International Limited	_	-	_	-	0.02	_	-		
Vakrangee Software Limited	_	0.25	_	_	0.69	0.50	_		
PNB	_	0.23	_	_	- 0.07	- 0.50	0.07		
GR Cables Limited	_	0.05	_	0.05	_	_	-		
Reliance Power Limited	0.11	0.49	0.22	0.49	_	_	_		
Sujana Universal Industries	0.11	0.47	0.22	0.47					
Ltd	_	0.05	_	0.05	_	_	_		
IFCI Limited	_	0.03	_	0.51	_	_	_		
NICCO Corporation Limited	_	0.09		0.09		_			
VISU International Limited	_	0.05		0.05		_			
Abhishek Industries Limited	-	0.03	0.06	0.03		-	-		
Aftek Limited	-	-	0.11	-	-	-	-		
Bank of Maharashtra	-		0.25	-	-	-	-		
Century Textiles and		 	0.97						
Industries Limited	-	-	0.87	-	-	-	-		
Chambal Fertilizers and		 	0.62						
Chemicals Limited	-	-	0.63	-	-	-	-		
Chennai Petroleum		 -	0.55						
Corporation	-	-	0.55	-	-	-	-		
JK Papers	-	-	0.18	-	-	-	-		
Jaiprakash Hydro Power		 -	0.00						
Limited	-	-	0.20	-	-	-	-		
MRO Tech Limited	-	-	0.07	-	-	-	-		
Mahanagar Telephone Nigam		 -	1 00						
Limited	-	-	1.08	-	-	-	-		
NIIT Limited	-	-	1.91	-	-	-	-		
TATA Elxsi Limited	-	-	0.20	-	-	-	-		
TATA Motors Limited	-	-	0.32	-	-	-	-		
UCO Bank	-	-	0.49	-	-	-	-		

Particulars	As	at			As at		
	30-Sep-	30-Sep-	31-Mar-	31-Mar-	31-Mar-	31-	31-Mar-05
	09	08	09	08	07	Mar-06	
Varun Shipping Company	-	-	0.17	-	-	-	-
Lloyd Electric & Engineering							
Limited	-	-	0.05	-	-	-	-
SBI Arbitrage Opportunities							
Fund- Dividend	19.82	-	-	-	-	-	-
SBI-SHF-Ultra Short Term							
Fund-Institutional Plan - Daily							
Dividend	12.18	-	-	-	-	-	-
UTI Liquid Cash Plan							
Institutional-Daily Income							
Option	688.24	-	-	_	-	_	_
UTI Spread Fund Growth Plan	40.00	-	-	-	-	-	-
SBI Debt Fund Series 90							
days-27 Dividend	_	5.00	_	_	_	_	_
SBI SDF S 90 days 5323710	_	-	_	_	20.10	_	_
UTI Fixed Mt Plan	_	9.00	9.00	9.00	5.00	_	_
SBI Debt Fund Series 90	-	7.00	7.00	7.00	5.00	_	_
days-29 Dividend		10.00					
SBI Debt Fund Series 90	-	10.00	_	-	_	-	-
		5.00					
days-26 Dividend	-	5.00	-	-	-	-	-
SBI SHF Ultra Short Term							
Fund Institutional Plan Daily		12.06					
Dividend	-	13.06	-	-	-	-	-
SBI SHF Liquid Plus Retail		0.71					
Plan Daily Dividend	-	0.71	-	-	-	-	-
UTI Fixed Income Interval							
Fund Monthly Interval Plan		10.00					
Series-I	-	10.00	-	-	-	-	-
UTI Short Term Fixed							
Maturity Plan Series I-VII (93							
days)	-	20.00	-	-	-	-	-
UTI Short Term Fixed							
Maturity Plan Series I-VII							
(181 days)	-	10.00	-	-	-	-	-
UTI Short Term Fixed							
Maturity Plan Series I-IX (90							
days)	-	10.00	-	-	-	-	-
Other Investments –							
Unquoted							
Share Application Money -							
R.C. Jain Investment Pvt Ltd	0.00	-	0.00	-	-	-	-
Share Application Money -							
Jaiprakash Hydro Power							
Limited	-	-	-	-	-	-	2.00
Total	800.25	132.35	54.77	49.35	30.21	3.90	5.47

Note:

	As	at			As at		
	30-Sep-09	30-Sep-08	31-Mar- 09	31-Mar- 08	31-Mar- 07	31-Mar- 06	31-Mar-05
Aggregate of Quoted Investments -							
Cost	760.35	93.95	16.37	10.45	25.81	0.50	0.07
Market Value	759.89	93.94	15.77	9.79	25.73	0.50	0.07
Aggregate of Unquoted Investments -							
Subsidiary-cost	36.50	35.00	35.00	35.50	1.00	-	_
Others-cost	3.40	3.40	3.40	3.40	3.40	3.40	5.40
Total Cost	800.25	132.35	54.77	49.35	30.21	3.90	5.47

Annexure X – Restated Standalone Statement of Operational Income

(Amount in Rs. Millions)

Particulars	Half Yea	ar ended	Year Ended						
	30-Sep-09	30-Sep-08	31-Mar-09	31-Mar-08	31-Mar-07	31-Mar-06	31-Mar-05		
Education and training									
income	297.33	204.06	397.72	320.15	225.76	3.26	-		
Centers Royalty - Upfront	5.17	14.40	14.40	13.25	16.86	13.95	10.00		
Centers Royalty - Ongoing	10.83	15.00	27.62	35.88	34.46	24.07	15.95		
Sale of study Material	2.46	9.20	11.77	10.95	13.66	13.04	6.43		
Total	315.79	242.66	451.51	380.23	290.74	54.32	32.38		

Annexure XA – Restated Standalone Statement of Other Income

Particulars	Half Yea	ar ended	Year Ended						
	30-Sep-09	30-Sep-08	31-Mar-09	31-Mar-08	31-Mar-07	31-Mar-06	31-Mar-05		
Interest Received	17.62	14.77	29.83	22.74	7.22	1.67	1.37		
Dividend	7.38	0.57	2.29	2.86	1.06	0.13	-		
Advertisement Income	0.03	0.06	0.07	0.25	-	-	-		
Profit on Sale of Fixed Assets and Shares (Net)	3.50	-	2.05	5.35	0.54	0.82	-		
Forfeiture of Security Deposit	-	-	3.79	-	-	-	-		
Miscellaneous Income	0.31	0.52	0.82	0.23	0.15	-	0.11		
Total	28.84	15.92	38.85	31.43	8.97	2.62	1.48		

Annexure XI - Restated Statement of Share Capital

(Amount in Rs. Millions)

Particulars	As	at			As at		
	30-Sep-09	30-Sep-08	31-Mar-09	31-Mar-08	31-Mar-07	31-Mar-06	31-Mar-05
Authorised Share Capital							
Equity Share Capital							
Equity Shares of Rs.10 each	250.00	250.00	250.00	250.00	131.50	11.50	11.50
Issued, Subscribed & Paid Up							
Equity Share Capital							
Equity Shares of Rs.10 each	140.79	120.67	120.67	120.67	50.71	11.40	11.40
Share Application Money Pending Allotment		-	-	-	5.19	-	-
Total	140.79	120.67	120.67	120.67	55.90	11.40	11.40

Note:

1. Of the Equity shares of Rs. 10 each comprised in the subscribed and paid-up capital of the company:

11,292,120 Equity shares were issued as bonus shares by way of capitalisation of General Reserve Rs. 107.16 million and Share Premium Rs. 5.76 million during the FY 2004-05, 2006-07 and 2007-08.

- 2. During the FY 2006-07 the company has issued 511,200 equity shares of Rs. 10/- each fully paid up at a premium of Rs. 107/- per share.
- 3. During the FY 2007-08 the company has issued 60,000 equity shares of Rs. 10/- each fully paid up at a premium of Rs. 390/- per share.
- 4. During the FY 2007-08 the company has issued 90,000 equity shares of Rs. 10/- each fully paid up have been issued at a premium of Rs.310/- per share in satisfaction of unsecured loan taken from Directors
- 5. During the half year ended September 30, 2009, the company has allotted 2,011,264 equity shares of Rs 10 each fully paid up at a premium of Rs 238.60 per share in pursuance to an agreement with *Franklin Templeton Asset Management (India) Private Limited* on pari passu basis with the existing issued equity shares in all respect.

Annexure XII - Restated Standalone Statement of Cash and Bank Balances

Particulars	As	at	As at							
	30-Sep-09	30-Sep-08	31-Mar-09	31-Mar-08	31-Mar-07	31-Mar-06	31-Mar-05			
~										
Cash on Hand	13.45	22.32	7.15	2.79	2.62	1.65	0.83			
Balance with										
Scheduled Banks										
- On Current										
Account	5.53	12.51	6.86	45.54	33.89	14.90	7.22			
- On Deposit										
Account	110.80	127.69	118.79	121.17	82.97	3.57	11.24			
Total	129.78	162.52	132.80	169.49	119.48	20.12	19.29			

Annexure XIII – Restated Standalone Statement of Current Liabilities and Provisions

Particulars	As	s at			As at	KS. Millions)	
	30-Sep-09	30-Sep-08	31-Mar- 09	31-Mar- 08	31-Mar- 07	31-Mar- 06	31-Mar- 05
Current Liabilities							
Sundry Creditors	9.97	3.01	3.13	5.66	1.23	1.46	3.32
Other Liabilities							
-TDS & Service Tax Payable	5.04	6.73	4.19	3.52	0.76	0.12	0.04
-Security Deposits	4.00	3.40	1.56	2.70	1.78	0.30	0.10
-Expenses payable	29.54	22.25	19.66	14.36	9.38	1.46	0.31
-Others	0.03	0.32	0.01	0.07	0.01	0.05	0.01
Advance fees from Students and Franchisee	275.08	184.48	67.04	55.43	51.79	42.60	22.51
Total (A)	323.66	220.19	95.59	81.74	64.95	45.99	26.29
Provisions							
Proposed Dividend Including Dividend Tax	_	1	•	-	8.90	1.95	0.63
Provision for FBT (Net of Advance Tax)	-	0.34	0.04	0.43	0.20	-	-
Provision for Wealth Tax	1.36	0.39	0.86	0.24	-	-	-
Provision for Gratuity	2.38	1.28	1.43	1.14	0.42	-	-
Total (B)	3.74	2.01	2.33	1.81	9.52	1.95	0.63
Total (A+B)	327.40	222.20	97.92	83.55	74.47	47.94	26.92

Annexure XIV – Restated Standalone Details of Contingent Liabilities

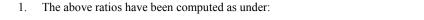
Particulars	As	at	As at					
	30-Sep-09	30-Sep-08	31-Mar-09	31-Mar-08	31-Mar-07	31-Mar-06	31-Mar-05	
Demand Notice for Service								
Tax from Central Excise								
Department	4.38	2.28	4.44	1.77	1.77	-	-	
Consumer cases liability in								
respect of matter in appeal	1.22	0.94	1.05	0.50	0.88	-	-	
Total	5.60	3.22	5.49	2.27	2.65	-	-	

Annexure XV – Restated Standalone Statement of Accounting Ratios (As per AS 20)

(Amount in Rs. Millions)

		Half Yea	ar ended		Y	ear Ended		
Sr No	Particulars	30-Sep-09	30-Sep-08	31-Mar-09	31-Mar-08	31-Mar- 07	31-Mar- 06	31-Mar- 05
1	Earning per Equity share (Rs.)							
	-Basic	8.08	7.39	13.46	12.92	25.78	12.92	10.31
	-Diluted	8.08	7.39	13.46	12.92	25.72	12.92	10.31
2	Return on Net Worth (%)	8.77	17.42	27.69	36.39	53.76	30.21	32.70
	Net Asset value per share			10.51		1-0-		
3	(Rs.)	92.08	42.38	48.61	35.52	47.85	42.78	31.53
4	Weighted average number of equity shares outstanding during the period for Basic EPS (nos)	12,792,694	12,067,320	12,067,320	11,955,539	4,658,038	1,140,000	1,140,000
5	Weighted average number of equity shares outstanding during the period for Dilutive EPS (nos)	12,792,694	12,067,320	12,067,320	11,955,539	4,669,048	1,140,000	1,140,000
	Diffutive El 3 (1108)	12,792,094	12,007,320	12,007,320	11,733,339	4,009,046	1,140,000	1,140,000
6	Total shares outstanding at the end of the year (nos)	14,078,584	12,067,320	12,067,320	12,067,320	5,071,200	1,140,000	1,140,000

Notes:



Basic Earning per Share (Rs.) = Net profit available to equity shareholders as restated

Total Weighted average number of equity shares outstanding during the period

Dilutive Earning per Share (Rs.) = Net profit available to equity shareholders as restated
Potential Weighted average number of equity shares outstanding during the period

Return of Net Worth (%) = Net profit after tax as restated

Net Worth as restated at the end of the period

Net Asset Value per equity share (Rs) = Net Worth as restated at the end of the period

No of equity shares outstanding at the end of the year

- 2. Net profit as restated has been considered for the purpose of computing the above ratios.
- 3. Earnings per share calculations are done in accordance with Accounting Standard 20 on 'Earnings Per Share', issued by the Institute of Chartered Accountants of India.

Annexure XVI – Restated Statement of Tax Shelter

	** ***		(Amount in Rs. Millions)						
Particulars	Half Yea		21 M		ear Ended	21 M.	21 M.		
	30-Sep- 09	30-Sep- 08	31-Mar- 09	31-Mar- 08	31-Mar- 07	31-Mar- 06	31-Mar- 05		
Income Tax Rate	0,7	00	0,7	00	07	00	03		
(including surcharge and									
education cess thereon)									
(A)	33.99%	33.99%	33.99%	33.99%	33.66%	33.66%	36.59%		
Profit/Loss before tax as									
per restated accounts (B)	153.47	132.33	248.00	234.45	180.60	21.94	19.11		
T									
Tax at Income Tax Rates	52.16	44.00	94.20	70.60	60.70	7.20	6.00		
(C=B*A)	32.10	44.98	84.30	79.69	60.79	7.39	6.99		
Amount to be taxed under									
other heads of income:									
Capital Loss carried									
forward (taken separately)	•	-	-	1	•	-	(0.95)		
Capital Gain (taken									
separately)	3.50	-	2.28	4.87	0.44	0.74	-		
7 7 1									
Total Amount to be considered separately (D)	3.50	_	2.28	4.87	0.44	0.74	(0.95)		
considered separately (D)	3.30	-	2.20	4.07	0.44	0.74	(0.33)		
Temporary Differences									
Difference between Tax									
Depreciation and Book									
Depreciation	3.71	2.31	3.99	1.73	1.55	0.87	0.37		
Others	(1.03)	(0.54)	(0.62)	(1.14)	(0.27)	-	(0.09)		
Total Timing Differences									
(E)	2.69	1.77	3.36	0.59	1.29	0.87	0.27		
(-)							**		
Permanent Differences									
T			(0.00)	(0.00)		(0.00)	(0.04)		
-Interest, Fines & Penalty	-	-	(0.02)	(0.03)	-	(0.00)	(0.01)		
-Other Taxes / Items	_	_	(3.50)	(0.53)	(0.17)	(0.10)	(0.02)		
Other ranes / remis			(3.50)	(0.55)	(0.17)	(0.10)	(0.02)		
-Donations	-	-	0.00	-	0.00	(0.01)	-		
Total Permanent			(2.72)	(A = A	(0.4 =)	(0.14)	(0.00)		
Differences (F)	-	-	(3.53)	(0.56)	(0.17)	(0.11)	(0.03)		
Dividend Income exempt									
u/s 10(34) (G)	7.38	0.57	2.29	2.86	1.06	0.13	0.11		
	, 3	0.07	/	2.00	1.00	0.15	0.11		
Net Adjustments									
(H=D+E+F+G)	13.56	2.34	4.41	7.75	2.61	1.63	(0.60)		
T									
Tax saving thereon (I=H*A)	4.61	0.79	1.50	2.64	0.88	0.55	(0.22)		
(1-11 A)	4.01	0.79	1.30	2.04	0.00	0.55	(0.22)		
Total taxation									
TOTAL TAXABION							<u> </u>		

Particulars	Half Yea	r ended		Y	ear Ended		
	30-Sep-	30-Sep-	31-Mar-	31-Mar-	31-Mar-	31-Mar-	31-Mar-
	09	08	09	08	07	06	05
(J=C-I)	47.55	44.18	82.80	77.05	59.91	6.84	7.21
Tax on Capital Gain (K)	0.35	-	0.39	0.84	0.05	0.08	-
Less: Rebate under section 88E (L)	_	-	-	-	(0.00)	-	-
Total taxation (M=J+K+L)	47.90	44.18	83.19	77.89	59.96	6,92	7.21
Tax Savings / (Expense) due to Restatement of Profit (Refer Annexure IVA)	-	(0.54)	(0.48)	1.36	(0.87)	-	-
Tax Expense as per Provisions of MAT (N)	-	-	-	-	-	-	-
Deferred Tax Charge / (Credit) (O)	0.33	0.62	1.21	0.23	0.30	0.31	0.14
Fringe Benefit Tax (P)	-	0.34	0.68	0.52	0.20	-	-
Actual Tax Liability (Q=M+O+P)	48.22	44.60	84.59	80.00	59.59	7.23	7.36

Annexure XVII – Restated Capitalisation Statement

(Amount in Rs. Millions)

Particulars	Pre-Issue	Post Issue (Note 1)
	As At	
	30-Sep-09	
Borrowings:		
Short-term Debt	5.27	
Long-term Debt	-	
Total Debt	5.27	
Shareholder's Funds :		
Equity Share Capital	140.79	
Reserves and Surplus	1,051.63	
Less: Misc. expenses	14.51	
Total Shareholder's Funds	1177.91	
Total Debt/Equity ratio	0.0045	

Note:

- 1. Share capital and reserves and surplus post issue can be ascertained only on conclusion of the book building process.
- 2. The above Debt -Equity ratio has been computed on the basis of Restated Standalone summary of the Company.
- 3. Cash Credit facilities from Bank has been considered by the management as Short Term Debt

Annexure XVIII – Restated Standalone Statement of Related Party Transactions

A. List of Related Parties

Key Managerial Personnel (KMP)

30-Sep-09	30-Sep-08	31-Mar-09	31-Mar-08	31-Mar-07	31-Mar-06	31-Mar-05
Mr. Pramod						
Maheshwari						
Mr. Om						
Prakash						
Maheshwari						
Mr. Nawal						
Kishore						
Maheshwari						

Relative of Key Managerial Personnel

30-Sep-09	30-Sep-08	31-Mar-09	31-Mar-08	31-Mar-07	31-Mar-06	31-Mar-05
Ms. Shilpa	Ms. Shilpa	Ms. Shilpa	Ms. Shilpa	Ms. Shilpa	Ms. Shilpa	Ms. Shilpa
Maheshwari	Maheshwari	Maheshwari	Maheshwari	Maheshwari	Maheshwari	Maheshwari
M M I	M M 1:	M M 1:	M M 1:	M N 1:	M N 1:	M M II
Ms. Neelima	Ms. Neelima	Ms. Neelima	Ms. Neelima	Ms. Neelima	Ms. Neelima	Ms. Neelima
Maheshwari	Maheshwari	Maheshwari	Maheshwari	Maheshwari	Maheshwari	Maheshwari
Ms. Rekha	Ms. Rekha	Ms. Rekha	Ms. Rekha	Ms. Rekha	Ms. Rekha	Ms. Rekha
Maheshwari	Maheshwari	Maheshwari	Maheshwari	Maheshwari	Maheshwari	Maheshwari
Waneshwari	TVIGITOSIT V GIT	1vianesh war	171aiicoii wari	ivianesh war	TVIAIICOII VIAII	Waneshwari
Mr. Gulab	Mr. Gulab	Mr. Gulab	Mr. Gulab	Mr. Gulab	Mr. Gulab	Mr. Gulab
Chand	Chand	Chand	Chand	Chand	Chand	Chand
Maheshwari	Maheshwari	Maheshwari	Maheshwari	Maheshwari	Maheshwari	Maheshwari
Ms.Kailash Bai	Ms.Kailash Bai	Ms.Kailash Bai	Ms.Kailash Bai	Ms.Kailash Bai	Ms.Kailash Bai	Ms.Kailash Bai
Ms. Radha	Ms. Radha	Ms. Radha	Ms. Radha	Ms. Radha	Ms. Radha	Ms. Radha
Rani Nuwal	Rani Nuwal	Rani Nuwal	Rani Nuwal	Rani Nuwal	Rani Nuwal	Rani Nuwal
Mr. Govind	Mr. Govind	Mr. Govind	Mr. Govind	Mr. Govind	Mr. Govind	Mr. Govind
Nuwal	Nuwal	Nuwal	Nuwal	Nuwal	Nuwal	Nuwal
Nuwai	Nuwai	Nuwai	Nuwai	Nuwai	Nuwai	Nuwai
Mr. Vishal	Mr. Vishal	Mr. Vishal	Mr. Vishal	Mr. Vishal	Mr. Vishal	Mr. Vishal
Maheshwari	Maheshwari	Maheshwari	Maheshwari	Maheshwari	Maheshwari	Maheshwari
Ms. Neetu	Ms. Neetu	Ms. Neetu	Ms. Neetu	Ms. Neetu	Ms. Neetu	Ms. Neetu
Maheshwari	Maheshwari	Maheshwari	Maheshwari	Maheshwari	Maheshwari	Maheshwari
Mr. Rahul	Mr. Rahul	Mr. Rahul Nyati	Mr Rahul Nyati	Mr. Rahul	Mr. Rahul	Mr. Rahul
Nyati	Nyati		•	Nyati	Nyati	Nyati

Associate Companies

30-Sep-09	30-Sep-08	31-Mar-09	31-Mar-08	31-Mar-07	31-Mar-06	31-Mar-05
	Rubymerry	Rubymerry	Rubymerry			
	Enterprises Pvt.	Enterprises Pvt.	Enterprises Pvt.			
	Ltd.	Ltd.	Ltd.			
Imperial Infin	Imperial Infin	Imperial Infin	Imperial Infin	Imperial Infin	Imperial Infin	Imperial Infin
Pvt. Ltd.	Pvt. Ltd.	Pvt. Ltd.	Pvt. Ltd.	Pvt. Ltd.	Pvt. Ltd.	Pvt. Ltd.

Companies in which Key Management Personnel are interested

30-Sep-09	30-Sep-08	31-Mar-09	31-Mar-08	31-Mar-07	31-Mar-06	31-Mar-05
Wellwin						
Technosoft Pvt						
Ltd.	Ltd.	Ltd.	Ltd. Ltd. Ltd. Ltd.		Ltd.	
G 411	G 4:1	G vii	G 4'1	G til	G 411	G 47
Swastika	Swastika	Swastika	Swastika Polyolefins	Swastika	Swastika	Swastika Polyolefins
Polyolefins Pvt. Ltd.	Polyolefins Pvt. Ltd.	Polyolefins Pvt. Ltd.	Polyolelins Pvt. Ltd.	Polyolefins Pvt. Ltd.	Polyolefins Pvt. Ltd.	Polyolelins Pvt. Ltd.
PVI. LIG.	PVI. Lia.	PVI. LIG.				
Shricon	Shricon	Shricon	Shricon	Shricon	Shricon	_
Industries	Industries	Industries	Industries	Industries	Industries	
Limited	Limited	Limited	Limited	Limited	Limited	
	21111100	211111000		Ziiiiivu	Ziiiiveu	
Gulab Chand						
Maheshwari						
(Huf)						
Om Prakash						
Maheshwari						
(Huf)						
Pramod						
Maheshwari						
(Huf)						
(Hul)	(IIuI)	(IIuI)	(1101)	(1101)	(1141)	(IIuI)
Nawal Kishore						
Maheshwari						
(Huf)						
Gulab Chand						
Ramesh Chand,	Ramesh Chand,	Ramesh	Ramesh Chand,	Ramesh Chand,	Ramesh Chand,	Ramesh Chand,
Kota	Kota	Chand, Kota	Kota	Kota	Kota	Kota
Mohodhyyari	Mahaahyyari	Mahaahyyari	Mahaahyyani	Mahaahyyari	Mohaahyyani	Mahaahyyari
Maheshwari Trading						
Company, Kota	Company, Kota	Company,	Company, Kota	Company, Kota	Company, Kota	Company, Kota
Company, Rota	Company, Rota	Kota	Company, Rota	Company, Rota	Company, Rota	Company, Rota
		11000				
Gopi Bai						
Foundation						
Shri Bitthal						
Traders, Kota						
T	T	T	T	T an array	Language	
Longway Business	Longway Business	Longway Business	Longway Business	Longway Business	Longway Business	-
Solution Pvt						
Solution F VI	Solution FVt	Solution FVt	Solution FVI	Solution FVt	Solution F VI	I

30-Sep-09	30-Sep-08	31-Mar-09	31-Mar-08	31-Mar-07	31-Mar-06	31-Mar-05
Ltd	Ltd	Ltd	Ltd	Ltd	Ltd	
D: 1	p. 1	D: 1	D: 1	D: 1	D: 1	
Diamond	Diamond	Diamond	Diamond	Diamond	Diamond	-
Business	Business	Business	Business	Business	Business	
Solutions Pvt						
Ltd.	Ltd.	Ltd.	Ltd.	Ltd.	Ltd.	

Subsidiaries

30-Sep-09	30-Sep-08	31-Mar-09	31-Mar-08	31-Mar-07	31-Mar-06	31-Mar-05
Career Point	Career Point	Career Point	Career Point	Career Point	-	-
Edutech	Edutech	Edutech	Edutech	Edutech		
Limited	Limited	Limited	Limited	Limited		
-	Career Point Publications Limited	-	Career Point Publications Limited	Career Point Publications Limited	-	-
Career Point Infra Limited	Career Point Infra Limited	Career Point Infra Limited	Career Point Infra Limited	-	-	-

Annexure XVIII - Restated Standalone Statement of Related Party Transactions

Details of Transactions with Related Parties

			Half Ye	ar ended		Yea	Year Ended		
Related Party	Relationship	Nature of	30-Sep-	30-Sep-	31-Mar-	31-Mar-	31-	31-	31-
	•	Transactio	09	08	09	08	Mar-	Mar-	Mar-
		n					07	06	05
Mr. Pramod	Key Managerial	Dividend							
Maheshwari	Personnel	for the year	-	-	-	-	0.86	0.21	0.07
Mr. Om Prakash	Key Managerial	Dividend							
Maheshwari	Personnel	for the year	-	-	-	-	0.86	0.21	0.07
Mr. Nawal	Key Managerial	Dividend							
Kishore	Personnel	for the year	-	-	-	-	0.86	0.21	0.07
Maheshwari									
Ms. Shilpa	Relative of Key	Dividend							
Maheshwari	Managerial Personnel	for the year	-	-	-	-	0.86	0.21	0.07
Ms. Neelima	Relative of Key	Dividend							
Maheshwari	Managerial Personnel	for the year	-	-	-	-	0.86	0.21	0.07
Ms. Rekha	Relative of Key	Dividend							
Maheshwari	Managerial Personnel	for the year	-	-	-	-	0.86	0.21	0.07
Mr. Gulab	Relative of Key	Dividend							
Chand	Managerial Personnel	for the year	-	-	-	-	0.86	0.21	0.07
Maheshwari									
Ms. Kailash Bai	Relative of Key	Dividend							
	Managerial Personnel	for the year	-	-	-	-	0.86	0.21	0.07
Mr. Pramod	Key Managerial	Issue of							
Maheshwari	Personnel	Bonus	-	-	-	7.70	4.28	-	1.28
		Shares							
Mr. Om Prakash	Key Managerial	Issue of							
Maheshwari	Personnel	Bonus	-	-	-	7.70	4.28	-	1.28
		Shares							
Mr. Nawal	Key Managerial	Issue of							
Kishore	Personnel	Bonus	-	-	-	7.70	4.28	-	1.28
Maheshwari		Shares							
Ms. Shilpa	Relative of Key	Issue of							
Maheshwari	Managerial Personnel	Bonus	-	-	-	7.70	4.28	-	1.28
		Shares							
Ms. Neelima	Relative of Key	Issue of							
Maheshwari	Managerial Personnel	Bonus	-	-	-	7.70	4.28	-	1.28
		Shares							
Ms. Rekha	Relative of Key	Issue of							
Maheshwari	Managerial Personnel	Bonus	-	-	-	7.70	4.28	-	1.28
		Shares							
Mr. Gulab	Relative of Key	Issue of							
Chand	Managerial Personnel	Bonus	-	-	-	7.70	4.28	-	1.28
Maheshwari	- 4 1 2	Shares							
Ms. Kailash Bai	Relative of Key	Issue of							
	Managerial Personnel	Bonus	-	-	-	7.70	4.28	-	1.28
		Shares							
Mr. Pramod	Key Managerial	Issue of				0.60			
Maheshwari	Personnel	Shares	-	-	-	9.60	-	-	-
Mr. Om Prakash	Key Managerial	Issue of				0.70			
Maheshwari	Personnel	Shares	-	-	-	9.60	-	-	-
Mr. Nawal	Key Managerial	Issue of				0.60			
Kishore	Personnel	Shares	-	-	-	9.60	-	-	-
Maheshwari	D.1.4: CT	T							
Mr. Vishal	Relative of Key	Issue of				0.40			
Maheshwari	Managerial Personnel	Shares	-	-	-	0.40	-	-	-

				ar ended			r Ended		
Related Party	Relationship	Nature of Transactio n	30-Sep- 09	30-Sep- 08	31-Mar- 09	31-Mar- 08	31- Mar- 07	31- Mar- 06	31- Mar- 05
Ms. Neetu	Relative of Key	Issue of							
Maheshwari	Managerial Personnel	Shares	-	-	-	0.40	-	-	-
Mr. Rahul Nyati	Relative of Key	Issue of				0.40			
D 1	Managerial Personnel	Shares	-	-	-	0.40	-	-	-
Rubymerry	Associate	Issue of				16.00			
Enterprises Private Limited		Shares	-	-	-	16.00	-	-	-
Swastika	Company in which	Issue of							
Polyolefins Pvt.	KMP are interested	Shares				1.28			
Ltd.	Kivip are interested	Shares	-	-	-	1.26	-	-	-
Mr. Nawal	Key Managerial	Loan Given							
Kishore	Personnel	Loan Given					0.76		
Maheshwari	1 cisoinici		-	_	-	_	0.70	-	_
Mr. Om Prakash	Key Managerial	Loan Given							
Maheshwari	Personnel	Loan Given	_	_	_	1.69	0.22	_	_
Gulab Chand	Company in which	Loan Given	-	_	_	1.07	0.22	-	_
Ramesh Chand,	KMP are interested	Loan Given	_	_	_	0.03	2.00	_	_
Kota	Kivii die interested					0.05	2.00		
Rubymerry	Associate	Loan Given							
Enterprises	1155001410	Louis Given	_	0.14	0.14	23.62	_	_	_
Private Limited				0.1.	0.1.	25.02			
Ms. Rekha	Relative of Key	Loan Given							
Maheshwari	Managerial Personnel		-	_	_	-	1.03	-	-
Ms. Kailash Bai	Relative of Key	Loan Given							
	Managerial Personnel		_	_	_	_	-	_	-
Ms.Shilpa	Relative of Key	Loan Given							
Maheshwari	Managerial Personnel		-	-	_	-	1.16	-	-
Ms.Neelima	Relative of Key	Loan Given							
Maheshwari	Managerial Personnel		-	-	_	-	1.13	-	-
Gulab Chand	Relative of Key	Loan Given							
Maheshwari	Managerial Personnel		-	-	_	-	0.03	-	-
Mr. Pramod	Key Managerial	Loan Given							
Maheshwari	Personnel		-	-	-	-	38.58	-	-
Wellwin	Company in which	Loan Given							
Technosoft	KMP are interested		-	-	-	0.70	0.82	5.10	-
Private Ltd.									
Swastika	Company in which	Loan Given							
Polyolefins Pvt.	KMP are interested		-	0.15	0.15	6.98	0.01	13.92	3.62
Ltd.									
Shricon	Company in which	Loan Given							
Industries	KMP are interested		-	-	-	-	27.29	-	-
Limited									
Gopi Bai	Company in which	Loan Given	0.55		10.55				
Foundation	KMP are interested	· ~.	0.22	-	13.63	-	0.37	-	-
Imperial Infin	Associate	Loan Given					0.00		0.15
Pvt. Ltd.		T 0:	-	-	-	-	0.00	-	0.10
Diamond	Company in which	Loan Given					7.00	0.70	
Business	KMP are interested		-	-	-	-	7.99	2.62	-
solutions Pvt ltd.	0.1.11	T 0:							
Career Point	Subsidiary	Loan Given	1 10	0.16	0.54	1.24	1.04		
Edutech Limited	0.1.11	· ~.	1.12	2.16	0.54	1.34	1.24	-	-
Career Point	Subsidiary	Loan Given				0.46	0.12		
Publications			-	-	-	0.46	0.13	-	-
Limited	C 1:1:	T. C.							
Career Point	Subsidiary	Loan Given	04.21	101.60	170.01	101 17			
Infra Limited			94.31	121.68	178.01	101.17	-	-	-

		Half Year ended Year Ended							
Related Party	Relationship	Nature of Transactio n	30-Sep- 09	30-Sep- 08	31-Mar- 09	31-Mar- 08	31- Mar- 07	31- Mar- 06	31- Mar- 05
Mr. Pramod Maheshwari	Key Managerial Personnel	Loan taken	-	0.08	0.15	61.74	9.60	43.78	10.01
Mr. Om Prakash	Key Managerial	Loan taken					0.60		
Maheshwari	Personnel	T . 1	-	-	-	-	9.60	5.52	-
Mr. Nawal Kishore Maheshwari	Key Managerial Personnel	Loan taken	-	-	-	5.20	9.60	-	-
Shricon Industries Limited	Company in which KMP are interested	Loan taken	-	-	-	8.93	-	-	-
Gopi Bai Foundation	Company in which KMP are interested	Loan taken	-	-	-	0.87	-	-	-
Career Point Edutech Limited	Subsidiary	Loan taken	-	-	2.13	-	-	-	-
Mr. Pramod Maheshwari	Key Managerial Personnel	Remunerati on	0.87	0.87	1.74	1.61	1.20	-	-
Mr. Om Prakash Maheshwari	Key Managerial Personnel	Remunerati on	0.87	0.87	1.74	1.61	1.20	-	-
Mr. Nawal Kishore Maheshwari	Key Managerial Personnel	Remunerati on	0.87	0.87	1.74	1.61	1.20	-	-
Mr. Pramod Maheshwari	Key Managerial Personnel	Rent Given	0.39	0.39	0.78	0.78	0.78	-	-
Mr. Nawal Kishore Maheshwari	Key Managerial Personnel	Rent Given	0.15	0.15	0.30	0.30	0.30	0.07	-
Ms. Shilpa Maheshwari	Relative of Key Managerial Personnel	Rent Given	0.54	0.54	1.08	1.08	1.08	-	-
Ms. Neelima Maheshwari	Relative of Key Managerial Personnel	Rent Given	0.06	0.06	0.12	0.12	0.07	-	_
Ms. Rekha Maheshwari	Relative of Key Managerial Personnel	Rent Given	0.15	0.15	0.30	0.30	0.30	-	_
Mr. Gulab Chand Maheshwari	Relative of Key Managerial Personnel	Rent Given	-	-	-	0.07	0.06	-	-
Diamond Business solutions Pvt ltd.	Company in which KMP are interested	Rent Given	0.60	0.60	1.20	0.70	-	-	-
Om Prakash Maheshwari (HUF)	Company in which KMP are interested	Rent Given	0.48	0.48	0.96	0.96	0.96	-	-
Wellwin Technosoft Private Ltd.	Company in which KMP are interested	Rent Given	0.12	0.05	0.14	-	-	-	-
Mr. Pramod Maheshwari	Key Managerial Personnel	Sale/purcha se of Assets	-	-	-	0.23	2.49	-	-
Mr. Om Prakash Maheshwari	Key Managerial Personnel	Sale/purcha se of Assets	-	-	-	-	0.70	-	-
Mr. Nawal Kishore Maheshwari	Key Managerial Personnel	Sale/purcha se of Assets	-	-	-	-	0.73	-	-
Career Point Edutech Limited	Subsidiary	Shares Acquired	1.50	-	-	3.50	0.50	1	-
Career Point Publications Limited	Subsidiary	Shares Acquired	-	-	-	-	0.50	-	-

			Half Ye	ar ended		Yea	r Ended		
Related Party	Relationship	Nature of Transactio n	30-Sep- 09	30-Sep- 08	31-Mar- 09	31-Mar- 08	31- Mar- 07	31- Mar- 06	31- Mar- 05
Career Point Infra Limited	Subsidiary	Shares Acquired	-	-	-	31.00	-	-	-
Mr. Pramod Maheshwari	Key Managerial Personnel	Shares of Subsidiary sold	-	0.16	0.16	-	-	-	-
Mr. Om Prakash Maheshwari	Key Managerial Personnel	Shares of Subsidiary sold	-	0.16	0.16	-	-	-	-
Mr. Nawal Kishore Maheshwari	Key Managerial Personnel	Shares of Subsidiary sold	-	0.16	0.16	-	-	-	-
Mr. Gulab Chand Maheshwari	Relative of Key Managerial Personnel	Shares of Subsidiary sold	-	0.01	0.01	ı	ı	-	-
Mr. Pramod Maheshwari	Key Managerial Personnel	Study Material Purchase	-	-	-	-	-	12.40	6.16

Annexure XVIII – Restated Standalone Statement of Related Party Transactions

Details of Outstanding Balances

(Amount in Rs. Millions)

			Half Yea	ar ended		Yea	r Ended		
Related Party	Relationship	Nature of Transactio n	30-Sep- 09	30-Sep- 08	31-Mar- 09	31- Mar- 08	31- Mar- 07	31- Ma r-06	31- Mar- 05
Imperial Infin Pvt. Ltd.	Associate	Loan Given	-	_	_	_	0.00	_	-
Swastika Polyolefins Pvt. Ltd.	Company in which KMP are interested	Loan Given	-	-	-	-	3.86	3.85	3.62
Shricon Industries Limited	Company in which KMP are interested	Loan Given	-	-	-	-	0.20	-	-
Wellwin Technosoft Private Ltd.	Company in which KMP are interested	Loan Given	ı	-	-	-	5.92	5.10	ı
Gopi Bai Foundation	Company in which KMP are interested	Loan Given	0.22	-	7.60	-	-	-	1
Career Point Edutech Limited	Subsidiary	Loan Given	1.64	0.03	0.53	0.07	1.24	-	-
Career Point Publications Limited	Subsidiary	Loan Given		0.01	-	0.01	0.13	-	1
Career Point Infra Limited	Subsidiary	Loan Given	206.12	150.42	195.75	40.75	-	-	1
Mr. Om Prakash Maheshwari	Key Managerial Personnel	Loan taken	0.04	0.05	-	-	9.49	5.46	-
Mr. Pramod Maheshwari	Key Managerial Personnel	Loan taken	0.18	0.15	-	-	9.66	0.09	2.91
Mr. Nawal Kishore Maheshwari	Key Managerial Personnel	Loan taken	0.15	0.15	-	-	9.60	-	1
Mr. Om Prakash Maheshwari	Key Managerial Personnel	Remunerati on		-	0.08	-	-	-	1
Mr. Pramod Maheshwari	Key Managerial Personnel	Remunerati on	-	0.03	0.15	-	-	-	-
Mr. Nawal Kishore Maheshwari	Key Managerial Personnel	Remunerati on	-	-	0.12	-	-	-	-
Rubymerry Enterprises Private Limited	Associate	Loan taken	-	0.00	-	-	-	-	-
Rubymerry Enterprises Private Limited	Associate	Loan taken	-	-	-	-	0.47	-	-

Annexure XIX - Restated Rates of Dividend Paid

Particulars	Half Year ended			Year Ended										
	30-Sep-09		30-Sep-08		31-Mar-09		31-Mar-08		31-Mar-07		31-Mar-06		31-Mar-05	
Share Capital	140.79		120.67		120.67		120.67		50.71		11.40		11.40	
Dividend	%	Amt.	%	Amt.	%	Amt.	%	Amt.	%	Amt.	%	Amt.	%	Amt.
Declared:														
Final														
Dividend	1	-	-	-	-	-	-	-	15	7.61	15	1.71	15*	0.56
Total						_		-		7.61		1.71		0.56

^{*} Dividend paid on pro-rata basis.

AUDITOR'S REPORT

(as required by Part II of Schedule II to the Companies Act, 1956)

To,
The Board of Directors,
Career Point Infosystems Limited,
112-B, Shakti Nagar,
Kota – 324 009,
Rajasthan, India.

Dear Sirs,

- 1. We have examined the attached Restated Consolidated Summary Statement of assets and liabilities of Career Point Infosystems Limited ('the Company'), its subsidiaries and associates (the Company, its subsidiaries and Associates constitute 'the Group') as of September 30, 2009, March 31, 2009, September 30, 2008, March 31, 2008 and March 31, 2007, and the related Restated Consolidated Summary Statement of profits and losses and Restated Consolidated Summary Statement of cash flows for the six months ended September 30, 2009 and September 30, 2008 and financial years ended March 31, 2009, March 31, 2008 and March 31, 2007 (collectively the 'Restated Consolidated Summary Statements'). These Restated Consolidated Summary Statements have been prepared by the Company and approved by the Board of Directors, in accordance with the requirements of:
 - a. Paragraph B (1) of Part II of Schedule II to the Companies Act, 1956 ('the Act') and
 - b. the Securities and Exchange Board of India ('SEBI') (Issue of Capital and Disclosure Requirements) Regulations, 2009 (the SEBI ICDR Regulations), the related clarifications issued by the Securities and Exchange Board of India ('SEBI') as amended to date and pursuant to Section 11 of the Securities and Exchange Board of India Act, 1992 (the 'SEBI Act')
- 2. We have examined such restated financial information taking into consideration:
 - a. the terms of our engagement letter dated November 25, 2009, in connection with the offer document being issued by the Company for its proposed Initial Public Offering ('IPO') of equity shares and
 - b. The Guidance Note on Reports in Company Prospectuses (Revised) issued by the Institute of Chartered Accountants of India.

3. Restated Consolidated Summary Statements as per Audited Consolidated Financial Statements

We have examined the attached 'Consolidated Summary Statement of Assets and Liabilities, as restated' of the Group as at September 30, 2009, and September 30, 2008 March 31, 2009, March 31, 2008 and March 31, 2007 (Annexure I), the attached 'Consolidated Summary Statement of Profit and losses, as restated' (Annexure II) and 'Consolidated Statement of Cash Flows' (Annexure III) of the Group for the period ended September 30, 2009, and September 30, 2008 year ended March 31, 2009, year ended March 31, 2008 and period ended March 31, 2007 together referred to herein as 'Restated Consolidated Summary Statements'. These Restated Consolidated Summary Statements' have been extracted by the management from the consolidated financial statements of the Group as at and for the period ended September 30, 2009 and September 30, 2008, year ended March 31, 2009, year ended March 31, 2008 and period ended March 31, 2007 and have been approved by the Board of Directors for those respective periods.

The consolidated financial statements as at and for the period ended September 30, 2009 and September 30, 2008, year ended March 31, 2009, year ended March 31, 2008 and year ended March 31, 2007, were audited by us and are subject to the following:

i. The financial statements of Parent Company as at and for the period ended March 31, 2007 were audited by P. Khandelwal & Co, Chartered Accountants, whose financial statements reflect as follows:

(Amount in Rs. Million)

Particulars	Total Assets	Total Revenues		
Parent Company	253.12	297.14		

ii. In respect of the all the subsidiaries and associates of the Parent Company we did not carry out the audit. The details of assets and revenues in respect of all subsidiaries and the net carrying cost of the investment and current year share of profit and loss of the associates, to the extent to which they are reflected in the consolidated financial statements are as under:

(Amount in Rs. Million)

Year Ended	March	31, 2009	March	31, 2008	March 31, 2007		
	Total	Total	Total Total		Total Assets	Total	
	Assets	Revenues	Assets	Revenues		Revenues	
Indian							
Subsidiary	232.78	0.43	77.86	0.26	2.38	Nil	
	Net	Current	Net	Current	Net Carrying	Current	
	Carrying	Year's Share	Carrying	Year's	Cost of	Year's	
	Cost of	of Profit/	Cost of	Share of	Investment	Share of	
	Investment	(Loss)	Investment	Profit/(Loss)		Profit/(Loss)	
Associates	3.38	0.04	3.34	(0.01)	3.35	0.00	

Half Year Ended	Septembe	er 30, 2009	September 30, 2008			
	Total Assets	Total Revenues	Total Assets	Total Revenues		
Indian Subsidiary	244.27	0.04	186.98	0.35		
	Net Carrying	Current Year's	Net Carrying	Current Year's		
	Cost of	Share of	Cost of	Share of		
	Investment	Profit/(Loss)	Investment	Profit/(Loss)		
Associates	3.37	(0.01)	3.88	0.54		

These financial statements and other financial information were audited by other auditors, whose reports were furnished to us by the management of the Group, and our opinion was based solely on the report of these other auditors.

- 4. Based on our examination of the Restated Consolidated Summary Statements, we state that:
 - The changes due to adoption of Accounting Standards which require adjustments to arrive at the Consolidated Restated Summary Statements are given in Annexure IV.
 - ii. The Restated Consolidated Summary Statements have to be read in conjunction with the 'Significant Accounting Policies' given in Annexure V and 'Notes to the Consolidated Restated Summary Statements' given in 'Annexure VA' to this report.
 - iii. The restated profits/losses have been arrived at after making such adjustments and regroupings as in our opinion are appropriate in the year/period to which they relate;
 - There are no extraordinary items that need to be disclosed separately in the Restated Consolidated Summary Statements.
 - v. There are no qualifications in the auditors' report on the financial statements that require adjustments to the Restated Consolidated Summary Statements.

5. Other Financial Information

We have also examined the following financial information relating to the Group and as approved by the Board of Directors and annexed to this report:

- a. Consolidated Significant Accounting Policies as adopted by the Group and Notes to the Restated Consolidated Summary Statements (Annexure V & VA) as at September 30, 2009;
- Consolidated details of Secured and Unsecured Loans as at September 30, 2009, September 30, 2008, March 31, 2009, March 31, 2008 and March 31, 2007 (Annexure VI and VI A)
- c. Consolidated details of Loans and Advances as at September 30, 2009, March 31, 2009, September 30, 2008, March 31, 2008 and March 31, 2007 (Annexure VII)
- d. Consolidated details of Sundry Debtors as at September 30, 2009, March 31, 2009, September 30, 2008, March 31, 2008 and March 31, 2007 (Annexure VIII)
- e. Consolidated details of Investments as at September 30, 2009, March 31, 2009, September 30, 2008, March 31, 2008 and March 31, 2007 (Annexure IX)
- f. Consolidated details of Operational Income and Other Income for six months ended September 30, 2009 and September 30, 2008, and for the financial years ended March 31, 2009, March 31, 2008 and March 31, 2007 (Annexure X and XA)
- g. Consolidated details of Share Capital as at September 30, 2009, March 31, 2009, September 30, 2008, March 31, 2008 and March 31, 2007 (Annexure XI)
- h. Consolidated details of Cash & Bank Balances as at September 30, 2009, March 31, 2009, September 30, 2008, March 31, 2008 and March 31, 2007 (Annexure XII)
- Consolidated details of Current Liabilities and Provisions as at September 30, 2009, March 31, 2009, September 30, 2008, March 31, 2008 and March 31, 2007 (Annexure XIII)
- Consolidated details of Contingent Liabilities as at September 30, 2009, March 31, 2009, September 30, 2008, March 31, 2008 and March 31, 2007 (Annexure XIV)
- k. Consolidated Summary of Accounting Ratios relating to earnings per share, return on net worth and net asset value (Annexure XV)
- 1. Consolidated Capitalisation Statement as at September 30, 2009 (Annexure XVI)
- m. Consolidated details of Related Party Transactions done during the six months ended September 30, 2009 and September 30, 2008, and for the financial years ended March 31, 2009, March 31, 2008 and March 31, 2007 (Annexure XVII)
- n. Consolidated details of Dividend paid for six months ended September 30, 2009 and September 30, 2008, and for the financial years ended March 31, 2009, March 31, 2008 and March 31, 2007 (Annexure XVIII)
- 6. Based on our examination of the financial information of the Group attached to this report, we state that in our opinion, the 'Restated Consolidated Summary Statement' and 'Other Financial Information' mentioned above, as at September 30, 2009, September 30, 2008, year ended March 31, 2009, year ended March 31, 2008 and year ended March 31, 2007 have been prepared in accordance with paragraph B (1) of Part II of Schedule II of the Act the SEBI ICDR Regulations and the SEBI Act.

- 7. This report should not, in any way, be construed as reissuance or re-dating of any of the previous audit reports nor should this be construed as a new opinion on any of the financial statement referred to herein.
- 8. This report is intended solely for use of the management and for inclusion in the Offer Document, in connection with the proposed initial public offering of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For SHARP & TANNAN Chartered Accountants Registration No: 000452N by the hand of

> Pavan K. Aggarwal Partner Membership No. 91466

New Delhi, January 29, 2010

Annexure I – Restated Consolidated Summary Statement of Assets and Liabilities

(Amount in Rs. Million) As at As at							
PARTICULARS	30-Sep-09	30-Sep-08	31-Mar-09	31-Mar-08	31-Mar-07		
A. Fixed Assets			- 11 11				
Gross Block	213.11	192.92	206.80	65.92	20.56		
Less: Depreciation	9.30	4.79	7.05	3.38	1.74		
Net Block	203.81	188.13	199.75	62.54	18.82		
Intangible Assets (Net)	73.08	63.55	73.44	36.14	37.52		
Add: Capital WIP	85.02	78.53	72.75	88.43	20.58		
Total Fixed Assets (A)	361.91	330.21	345.94	187.11	76.92		
B. Investments : (B)							
- in others	765.90	99.85	21.90	13.79	29.16		
C. Current Assets, Loans and Advances :							
Inventories	9.24	15.53	18.49	9.56	3.53		
Sundry Debtors	20.43	22.68	23.46	18.00	5.64		
Cash and Bank Balances	129.91	163.01	132.89	171.95	120.68		
Loans and Advances	201.98	98.10	185.04	107.06	92.02		
Total (C)	361.56	299.32	359.88	306.57	221.87		
D. Liabilities and Provisions :							
Secured Loans	5.27	0.88	52.19	-	-		
Unsecured Loans	0.01	0.03	-	0.03	29.27		
Deferred Tax Liability	2.69	1.77	2.36	1.15	0.92		
Current Liabilities	323.68	220.20	98.44	82.14	64.95		
Provisions	3.74	2.01	2.33	1.81	9.52		
Total (D)	335.39	224.89	155.32	85.13	104.66		
E. Miscellaneous Expenditure (to the extent not w/off)	15.54	4.48	3.75	3.97	1.25		
F. Net Worth (A+B+C-D):	1,153.98	504.49	572.40	422.34	223.29		

	As	As at		As at		
PARTICULARS	30-Sep-09	30-Sep-08	31-Mar-09	31-Mar-08	31-Mar-07	
G. Represented by						
Share Capital	140.79	120.67	120.67	120.67	50.71	
Share Application Money	-	-	-	-	5.19	
Reserves and Surplus	1,028.80	386.84	454.05	304.17	168.64	
Minority Interest	(0.07)	1.46	1.43	1.47	0.00	
Total (G)	1,169.52	508.97	576.15	426.31	224.54	
H. Net Worth (G-E)	1,153.98	504.49	572.40	422.34	223.29	

The above Statements should be read with the Significant Accounting Policies and Notes to the Standalone Summary Statements of Assets and Liabilities, Profits and Losses and Cash Flows, as restated as appearing in Annexure V & VA respectively.

Annexure II – Restated Consolidated Summary Statement of Profit and Loss Account

(Amount in Rs. Million) For the Half Year ended For the Year ended								
Particulars	30-Sep-09	30-Sep-08						
Income:	50-5ср-07	30-5ср-00	31-14141-07	31-14141-00	SI-Mai-07			
Education and training income	297.33	204.06	397.72	320.15	225.76			
Centre Royalty	16.00	29.40	42.02	49.13	51.32			
Sale of study material	2.46	9.20	11.77	10.95	13.66			
Other Income	21.01	10.70	27.02	30.06	8.97			
Total Income	336.80	253.36	478.53	410.29	299.71			
Expenditure:								
Administrative expenses	74.70	60.96	99.38	78.70	50.31			
Manpower	93.67	55.37	119.07	71.92	45.97			
Cost of Study Material Consumed	20.16	7.47	17.90	23.76	21.26			
	20.10	7.47	17.50	23.70	21,20			
Deferred Revenue Expenditure Loss on sale of Shares of	0.35	0.42	0.75	0.83	0.23			
Associate Company (Rs.597/-)	0.00	-	-	-	-			
Total expenditure	188.88	124,22	237.10	175.21	117.77			
Earnings before interest,								
depreciation & tax	147.92	129.14	241.43	235.08	181.94			
Interest and finance charges	0.25	0.76	1.83	0.47	0.02			
Depreciation & amortisation	2.62	1.63	4.19	2.01	1.33			
Profit before tax before prior								
period items	145.05	126.75	235.41	232.60	180.59			
Provision for taxation								
Current tax	49.82	42.23	83.70	79.17	60.00			
Deferred tax	0.33	0.62	1.21	0.23	0.30			
Fringe benefit Tax	-	0.34	0.68	0.52	0.20			
		_						
Profit after tax before prior period items	94.90	83.56	149.82	152.68	120.09			
Add / (Less): Share of Profit /								
(Loss) of associate companies	(0.01)	0.54	0.04	(0.01)	0.00			
Add / (Less): Minority Interest in Income / losses	-	(0.01)	0.04	0.03	0.00			
Adjustment on account of prior								

	For the Half	Year ended	For the Year ended			
Particulars	30-Sep-09	30-Sep-08	31-Mar-09	31-Mar-08	31-Mar-07	
period Items	-	-	-	-	-	
Profit attributable for Shareholders	94.89	84.09	149.90	152.70	120.09	
Balance brought forward from previous year	339.47	189.57	189.57	36.87	10.68	
Dividend on shares	-	-	-	-	7.61	
Tax on dividend	-	-			1.29	
Transfer to general reserve	-	-	-	-	85.00	
Balance carried to balance sheet	434.36	273.66	339.47	189.57	36.87	

The above Statements should be read with the Significant Accounting Policies and Notes to the Standalone Summary Statements of Assets and Liabilities, Profits and Losses and Cash Flows, as restated as appearing in Annexure V & VA respectively.

Annexure III - Restated Consolidated Cash Flow Statement

	11 1017	Million)			
Particulars	30-Sep-09	ar ended 30-Sep-08	31-Mar-09	Year Ended 31-Mar-08	31-Mar-07
r at ucutars	Su-Sep-u9	ou-sep-us	31-Mar-09	31-Mar-08	SI-MAT-U/
Cash Flows from Operating Activities					
Net Profit Before Taxation (before minority interest)	145.05	126.75	235.41	232.60	180.59
Adjustments for:					
Add / (Less):					
Depreciation	2.62	1.63	4.19	2.01	1.33
Share Issue Expenses Written Off	0.35	0.42	0.75	0.83	0.23
Interest Expenses	0.25	0.76	1.83	0.47	0.02
Provision for gratuity	1.15	0.14	0.29	0.72	-
Dividend Income	(7.42)	(0.59)	(2.38)	(2.86)	(1.06)
(Profit) / Loss on sale of shares / Investments	(3.50)	(0.39)	0.37	(2.56)	(0.54)
Interest Income	(9.75)	(9.34)	(17.72)	(21.37)	(7.22)
(Profit) / Loss on sale of fixed assets	-	0.12	(1.97)	(2.78)	0.44
Operating Profit before Working Capital Changes	128.75	119.50	220.77	207.06	173.79
(Increase)/Decrease in Trade and	2.01	(2.52)	(5.42)	(12.00)	0.11
Other Receivables	3.01	(2.72)	(7.43)	(12.86)	0.14
(Increase)/Decrease in Inventories (Increase)/Decrease in Other Current	9.24	(5.97)	(8.93)	(6.03)	(2.77)
Assets	(18.26)	8.97	(81.51)	(54.02)	(167.35)
Increase/(Decrease) in Provisions	0.26	(0.15)	(0.46)	19.46	11.89
Increase/(Decrease) in Current Liabilities	225.24	134.55	18.27	17.19	60.16
Income- taxes paid	(48.50)	(42.23)	(80.16)	(59.71)	(6.90)
Net Cash Flow from/ (used in) Operating Activities	299.74	211.95	60.55	111.09	68.96
Cash Flow from Investing Activities					
Purchase of Fixed Assets (including					
CWIP)	(18.57)	(145.15)	(176.09)	(113.37)	(37.32)
Sale of Investment in Subsidiary	-	0.50	0.50	_	-
Sale/(Purchase) of Other Investments	(740.52)	(85.64)	(8.94)	17.92	(21.19)
Interest Received	9.75	9.34	17.72	21.37	7.22
Sale of Fixed Assets	-	0.30	15.02	4.45	-

	Half Year ended			Year Ended	
Particulars	30-Sep-09	30-Sep-08	31-Mar-09	31-Mar-08	31-Mar-07
Dividend Received	7.42	0.59	2.38	2.86	1.06
Net Cash Flow from/ (used in)					
Investing Activities	(741.92)	(220.06)	(149.41)	(66.77)	(50.23)
Cash Flows from Financing Activities					
Proceeds from Issue of Share Capital					
(including Premium)	500.00	-	-	52.80	59.81
Proceeds from Long Term					
Borrowings	-	-	52.19	-	-
Proceeds from Short Term Borrowings	0.01	0.88	_		23.81
Proceeds from Share Application	0.01	0.00	-	-	23.61
Money Received	-	-	-	(5.19)	5.19
Repayment of Short Term					
Borrowings	(46.92)	-	(0.03)	(29.24)	
Payment (to) / from Minority Interest	(1.50)	(0.02)	-	1.50	-
Interest on Loan	(0.25)	(0.76)	(1.83)	(0.47)	(0.02)
Share Issue Expenses Incurred	(12.14)	(0.93)	(0.53)	(3.55)	(1.43)
Dividend Paid	-	-	-	(7.61)	(1.71)
Corporate Dividend Tax paid	-	-	-	(1.29)	(0.24)
Net Cash Flow from/ (used in)	400.00	(0.00)	40.00		07.44
Financing Activities	439.20	(0.83)	49.80	6.95	85.41
Net increase in cash and cash					
equivalents	(2.98)	(8.94)	(39.06)	51.27	104.14
Cash and Cash Equivalents (Opening					
Balance)	132.89	171.95	171.95	120.68	16.54
Cash and Cash Equivalents (Closing					
Balance)	129.91	163.01	132.89	171.95	120.68
Net increase in cash and cash					
equivalents	(2.98)	(8.94)	(39.06)	51.27	104.14

Annexure: IV

Statement on Adjustments to Consolidated Audited Financial Statements

(Amount in Rs. Millions)

	Half yea	r ended	Year Ended			
Particulars	30-Sep-09	30-Sep-08	31-Mar-09	31-Mar-08	31-Mar-07	
Profit /(loss) after Tax as per audited						
statement of accounts	94.89	82.50	148.49	156.20	117.80	
Add/ (Less): Impact on Changes in accounting policies:						
Amortization on lease hold land	NIL	NIL	NIL	0.49	(0.29)	
Add/ (Less): Impact on material adjustment and prior period item:						
1.Royalty income	NIL	(1.79)	(1.97)	(0.61)	2.58	
2.Security Transaction Tax	NIL	NIL	NIL	0.00	(0.00)	
3.Advertisement & Labour Expense	NIL	3.38	3.38	(3.38)	NIL	
Restated Profit/(Loss) after Tax	94.89	84.09	149.90	152.70	120.09	

Explanatory Notes for these adjustments are discussed below:

- a. During the year ended on March 31, 2008, lands purchased on leasehold basis have been regrouped as "Land-Leasehold" under intangible assets in terms of the provisions of Accounting Standard 26 on Intangible Assets effective from April 1, 2003. The entire amortisation charges of Rs. 0.49 million for the period from the year 2003-04 to 2006-07 has been charged in the audited accounts for the year ended on March 31, 2008. But in the restated accounts the same has been split up/adjusted in the respective years to which they are related. The effects relating to the years 2003-04 to 2005-06 are reflected in the opening balances of consolidated financials of 2006-07.
- b. Prior Period Adjustment Prior period adjustment as disclosed in the profit and loss account have now been restated and charged to the respective years to which they are related as under:
 - i) Financial Year 2006-07

Royalty income amounting to Rs 2.58 million pertaining to financial year 2006-07 and security transaction tax of Rs. 1,436 also pertaining to financial year 2006-07.

ii) Financial Year 2007-08

Royalty income amounting to Rs. 1.97 million pertaining to financial year 2007-08 and Advertisement and labour expenses amounting to Rs.3.38 million pertaining to financial year 2007-08.

iii) Financial Year 2008-09

Royalty income amounting to Rs. 1.79 million pertaining to the half year ended September 30, 2008 and Advertisement and labour expenses amounting to Rs.3.38 million pertaining to the same period.

Annexure - V

Significant Accounting Policies (Consolidated)

1. Basis of Accounting

The Company maintains its accounts on accrual basis following the historical cost convention in accordance with generally accepted accounting principles ["GAAP"] and in compliance with Accounting Standards referred to in Section 211 (3C) and other requirements of the Companies Act, 1956.

The Preparation of financial statements in conformity with GAAP requires that the management of the company makes estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as at the date of the financial statements. Examples of such estimates include the useful life of tangible and intangible fixed assets, provision for doubtful debts/ advances, future obligations in respect of retirement benefit plans etc. Actual results could differ from these estimates.

The accounts of all subsidiaries and associates have been prepared in compliance with Accounting Standards referred to in Section 211 (3C)

2. Principles of consolidation

The financial statements of the Parent Company and its subsidiaries have been consolidated on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating intragroup balances and the unrealized profit / losses on the intra-group transactions, and are presented to the extent possible, in the same manner as the Company's independent financial statements.

Investments in associate companies have been accounted for, by using the equity method whereby investment is initially recorded at cost and the carrying amount is adjusted thereafter for post acquisition change in the company's share of net assets of the associate.

3. Revenue Recognition

Revenue is recognized only when it can be reasonably measured and there exists reasonable certainty of its recovery. Fees/income collected in advance for the period subsequent to the accounting period is shown as current liability.

Interest: Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable for the Group.

Dividend: Dividend income is recognized when the right to receive dividend is established.

4. Employee Benefits

Defined Contribution plan

Group's contributions paid/ payable during the year to provident fund and employee pension scheme are recognized in the Profit and Loss Account

5. Fixed Assets

Fixed Assets are stated at cost of recognition/ installation less accumulated depreciation and include directly attributable cost including installation and freight charges for bringing the assets to working condition for intended use.

6. **Depreciation**

Depreciation on assets carried at historical cost is provided on straight-line basis at the rates prescribed under schedule XIV of the Companies Act, 1956.

Depreciation for additions to/deletions from assets is calculated pro-rata from/to the date of addition/deletion.

7. **Impairment of Assets**

- a) At each Balance Sheet date, the carrying amount of assets is tested for impairment so as to determine:
 - i. The provision for impairment loss required, if any, or
 - ii. The reversal required of impairment loss recognized in previous periods, if any.
- b) An impairment loss is recognized whenever the carrying amount of an asset or its cash generating units exceed its recoverable amount.

Recoverable amount is determined:

- i. in the case of an individual asset, at higher of the net selling price or value in use.
- ii. in the case of cash generating unit, at higher of the cash generating unit's net selling price or value in use.

8. Investments

- (a) Long term investments are carried at cost after providing for any diminution in value, if such diminution is of permanent nature.
- (b) Current investments that are readily realizable and intended to be held for not more than a year are carried at lower of cost or market value. The determination of carrying costs of such investments is done on the basis of specific identification.

9. **Inventories**

Inventories are valued at lower of cost and net estimated realizable value, mainly comprise of publication and printed material. Publication and printed materials have been computed on the basis of estimated cost of materials, labour, cost of conversion and other costs incurred for bringing the inventories to their present location and condition. Cost is determined on FIFO method.

10. Miscellaneous Expenditure

Preliminary and Public issue expenses incurred by the Group are amortized over a period of 5 years.

11. Foreign Currency Transactions

- (a) The reporting currency of the group is Indian Rupee.
- (b) Foreign currency transactions are recorded on initial recognition in reporting currency, using the exchange rate at the date of transaction. At each Balance sheet, foreign currency monetary items are reported using the closing rate.

The exchange differences arising on settlement of monetary items are recognised as income or expenses in the year in which they arise.

12. Taxes on Income

Tax on income for the current period is determined on the basis of taxable income and tax credits computed in accordance with the provision of the Income Tax Act, 1961.

Deferred Tax is recognized on timing differences between the accounting income and the taxable income for the year and quantified using the tax rates and laws enacted or substantively enacted as on the balance sheet date.

13. Provisions, Contingent Liabilities and Contingent Assets

- (a) Provisions are recognised for liabilities that can be measured only by using substantial degree of estimation, if
 - (i) there is a present obligation as a result of past event;
 - (ii) a probable outflow of resources is expected to settle the obligation;
 - (iii) the amount of the obligation can be reliably estimated.
- (b) Contingent liability is disclosed in the case of :
 - a present obligation arising from a past event, when it is not probable that an outflow of resource will be required to settle the obligation,
 - (ii) a present obligation when no reliable estimate is possible; and
 - (iii) a possible obligation arising from past events where the probability of outflow of resource is not remote
- (c) Contingent Assets are neither recognized, nor disclosed.

Provision, Contingent Liabilities and Contingent Assets are reviewed at each Balance Sheet date.

As per report attached

SHARP & TANNAN

Chartered Accountants

By the hand of

Pavan K. Aggarwal

Partner

Membership No. 91466 FRN No. – 000452N

New Delhi,

January 29, 2010

Annexure - V A

Notes forming part of Restated Consolidated Financial Information:

1. The Consolidated Financial Statements (CFS) are prepared in accordance with Accounting Standard (AS) 21 "Consolidated Financial Statements", and Accounting Standard (AS) 23 "Accounting for Investment in Associates in Consolidated Financial Statements", as specified in the Companies (Accounting Standards) Rules, 2006. The CFS comprises the financial statements of Career Point Infosystems Limited, its subsidiaries and associates. Reference in these notes to Company, Parent Company, Companies and Group shall mean to include Career Point Infosystems Limited or any of its subsidiaries and associates, unless otherwise stated.

The notes and significant policies to the CFS are intended to serve as a guide for better understanding of the Group's position. In this respect, the company has disclosed such notes and policies which represents the required disclosure.

2. The list of the subsidiaries and associates included in the consolidated financials are as under:-

Sr	Name	Country	As at 31	-Mar-09	As at 31	-Mar-08	As at 31-Mar-07		
no		of incorpora tion	Proportion of ownership interest (%)	Proportion of voting power held (%)	Proportion of ownership interest (%)	Proportion of voting power held (%)	Proportion of ownership interest (%)	Proportio n of voting power held (%)	
	Subsidiaries:								
1	Career Point Edutech Limited	India	72.72	72.72	72.72	72.72	99.99	99.99	
2	Career Point Publication Limited	India	-	-	99.99	99.99	99.99	99.99	
3	Career Point Infra Limited	India	99.99	99.99	99.99	99.99	-	-	
	Associate:								
1	Imperial In-Fin Private Limited	India	42.74	42.74	42.74	42.74	42.74	42.74	
2	Rubymerry Enterprises Private Limited.	India	0.20	50.20	0.20	50.20	-	-	

Sr	Name	Country	As at 30-Sep-09		As at 30	-Sep-08
no		of incorpora tion	Proportion of ownership interest (%)	Proportion of voting power held (%)	Proportion of ownership interest (%)	Proportion of voting power held (%)
	<u>Subsidiaries:</u>					
1	Career Point Edutech Limited	India	72.72	72.72	72.72	72.72
2	Career Point Publication Limited	India	-	-	-	-
3	Career Point Infra Limited	India	99.99	99.99	99.99	99.99
	Associate:					
1	Imperial In-Fin Private Limited	India	42.74	42.74	42.74	42.74
2	Rubymerry Enterprises Private Limited.	India	-	-	0.20	50.20

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3. The effect of disposal of subsidiary during the financial year 2009 on the consolidated financial statements is as under:

(Amount in Rs. Millions)

Name of Subsidiary	Effect on Group profit / (loss) after minority interest	Net Assets on date of disposal
Career Point Publications Limited	0.19	0.31

4. Contingent Liabilities:

(Amount in Rs. Millions)

Particulars	Half Yea	ar ended		Year ended	
	30-Sep-09	30-Sep-08	31-Mar-09	31-Mar-08	31-Mar-07
Service tax liability in respect of matters in appeal	4.38	2.28	4.44	1.77	1.77
Consumer cases liability in respect of matter in appeal	1.22	0.94	1.05	0.50	0.88
Total	5.60	3.22	5.49	2.27	2.65

5. Estimated amount of contracts remaining to be executed on capital account (net of advances):

(Amount in Rs. Millions)

Particulars	Half Year ended			Year ended	
	30-Sep-09	30-Sep-08	31-Mar-09	31-Mar-08	31-Mar-07
Estimated amount of contracts (net of advances)	2.38	3.57	2.31	75.38	10.72

6. Borrowing Cost

According to the management of the group, the funds utilized for the purpose of Assets capitalized/under Work in Progress are generated by internal accruals exclusively.

7. Segment Reporting

The group operates in one business segment i.e. Learning Solutions. Hence the reporting requirements pertaining to Accounting Standard 17 on "Segmental Reporting" are not applicable

8. Basic and Diluted Earning per share ["EPS"] computed in accordance with Accounting Standard (AS) 20 "Earning per Share"

Particulars	As at 31-Mar-09	As at 31-Mar-08	As at 31-Mar-07
Net profit available to equity shareholders (Rs. million)	149.90	152.70	120.09
Weighted average number of equity shares outstanding during the period for Basic EPS (nos)	12,067,320	11,955,539	4,658,038
Weighted average number of equity shares outstanding during the period for Dilutive EPS (nos)	12,067,320	11,955,539	4,669,048
Total number of equity shares outstanding at the end of the year	12,067,320	12,067,320	5,071,200
Earning Per Share (Basic) (Rs.)	12.42	12.77	25.78
Earning Per Share (Diluted) (Rs.)	12.42	12.77	25.72

Particulars	Half Year ended		
	30-Sep-09	30-Sep-08	
Net profit available to equity shareholders (Rs. million)	94.89	84.09	
Weighted average number of equity shares outstanding during the period for Basic EPS (nos)	12,792,694	12,067,320	
Weighted average number of equity shares outstanding during the period for Dilutive EPS (nos)	12,792,694	12,067,320	
Total number of equity shares outstanding at the end of the year	14,078,584	12,067,320	

Particulars	Half Year ended	
	30-Sep-09	30-Sep-08
Earning Per Share (Basic) (Rs.)	7.42	6.97
Earning Per Share (Diluted) (Rs.)	7.42	6.97

9. Major components of Deferred Tax Assets and Deferred Tax Liabilities:

(Amount in Rs. Millions)

Particular	Half Year ended		Year ended		
	30-Sep-09	30-Sep-08	31-Mar-09	31-Mar-08	31-Mar-07
(A) Deferred Tax Liability:					
Difference between book and tax	3.72	2.31	2.97	1.61	1.04
Depreciation					
(B) Deferred Tax Assets					
Disallowance under Income Tax	1.03	0.54	0.61	0.46	0.12
Act					
(C) Net Deferred Tax Liability	2.69	1.77	2.36	1.15	0.92

- 10. Amount payable to Micro, Small & Medium Enterprises (MSMED Act)
 - (a) Inspite of absence of a data-base identifying creditors as Micro, Small & Medium Enterprises, the management is of the opinion that there are no parties which can be classified as Micro, Small & Medium Enterprises to whom the company(ies) owe(s) any sum. The Auditors have accepted the representations of the management in this matter.
 - (b) The company(ies) will identify the suppliers who are covered under "The Micro, Small & Medium Enterprises Development Act, 2006" on receiving the information from them, after which necessary information as required under the said Act will be complied.

11. Managerial Remuneration

(Amount in Rs. Millions)

Particulars	Half Yea	r ended		Year ended	
	30-Sep-09	30-Sep-08	31-Mar-09	31-Mar-08	31-Mar-07
Salary	1.80	1.80	3.60	3.60	3.60
Allowances	0.81	0.81	1.63	1.22	-
Total	2.61	2.61	5.23	4.82	3.6

12. Auditors remuneration (excluding service tax and education cess) expenses charged to the accounts:

Particulars	Half Year ended		Year ended		
	30-Sep-09	30-Sep-08	31-Mar-09	31-Mar-08	31-Mar-07
Auditors Remuneration for services rendered:					
a)As Auditor	0.05	0.03	0.06	0.06	0.03
b)As adviser in: -taxation matters -company law matters -management services		- - -	- - -	- - -	0.01
c)Other services	-	-	-	-	0.01
Total	0.05	0.03	0.06	0.06	0.05

13. The Group has classified the various benefits provided to employees as follows:

(i) Defined Contribution Plans – Provident Fund

(Amount in Rs. Millions)

Particulars	Half Year ended			Year ended	
	30-Sep-09 30-Sep-08		31-Mar-09 31-Mar-08 3		31-Mar-07
Employer's contribution	0.07	0.06	0.13	0.17	0.24

(ii) State Plans – Employer's Contribution to Employees Pension Scheme, 1995.

(Amount in Rs. Millions)

Particulars	Half Year ended			Year ended	
	30-Sep-09 30-Sep-08		31-Mar-09 31-Mar-08 31-M		31-Mar-07
Employer's contribution	0.13	0.13	0.25	0.24	0.12

(iii) Defined Benefit Plans:

a. Gratuity

Pursuant to transitional provisions of Accounting Standard 15 (Revised) on Employee Benefits an amount of Rs. 416,896 has been debited to the General Reserve in the FY 2007-08. The said amount represents the difference between the liability in respect of gratuity determined under AS-15 (Revised) as on April 1, 2007 and the liability that existed as on that date as per AS-15 prior to revision.

In accordance with Accounting Standard-15 (revised 2005) actuarial valuation was carried out as at year end in respect of Defined Benefit Plan's – Gratuity on the following assumptions:

Sr No	Particulars	As at 30-Sep-09	As at 31-Mar-09
i)	Discounting Rate	8.00 %	7.00 %
ii)	Future salary Increase	6.00 %	6.00 %
iii)	Expected Rate of return on plan assets	8.00 %	7.00 %
iv)	Retirement Age	58	58
v)	Attrition rate	5.00%	5.00%

The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

In the absence of any investment, description of the basis required to be used to determine the overall expected rate of return on assets including major categories of plan assets has not been given.

Change in present value of the defined benefit obligation

Sr	Particulars	As at 30-Sep-09	As at 31-Mar-09	As at 31-Mar-08
No				
a)	Present value of obligation as at the	1.42	1 14	0.42
	beginning of the period	1.43	1.14	0.42
b)	Acquisition adjustment	-	-	-
c)	Interest cost	0.06	0.08	0.03
d)	Past service cost	-	-	-
e)	Current service cost	0.93	0.61	0.74
f)	Curtailment cost/(Credit)	-	ı	-
g)	Settlement cost/(Credit)	-	-	-
h)	Benefits paid	(0.20)	-	-
i)	Actuarial (gain)/loss on obligation	0.17	(0.40)	(0.05)
j)	Present value of obligation as at the end			
	of period.	2.39	1.43	1.14

Changes in the fair value of plan assets

(Amount in Rs. Millions)

Sr No	Particulars	As at 30-Sep-09	As at 31-Mar-09	As at 31-Mar-08
a)	Fair value of plan assets at the beginning			
	of the period	-	-	-
b)	Acquisition adjustment	-	-	-
c)	Expected return on plan assets	-	ı	-
d)	Contributions	0.20	ı	-
e)	Benefits paid	(0.20)	ı	-
f)	Actuarial gain/(loss) on plan assets	-	ı	-
g)	Fair value of plan assets at the end of the			
	period	-	-	-

Amount recognized in the Balance Sheet

(Amount in Rs. Millions)

0.37	- · ·		1 . 24 7 7 00	1 :21.75 00
Sr No	Particulars	As at 30-Sep-09	As at 31-Mar-09	As at 31-Mar-08
a)	Present value of Defined Benefit Obligation			
	- Funded	-	-	-
	- Unfunded	2.39	1.43	1.14
	Total	2.39	1.43	1.14
b)	Less. Fair value of Plan Assets	-	-	-
c)	Amount to be recognized as liability or	2.39	1.43	1.14
	(asset)			

Expense recognized in the statement of profit and loss

(Amount in Rs. Millions)

				Amount in Ns. Millio
Sr. No	Particulars	As at 30-Sep-09	As at 31-Mar-09	As at 31-Mar-08
a)	Current service cost	0.93	0.61	0.74
b)	Past service cost	-	-	-
c)	Interest cost	0.06	0.08	0.03
d)	Expected return on plan assets	-	-	-
e)	Curtailment cost / (credit)	-	-	-
f)	Settlement cost / (credit)	-	-	-
g)	Net actuarial (gain)/ loss recognized in the period	0.17	(0.40)	(0.05)
h)	Expenses recognized in the statement of profit & losses	1.16	0.29	0.72

Amount for the current year is as follows

(Amount in Rs. Millions)

Particulars	As at 30-Sep-09	As at 31-Mar-09	As at 31-Mar-08
Defined Benefit Obligation	2.37	1.43	1.14
Plan Assets			
Surplus/ (Deficit)	(2.37)	(1.43)	(1.14)
Experience adjustments on plan liabilities	-	-	-
Experience adjustments on plan assets	-	-	-

14. Share Issue Expenses

Upto September 30, 2009, the company has incurred Rs.1.71 million in connection with the proposed public issue of its equity shares. This amount will be adjusted against securities premium arising from the proposed issue of equity shares, as permitted under section 78 of Companies Act, 1956. This amount has been carried forward under the head 'Miscellaneous Expenditure' in the Restated Standalone Summary Statements of Assets and Liabilities.

15. There are no amounts due and outstanding to be credited to Investor Education & Protection Fund as at September 30, 2009.

- 16. During the year ended March 31, 2009 the parent company has obtained secured loan-overdraft facility of Rs. 50.00 million from HDFC Bank against the security of below mentioned property.
 - E-8(2), Road No.1, IPIA, Kota
 - 112A, Shakti Nagar, Kota
 - 112B, Shakti Nagar, Kota

However, no amount has been utilized from the said facility till September 30, 2009.

- 17. During the half year ended September 30, 2009 the parent company has obtained secured loan-overdraft facility of Rs. 90.00 million from HDFC Bank against the security of Fixed Deposit Receipts of Rs.100.00 million issued by HDFC Bank in the name of the Parent company.
- 18. The management of the group has reviewed the existing assets working conditions and utility as at March 31, 2009, the balance sheet date and are of the opinion that there exists no indication that an asset has been impaired and hence no impairment has been carried out.
- 19. Un-hedged foreign currency exposures as at September 30, 2009 are as under:

Particulars	Amount (Rs.)
Receivables	Nil
Payables	Nil

20.	Figures f	or the	previous	period	have b	oeen	regrouped /	reclassified	wherever	necessary

As per report attached

SHARP & TANNAN

Chartered Accountants

By the hand of

Pavan K. Aggarwal

Partner

Membership No. 91466 FRN No. – 000452N

New Delhi,

January 29, 2010

Annexure VI - Restated Consolidated Statement of Secured Loans

(Amount in Rs. Millions)

Particulars		Amount	Outstanding		As at 30th September, 2009				
	Half Year ended Year Ye		Year	Sanctione	Rate of	Repayment	Security		
			ended	ended	d Amount	Interest	Terms		
					(Rs				
					million)				
	30-Sep-	30-	31-Mar-	31-Mar-					
	09	Sep-08	09	08					
								Against Fixed	
								Deposit Receipts	
								amounting to Rs.	
HDFC Bank -								100.00 million in	
Overdraft								the name of the	
Facility (Note 1)	5.27	0.88	52.19	-	90.00	8.00%	-	Parent Company	
							Dropline of	Against below	
							Rs. 0.83	mentioned property:	
							million	- E-8(2), Road No.1,	
							every month	IPIA, Kota	
IIDEC D. 1							plus interest	- 112A, Shakti	
HDFC Bank -							on amount	Nagar, Kota	
Overdraft					50.00	12 750/	utilized	- 112B, Shakti	
Facility (Note 2)	-	-	-	-	50.00	13.75%		Nagar, Kota	
Total	5.27	0.88	52.19	_	140.00			_	

Note:

- 1. There were no loans taken by the Group against any security for the financial years 2006-07. As on 31st March, 2008, the sanctioned limit for overdraft was Rs. 36.00 million, during the year ended 31st March, 2009, the sanctioned amount was upgraded to Rs. 88.00 million and during the half year ended 30th September, 2009 the sanctioned amount was upgraded to Rs. 90.00 million.
- 2. This overdraft facility has been sanctioned in financial year 2008-09, however company has not utilized any amount till September 30, 2009.

Annexure VIA – Restated Consolidated Statement of Unsecured Loans

(Amount in Rs. Millions)

Particulars	As	As at As at				
	30-Sep-09	30-Sep-08	31-Mar-09	31-Mar-08	31-Mar-07	
From Directors	1	1	1	1	28.80	
From Others	0.01	0.03	-	0.03	0.47	
Total	0.01	0.03	-	0.03	29.27	

Note:

During the year 2007-08 unsecured loan of Rs. 28.8 million from director has been converted in to 90,000 equity shares of Rs. 10 each at a premium of Rs. 310.

Annexure VII - Restated Consolidated Statement of Loans and Advances

Particulars	A	s at	As at			
	30-Sep-09	30-Sep-08	31-Mar-09	31-Mar-08	31-Mar-07	
Advances and Loans to-						
- Employees	3.02	2.64	2.66	1.73	0.90	
Inter Corporate Deposits	7.51	0.01	6.43	5.63	18.84	
Deposits with Government Authorities	1.77	0.60	1.34	1.77	1.50	
Security Deposit against Lease Properties	5.04	5.32	5.99	5.29	3.66	
Advance Income Tax (Net of Provision for Tax)	13.12	7.45	12.66	6.61	2.18	
Loans and Advances to Others	66.10	18.73	59.56	49.11	49.87	
Advances recoverable in Cash or kind or for value to be received	105.42	63.35	96.40	36.92	15.07	
Total	201.98	98.10	185.04	107.06	92.02	

Annexure VIII - Restated Consolidated Statement of Sundry Debtors

(Amount in Rs. Millions)

Particulars	As	at	,	As at	
	30-Sep-09	30-Sep-08	31-Mar-09	31-Mar-08	31-Mar-07
(Unsecured, considered doubtful)					
- Outstanding for a period less than six months	-	-	-	-	-
- Outstanding for a period exceeding six months	-	-	-	-	-
(Unsecured, considered good)					
- Outstanding for a period less than six months (Refer Note Below)	10.34	5.50	8.53	14.89	4.90
- Outstanding for a period exceeding six months	10.09	17.18	14.93	3.11	0.74
Less: Provision for Doubtful debts	-	-	-	-	-
Total	20.43	22.68	23.46	18.00	5.64

Note:

- 1. There are no receivables due from promoters/Promoters' group/Directors
- 2. Debtors for less than six months for the FY 2006-07 includes debtors pertaining to royalty income for FY 2006-07 accounted for in FY 2007-08, as restated
- 3. Debtors for less than six months for the FY 2007-08 includes debtors pertaining to royalty income for FY 2007-08 accounted for in FY 2008-09, as restated

Annexure IX – Restated Consolidated Statement of Investments

n	(Amount in Rs. Millions)								
Particulars		s at	21 Man 00	As at	21 Mar. 07				
	30-Sep-09	30-Sep-08	31-Mar-09	31-Mar-08	31-Mar-07				
Fauity Change of Associates									
Equity Shares of Associates Imperial Infin (P) Ltd.									
(34,000 shares @ Rs. 100 each)	3.40	3.40	3.40	3.40	3.40				
(34,000 shares @ Rs. 100 each)	3.40	3.40	3.40	3.40	3.40				
Rubymerry Enterprises Private Limited									
(100 shares @ Rs. 10 each)	_	0.00	0.00	0.00	_				
(100 shares (a) Ns. 10 each)	_	0.00	0.00	0.00					
Add / (Less) : Accumulated share in profit /									
(loss) of associate companies at the beginning	(0.02)	(0.06)	(0.06)	(0.05)	(0.05)				
of the year	(***=)	(****)	(****)	(****)	(0,00)				
J									
Add / (Less): Share in Profit / (loss) (net) of									
associate companies - current year	(0.01)	0.54	0.04	(0.01)	0.00				
•				, ,					
Total (A)	3.37	3.88	3.38	3.34	3.35				
Other Investments - Quoted									
Action Financial Services India Ltd	-	0.13	-	0.13	-				
CHD Developers	-	0.07	-	0.07	-				
Garnet International Limited	-	-	-	ı	0.02				
Vakrangee Software Limited	-	0.25	-	ı	0.69				
GR Cables Limited	-	0.05	-	0.05	-				
Reliance Power Limited	0.11	0.49	0.22	0.49	-				
Sujana Universal Industries Ltd	-	0.05	-	0.05	-				
IFCI Limited	-	-	-	0.51	-				
NICCO Corporation Limited	-	0.09	-	0.09	-				
VISU International Limited	-	0.05	-	0.05	-				
Abhishek Industries Limited	-	-	0.06	1	-				
Aftek Limited	-	-	0.11	ı	-				
Bank of Maharashtra	-	-	0.25	ı	-				
Century Textiles and Industries Limited	-	-	0.87	ı	-				
Chambal Fertilizers and Chemicals Limited	-	-	0.63	ı	-				
Chennai Petroleum Corporation	-	-	0.55	ı	-				
JK Papers	-	-	0.18	ı	-				
Jaiprakash Hydro Power Limited	-	-	0.20	ı	-				
MRO Tech Limited	-	-	0.07	-	-				
Mahanagar Telephone Nigam Limited	-	-	1.08	-	-				
NIIT Limited	-	-	1.91	-	-				
TATA Elxsi Limited	-	-	0.20	-	-				
TATA Motors Limited	-	-	0.32	-	-				
UCO Bank	-	-	0.49	-	-				
Varun Shipping Company	-	-	0.17	-	-				
Lloyd Electric & Engineering Limited	-	-	0.05	-	-				
SBI Magnum Income Fund	2.18	2.02	2.15	-	-				
SBI Arbitrage Opportunities Fund- Dividend	19.82	-	-	-	-				
SBI-SHF-Ultra Short Term Fund-Institutional									
Plan - Daily Dividend	12.18	-	-	-	-				
UTI Liquid Cash Plan Institutional-Daily	(00.2:								
Income Option	688.24	-	-	-	-				
UTI Spread Fund Growth Plan	40.00	-	-	-	-				
SBI SDF S 90 days 5323710	-	-	- 0.00	-	20.10				
UTI Fixed Mt Plan	-	9.00	9.00	9.00	5.00				
SBI Debt Fund Series 90 days-27 Dividend	-	5.00	-	-	-				
SBI Debt Fund Series 90 days-29 Dividend	-	10.00	-	-	-				

Particulars	A	s at	As at			
	30-Sep-09	30-Sep-08	31-Mar-09	31-Mar-08	31-Mar-07	
SBI Debt Fund Series 90 days-26 Dividend	-	5.00	-	-	-	
SBI SHF Ultra Short Term Fund Institutional						
Plan Daily Dividend	-	13.06	-	-	-	
SBI SHF Liquid Plus Retail Plan Daily						
Dividend	-	0.71	-	-	-	
UTI Fixed Income Interval Fund Monthly						
Interval Plan Series-I	-	10.00	-	-	-	
UTI Short Term Fixed Maturity Plan Series I-						
VII (93 days)	-	20.00	-	-	-	
UTI Short Term Fixed Maturity Plan Series I-						
VII (181 days)	-	10.00	-	1	-	
UTI Short Term Fixed Maturity Plan Series I-						
IX (90 days)	-	10.00	-	-	-	
Total (B)	762.53	95.97	18.52	10.45	25.81	
Other Investments - Unquoted						
Share Application Money - R.C. Jain						
Investment Pvt Ltd	0.00	-	0.00	-	-	
Total (C)	0.00	-	0.00	-	-	
Total (A+B+C)	765.90	99.85	21.90	13.79	29.16	

Note: (Amount in Rs. Millions)

·	As	at	As at			
	30-Sep-09	30-Sep-08	31-Mar-09	31-Mar-08	31-Mar-07	
Aggregate of Quoted Investments						
Cost	762.53	95.97	18.52	10.45	25.81	
Market Value	762.07	95.96	17.92	9.79	25.73	
Aggregate of Unquoted						
Investments						
Cost	3.37	3.88	3.38	3.34	3.35	
Total Cost	765.90	99.85	21.90	13.79	29.16	

Annexure X – Restated Consolidated Statement of Operational Income

(Amount in Rs. Millions)

Particulars	Half Yea	r ended	Year Ended			
	30-Sep-09	30-Sep-08	31-Mar-09	31-Mar-08	31-Mar-07	
Education and training income	297.33	204.06	397.72	320.15	225.76	
Centers Royalty - Upfront	5.17	14.40	14.40	13.25	16.86	
Centers Royalty - Ongoing	10.83	15.00	27.62	35.88	34.46	
Sale of study Material	2.46	9.20	11.77	10.95	13.66	
Total	315.79	242.66	451.51	380.23	290.74	

Annexure XA – Restated Consolidated Statement of Other Income

Particulars	Half Yea	r ended	1	Year Ended	,
	30-Sep-09	30-Sep-08	31-Mar-09	31-Mar-08	31-Mar-07
Interest Received	9.75	9.34	17.72	21.37	7.22
Dividend	7.42	0.59	2.38	2.86	1.06
Advertisement Income	0.03	0.06	0.07	0.25	-
Profit on Sale of Fixed Assets and Shares (Net)	3.50		2.05	5.35	0.54
Forfeiture of Security Deposit	-	-	3.79	-	-
Profit on Sale of Investment in Subsidiary	-	0.19	0.19	-	-
Miscellaneous Income	0.31	0.52	0.82	0.23	0.15
Total	21.01	10.70	27.02	30.06	8.97

Annexure XI - Restated Statement of Share Capital

(Amount in Rs. Millions)

Particulars	Half Yea	r ended	Year Ended			
	30-Sep-09	30-Sep-08	31-Mar-09	31-Mar-08	31-Mar-07	
Authorised Share Capital						
Equity Share Capital						
Equity Shares of Rs.10 each	250.00	250.00	250.00	250.00	131.50	
Issued, Subscribed & Paid Up						
Equity Share Capital						
Equity Shares of Rs.10 each	140.79	120.67	120.67	120.67	50.71	
Share Application Money Pending Allotment	-	-	-	-	5.19	
Total	140.79	120.67	120.67	120.67	55.90	

Note:

1. Of the Equity shares of Rs. 10 each comprised in the subscribed and paid-up capital of the company:

11,292,120 Equity shares were issued as bonus shares by way of capitalisation of General Reserve Rs. 107.16 million and Share Premium Rs. 5.76 million during the FYs 2004-05, 2006-07 and 2007-08.

- 2. During the FY 2006-07 the company has issued 511,200 equity shares of Rs. 10/- each fully paid up at a premium of Rs. 107/- per share.
- 3. During the FY 2007-08 the company has issued 60,000 equity shares of Rs. 10/- each fully paid up at a premium of Rs. 390/- per share.
- 4. During the FY 2007-08 the company has issued 90,000 equity shares of Rs. 10/- each fully paid up have been issued at a premium of Rs.310/- per share in satisfaction of unsecured loan taken from Directors.
- 5. During the half year ended September 30, 2009, the company has allotted 2,011,264 equity shares of Rs 10 each fully paid up at a premium of Rs 238.60 per share in pursuance to an agreement with *Franklin Templeton Asset Management (India) Private Limited* on pari passu basis with the existing issued equity shares in all respect.

Annexure XII - Restated Consolidated Statement of Cash and Bank Balances

(Amount in Rs. Millions)

Particulars	As	at	As at			
	30-Sep-09	30-Sep-08	31-Mar-09	31-Mar-08	31-Mar-07	
Cash on Hand	13.50	22.41	7.23	2.79	2.62	
Balance with Scheduled Banks						
- On Current Account	5.61	12.91	6.87	47.99	35.09	
- On Deposit Account	110.80	127.69	118.79	121.17	82.97	
Total	129.91	163.01	132.89	171.95	120.68	

Annexure XIII - Restated Consolidated Statement of Current Liabilities and Provisions

Particulars	As	at	(Amount in Rs. Millions) As at				
	30-Sep-09	30-Sep-08	31-Mar-09	31-Mar-08	31-Mar-07		
Current Liabilities							
Sundry Creditors	9.97	3.01	3.13	5.66	1.23		
Other Liabilities							
-TDS & Service Tax Payable	5.04	6.73	7.02	3.90	0.76		
-Security Deposits	4.00	3.40	1.56	2.70	1.78		
-Expenses payable	29.56	22.26	19.68	14.38	9.38		
-Others	0.03	0.32	0.01	0.07	0.01		
Advance fees from Students and Franchisee	275.08	184.48	67.04	55.43	51.79		
Total (A)	323.68	220.20	98.44	82.14	64.95		
Provisions							
Proposed Dividend Including Dividend Tax	-	-	-	-	8.90		
Provision for FBT (Net of Advance Tax)	-	0.34	0.04	0.43	0.20		
Provision for Wealth Tax	1.36	0.39	0.86	0.24			
Provision for Gratuity	2.38	1.28	1.43	1.14	0.42		
Total (B)	3.74	2.01	2.33	1.81	9.52		
Total (A+B)	327.42	222.21	100.77	83.95	74.47		

Annexure XIV – Restated Consolidated Details of Contingent Liabilities

Particulars	As at		As at			
	30-Sep-09	30-Sep-08	31-Mar-09	31-Mar-08	31-Mar-07	
Holding Company						
Demand Notice for Service Tax from Central Excise Department	4.38	2.28	4.44	1.77	1.77	
Consumer cases liability in respect of matter in appeal	1.22	0.94	1.05	0.50	0.88	
Total	5.60	3.22	5.49	2.27	2.65	

Annexure XV - Restated Consolidated Statement of Accounting Ratios (As per AS 20)

(Amount in Rs. Millions)

		Half Yea	r ended	Year Ended		
Sr No	Particulars	30-Sep-09	30-Sep-08	31-Mar-09	31-Mar-08	31-Mar-07
1	Earning per Equity share(Rs.)					
	-Basic	7.42	6.97	12.42	12.77	25.78
	-Diluted	7.42	6.97	12.42	12.77	25.72
2	Return on Net Worth (%)	8.22	16.67	26.19	36.15	53.78
3	Net Asset value per share (Rs.)	90.21	41.81	47.43	35.33	47.82
4	Weighted average number of equity shares outstanding during the period for Basic EPS (nos)	12,792,694	12,067,320	12,067,320	11,955,539	4,658,038
5	Weighted average number of equity shares outstanding during the period for Dilutive EPS (nos)	12,792,694	12,067,320	12,067,320	11,955,539	4,669,048
6	Total shares outstanding at the end of the year (nos)	14,078,584	12,067,320	12,067,320	12,067,320	5,071,200

Notes:

1. The above ratios have been computed as under:

Basic Earning per Share (Rs.) = Net profit available to equity shareholders as restated

Total Weighted average number of equity shares outstanding during a period

Dilutive Earning per Share(Rs.) = Net profit available to equity shareholders as restated
Potential Weighted average number of equity shares outstanding during a period

Return of Net Worth (%) = Net profit after tax as restated

Net Worth as restated at the end of the period

Net Asset Value per equity share (Rs) = Net Worth as restated at the end of the period No of equity shares outstanding at the end of the year

- 2. Net profit as restated has been considered for the purpose of computing the above ratios.
- 3. Earnings per share calculations are done in accordance with Accounting Standard 20 on 'Earnings Per Share', issued by the Institute of Chartered Accountants of India.

Annexure XVI - Restated Capitalisation Statement

(Amount in Rs. Million)

Particulars	Pre-Issue	Post Issue (Note 1)
	As At	
	30-Sep-09	
Borrowings:		
Short-term Debt	5.27	
Long-term Debt	-	
Total Debt	5.27	
Shareholder's Funds :		
-Equity Share Capital	140.79	
-Reserves and Surplus	1,028.80	
- Less: Misc. expenses	15.54	
Total Shareholder's Funds	1154.05	
Total Debt/Equity ratio	0.0046	

Note:

- 1. Share capital and reserves and surplus post issue can be ascertained only on conclusion of the book building process.
- 2. The above Debt -Equity ratio has been computed on the basis of Restated Consolidated summary of the Company.
- 3. Cash Credit facilities from Bank has been considered by the management as Short Term Debt

Annexure XVII - Restated Consolidated Statement of Related Party Transactions

B. List of Related Parties

Key Managerial Personnel (KMP)

30-Sep-09	30-Sep-08	31-Mar-09	31-Mar-08	31-Mar-07
Mr. Pramod				
Maheshwari	Maheshwari	Maheshwari	Maheshwari	Maheshwari
Mr. Om Prakash			Mr. Om Prakash	Mr. Om Prakash
Maheshwari			Maheshwari	Maheshwari
Mr. Nawal Kishore				
Maheshwari	Maheshwari	Maheshwari	Maheshwari	Maheshwari

Relative of Key Managerial Personnel

			31-Mar-07
Ms. Shilpa	Ms. Shilpa	Ms. Shilpa	Ms. Shilpa
Maheshwari	Maheshwari	Maheshwari	Maheshwari
Ms. Neelima	Ms. Neelima	Ms. Neelima	Ms. Neelima
Maheshwari	Maheshwari	Maheshwari	Maheshwari
Ms Rekha	Ms Rekha	Ms Rekha	Ms. Rekha
Maheshwari	Maheshwari	Maheshwari	Maheshwari
			Mr Gulab Chand
Maheshwari	Maheshwari	Maheshwari	Maheshwari
Ms. Kailash Bai	Ms. Kailash Bai	Ms. Kailash Bai	Ms. Kailash Bai
Ms. Radha Rani	Ms. Radha Rani	Ms. Radha Rani	Ms. Radha Rani
Nuwal	Nuwal	Nuwal	Nuwal
Mr Govind Nuwal	Mr Govind Nuwal	Mr Govind Nuwal	Mr Govind Nuwal
	,		Mr Vishal
Maheshwari	Maheshwari	Maheshwari	Maheshwari
Ms. Neetu	Ms. Neetu	Ms. Neetu	Ms. Neetu
Maheshwari	Maheshwari	Maheshwari	Maheshwari
Mr Dobul Nyoti	Mr Dobul Niveti	Mr Dobyl Niveti	Mr Dobyl Nyoti
Mi Kanui Nyati	IVII Kanul Nyati	ivii Kanui Nyati	Mr Rahul Nyati
	Maheshwari Ms. Neelima Maheshwari Ms. Rekha Maheshwari Mr Gulab Chand Maheshwari Ms. Kailash Bai Ms. Radha Rani Nuwal Mr Govind Nuwal Mr Vishal Maheshwari Ms. Neetu	Maheshwari Ms. Neelima Maheshwari Ms. Relima Maheshwari Ms. Rekha Maheshwari Mr. Gulab Chand Maheshwari Ms. Kailash Bai Ms. Kailash Bai Ms. Radha Rani Nuwal Mr. Govind Nuwal Mr. Govind Nuwal Mr. Vishal Maheshwari Ms. Neetu Ms. Neetu Maheshwari Ms. Neetu Maheshwari Ms. Neetu Maheshwari	Maheshwari Ms. Neelima Ms. Neelima Maheshwari Ms. Reelima Maheshwari Ms. Rekha Maheshwari Ms. Rekha Maheshwari Ms. Rekha Maheshwari Mr. Gulab Chand Mr. Gulab Chand Maheshwari Ms. Kailash Bai Ms. Radha Rani Nuwal Mr. Govind Nuwal Mr. Govind Nuwal Mr. Govind Nuwal Mr. Govind Nuwal Mr. Vishal Mr. Neetu Ms. Neetu

Associate Companies

30-Sep-09	30-Sep-08	31-Mar-09	31-Mar-08	31-Mar-07
-	Rubymerry	Rubymerry	Rubymerry	-
	Enterprises Pvt. Ltd.	Enterprises Pvt. Ltd.	Enterprises Pvt.	
			Ltd.	
Imperial Infin Pvt.	Imperial Infin Pvt.	Imperial Infin Pvt.	Imperial Infin Pvt.	Imperial Infin
Ltd.	Ltd.	Ltd.	Ltd.	Pvt. Ltd.

Companies in which Key Managerial Personnel are interested

30-Sep-09	30-Sep-08	31-Mar-09	31-Mar-08	31-Mar-07
Wellwin Technosoft Pvt Ltd.	Wellwin Technosoft Pvt Ltd.	Wellwin Technosoft Pvt Ltd.	Wellwin Technosoft Pvt Ltd.	Wellwin Technosoft Pvt Ltd.
Swastika Polyolefins Pvt. Ltd.	Swastika Polyolefins Pvt. Ltd.	Swastika Polyolefins Pvt. Ltd.	Swastika Polyolefins Pvt. Ltd.	Swastika Polyolefins Pvt. Ltd.
Shricon Industries	Shricon Industries	Shricon Industries	Shricon Industries	Shricon Industries
Limited	Limited	Limited	Limited	Limited
Gulab Chand	Gulab Chand	Gulab Chand	Gulab Chand	Gulab Chand
Maheshwari (Huf)	Maheshwari (Huf)	Maheshwari (Huf)	Maheshwari (Huf)	Maheshwari (Huf)
Om Prakash	Om Prakash	Om Prakash	Om Prakash	Om Prakash
Maheshwari (Huf)	Maheshwari (Huf)	Maheshwari (Huf)	Maheshwari (Huf)	Maheshwari (Huf)
Pramod Maheshwari	Pramod Maheshwari	Pramod Maheshwari	Pramod	Pramod
(Huf)	(Huf)	(Huf)	Maheshwari (Huf)	Maheshwari (Huf)
Nawal Kishore	Nawal Kishore	Nawal Kishore	Nawal Kishore	Nawal Kishore
Maheshwari (Huf)	Maheshwari (Huf)	Maheshwari (Huf)	Maheshwari (Huf)	Maheshwari (Huf)
Gulab Chand Ramesh Chand, Kota	Gulab Chand Ramesh Chand, Kota	Gulab Chand Ramesh Chand, Kota	Gulab Chand Ramesh Chand, Kota	Gulab Chand Ramesh Chand, Kota
Maheshwari Trading Company, Kota	Maheshwari Trading Company, Kota	Maheshwari Trading Company, Kota	Maheshwari Trading Company, Kota	Maheshwari Trading Company, Kota
Gopi Bai Foundation	Gopi Bai Foundation	Gopi Bai Foundation	Gopi Bai Foundation	Gopi Bai Foundation
Shri Bitthal Traders,	Shri Bitthal Traders,	Shri Bitthal Traders,	Shri Bitthal	Shri Bitthal
Kota	Kota	Kota	Traders, Kota	Traders, Kota
Longway Business	Longway Business	Longway Business	Longway Business	Longway Business
Solution Pvt Ltd	Solution Pvt Ltd	Solution Pvt Ltd	Solution Pvt Ltd	Solution Pvt Ltd
Diamond Business solutions Pvt ltd.	Diamond Business solutions Pvt ltd.			

Annexure XVII – Restated Consolidated Statement of Related Party Transactions

Details of Transactions with Related Parties

					Half Year ended Year Ended			
Related Party	Relationship	Nature of	30-Sep-09	30-Sep-08	31-Mar-09 31-Mar- 31-Mar-0			
Related 1 arty	Kelationship	Transaction	30-Sep-03	30-3cp-08	31-Wai-09	08	31-Mai-07	
Mr. Pramod	Key Managerial	Dividend for				00		
Maheshwari	Personnel	the year					0.86	
Mr. Om Prakash	Key Managerial	Dividend for	-	-	-	-	0.80	
Maheshwari	Personnel	the year					0.86	
Mr. Nawal Kishore	Key Managerial	Dividend for	-	-	-	-	0.80	
Maheshwari	Personnel	the year	_		_		0.86	
Ms. Shilpa	Relative of Key		-	-	-	-	0.80	
Maheshwari	Managerial	Dividend for the year						
Maneshwan	Personnel	the year					0.86	
Ms. Neelima	Relative of Key	Dividend for	-	-	-	-	0.80	
Maheshwari:								
Maneshwari.	Managerial Personnel	the year					0.86	
Ms. Rekha		Dividend for	-	-	-	-	0.80	
Maheshwari	Relative of Key							
Manesnwari	Managerial Personnel	the year					0.86	
Mr Gulab Chand	Relative of Key	Dividend for	-	-	-	-	0.80	
	_	_						
Maheshwari	Managerial Personnel	the year					0.86	
Ms. Kailash Bai	Relative of Key	Dividend for	-	-	-	-	0.80	
Ms. Kanash Bai								
	Managerial Personnel	the year					0.86	
Mr. Pramod		Issue of	-	-	-	-	0.80	
Mr. Pramod Maheshwari.	Key Managerial	Bonus Shares		_		7.70	4.28	
,	Personnel	Issue of	-	-	-	7.70	4.28	
Mr. Om Prakash Maheshwari	Key Managerial Personnel	Bonus Shares				7.70	4.28	
Mr. Nawal Kishore		Issue of	-	-	-	7.70	4.28	
Maheshwari	Key Managerial Personnel	Bonus Shares				7.70	4.28	
		Issue of	-	-	-	7.70	4.28	
Ms. Shilpa Maheshwari	Relative of Key	Bonus Shares						
Maneshwari	Managerial Personnel	Bonus Snares				7.70	4.28	
Ms. Neelima		Issue of	-	-	-	7.70	4.28	
Maheshwari	Relative of Key	Bonus Shares						
Maneshwari	Managerial Personnel	Bonus Snares				7.70	4.28	
M. D.11.		T C	-	-	-	7.70	4.28	
Ms. Rekha Maheshwari	Relative of Key	Issue of Bonus Shares						
Manesnwari	Managerial Personnel	Bonus Snares				7.70	4.28	
Mr Gulab Chand	Relative of Key	Issue of	-	-	-	7.70	4.28	
Maheshwari		Bonus Shares						
Maneshwari	Managerial Personnel	Bollus Silaies				7.70	4.28	
Ms. Kailash Bai	Relative of Key	Issue of	-	-	-	7.70	4.20	
MS. Kanash dai	Managerial	Bonus Shares						
	Personnel	Bollus Silaies				7.70	4.28	
Mr. Dramad	Key Managerial	Isauc of	-	-	-	7.70	4.20	
Mr. Pramod Maheshwari	Personnel	Issue of Shares				9.60		
Mr. Om Prakash	Key Managerial	Issue of	-	-	-	9.00	-	
Maheshwari	Personnel	Shares			_	9.60		
Mr. Nawal Kishore	Key Managerial		-	-	_	9.00	-	
Mr. Nawai Kishore Maheshwari	Rey Managerial Personnel	Issue of Shares				9.60		
Mr. Vishal	Relative of Key		-	-	-	9.00	-	
Mr. Vishal Maheshwari		Issue of Shares						
ividiiCSiiwali	Managerial Personnel	Shares				0.40		
Ma Naotu	Relative of Key	Iggs f	-	-	-	0.40	-	
Ms. Neetu	Kelative of Key	Issue of	l]				

			Half Yea	ar ended			
Related Party	Relationship	Nature of Transaction	30-Sep-09	30-Sep-08	31-Mar-09	Year Ended 31-Mar- 08	31-Mar-07
Maheshwari	Managerial Personnel	Shares	-	-	-	0.40	-
Mr. Rahul Nyati	Relative of Key Managerial Personnel	Issue of Shares	-	-	-	0.40	-
Rubymerry Enterprises Private Limited	Associate	Issue of Shares	_	_	_	16.00	_
Swastika Polyolefins Pvt. Ltd.	Company in which KMP are interested	Issue of Shares	_	_	_	1.28	_
Mr. Nawal Kishore Maheshwari	Key Managerial Personnel	Loan Given	_		_	1.20	0.76
Mr. Om Prakash Maheshwari	Key Managerial Personnel	Loan Given	_		_	1.69	0.22
Gulab Chand Ramesh Chand, Kota	Company in which KMP are interested	Loan Given	_	_	_	0.03	2.00
Rubymerry Enterprises Private Limited	Associate	Loan Given	_	0.14	0.14	23.62	
Ms. Rekha Maheshwari	Relative of Key Managerial Personnel	Loan Given	_	- 0.11	V.11	23.02	1.03
Ms. Kailash Bai	Relative of Key Managerial Personnel	Loan Given	_	_	_	_	1.03
Ms. Shilpa Maheshwari	Relative of Key Managerial Personnel	Loan Given	-	-	-	_	1.16
Ms. Neelima Maheshwari	Relative of Key Managerial Personnel	Loan Given	-	-	-	-	1.13
Mr Gulab Chand Maheshwari	Relative of Key Managerial Personnel	Loan Given	-	-	-	-	0.03
Mr. Pramod Maheshwari	Key Managerial Personnel	Loan Given	_	-	_	-	38.58
Wellwin Technosoft Pvt Ltd.	Company in which KMP are interested	Loan Given	_	-	_	0.70	0.82
Swastika Polyolefins Pvt. Ltd.	Company in which KMP are interested	Loan Given	-	0.15	0.15	6.98	0.01
Shricon Industries Limited	Company in which KMP are interested	Loan Given	-	1	-	-	27.29
Gopi Bai Foundation	Company in which KMP are interested	Loan Given	0.22	-	13.63	-	0.37
Imperial Infin Pvt. Ltd.	Associate	Loan Given	-	-	-	-	0.00
Diamond Business Solutions Pvt ltd.	Company in which KMP are interested	Loan Given	-	-	-	-	7.99
Mr. Pramod Maheshwari,	Key Managerial Personnel	Loan taken	-	0.08	0.15	61.74	9.60
Mr. Om Prakash Maheshwari	Key Managerial Personnel	Loan taken	-	-	-	-	9.60
Mr. Nawal Kishore Maheshwari	Key Managerial Personnel	Loan taken	-	-	-	5.20	9.60
Shricon Industries Limited	Company in which KMP are interested	Loan taken	-	-	-	8.93	-
Gopi Bai Foundation	Company in which	Loan taken					

Related Party	Relationship		Half Yea	ar ended	Year Ended			
		Nature of Transaction	30-Sep-09	30-Sep-08	31-Mar-09	31-Mar- 08	31-Mar-07	
	KMPs are		-	-	-	0.87	-	
	interested							
Mr. Pramod	Key Managerial	Remuneration						
Maheshwari	Personnel		0.87	0.87	1.74	1.61	1.20	
Mr. Om Prakash	Key Managerial	Remuneration						
Maheshwari	Personnel		0.87	0.87	1.74	1.61	1.20	
Mr. Nawal Kishore	Key Managerial	Remuneration						
Maheshwari	Personnel		0.87	0.87	1.74	1.61	1.20	
Mr. Pramod	Key Managerial	Rent Given						
Maheshwari	Personnel		0.39	0.39	0.78	0.78	0.78	
Mr. Nawal Kishore	Key Managerial	Rent Given						
Maheshwari	Personnel		0.15	0.15	0.30	0.30	0.30	
Ms. Shilpa	Relative of Key	Rent Given						
Maheshwari	Managerial		0.54	0.54	1.00	1.00	1.00	
M. N. I.	Personnel	Dt C.	0.54	0.54	1.08	1.08	1.08	
Ms. Neelima Maheshwari	Relative of Key	Rent Given						
Manesnwari	Managerial		0.06	0.06	0.12	0.12	0.07	
Ms. Rekha	Personnel	Rent Given	0.06	0.06	0.12	0.12	0.07	
Maheshwari	Relative of Key	Kent Given						
Maneshwari	Managerial Personnel		0.15	0.15	0.30	0.30	0.30	
Mr Gulab Chand	Relative of Key	Rent Given	0.13	0.13	0.30	0.30	0.30	
Maheshwari	Managerial	Kent Given						
Maneshwan	Personnel		_	_	_	0.07	0.06	
Diamond Business	Company in which	Rent Given		_		0.07	0.00	
Solutions Pvt ltd.	KMP are interested	Rent Given	0.60	0.60	1.20	0.70	_	
Om Prakash	Company in which	Rent Given	0.00	0.00	1.20	0.70		
Maheshwari(HUF)	KMP are interested	Rent Given	0.48	0.48	0.96	0.96	0.96	
Wellwin Technosoft	Company in which	Rent Given	0.10	0.10	0.50	0.50	0.70	
Pvt Ltd.	KMP are interested	rtent Given	0.12	0.05	0.14	_	_	
Mr. Pramod	Key Managerial	Sale/purchase	0.12	0.02	0.11			
Maheshwari	Personnel	of Assets	_	_	_	0.23	2.49	
Mr. Om Prakash	Key Managerial	Sale/purchase				***		
Maheshwari	Personnel	of Assets	-	-	-	_	0.70	
Mr. Nawal Kishore	Key Managerial	Sale/purchase						
Maheshwari	Personnel	of Assets	-	-	-	_	0.73	
Mr. Pramod	Key Managerial	Shares of						
Maheshwari	Personnel	Subsidiary						
		sold	-	0.16	0.16	-	-	
Mr. Om Prakash	Key Managerial	Shares of						
Maheshwari	Personnel	Subsidiary						
		sold	-	0.16	0.16	-		
Mr. Nawal Kishore	Key Managerial	Shares of						
Maheshwari	Personnel	Subsidiary						
		sold		0.16	0.16	-		
Mr Gulab Chand	Relative of Key	Shares of						
Maheshwari	Managerial	Subsidiary						
	Personnel	sold		0.01	0.01			

Annexure XVII - Restated Consolidated Statement of Related Party Transactions

Details of Outstanding Balances

			Half Year	r ended	Year Ended			
Related Party	Relationship	Nature of	30-Sep-09	30-Sep-08	31-Mar-09	31-Mar-08	31-Mar-07	
		Transaction						
Imperial Infin Pvt.	Associate	Loan Given						
Ltd.			-	-	-	-	0.00	
Swastika	Company in	Loan Given						
Polyolefins Pvt.	which KMP are							
Ltd.	interested		-	-	-	-	3.86	
Shricon Industries	Company in	Loan Given						
Limited	which KMP are							
	interested		-	-	-	-	0.20	
Wellwin	Company in	Loan Given						
Technosoft Pvt	which KMP are							
Ltd.	interested		-	-	-	-	5.92	
Gopi Bai	Company in	Loan Given						
Foundation	which KMP are							
	interested		0.22	-	7.60	-	ı	
Mr. Om Prakash	Key Managerial	Loan taken						
Maheshwari	Personnel		0.04	0.05	-	-	9.49	
Mr. Pramod	Key Managerial	Loan taken						
Maheshwari,	Personnel		0.18	0.15	-	-	9.66	
Mr. Nawal Kishore	Key Managerial	Loan taken						
Maheshwari	Personnel		0.15	0.15	-	-	9.60	
Mr. Om Prakash	Key Managerial	Remuneration						
Maheshwari	Personnel		-	-	0.08	-	-	
Mr. Pramod	Key Managerial	Remuneration						
Maheshwari	Personnel		-	0.03	0.15	-	-	
Mr. Nawal Kishore	Key Managerial	Remuneration						
Maheshwari	Personnel		-	-	0.12	-	-	
Rubymerry	Associate	Loan taken						
Enterprises Private								
Limited			-	0.00	-	-	-	
Rubymerry	Associate	Loan taken						
Enterprises Private							_	
Limited			-	-	-	-	0.47	

Annexure XVIII - Restated Consolidated Rates of Dividend Paid

PARTICULARS	Half Year ended				Year Ended					
	30-Sep-09		30-Sep-08		31-Mar-09		31-Mar-08		31-Mar-07	
Share Capital	140.79		120.67		120.67		120.67		50.71	
Dividend Declared:	%	Amt.	%	Amt.	%	Amt.	%	Amt.	%	Amt.
Final Dividend	-	-	-		-	-	-	-	15	7.61
Total		_		-		-		-		7.61

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

You should read the following discussion and analysis of our financial condition and results of operations together with our audited standalone restated financial statements prepared in accordance with paragraph B of Part II of Schedule II to the Companies Act and SEBI Regulations, including the schedules, annexure and notes thereto and the reports thereon of each of the financial years ended March 31, 2007, 2008 and 2009 and for the six months ended September 30, 2009 and September 30, 2008, in the section titled "Financial Statements" on page 169. The following discussion relates to our Company on a standalone basis, and, unless otherwise stated, is based on our restated financial statements, which have been prepared in accordance with Indian GAAP, the Accounting Standards and other applicable provisions of the Companies Act and the SEBI Regulations. Our fiscal year ends on March 31 of each year so accordingly all references to a particular financial year are to the twelve months ended March 31 of that year.

In addition, the following discussion contains certain forward-looking statements that reflect our current views with regard to our plans, estimates and beliefs. Our actual results may differ materially from those discussed in these forward-looking statements see "Forward-Looking Statements" on page 12. Factors that could cause or contribute to such differences include, but are not limited to, those discussed below as well as in "Risk Factors" on page 13.

Discussion on restated standalone financial statements

The results of operations of our two subsidiary companies, Career Point Edutech Limited and Career Point Infra Limited have not been considered for the purposes of discussion and analysis in this section, as their contribution to the total turnover of the Company, after consolidation, is not considered material. For details, refer to "Auditors' Report-Restated Consolidated Financial Statements" at page F-45. Therefore, only results of operations of our Company based on the restated standalone financial statements, as appearing in "Auditors' Report-Restated Standalone Financial Statements" at page F-1 have been considered for the purposes of discussion and analysis in this section.

Overview of the business of our Company

We are one of the leading providers of tutorial services in India. We provide tutorial services to high school and post high school students for various competitive entrance examinations including All India Engineering Entrance Examination, Indian Institute of Technology –Joint Entrance Examination and All India Pre-Medical Test. The tutorial services are provided through our classroom training programmes conducted through a network of 14 Company Operated Training Centres and 18 Franchisee Centres. We have a team of 210 faculty members as on December 31, 2009 (excluding faculty members of franchisees) comprising of graduates in engineering and science. We have, over a period of time, built our content repository of over 10,000 pages of text content and over 12,000 minutes of video content for various tutorial services offered by us. For students who are not able to attend our regular classroom programme, we offer distance learning programme comprising of correspondence and test series courses which have been systematically designed to provide effective and efficient education to students in a simple and lucid manner.

We plan to use technology as a tool to provide access of our content repository to students across India. To leverage our content repository and to provide a personalized learning environment to our students, we have recorded the lectures of our experienced faculty members through Career Point Knowledge Lab. Further, we have designed and developed Synchro-School programme to synchronize preparation for competitive examination with formal school education.

We have recently forayed into Education Consultancy and Management Services ('ECAMS'), catering to K-12 and Higher Education segments. Further, to address larger base of potential students, we have

introduced technology enabled education delivery platform for delivering content through 'TechEdge Class'.

Background

Our Company was incorporated as public limited company on March 31, 2000, under the Companies Act.

The Promoter of our Company, Mr. Pramod Maheshwari has been in the business of tutoring for competitive entrance examinations since 1993 and the business was being administered under proprietorship firms of Mr. Pramod Maheshwari, Mr. Om Prakash Maheshwari and Mr. Nawal Kishore Maheshwari, our Promoters.

However, during Financial Year 2002, our Promoters started undertaking tutoring services via Franchisee Centres through our Company. Subsequently, from April 1, 2006 we also started providing tutoring services through Company Operated Training Centres.

As on December 31, 2009, we have 14 Company Operated Training Centres and 18 Franchisee Centres. Our standalone restated operating revenues increased to Rs 315.79 million for six months ended September 30, 2009 from Rs. 242.66 million for corresponding period last year, representing a growth of 30%.

Discussion on Results of Operation

Income

Operating Income

Our Income from Operations consists mainly of education and training income and royalty from franchisees. In addition, we derive a small percentage of our revenues from sale of study materials also.

Other Income

Other income includes income from, among other things, interest earned on bank deposits, dividend income on shares, and profit on sale of fixed assets and shares.

Expenditure

Our expenditure head comprises mainly of employee expenses, study material cost and other administrative and other expenses including advertisement cost.

We account for expenses under the following heads:

Employee expenses

Our payment to and provision for employees consists of salaries to faculty and non-faculty members, provident funds, bonus and other staff welfare expenses like gratuity payments.

Cost of study material

Our cost of study material comprises of printing and publishing cost of course materials that we provide to our students and other publicity material that we use to market our services.

Administration and other expenses

Administrative and other expenses relates to expenses including, among other things, advertisement expense, rent, scholarships, examination expenses, printing and stationary, traveling and conveyance, electricity expenses and other miscellaneous expenses.

Depreciation

This includes depreciation on building, computers, furniture and fixtures, plant and machinery, vehicles etc. Depreciation on fixed assets has been provided on the straight line method at the rates prescribed under Schedule XIV of the Companies Act.

Depreciation is provided on the following rates on straight line method:

 Building
 - 1.63%

 Computers
 - 16.21%

 Vehicles
 - 9.50%

 Furniture & Fixtures
 - 6.33%

 Plant & Machinery
 - 4.75%

Intangible assets comprising of leasehold land are amortised over the lease period.

Interest and Finance charges

The finance charges incurred by us include interest charges payable on overdraft facility availed from Bank.

Taxation

Provision for current tax is made, based on the tax payable under the relevant statute. Deferred tax on timing differences between taxable income and accounting income is accounted for, using the tax rates and the tax laws enacted or substantially enacted as on the balance sheet date. Deferred tax assets are recognized only to the extent that there is a reasonable certainty of its realization.

Factors Affecting Our Financial Conditions and Results of Operations

Our results of operations and financial conditions are affected by number of factors, including the following, which are of particular importance:

Increase in number of enrollments

Our financials are directly affected by the number of student enrollments at our Company Operated Training Centres and Franchisee Centres across India. During the nine months period ending December 31, 2009, we have received 30,538 enrollments. During the Financial Years 2009 and 2008, we enrolled 27,710 and 28,016 students respectively, through our classroom training and distance learning programs.

Student Demographics

India has a population base of over 1.1 billion, out of which ~32% is in the age group 0-14 years. Further, public expenditure on education forms ~3.46% of GDP and ~12.73% of the total Government expenditure. The Eleventh Plan places the highest priority on education as a central instrument for achieving rapid and inclusive growth. It presents a comprehensive strategy for strengthening the education sector covering all segments of the education pyramid.

Success of our marketing and sales network

Our results of operations are also dependent upon the spread and service abilities of our marketing and sales network. As on December 31, 2009, we have 14 Company Operated Training Centres and 18 Franchisee Centres across India.

Brand recognition

Brand recognition plays an important role in running our business. The recognition and acceptance of our brand has significant contribution to the success of our business. Keeping the market dynamics in mind, we

need to continuously update ourselves to keep upto the expectations of the students. If we are unable to respond in a timely and appropriate manner to the student demands and examination trends, our brand name and brand image may be impaired.

Pricing pressures

Since our Company is operating in a highly competitive environment and has to compete with organized and unorganized players, there is always a pressure to correctly price our course offerings.

Rise in employee cost

Since we operate in competitive service industry which requires employees with specialized service skills, there is always a demand for such employees in the industry and in order to retain them, there is always a pressure on the costs which have to be borne by us.

Adverse Events

There have been no adverse events affecting the operations of our Company occurring within one year prior to the date of filing the DRHP with SEBI.

Significant Accounting Policies

Basis of Preparation

The restated standalone summary statement of assets and liabilities, profit and loss and cash flows of Career Point Infosystems Limited (the "Company") for the six months ended September 30, 2009 and September 30, 2008 and for the years ended March 31, 2009, March 31, 2008, March 31, 2007, March 31, 2006 and March 31, 2005 and the Annexures thereto (collectively, the "Restated Standalone Summary Statements") have been extracted by the management from the Financial Statements of the Company for the six months ended September 30, 2009 and September 30, 2008 and for the years ended March 31, 2009 March 31, 2008, March 31, 2007, March 31, 2006 and March 31, 2005.

The Financial Statements have been prepared to comply in all material respects with the Notified Accounting Standards by Companies (Accounting Standards) Rules, 2006, (as amended). The Financial Statements have been prepared under the historical cost convention on an accrual basis.

Revenue Recognition

Our Company recognizes revenue on accrual basis. Fees / income collected in advance for the period subsequent to the accounting period is shown under current liabilities.

Interest Income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividend Income is recognized when the right to receive the dividend is established.

Defined Contribution Plan

Company's contributions paid/ payable during the year to provident fund and employee pension scheme are recognized in the Profit and Loss Account

Defined Benefit Plan

Company's liabilities towards gratuity and leave encashment, are determined using the projected unit credit method which considers each period of service as giving rise to additional unit of benefit entitlement and measures each unit separately to build up the final obligation. Actuarial gain and losses are recognized

immediately in the statement of Profit and Loss Account as income or expenses. Obligation measured at the present value of estimated future cash flows using discounted rate that is determined by reference to market yields at the balance sheet date on government bonds where the currency and terms of the Government are consistent with currency and estimated terms of the defined benefit obligation.

Fixed Assets

Fixed Assets are stated at cost of recognition/ installation less accumulated depreciation and include directly attributable cost including installation and freight charges for bringing the assets to working condition for intended use. Depreciation on assets carried at historical cost is provided on straight-line basis at the rates prescribed under schedule XIV of the Companies Act.

Intangible Assets and Amortisation

Intangible assets are recognized as per the criteria specified in Accounting Standard (AS) 26 "Intangible Assets" issued by the Institute of Chartered Accountants of India and are amortised as follows:

- Cost of Leasehold land is amortised over the period of lease.

Impairment of Assets

- a. At each Balance Sheet date, the carrying amount of assets is tested for impairment so as to determine:
 - i. The provision for impairment loss required, if any, or
 - ii. The reversal required of impairment loss recognized in previous periods, if any.
- b. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating units exceed its recoverable amount.

Recoverable amount is determined:

- In the case of an individual asset, at higher of the net selling price or value in use.
- In the case of cash generating unit, at higher of the cash generating unit's net selling price or value in use.

Inventories

Inventories are valued at lower of cost and net estimated realizable value, mainly comprising of publication and printed materials. Publication and printed materials have been computed on the basis of estimated cost of materials, labour, cost of conversion and other costs incurred for bringing the inventories to their present location and condition. Cost is determined on FIFO method.

Investments

- Long term investments are carried at cost after providing for any diminution in value, if such diminution is of permanent nature.
- Current investments that are readily realizable and intended to be held for not more than a year are carried at lower of cost or market value. The determination of carrying costs of such investments is done on the basis of specific identification.

Taxes on Income

Tax on income for the current period is determined on the basis of taxable income and tax credits computed in accordance with the provision of the Income Tax Act, 1961.

Deferred Tax is recognized on timing differences between the accounting income and the taxable income

for the year and quantified using the tax rates and laws enacted or substantively enacted as on the balance sheet date.

Provisions, Contingent Liabilities and Contingent Assets

- a. Provisions are recognized for liabilities that can be measured only by using substantial degree of estimation, if
 - the company has a present obligation as a result of past event;
 - a probable outflow of resources is expected to settle the obligation;
 - the amount of the obligation can be reliably estimated.
- b. Contingent liability is disclosed in the case of:
 - a present obligation arising from a past event, when it is not probable that an outflow of resource will be required to settle the obligation,
 - a present obligation when no reliable estimate is possible; and
 - a possible obligation arising from past events where the probability of outflow of resource is not remote
- c. Contingent Assets are neither recognized, nor disclosed.

Provision, Contingent Liabilities and Contingent Assets are reviewed at each Balance Sheet date.

Results of Operations

The following table sets forth select financial data from our standalone restated profit and loss accounts for the Financial Years ended March 31, 2009, 2008 and 2007 and for six months ended September 30, 2009 and September 30, 2008, the components of which are also expressed as a percentage of total income for such periods.

	For six months ended				For the year ended					
Rs. in million	Sept 30, 2009		Sept 30, 2008		March 31, 2009		March 31, 2008		March 31, 2007	
	(Rs. in million)	% of Total Income	(Rs. in millio n)	% of Total Income	(Rs. in million)	% of Total Income	(Rs. in million)	% of Total Income	(Rs. in millio n)	% of Total Income
Income:										
Education and Training										
Income Centre	297.33	94%	204.06	84%	397.72	88%	320.15	84%	225.76	78%
Royalty	16.00	5%	29.40	12%	42.02	9%	49.13	13%	51.32	18%
Sale of study material	2.46	1%	9.20	4%	11.77	3%	10.95	3%	13.66	5%
Total Operational										
Income y-o-y growth	315.79	100%	242.66	100%	451.51	100%	380.23	100%	290.74	100%
in %	30%				19%		31%		435%	
Less: Manpower	02.65	200/	55.21	220/	110.05	2624	72.65	100/	45.05	1.604
Cost	93.67	30%	55.31	23%	118.95	26%	72.05	19%	45.97	16%

	For six months ended				For the year ended					
Rs. in million	Sept 30, 2009		Sept 30, 2008		March 31, 2009		March 31, 2008		March 31, 2007	
	(Rs. in million)	% of Total Income	(Rs. in millio n)	% of Total Income	(Rs. in million)	% of Total Income	(Rs. in million)	% of Total Income	(Rs. in millio n)	% of Total Income
Other Expenses	94.64	30%	68.55	28%	117.39	26%	102.68	27%	71.79	25%
EBITDA	127.48	40%	118.80	49%	215.17	48%	205.50	54%	172.98	60%
Less: Interest and finance charges	0.25	0%	0.76	0%	1.83	0%	0.47	0%	0.02	0%
Depreciation	2.60	1%	1.63	1%	4.19	1%	2.01	1%	1.33	0%
Add: Other Income	28.84	9%	15.92	7%	38.85	9%	31.43	8%	8.97	3%
Profit Before Tax	153.47	49%	132.33	55%	248.00	55%	234.45	62%	180.60	62%
Less:										
Provision for Taxation	50.15	16%	43.19	18%	85.59	19%	79.92	21%	60.50	21%
Profit After Tax	103.32	33%	89.14	37%	162.41	36%	154.53	41%	120.10	41%
y-o-y growth in %	16%				5%		29%		715%	

Six months ended September 30, 2009 compared to six months ended September 30, 2008

Income from Operations: Our income from operations increased by 30% to Rs. 315.79 million for half year ended September 30, 2009 from Rs. 242.66 million for the corresponding period last year. Our operating revenues comprises of education and training income, royalty from franchisees and income from sale of study materials. Our education and training income increased by 46% primarily due to increase in student enrollments at Company Operated Training Centres and an increase in our course fees. We added two new Company Operated Training Centres at Alwar and New Delhi which also contributed towards growth in enrollments and revenues. Our royalty from franchisees decreased by 46% as we reduced our dependency on Franchisees and as of September, 2009 we had 18 Franchisee Centres as against 46 in September 2008.

Other Income: Our other income increased by 81% to Rs. 28.84 million for half year ended September 30, 2009 from Rs. 15.92 million for the corresponding period last year, primarily due to increase in interest income by 19% to Rs 17.62 million and a significant increase in dividend income to Rs 7.38 million for half year ended September 30, 2009 as against Rs 0.57 million for half year ended September 30, 2008.

Total Expenditure: Our total expenditure increased by 52% to Rs. 188.31 million for the half year ended September 30, 2009 as against Rs. 123.86 million for the corresponding period last year primarily due to an increase in employee cost, study material cost and administrative expenses.

Advertisement expenses: Our advertisement expenditure decreased by 2% to Rs. 37.11 million for half year ended September 30, 2009 from Rs 37.97 million for half year ended September 30, 2008. The reduction in advertisement cost was primarily due to better rates offered by advertising agencies.

Employee Cost: Our employee cost increased by 69% to Rs. 93.67 million for half year ended September 30, 2009 from Rs. 55.31 million for half year ended September 30, 2008 primarily due to an increase in the number of faculty as part of our growth and expansion plan and an increase in salaries of our faculty members and administrative staff.

Depreciation: Our depreciation charge increased by 59% to Rs. 2.60 million for six months ended September 30, 2009 from Rs. 1.63 million for the corresponding period last year primarily due to addition in fixed assets.

Provision for Taxation: Our provision for taxes increased by 16% to Rs. 50.15 million for six months ended September 30, 2009 from Rs. 43.19 million for the corresponding period last year.

Net Profit, as Restated: Our profit after tax, as restated, increased by 16% to Rs. 103.32 million for six months ended September 30, 2009 from Rs. 89.14 million for the corresponding period last year. We have restated our financial statements to take into account certain adjustments from the prior financial years. For further details, see "Statement on adjustments to audited financial statements" in Annexure IV to the restated standalone financial statements presented in this Draft Red Herring Prospectus.

Financial Year 2009 compared to Financial Year 2008

Income from Operations: Our income from operations increased by 19% to Rs. 451.51 million for FY09 from Rs. 380.23 million for FY08, primarily due to increase in enrollments at Company Operated Training Centres and an increase in per student realization on account of an increase in our course fees. During FY09, we had about 27,710 students registered for our various classroom and distance learning programs as against nearly 28,016 students registered during FY08. The decrease in total number of student enrollments was primarily due to a decrease in enrollments at our Franchisee Centres which was in line with our objective of focusing on select key performing franchisees and reducing the dependence on and termination of the franchisees not performing upto our expectations. Our royalty from franchisees reduced by 14% to Rs 42.02 million for FY09 as compared to Rs 49.13 million FY08 as we reduced our dependency on non-performing franchisees by not renewing the franchisee agreement.

Our education and training income increased by 24% to Rs 397.72 million FY09 as compared to Rs 320.15 million FY08 primarily due to increase in student enrollments at Company Operated Training Centres. We added five new Company Operated Training Centres at Jaipur, Nagpur, Noida, Delhi and Kapurthala which also contributed towards growth in enrollments and revenues.

Other Income: Our other income increased by 24% to Rs. 38.85 million for FY09 from Rs. 31.43 million for FY08, primarily due to increase in interest income by 31% to Rs 29.83 million.

Total Expenditure: Our total expenditure increased by 35% to Rs. 236.34 million for FY09 from Rs. 174.73 million for FY08 primarily due to an increase in employee cost and administrative expenses.

Advertisement expenses: Our advertisement expenditure increased by 26% to Rs 48.22 million for FY09 from Rs 38.13 million for FY08. This was primarily due to advertisement expenditure incurred for promoting five new Company Operated Training Centres opened during the year.

Employee Cost: Our employee cost increased by 65% to Rs. 118.95 million for FY09 from Rs. 72.05 million for FY08 primarily due to increase in the number of employees as part of our growth and expansion plan and an increase in salaries of our faculty members and administrative staff.

Interest and Financial Charges: Our interest expenses increased to Rs. 1.83 million for FY09 from Rs. 0.47 million for FY08 due to an increase in interest costs on loan overdraft facility availed against fixed deposits.

Depreciation: Our depreciation charge increased by 108% to Rs. 4.19 million for FY09 from Rs. 2.01

million for FY08 primarily due to addition in fixed assets.

Provision for Taxation: Our provision for taxes increased by 7% to Rs. 85.59 million for FY09 from Rs. 79.92 million for FY08.

Net Profit, as Restated: Our profit after tax, as restated, increased by 5% to Rs. 162.41 million for FY09 from Rs. 154.53 million for FY08. We have restated our financial statements to take into account certain adjustments from the prior financial years. For further details, see "Statement on adjustments to audited financial statements" in Annexure IV to the restated standalone financial statements presented in this Draft Red Herring Prospectus.

Financial Year 2008 Compared to Financial Year 2007

Income from Operations:

Our income from operations increased by 31% to Rs. 380.23 million for FY08 from Rs. 290.74 million for FY07, primarily due to increase in enrollments at Company Operated Training Centres and an increase in per student realization on account of an increase in our course fees. During FY08, we had about 28,106 students registered for our various classroom and distance learning programs as against nearly 25,253 students registered during FY07.

Our education and training income increased by 42% to Rs 320.15 for FY08 as compared to Rs 225.76 for FY07 primarily due to increase in student enrollments at Company Operated Training Centres. We added two new Company Operated Training Centres one each at Jaipur and Jodhpur which also contributed towards the growth in enrollments and revenues.

Other Income: Our other income increased by 250% to Rs. 31.43 million for FY08 from Rs. 8.97 million for FY07, primarily due to an increase in interest income by 215% to Rs 22.74 million and dividend income by 269% to Rs 2.86 million.

Total Expenditure: Our total expenditure increased by 48% to Rs. 174.73 million for FY08 from Rs. 117.76 million for FY07 primarily due to an increase in employee cost and administrative expenses.

Advertisement expenses: Our advertisement expenditure increased by 46% to Rs 38.12 million for FY08 from Rs 26.08 million for FY07 due to aggressive marketing activities undertaken by our Company. In addition, higher advertisement expenditure was also on account of advertising cost incurred for promoting two new Company Operated Training Centres opened during the year.

Employee Cost: Our employee cost increased by 57% to Rs. 72.05 million for FY08 from Rs. 45.97 million for FY07 primarily due to increase in the number of employees from as part of our growth and expansion plan and an increase in salaries of our faculty members and administrative staff.

Interest and Financial Charges: Our interest expenses increased to Rs. 0.47 million for FY08 from Rs. 0.02 million for FY07 due to interest expenses incurred on overdraft facility availed from Bank.

Depreciation: Our depreciation charge increased by 51% to Rs. 2.01 million for FY08 from Rs. 1.33 million for FY07 primarily due to addition in fixed assets.

Provision for Taxation: Our provision for taxes increased by 31% to Rs. 79.92 million for FY08 from Rs. 60.50 million for FY07.

Net Profit, as Restated: Our profit after tax, as restated, increased by 29% to Rs. 154.53 million for FY08 from Rs. 120.10 million for FY07. We have restated our financial statements to take into account certain adjustments from the prior financial years. For further details, see "Statement on adjustments to audited financial statements" in Annexure IV to the restated standalone financial statements presented in this Draft Red Herring Prospectus.

Financial Condition, Liquidity and Capital Resources

We broadly define liquidity as our ability to generate sufficient funds mainly from internal resources to meet our obligations and commitments. In addition, liquidity includes the ability to obtain appropriate equity and debt financing and loans. Therefore, liquidity cannot be considered separately from capital resources that consist of current or potentially available funds for use in achieving long range business objectives.

We have been historically financing our capital requirements primarily through funds generated from our operations. Our primary capital requirements have been towards development of infrastructure, training centres and technology utilized for tutoring. We believe that we will have sufficient resources from our operations and net proceeds of this offering of Equity Shares to meet our capital requirements for at least the next 12 months. We may also from time to time seek other sources of funding, which may include debt or equity financings, including rupee-denominated loans from Indian banks, depending on its financing needs and market conditions.

Our Borrowings

Based on our restated standalone financial statements, as of September 30, 2009, we had Rs 5.27 million of secured loans outstanding. These loans are in the nature of overdraft facility from Bank against fixed deposits of our Company.

Cash Flows

The table below summarizes our cash flows for the six months ended September 30, 2009 and for Financial Years 2009, 2008 and 2007:

,				(Rs. in million)
As at	Six months ended September 30, 2009	Year ended March 31, 2009	Year ended March 31, 2008	Year ended March 31, 2007
Net cash generated from / (used in) operating activities (A)	290.26	-19.80	80.71	68.69
Net cash generated from / (used in) investing activities (B)	-733.97	-66.54	-38.40	-54.80
Net cash generated from / (used in) financing activities (C)	440.69	49.65	7.70	85.47
Net Increase / (Decrease) in cash and cash equivalents (A+B+C)	-3.02	-36.69	50.01	99.36
Cash and cash equivalents at the end of the period	129.78	132.80	169.49	119.48

• Net Cash from Operating Activities

Net Cash from operating activities for the six months ended September 30, 2009 was Rs 290.26 million and our operating profit before working capital changes for that period was Rs 129.72 million. Operating profit before working capital changes consisted of net profit before taxation of Rs. 153.47 million, adjusted for non cash items of depreciation of Rs. 2.60 million, bad-debts and share issuance expenses written-off of Rs. 0.75 million, finance expenses of Rs. 0.25 million, provision for gratuity of Rs. 1.15 million, dividend and interest income of Rs 25 million and profit on sale of shares and other investments of Rs 3.50 million. Cash inflows were increased by Rs. 11.68 million as a result of decrease in inventories and receivables and an increase in current liabilities and provisions of Rs 228.32 million. Cash inflows were reduced by increase in other current assets of Rs 29.62 million. Income Tax paid for the period was Rs 49.84 million. The increase in current liabilities was primarily due to advance fees received from students.

Net Cash used in operating activities for the year ended March 31, 2009 was Rs 19.80 million and our operating profit before working capital changes for that period was Rs 220.88 million. Operating profit before working capital changes consisted of net profit before taxation of Rs. 248.00 million, adjusted for

non cash items of depreciation of Rs. 4.19 million, share issuance expense write-off of Rs. 0.29 million, finance expenses of Rs. 1.83 million, provision for gratuity of Rs. 0.29 million, dividend and interest income of Rs 32.12 million, profit on sale of fixed assets of Rs 1.97 million and loss on sale of shares of Rs 0.37 million. Cash inflows were reduced by increase in other current assets of Rs. 150.40 million, an increase in inventories of Rs 8.93 million and an increase in trade and other receivables of Rs 5.48 million. Cash inflows were increased by an increase in current liabilities and provisions of Rs 13.39 million. Income Tax paid for the period was Rs 89.26 million. The increase in current liabilities was primarily due to advance fees received from students. Increase in other current assets was due to loans given to subsidiary companies.

Net Cash from operating activities in the year ended March 31, 2008 was Rs 80.71 million and our operating profit before working capital changes for that period was Rs 207.06 million. Operating profit before working capital changes consisted of net profit before taxation of Rs. 234.45 million, adjusted for non cash items of depreciation of Rs. 2.01 million, share issuance expense write-off of Rs. 0.35 million, finance expenses of Rs. 0.47 million, provision for gratuity of Rs. 0.72 million, dividend and interest income of Rs 25.60 million, profit on sale of fixed assets of Rs 2.78 million and profit on sale of shares of Rs 2.56 million. Cash inflows were reduced by increase in other current assets of Rs. 38.25 million, an increase in inventories of Rs 6.03 million and an increase in trade and other receivables of Rs 12.38 million. Cash inflows were increased by an increase in current liabilities and provisions of Rs 16.75 million. Income Tax paid for the period was Rs 86.44 million. The increase in current liabilities was primarily due to increase in sundry creditors, expenses payable and advance fees received from students. Increase in other current assets was due to loans given to subsidiary companies.

Net Cash from operating activities in the year ended March 31, 2007 was Rs 68.69 million and our operating profit before working capital changes for that period was Rs 173.83 million. Operating profit before working capital changes consisted of net profit before taxation of Rs. 180.60 million, adjusted for non cash items of depreciation of Rs. 1.33 million, share issuance expense write-off of Rs. 0.22 million and finance expenses of Rs. 0.02 million, dividend and interest income of Rs 8.28 million, profit on sale of fixed assets of Rs 0.44 million and profit on sale of shares of Rs 0.54 million. Cash inflows were reduced by increase in other current assets of Rs. 61.92 million and an increase in inventories of Rs 2.77 million. Cash inflows were increased by an increase in current liabilities of Rs 18.95 million. Income Tax paid for the period was Rs 59.50 million. The increase in current liabilities was primarily due to increase in sundry creditors, expenses payable and advance fees received from students. Increase in other current assets was due to inter-corporate deposits and loans given to others.

• Net Cash from Investing Activities

For six months ended September 30, 2009, our net cash used in investing activities was Rs. 733.97 million. This mainly reflected Rs 740.48 million invested in interest bearing liquid mutual fund schemes and Rs. 16.99 million used for purchase of fixed assets (including capital advances). This was partially offset by increases in interest and dividend income.

For the year ended March 31, 2009, our net cash used in investing activities was Rs. 66.54 million. This mainly reflected Rs. 98.94 million used for the purchase of fixed assets (including capital advances) and Rs 6.30 million used for purchase of securities. This was partially offset by increases in interest and dividend income and sale of certain fixed assets.

For the year ended March 31, 2008, our net cash used in investing activities was Rs. 38.40 million. This mainly reflected Rs. 51.87 million used for the purchase of fixed assets (including capital advances) and Rs. 34.50 million utilized towards equity investment in our Subsidiaries. This was partially offset by increases in interest and dividend income and sale of certain fixed assets and investments.

For the year ended March 31, 2007, our net cash used in investing activities was Rs. 54.80 million. This mainly reflected Rs. 37.32 million used for the purchase of fixed assets (including capital advances) and Rs. 24.76 million invested in mutual fund schemes. This was partially offset by increases in interest and dividend income.

• Net Cash from Financing Activities

For six months ended September 30, 2009, our net cash from financing activities was Rs. 440.69 million which consists of proceeds from issuance of Equity Shares amounting to Rs 500 million, partly offset by repayment of short term borrowings of Rs 46.92 million, share issuance expenses of Rs 12.14 million and interest on short term borrowing of Rs 0.25 million.

For the year ended March 31, 2009, our net cash from financing activities was Rs. 49.65 million. This primarily reflected Rs. 52.19 million received from issuance of Equity Shares, partly offset by interest on overdraft of Rs 1.83 million and share issuance expenses of Rs 0.71 million.

For the year ended March 31, 2008, our net cash from financing activities was Rs 7.70 million. This primarily reflected Rs. 52.80 million from issuance of Equity Shares, partially offset by Rs 8.90 million utilized for dividend payment and tax thereon, repayment of Rs 29.27 million of unsecured loan, refund of share application money of Rs 5.19 million, interest on borrowings of Rs 0.47 million and share issuance expenses of Rs 1.27 million.

For the year ended March 31, 2007, our net cash from financing activities was Rs 85.47 million. This primarily reflected Rs. 59.81 million from issuance of Equity Shares, Rs 5.19 towards share application money and Rs 23.81 from unsecured loan. This was partially offset by Rs 1.95 million utilized for dividend payment and tax thereon, share issuance expenses of Rs 1.37 million and interest on loan of Rs 0.02 million.

Transactions with Related Parties

We have engaged in the past, and may engage in the future, in transactions with related parties, including with our associates and certain key management members on an arm's lengths basis. Such transactions could be for lease of assets or property, sale or purchase of Equity Shares or entail incurrence of indebtedness. For details of our related party transactions, see "Financial Statements – Related Party Transactions" at page F-39.

Off Balance Sheet Commitments and Arrangements

We do not have any off-balance sheet arrangements, derivative instruments, swap transactions or relationships with unconsolidated entities or financial partnerships that would have been established for the purpose of facilitating off-balance sheet arrangements.

Quantitative and Qualitative Disclosures about Market Risks

Market risk is the risk of loss related to adverse changes in market prices, including interest rate risk and commodities risk.

Interest Rate Risk

Our Company has obtained secured loan-overdraft facility against our fixed deposit receipts to meet our working capital requirements and also maintains deposits of cash and cash equivalents with banks and thus is exposed to market risk as a result of changes in interest rates.

Inflation

In recent years, although India has experienced fluctuations in inflation rates, inflation has not had material impact on our business and results of operations.

Information required as per Item IX(E) of Part A of Schedule VIII of the SEBI Regulations

An analysis of reasons for the changes in significant items of income and expenditure is given hereunder:

Unusual or infrequent events or transactions

There have been no unusual or infrequent transactions that have taken place during the last three years.

Significant economic changes that materially affected or are likely to affect income from continuing operations

Any changes in tax structure, may affect the profitability. Except the above, there are no significant economic changes that materially affected or are likely to affect our income from continuing operations.

Known trends or uncertainties

Other than as described in the section titled "Risk Factors" and Management's Discussion and Analysis of Financial Conditions and Results of Operations" at page 13 and 170 respectively, to our knowledge there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenues or income from continuing operations.

Future changes in relationship between costs and revenues

Other than as described in the section titled "Risk Factors" and Management's Discussion and Analysis of Financial Conditions and Results of Operations" at page 13 and 170 respectively, to our knowledge there are no future relationship between costs and revenues that have or had or are expected to have a material adverse impact on our operations and finances.

The extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased sales prices.

Changes in income from operations during the last three years are as explained in this section titled "Management's Discussion and Analysis of Financial Conditions and Results of Operations" at page 177.

New products or business segment

We have entered into an agreement with Gopi Bai Foundation Trust Kota (Raj.), a registered public charitable trust to provide services which shall include but not be limited to providing administrative services, human resource management services, develop and provide information technology related services including training etc in the field of education. Gopi Bai Foundation Trust Kota (Raj.) will provide the necessary premises / infrastructure to enable the Company to provide the management services. For further details on our Business Strategy, see the paragraph titled "Growth Strategies" at page 108.

Seasonality of business

The tutoring business of our Company is seasonal in nature, the enrollments are higher in the first and second quarter of the Financial Year as compared to the third and forth quarter.

Significant dependence on single supplier /customer

We are not dependent on a single customer or a small group of suppliers or customers for our revenues.

Competitive conditions

We face competition from both organized and unorganized players in the education sector and we expect the same to intensify. For further details, please refer to the discussions of our competition in the sections "Risk Factors" and "Our Business" at page 17 and 116.

Significant developments after September 30, 2009

In compliance with AS-4, to our knowledge no circumstances other than as detailed below and save and except as disclosed in this Draft Red Herring Prospectus have arisen since the date of the last financial statements contained in this Draft Red Herring Prospectus which materially and adversely affect or are likely to affect, the trading and profitability of our Company, or the value of our assets or our ability to pay material liabilities within the next 12 months.

- In January 2010, we allotted 341,713 Equity Shares of Rs 10 each at a price of Rs 292.64 per Equity Share aggregating to Rs 100 million. For further details of these share allotments, please refer to the section titled "Capital Structure" on page 63.
- Our Company has received an impounding order under Section 133A(3)(ia) of the Income Tax Act, 1961 from the Assistant Director of Income Tax, Jaipur stating that certain documents/diaries/registers/loose papers/ books of accounts etc. were found during the survey which could not be verified from the regular books of assessee and no satisfactory explanation could be furnished by the assessee regarding the contents. Hence, the documents were impounded for further examination and verification. For further details in this regard, see section titled "Outstanding Litigation and Other Material Developments" on page 187.
- Our Company has entered into a MOU with Hughes Communications India Limited in order to
 providing satellite based interactive services which include providing educational courses through
 Hughes Communications India Limited's VSAT network spread across India.

FINANCIAL INDEBTEDNESS

Secured Borrowings of our Company

Given below is the summary of our secured borrowings as on December 31, 2009:

Name of Lender	Facility & Loan Document ation	Amount Sanctio ned (Rs. in million)	Amount Outstandi ng (Rs. in million)	Interest Rate (%)	Tenure	Repayment Schedule	Security/ Guarantees
HDFC Bank Limited	Overdraft facility agreement dated January 2, 2008	50	Nil	13.75% per annum	60 months	Dropline of Rs. 834,000 every month plus monthly interest on amount utilized	Our Company has provided the following properties as security against the overdraft facility: (a) E-8(2), Road No. 1, IPIA, Kota (b) 112A, Shakti Nagar, Kota (c) 112B, Shakti Nagar, Kota
HDFC Bank Limited	Loan agreement dated August 20, 2009 against fixed deposit	90	Nil	1% over and above the interest rates prevailing for fixed deposits per annum	12 months	Not Applicable	Continuing demand promissory note dated August 20, 2009 for an amount of Rs. 90 million. Fixed deposit receipts of Rs. 100 million.

Material covenants

The overdraft facility agreement dated January 2, 2008 with HDFC Bank provides for certain restrictive covenants which are summarized below:

- (i) The Company cannot stand surety for anybody or guarantee the repayment of any overdraft facility;
- (ii) The Company cannot permit any change in either its ownership or control which results in the effective beneficial ownership of the Company changing;
- (iii) The Company cannot make any amendments to its Memorandum and Articles of Association;
- (iv) The Company cannot enter into or decide to enter into any scheme of merger, amalgamation, compromise or reconstruction without the prior written consent of HDFC Bank;
- (v) The Company cannot declare any dividend if any installment towards principal or interest remains unpaid on its due date; and
- (vi) The Company cannot utilise the overdraft facility for any speculative or anti-social or illegal purpose.

Unsecured borrowings of our Company

Our Company does not have any unsecured borrowings.

SECTION VI – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated below there are no outstanding litigations, suits, criminal or civil prosecutions, statutory or legal proceedings including those for economic offences, tax liabilities, show cause notices or legal notices pending against our Company, our Subsidiaries, Directors, Promoters and Group Companies and entities, and there are no defaults including non-payment of statutory dues, over-dues to banks/financial institutions, defaults against banks/financial institutions, defaults in dues payable to holders of any debenture, bonds and fixed deposits issued by our Company, defaults in creation of full security as per the terms of issue/other liabilities, proceedings initiated for economic / civil / any other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (I) of Part 1 of Schedule XIII of the Companies Act) other than unclaimed liabilities of our Company or our Subsidiary except as stated below, and no disciplinary action has been taken by SEBI or any stock exchange against our Company, Subsidiaries, Promoters, Group Companies and entities or Directors. Unless stated to the contrary, the information provided below is as of the date of this Draft Red Herring Prospectus.

Neither our Company nor the Promoters, our Subsidiaries, member of Promoter Group, Group Companies and entities and Directors, have been declared as wilful defaulters by the RBI or any other Governmental authority and, except as disclosed in this section in relation to litigation, there are no violations of securities laws committed by them in the past or pending against them.

A. Litigation involving our Company

Outstanding litigation and material developments/proceedings against our Company

1. Compounding of Offences

(i) Compounding of offence under section 621A read with section 292A of the Companies Act

Our Company has made an application dated May 6, 2008 before the Regional Director, Ministry of Company Affairs, for compounding of offence under Section 621A of the Companies Act for non-compliance of Section 292A of the Companies Act. Our Company was required to constitute an audit committee as per the provisions of Section 292A of the Companies Act, upon the increase of paid-up share capital of our Company on January 21, 2007. However, our Company was unable to constitute an audit committee before November 1, 2007. Hence, the aforesaid application has been made by our Company. The application is currently pending before the Regional Director.

(ii) Compounding of offence under section 621A read with section 295 of the Companies Act

Our Company has made an application dated July 23, 2008 before the Regional Director, Ministry of Company Affairs, for compounding of offence under section 621A of the Companies Act for non-compliance of section 295 of the Companies Act. Our Company was required to take the prior approval of the Central Government prior to advancing any loans to any director or any firm in which the director or his relative is a partner. However, our Company granted such loans without taking prior Central Government approval. Hence, the aforesaid application has been made by our Company. The application is currently pending before the Regional Director.

(iii) Compounding of offence under section 621A read with section 297 of the Companies Act

Our Company has made an application dated July 29, 2008 before the Regional Director, Ministry of Company Affairs, for compounding of offence under section 621A of the Companies Act for non-compliance of section 297 of the Companies Act. According to section 297 of the Companies Act, any company having a paid-up share capital of rupees one crore or more has to seek Central Government permission for entering into contracts with interested directors. Our Company, having a paid-up capital of more than Rs. 1 crore had entered into numerous contracts with interested directors but did not seek prior Central Government permission. Hence, the aforesaid application has been made by our Company. The application is currently pending before the Regional Director.

(iv) Compounding of offence under section 621A read with section 300 of the Companies Act

Our Company has made an application dated July 29, 2008 before the Regional Director, Ministry of Company Affairs, for compounding of offence under section 621A of the Companies Act for non-compliance of section 300 of the Companies Act. According to section 300 of the Companies Act, interested directors should neither vote on interested transactions nor be considered a part of the quorum while such interested transactions are being discussed. However, the interested directors had voted on interested transactions and had also been considered a part of the quorum. Hence, the aforesaid application has been made by our Company. The application is currently pending before the Regional Director.

(v) Compounding of offence under section 621A read with section 383A of the Companies Act

Our Company has made an application dated April 12, 2008 before the Regional Director, Ministry of Company Affairs, for compounding of offence under section 621A of the Companies Act for non-compliance of section 383A of the Companies Act. According to section 383A of the Companies Act, every company having a paid up share capital of Rs. 2 crores or more is required to have a full time company secretary. The paid up share capital of our Company had increased from Rs.11.4 million to Rs. 34.2 million on August 10, 2006, but, no company secretary was appointed until November 1, 2007. Hence, the aforesaid application has been made by our Company. The application is currently pending before the Regional Director.

2. Revenue cases

Service Tax

(a) A show cause notice bearing V(CTC)3/22/ST/2004/4613 dated May 12, 2004 was issued by the Assistant Commissioner, Central Excise Division, Kota calling upon our Company to pay service tax amounting to Rs. 2,248,432 alongwith a penalty and interest thereon at 15%p.a. Subsequently, an order dated June 7, 2005 was passed by the Joint Commissioner, Central Excise and Customs, Kota confirming the demand of Rs. 527,018, as service tax and imposing a penalty of Rs. 527,018 on our Company. Our Company filed an appeal before the Commissioner (Appeals-I), Custom and Central Excise, Jaipur, who by an order dated September 27, 2005 set aside the previous order. An appeal was filed before the CESTAT by the Commissioner Central Excise, Jaipur against the order passed on September 27, 2005. The CESTAT dismissed the appeal filed by the Commissioner, Central Excise. Subsequently, the Commissioner Central Excise filed an appeal no. 28/2006 before the High Court of Rajasthan. Our Company is awaiting proceedings to commence before the High Court of Rajasthan.

(b) A show cause notice bearing number V(H)ST/ADJ-I/27/09/9436 was issued to our Company by Additional Commissioner, Jaipur on March 23, 2009 disallowing CENVAT credit of Rs. 1,785,907 availed of by our Company on various services such as construction and architectural services. This was disallowed by the tax authorities, as these services are not considered output services under the Finance Act. Further, our Company was directed to pay back the entire amount of CENVAT credit availed by them alongwith interest and penalty under section 73 of the Finance Act. A reply to this show cause notice is yet to be filed by our Company.

Income Tax

(a) Notice under section 143 (2) of the Income Tax Act

Our Company has received a notice dated September 3, 2009 in connection with the assessment year 2008-2009. Our Company is waiting for the hearing to commence under this notice.

(b) Notice under section 133A(3)(ia) of the Income Tax Act

Our Company has received an impounding order dated December 5, 2009 under section 133A (3) (ia) of the Income Tax Act from the Assistant Director of Income Tax, Jaipur stating that certain documents/diaries/registers/loose papers/ books of accounts etc. were found during the survey conducted on December 4, 2009 which could not be verified from the regular books of our Company and no satisfactory explanation could be furnished by our Company regarding the contents. Hence, the documents were impounded for further examination and verification. Further, the Commissioner of Income Tax, Kota passed an order dated January 13, 2010 transferring the case of our Company including the "Career Point group" to the Deputy Commissioner of Income Tax, Jaipur after search and seizure operations were carried out on the "Career Point group" and a proposal for centralization of the cases of the group with the Deputy Commissioner of Income Tax, Jaipur was received by the Commissioner of Income, Kota. On January 29, 2010, our Company received a letter from the Deputy Commissioner of Income Tax, Jaipur that all correspondence relating to the assessment and other proceedings under Income Tax Act, wealth tax, etc will be referred to the Deputy Commissioner of Income Tax, Jaipur.

(c) Notices under section 153A of the Income Tax Act

Our Company has received notices dated January 29, 2010 under section 153A of the Income Tax Act pursuant to the search conducted under section 132 of the Income Tax Act on the Company on December 4, 2009. Our Company has been requested to furnish true and correct return of income with respect to the Company that is assessable for the assessment years 2005-06, 2006-07, 2007-08, 2008-09 and 2009-10 within 30 days from the service of the notices.

3. Consumer Complaints

(i) Mr. Satish Kumar Jain ("Complainant") has filed a consumer complaint bearing case number 45/2007 before the District Consumer Redressal Forum, Haridwar, Uttaranchal, against our Company and Mr. Ankur Jain who operates our Haridwar Franchisee Centre for deficiency in services. The Complainant has alleged that he had taken admission for his son at the Haridwar Franchisee Centre on May 05, 2006 by making a payment of Rs. 32,000.

However, the Haridwar Franchisee Centre shut down by December 2, 2006 which resulted in deficiency of services as they did not perform their part of the agreement by coaching his son for the exams. The Complainant has now sought damages and compensation for a sum of Rs. 500,000 for mental agony and harassment. The case is currently reserved for judgment.

- (ii) Mr. Ankit Jain ("Complainant") filed a consumer complaint bearing case number 547/08 against our Company and our Nagpur Franchisee Centre before the District Consumer Redressal Forum, Nagpur. The Complainant has pleaded that there was frequent change of teachers, therefore, it was difficult for him to grasp the subject. It was contended by the Complainant that the franchisee had assured him that the teachers would not be changed throughout the duration of the course. An order was passed against our Company and the Complainant was awarded Rs. 69,650 as costs and damages by the District Consumer Redressal Forum, Nagpur. Our Company has filed an appeal on July 24, 2009 in the State Consumer Redressal Forum, Nagpur and the next date of hearing for this complaint is March 20, 2010.
- (iii) Mr. Hargain Singh ("Complainant") filed a consumer complaint bearing case number 95 on behalf of his son Ravinder Kumar against Rohtak Franchisee Centre and our Company for deficiency in services before the District Consumer Redressal Forum, Rohtak. The Complainant alleged that he had paid a sum of Rs. 43,147 to our Franchisee Centre in Rohtak and subsequent to the payment, the Rohtak Franchisee Centre was shut down in May, 2008 without a refund of fees or any prior intimation. After repeated requests, the Complainant was only refunded a sum of Rs. 4,400 and the balance is still with the Rohtak Franchisee Centre. Thus, the Complainant filed this complaint for a refund of the balance fees amounting to Rs.38,747 alongwith interest from May 2008 till such payment was made. Our Company has filed a counterclaim of Rs. 50,000 against the Complainant and the next date of hearing is April 12, 2010.
- (iv) Mr. Saubhagya Singh ("Complainant") filed a consumer complaint bearing case number 88/08 before the District Consumer Redressal Forum, Jodhpur for a sum of Rs. 10,000 against our Company for deficiency in consumer services. The Complainant has alleged that our Company has not appointed qualified faculty members which resulted in lack of quality educational services being provided by the Company to the Complainant. The matter is reserved for judgment.
- (v) Mr. Surendra Singh ("Complainant") has filed a consumer complaint bearing case number 780/08 before the District Consumer Redressal Forum, Kanpur against our Company and the Kanpur Franchisee Centre for an unascertainable amount. A memorandum of understanding ("MOU") was entered into between our Company and the Complainant to open a franchisee centre of our Company at Kanpur. The Complainant pleaded that pursuant to the MOU, our Company supplied necessary materials to the Complainant on March 2, 2008 which was subsequently stopped by our Company and this resulted in losses to the Complainant. The matter is currently pending and the next date of hearing is April 22, 2010.
- (vi) Mr. Kaustabh Ramakant Pulkunwar ("Complainant") filed a consumer complaint bearing case number cc/09/269 of 1568 dated April 6, 2009 before the District Consumer Redressal Forum, Aurangabad against the Aurangabad Franchisee Centre and our Company, for a sum of Rs. 300,000. The Complainant has alleged that at the time of enrollment, he was promised that he will be provided the same teachers for the entire duration of the course in the coaching institute. The Complainant has pleaded that the teachers were abruptly changed in the middle of the course, due to which the Complainant was not able to understand the lectures. The matter is currently reserved for judgement.

- (vii) Mr. Prateek Kumar Bhatnagar and Rajesh Kumar Bhatnagar ("Complainants") filed a consumer complaint bearing case number 80/2009 before the District Consumer Redressal Forum, Mathura against Annapurna education centre, the Mathura Franchisee Centre and our Company for a refund of a sum of Rs. 15,000. The Complainants have alleged that at the time of admission he was assured by the Mathura Franchisee Centre that if the Complainants do not secure the requisite marks in Class X or if for any reason would like to discontinue the IIT JEE foundation course, they will be refunded the entire amount deposited by them as fees. The Complainants could not secure the marks required for IIT JEE and therefore they stopped attending the classes of the IIT JEE Foundation Course and requested a refund of their fees. The matter is currently pending and the next date of hearing is May 6, 2010.
- (viii) Mr. Rakesh Kumar Saxena and Sankalp Saxena ("Complainants") filed a consumer complaint bearing case number 78/2009 before the District Consumer Redressal Forum, Mathura against our Company and Annapurna education centre for deficiency in consumer services. The Complainants have alleged that at the time of admission they were assured by Annapurna education centre, that if they do not secure the requisite marks in Class X or if for any reason would like to discontinue the IIT JEE foundation course, they will be refunded the entire amount deposited by them as fees. The Complainants could not secure the marks required for IIT JEE and therefore they stopped attending the classes of the IIT JEE Foundation Course and requested a refund of their fees. The matter is currently pending and the next date of hearing is May 6, 2010.
- (ix) Mr. Kapil Dev Yadav ("Complainant") filed a consumer complaint bearing case number 886/08 against our Company before the District Consumer Redressal Forum, Jaipur for deficiency in consumer services and unfair trade practices. The Complainant alleged that as he had secured admission in Centre for Converging Technologies, therefore, he asked our Company to refund the sum of Rs. 16,836 deposited on June 28, 2006, at the time of admission. He also alleged that he had not availed of any educational services, therefore, our Company had no statutory right to keep the Complainant's fee. The matter is currently pending and the next date of hearing is on February 22, 2010.
- (x) Mr. Ramesh Chandra Pandey ("Complainant") filed a consumer complaint bearing case number 265/06 before the District Consumer Redressal Forum, Allahabad, against our Company for deficiency in consumer services and unfair trade practices. The Complainant has alleged that he had sent a demand draft for a sum of Rs. 55,800 for supply of study materials, but, the study materials supplied to him were old and insufficient. Hence, the Complainant has sought damages for a total amount of Rs. 55,800. The matter is currently pending and the next date of hearing is March 10, 2010.
- (xi) Mr. Shushil Kumar Goyal ("Complainant") filed a consumer complaint bearing case number 416/09 before the District Consumer Redressal Forum, Alwar on November 5, 2009 for a sum of Rs 35,296 against our Company and our Branch Office at Alwar for deficiency in consumer services. The Complainant has alleged that at the time of admission he was assured by our branch office at Alwar of excellent educational and infrastructural facilities, but, the same has not been provided by our Company. He requested for a refund of the fees which was denied by our Company. The matter is currently pending and the next date of hearing is on March 16, 2010.
- (xii) Mr. Amar Mishra ("Complainant") filed a consumer complaint bearing case number 361/09 for sum of Rs. 75,843 before the District Consumer Redressal Forum, Rewa (M.P.) against our Company for deficiency in consumer services. The Complainant has alleged that he wanted to discontinue classes for the AIEEE course and hence, he applied for a refund of the fees but our Company refused to refund. The matter is currently pending and the next date of hearing is on March 11, 2010.

- (xiii) Mr. Tejpal Singh ("Complainant") filed a consumer complaint bearing case number 991/09 before the District Consumer Redressal Forum, Amritsar, against our Amritsar Franchisee Centre and our Company for deficiency in consumer services. The Complainant has alleged that his son had taken admission at the Amritsar Franchisee Centre by making a payment of Rs. 24,000 but, the educational services rendered were not satisfactory. Hence, the Complainant claimed a refund of the fees paid alongwith interest thereon at 24% p.a. and damages amounting to Rs. 15,000 for mental tension and unnecessary harassment. The matter is currently pending and the next date of hearing is on February 26, 2010.
- (xiv) Mr. Himanshu Pal ("Complainant") filed a consumer complaint bearing case number 55/2008 on August 28, 2008 before the District Consumer Redressal Forum, Panipat, Haryana, against the Panipat Franchisee Centre and our Company for deficiency in consumer services. The Complainant alleged that our Company did not provide adequate educational services to his son due to non-completion of the syllabus and the centre shutting down in January, 2008. Hence, he sought refund and compensation for a total amount of Rs. 100,000 on account of all losses which he suffered at the hands of our Company. The matter is currently pending and the next date of hearing is on March 12, 2010.
- (xv) Mr. Ravinder Malik ("Complainant") filed a consumer complaint bearing case number 56/2008 on August 28, 2008 before the District Consumer Redressal Forum, Panipat, Haryana, against the Panipat Franchisee Centre and our Company for deficiency in services. The Complainant alleged that our Company did not provide satisfactory educational services to his son due to non-completion of syllabus and the centre shutting down in January, 2008. Hence, the Complainant sought refund and compensation for a total amount of Rs. 100,000 on account of all losses which he suffered at the hands of our Company. The case is still pending and the next date of hearing is March 12, 2010.
- (xvi) Mr. Ashutosh Kumar Yadav ("Complainant") filed a consumer complaint bearing case number 408/08 against our Company before the District Consumer Redressal Forum, Kota for deficiency in consumer services. The Complainant has alleged that he had deposited a fee of Rs. 33,700 on June 3, 2008, for admission to the IIT JEE 2010 foundation course and Company granted him rebate of fifty percent instead of the requisite seventy-five percent. The Complainant has sought the remaining twenty-five percent rebate and Rs. 10,000 as damages for mental agony. The case is currently pending and the next date of hearing is March 2, 2010.

4. Civil Cases

- (i) The office of the sub-registrar (SR-IV), Jaipur issued a notice dated October 15, 2005 under section 54 of the Stamp Act, 1998 to our Company to pay the deficit stamp duty of Rs. 879,920 on execution of a sale deed dated October 14, 2005, for the purchase of plot number B-10-B, situated at main Gopalpura byepass, Jaipur from Mr. Lokesh Dullar. Our Company disputed the stamp duty to be paid and hence on October 18, 2005 vide reference number 981/2005, the matter was referred to the Additional Collector (Stamp) Jaipur. By an order dated November 23, 2005 the Additional Collector (Stamp) Jaipur, directed our Company to pay the deficit stamp duty of Rs. 879,920 and a penalty of Rs. 1,500. Aggrieved by this order dated November 23, 2005, our Company filed a revision petition bearing petition number 134/2006 before the Tax Board, Ajmer, Rajasthan. By an order dated February 21, 2007 the Tax Board allowed the Revision Petition filed by our Company and quashed and set-aside the impugned order dated November 23, 2005. The order dated February 21, 2007 has been challenged in the High Court of Rajasthan by the Rajasthan Tax Board. The matter is currently pending and the next date of hearing is on March 22, 2010.
- (ii) Mr. Suresh Kumar, filed a case before the District Legal Service Tribunal, Kota (District and Sessions Judge, Kota) against our Company for non-payment of salary for 16 days

- amounting to Rs. 2,000 and non payment of provident fund amounting to Rs. 13,156. The matter was posted for hearing on June 7, 2009. The matter is currently pending and the next date of hearing is April 19, 2010.
- (iii) A public interest litigation bearing number D.B Civil Writ Petition (PIL) No. 850/2010 has been filed Mr. Mukesh Kumar against State of Rajasthan and others in the High Court of Rajasthan, where our Company has been made a party to the litigation. The Court passed an order dated January 19, 2010 where it directed the State of Rajasthan after reviewing the issues raised in the petition to make a detailed inquiry into the alleged illegal activities, construction and nuisance carried out by our Company and another respondent mentioned in the petition and also to prevent our Company and another respondent from carrying out illegal activities/construction in Kota city. The High Court in its order further directed the State of Rajasthan pursuant to the inquiry if the State of Rajasthan finds that there is any illegal construction / encroachment, then to take immediate steps to remove the construction and to take punitive action. Pursuant to this order our Company received a notice dated February 3, 2010 from the office of Municipal Corporation, Kota (Rajasthan) to provide a list of Company's buildings/premises within the municipal limits of Kota. Subsequently, our Company filed a recall petition bearing number D.B Civil Misc Petition No. 25/2010 against the order of the High Court dated January 19, 2010. The High Court of Rajasthan recalled its earlier order through an order dated February 15, 2010 and has now issued notices to the writ petitioner.

5. Notices issued to our Company

- (i) Our Company has received a notice dated December 11, 2008 by Dr. Ashok Kumar Singh stating that he had executed a memorandum of understanding ("MOU") with our Company which had not been honoured by our Company. As per the terms and conditions of the MOU, our Company had to bear the expenditure of advertising and publicity of medical and engineering coaching exams for the Franchisee Centre established by Dr. Ashok Kumar Singh at Varanasi. Dr. Ashok Kumar Singh has claimed that he had to spend Rs. 136,958 himself to do publicity for his Franchisee Centre since our Company did not bear the expenditure. Hence, he has claimed this amount from our Company stating that as per the terms of the MOU, this expenditure had to be incurred by our Company.
- (ii) Our Company has received a notice dated October 6, 2008 and November 17, 2008 by Mr. Padam Singh Bisht on behalf of his son Mr. Prakash Singh Bisht for refund of half of the coaching fees amounting to Rs. 17,977. Our Company by its letter dated November 27, 2008 has replied back to the said letter.
- (iv) Our Company has received a letter from Tata Teleservices Limited dated January 6, 2009 for payment of a mobile phone bill of Rs. 2,157 for the use of a mobile phone. Our Company by a letter dated January 16, 2009 has replied back to the said letter.
- (v) Our Company has received letters 812/JS/Pers/05 and 2531/JS/Pers/Sigs/25 from Mr. Subedar Jagdish Singh dated September 17, 2008 and November 13, 2007 respectively claiming refund of fees of a sum of Rs. 19,000. Mr. Singh states that at the time of the admission to our Kanpur Franchisee Centre, he was assured by Mrs. Avani Gupta, owner of the Kanpur Franchisee Centre that he would be refunded the fees in case of discontinuation of coaching classes. Our Company has by its letter dated October 11, 2008 has replied back to the said letter. However, we have not heard anything from Mr. Singh thereafter.
- (vi) Our Company received a letter 565/P.G.Cell dated May 19, 2008 from the Deputy Collector, Public Grievance Cell, Sambalpur regarding a grievance petition 735/2008 filed by Mr. R.N.Nayak on behalf of his daughter Ms. Anshita Nayak for refund of fees amounting to Rs. 21, 311. The refund was claimed as the student was not satisfied

- with the infrastructural and educational facilities provided by the Sambalpur Franchisee Centre. Our Company by its letter dated June 3, 2008 has replied back to the said letter.
- (vii) Mr. Kunal Kasliwal sent a notice to our Company dated November 17, 2006 regarding a memorandum of understanding ("MOU") dated January 12, 2005 that was entered into with our Company, Mr. Pramod Maheshwari and Mr. Vinay Nayasar for establishing a Franchisee Centre at Indore. According to the terms and conditions of the MOU, our Company had to provide facilities and requisite materials for training of students for the engineering and the medical entrance examinations. Mr. Kunal Kasliwal by his letter dated April 25, 2005 demanded from our Company a refund of Rs. 200,000 alongwith interest at the rate of 18% p.a. thereon till the payment of the money is tendered. Our Company by its letter dated December 6, 2006 has replied back to the said letter.
- (viii) Ms. Champadevi sent a notice to our Company dated December 27, 2008 stating that our Company had not complied with the education centre affiliate agreement entered into between our Company and her for establishment of a Franchisee Centre at Gorakhpur. She was aggrieved as our Company did not provide her with adequate infrastructure material, furniture, advertisement and publicity and test papers which resulted in tremendous mental tension and agony to her and hence has claimed an amount of Rs. 1,836,714. Our Company by its letter dated February 24, 2009 has replied back to the said letter.
- (ix) Our Company has received a notice dated January 16, 2010 from Jagjit Singh that the Company allured his son and him for coaching on both IIT/CBSE courses but failed to deliver the commitments made by the Company in this regard. Jagjit Singh has further alleged that same faculty was not maintained for two years throughout the course and therefore damaged the studies of his son. He has demanded a refund of tuition fee of Rs 48,500 from the Company in his notice.
- (x) Our Company has received notice dated January 25, 2010 from Ms. Kanika Gupta in relation to misrepresentation about admission of student for MBA course at Proseed Business School and about their faculty. Ms. Kanika Gupta has claimed a refund of tuition fees of Rs. 10,000 from the Company within 15 days from the date of receipt of the notice.

B. Cases filed by our Company

1. Revenue Cases

Service Tax

A show cause notice bearing number V(H)ST/Adj-I/111/06/8297 dated June 27, 2006 was issued upon our Company calling upon it to pay service tax amounting to Rs. 527,018 alongwith interest and penalty under sections 75, 76 and 78 of the Finance Act. Our Company filed a reply to this show cause notice vide its letter dated May 28, 2007 and the authorities responded by granting our Company a personal hearing on June 27, 2007. Subsequently, an order dated November 21, 2007 was passed by the Joint Commissioner, Central Excise Tax Division, Jaipur I confirming the service tax to be paid by our Company amounting to Rs. 527,018 alongwith interest and penalty of Rs. 527,018. Further, the order also directed the appropriation of amount deposited by our Company. In the meantime, our Company filed an application on August 7, 2007 before the Assistant Commissioner, Central Excise, Kota, asking for a refund of service tax amounting to Rs. 527,018 alongwith interest and penalty amounting to Rs. 142,733 and Rs. 131,755 respectively. By an order dated November 5, 2007, the Assistant Commissioner, Central Excise Kota, sanctioned a total refund of Rs. 801,506 to be paid to our Company. However, the Joint Commissioner, being unaware of the refund order dated November 5, 2007 passed by the Assistant Commissioner, passed a new order dated November 21, 2007 asking for the appropriation

of amounts deposited by our Company. The refund of Rs. 801,506 received by our Company was ordered to be tendered back to the service tax authorities. Pursuant to the said order dated October 30, 2007, the Superintendent, Central Excise, Range I, Kota through his letter dated December 6, 2007, requested our Company to redeposit the amount of Rs. 527,018 alongwith interest and penalty of Rs. 527,018. Aggrieved by this order our Company has filed an appeal bearing number 67(RKS)ST/JPR- I/2008 dated April 16, 2008 before the Commissioner (Appeals – I), Custom & Central Excise, Jaipur. The Commissioner (Appeal – I) has vide its order dated April 25, 2008 rejected this appeal filed by our Company. Hence, our Company has filed an appeal before the CESTAT for a stay order and the CESTAT has allowed the stay petition vide its order number ST/396/2008 dated October 1, 2008. Subsequent to this, our Company has received a revision order by the Commissioner of Service Tax and our Company proposes to file an appeal before the CESTAT against this order.

- A show cause notice bearing number C.No.V(H) ST/Adj-I/109/2007/2097 dated September (b) 17, 2007 was issued by the Assistant Commissioner, Central Excise Division, Kota, to our Company stating that it had wrongly availed CENVAT credit of Rs. 1,173,611 on various steel items for construction purposes in Kota. The Assistant Commissioner, Central Excise Division, Kota has stated this CENVAT credit should be disallowed and should be recovered from our Company under rule 14 of the said CENVAT Credit Rules, 2004 read with sections 73 and 75 of the Finance Act alongwith a penalty. The Additional Commissioner Jaipur, issued an order dated April 25, 2008 disallowing CENVAT credit of Rs. 1,173,611 alongwith interest thereon and imposed a penalty of Rs. 2,000 on our Company. Our Company filed an appeal before the Commissioner (Appeal) Customs and Central Excise, Jaipur who passed an order but the same has not been received by our Company. Further, on December 9, 2009, our Company received a letter from the Superintendent, Kota stating in light of the aforementioned order, our Company should deposit a sum of Rs. 1,173,611 along with a penalty of Rs. 2,000. Our Company contested the amount to be paid inclusive of penalty before the Commissioner (Appeal) Customs and Central Excise, Jaipur requesting them to send the original copy of the order to allow our Company to plan a further course of action. Our Company has now received a copy of the said order and is in the process of filing an appeal against it.
- (c) A show cause notice bearing number V(H) Service Tax/Adj-I/15/08/1141 was issued to our Company by the Joint Commissioner, Jaipur on February 19, 2008 whereby they disallowed a CENVAT credit of Rs. 517,160 which was wrongly availed by our Company. Our Company pursuant to this notice had already tendered an amount of Rs. 284,565 alongwith interest of Rs. 21,300. The service tax authorities have demanded the balance amount along with interest under section 75 of the Finance Act and the penalty amount imposed on our Company pursuant to rule 15(3) of the CENVAT Credit Rules, 2004. Pursuant to this, a reply to the notice demanding the balance amount was filed by our Company with the Joint Commissioner, Jaipur and after taking our reply into account, an order was passed against our Company. Hence, our Company has decided to file an appeal before the Commissioner (Appeals) Customs and Excise Division, Jaipur.
- (d) A show cause notice bearing number V(CTC)15/242/ST/2008/12551 was issued to our Company by the Additional Commissioner, Kota disallowing a CENVAT credit of Rs. 101,665 which had been availed of by our Company for expenditure incurred on telephone and courier charges. According to service tax authorities, these services do not fall under CENVAT's definition of input services and hence, were disallowed. Our Company has filed a reply before the Assistant Commissioner, Kota on November 25, 2008 and in the personal hearing before the Assistant Commissioner, Kota, they reiterated their submissions and are now awaiting the final order.
 - Similarly, for the period of October 2007 to September 2008, a show cause notice bearing number V(CTC)/15/04/ST/2009/2565 was issued to our Company by the Assistant Commissioner, Kota disallowing a CENVAT credit of Rs. 271,106 on telephone and

courier, postage and telegram, packing and forwarding charges and insurance. According to the service tax authorities, these services do not fall within the definition of input services under the CENVAT Rules, 2004 and hence, should be disallowed. Our Company is awaiting a reply in the previous matter and will proceed as per the order passed therein.

Income Tax

(a) Notice under section 143 (2) of the Income Tax Act

Our Company has received a notice dated October 24, 2007 under section 143(2) of the Income Tax Act, 1961 in connection with the assessment year 2006-2007. Subsequently, an assessment order dated December 26, 2008 was passed under section 143(3) of the Income Tax Act, 1961 by the Deputy Commissioner of Income Tax, Circle - 1, Kota computing the total assessed income as Rs. 23,385,425 and initiating penalty proceedings under section 271(1)(c) for inaccurate particulars of income and concealment. Further, a notice dated December 26, 2008 was issued under sections 274 and 271 of the Income Tax Act, 1961, by the Deputy Commissioner of Income Tax, Circle-1, Kota to our Company, alleging the concealment of the particulars of income or the furnishing of inaccurate particulars of such income and directed our Company to appear before the Deputy Commissioner of Income Tax, Circle-1, Kota. Our Company has filed an appeal before the Commissioner (Appeals), Kota against the order. The matter is yet to be listed for hearing.

2. Criminal Cases

- (i) Our Company has filed two complaints bearing numbers 509/09 and 501/09 dated August 8, 2006 and one complaint bearing number 503/09 on September 28, 2006, under section 138 of the Negotiable Instruments Act, 1881, against Mr. Rakesh Tewari, ex-franchisee owner in Rewa, Madhya Pradesh, before the Additional Chief Judicial Magistrate No. 5, Kota. An amount of Rs. 266,670 was due and payable towards the supply of study materials inclusive of forwarding and packaging charges to our Company by Mr. Rakesh Tewari. Mr. Rakesh Tewari issued two cheques for an amount of Rs. 100,000 each and another cheque of Rs. 66,670, and all the three cheques issued were dishonoured. The Magistrate has taken cognizance of the matter and summons has been issued against the Mr. Rakesh Tewari. On November 26, 2009 cases have been transferred to the Special Negotiable Instruments Court in Kota. The case is still pending and the next date of hearing is May 14, 2010.
- (ii) Our Company has filed two complaints bearing numbers 777/2007 and 779/2007 dated May 1, 2007, under section 138 of the Negotiable Instruments Act, 1881, against Mr. Sanjay Vishwakarma, before the Magistrate, Kota. Mr. Sanjay Vishwakarma borrowed money for his personal needs for a sum amounting to Rs. 110,000. For repaying the borrowed money, he issued two cheques of Rs. 40,000 each and one cheque of Rs. 30,000, and all the three cheques issued were dishonoured. The Magistrate has taken cognizance in the matter and the Court has issued summons to Mr. Sanjay Vishwakarma. The case is still pending and the next date of hearing is July 15, 2010.
- (iii) Our Company has filed a complaint bearing number 26/2004 dated November 13, 2003, under section 138 read with section 141 of the Negotiable Instruments Act, 1881, before the Magistrate, Kota, against Friends Consortium, Ajmer and its three partners, Mr. Salil Gupta, Mr. Kedar Nath Sharma and Mr. Manda (the "Accused"). An amount of Rs. 850,000 as franchisee fees was due and payable to our Company by Friends Consortium. One of the partners of Friends Consortium issued two cheques for Rs. 500,000 and Rs. 350,000 respectively from his personal account. The said cheques were dishonoured and the Magistrate took cognizance of the entire matter under Sections 138 and 141 of the Negotiable Instruments Act, 1881and issued summons to the Accused. The case is still pending and the next date of hearing is July 15, 2010.

- (iv) Our Company has filed a complaint bearing number 504/2009 dated February 8, 2006, under section 138 read with section 141 of the Negotiable Instruments Act, 1881, against Chhattisgarh Coaching Institute, before the Magistrate, Kota. An amount of Rs. 85,000 was due and payable to our Company towards supply of study materials inclusive of packaging and forwarding charges by this institute. A cheque for an amount of Rs. 85,000 was issued by this institute, but, it was dishonoured. The Magistrate took cognizance of the matter on June 1, 2007 and summons was issued to Chhattisgarh Coaching Institute. The case is still pending before the Special Negotiable Instruments Court, Kota and the next date of hearing is May 14, 2010.
- (v) Our Company has filed a complaint bearing number 194/2007 dated February 1, 2007 under section 138 read with section 141 of the Negotiable Instruments Act, 1881, against Gwalior Coaching Classes Private Limited and Mr. Dharmendra Pal Singh Jaduon before the Magistrate, Kota. A sum of Rs. 30,000 was due and payable to our Company by Gwalior Coaching Classes Private Limited and Mr. Dharmendra Pal Singh Jaduon towards charges for supply of study material inclusive of forwarding and packaging charges and an upfront royalty. A cheque for an amount of Rs. 30,000 was issued to our Company and the same was dishonoured. Summons was issued to Gwalior Coaching Classes Private Limited and Mr. Dharmendra Pal Singh Jaduon to appear before the Court. The case is still pending and the next date of hearing is September 17, 2010.
- (vi) Our Company has filed a complaint bearing number 78/2007 dated October 20, 2006, under section 138 read with section 141 of the Negotiable Instruments Act, 1881, against Gwalior Coaching Classes Private Limited before the Magistrate, Kota. A sum of Rs. 200,000 was due and payable to our Company by Gwalior Coaching Classes Private Limited towards the supply of study materials inclusive of forwarding and packaging charges and an upfront royalty. A cheque for that amount was issued by the director of Gwalior Coaching Classes Private Limited from his personal account. The cheque was dishonoured and the Magistrate took cognizance of the matter on January 15, 2007, wherein he issued a bailable warrant against the director of Gwalior Coaching Classes Private Limited. The case is still pending and the next date of hearing is July 7, 2010.
- (vii) Our Company has filed a complaint bearing number 172/08 dated Janaury 8, 2008, under section 138 of the Negotiable Instruments Act, 1881, against Mr. Dilip Kumar Singh, before the Magistrate, Kota. An amount of Rs. 100,000 was due and payable to our Company towards supply of study materials inclusive of forwarding and packaging charges and an upfront royalty. A cheque for an amount of Rs. 100,000 was issued towards the part payment of the money owed by Mr. Dilip Kumar Singh. The cheque was dishonoured and the court took cognizance of the matter on March 04, 2008. The case is still pending and the next date of hearing is July 9, 2010.
- (viii) Our Company has filed a complaint bearing number 194/2009 on February 5, 2009 against Krishna Book Company before the Magistrate, Kota under section 138 of the Negotiable Instruments Act, 1881. Krishna Book Company sold application forms on behalf of our Company and issued a cheque of Rs. 10,000 to us in lieu of the sale proceeds. The cheque so issued was dishonoured and therefore, our Company has filed a case against them. The case is still pending and the next date of hearing is March 16, 2010.
- (ix) Our Company has filed a complaint on November 25, 2008 against M/s Aradhna Associates and its partners Mr. Bhupendra Kumar, Mr. Vishal Bharti and Mr. Shivam Kapoor before the Magistrate, Kota, under section 138 of the Negotiable Instruments Act, 1881, for the dishonour of three cheques of Rs. 200,000 each, bearing cheque numbers 791129, 791130 and 791131 which had been issued to our Company for arrears of ongoing royalty, study materials, packaging and forwarding charges. The case is still pending and the next date of hearing is May 14, 2010.

- (x) Our Company has filed a complaint on November 24, 2008 against M/s Aradhna Associates and its partners Mr. Bhupendra Kumar, Mr. Vishal Bharti and Mr. Shivam Kapoor under section 138 of the Negotiable Instruments Act, 1881, before the Magistrate, Kota, for the dishonour of two cheques of Rs. 200,000 each, bearing cheque numbers 791129 and 791130 which had been issued to our Company for arrears of ongoing royalty, study materials, packaging and forwarding charges. The case is still pending and the next date of hearing is May 14, 2010.
- (xi) Our Company has filed a complaint bearing number 187/09 against Mr. Ajay Kumar Verma under section 138 of the Negotiable Instruments Act, 1881 before the Magistrate, Kota on February 3, 2009. Mr. Ajay Kumar Verma was an ex-employee of our Company who left our Company on December 16, 2008. He issued two cheques to our Company to compensate our Company for training charges and costs for appointing a new teacher. The cheques for an amount of Rs. 40,000 each were dishonoured and hence, our Company filed a case against him. The case is still pending and the next date of hearing is May 14, 2010.
- (xii) Our Company has filed a complaint on March 27, 2009 against Mr. Devendra Kumar Sharma before the Magistrate, Kota under section 138 of the Negotiable Instruments Act, 1881, for dishonour of a cheque of Rs. 5,000 tendered to our Company in lieu of the sale of Company's application forms. The case is still pending and the next date of hearing is April 1, 2010.
- (xiii) Our Company has filed a complaint bearing number 385/09 on November 24, 2008 against Mr. Siddharth Gupta under section 138 of the Negotiable Instruments Act, 1881, before the Magistrate, Kota for the dishonour of a cheque bearing cheque number 205025 of Rs. 200,000 issued to our Company for outstanding liabilities. The case is still pending and the next date of hearing is March 6, 2010.
- (xiv) Our Company has filed a complaint bearing number 384/09 against Swami Vivekanand Charitable Trust, and Mr. Sidharth Gupta. Swami Vivekananda Charitable Trust entered into a Memorandum of Understanding with the Company in connection with which they issued a cheque which was dishonoured due to insufficient funds. The company filed a case against Swami Vivekananda Charitable Trust and their authorised signatory, Mr. Siddharth Gupta, for dishonour of this cheque before the Magistrate, Kota. The case is still pending and the next date of hearing is March 6, 2010.
- (xv) Our Company filed three complaints against Bhagya Education Pvt. Ltd., Bhubaneswar ("Bhagya Education"), and Mr. Bhagyadhar Sahoo, in both his capacity as an individual and also Managing Director, under section 138 of the Negotiable Instruments Act, 1881. Bhagya Education issued six cheques to our Company of Rs. 6, 00,000 each which were dishonoured. Hence, our Company filed three complaints against them on October 28, 2009 before the Magistrate, Kota. The case is still pending and the next date of hearing is May 15, 2010.
- (xvi) Our Company filed a first information report bearing reference number 94/2006 dated May 10, 2006 before the Keshavpura Police Station, for theft of a multimedia projector on May 4, 2006. Thereafter, the police filed a report before the court on May 4, 2006 that they have seized a projector under section 102 of the Criminal Procedure Code, 1973. Our Company identified the same as being the projector that was stolen from their premises. The projector was deposited in court and our Company filed an application under Section 457 of the Criminal Procedure Code, 1908 for delivery of the projector but the court by its order dated March 12, 2008 did not accept our Company's application. Our Company was aggrieved by this said order and so it filed a case against Thanadhikari Keshavpura, Kota and State of Rajasthan under section 397 of the Criminal Procedure Code, 1973 for reclaiming the said projector. The case is still pending and the next date of hearing is March 19, 2010.

- (xvii) Our Company has filed a complaint on October 1, 2008 under sections 138 read with section 141 of the Negotiable Instruments Act, 1881 against M/s Saraswatri Shiksha Kendra, Bhatinda, Mr Kanwar Ishwinder Singh and Ms. Svitlana for an amount of Rs. 185,219 that was due and payable to our Company towards the supply of study materials inclusive of packaging and forwarding charges. A cheque for an amount of Rs. 185,219 was issued by them on behalf of M/s Saraswatri Shiksha Kendra which was dishonoured. The case is still pending and the next date of hearing is May 14, 2010.
- (xviii) Our Company filed a complaint on January 21, 2010 before the Magistrate, Kota, against Mr. Naresh Kumar Upadhyay under section 138 of the Negotiable Instruments Act, 1881, for the dishonour of two cheques of Rs. 65,000 each issued to our Company, for outstanding liabilities. The case is still pending and the next date of hearing is March 30, 2010.

3. Civil Cases

- (i) Our Company and Mr. Pramod Maheshwari ("Plaintiffs") have filed a plaint before the District Court at Jaipur against "Career Point" Patiala, Punjab ("Defendant") for temporary injunction to restrain them for using the mark and logo "CAREER POINT." The Defendant has registered the trademark under class 16 of the Trademarks Act, 1999. Mr. Pramod Maheshwari has also filed an application for the same mark and logo in the Trademarks Registry, Ahmedabad under class 41 as a prior user of the mark. On July 14, 2008, the District Court at Jaipur issued summons to Career Point at Patiala, Punjab for appearance on July 18, 2008.
- (ii) Mr. Pramod Maheshwari and our Company ("Plaintiffs") filed a plaint bearing number 294/08 on May 16, 2008 before the District Court at Jaipur against Rishabhdev Education and Research Institute, Raipur, Chattisgarh ("Defendant") for temporary injunction to restrain them from using the mark and logo "CAREER POINT". The Defendant has registered the trademark under the Trademarks Act, 1999 on May 16, 2008. On May 16, 2008, District Court, Jaipur issued summons to Rishabhdev Education and Research Institute, Raipur, Chattisgarh to appear before them on May 20, 2008. On account of non appearance of the Defendant on May 20, 2008 and after hearing the Plaintiffs in the suit filed by them, the Court granted the Plaintiffs a temporary injunction. The Defendant then, pleaded before the District and Sessions Judge that they did not have the jurisdiction to try the suit. However, the court overruled their contention and granted the injunction in favour of our Company and Mr. Pramod Maheshwari. The Defendant then filed an appeal before the Rajasthan High Court, Jaipur bench. The next date of hearing is March 27, 2010.

4. Consumer complaints

Our Company and Mr. Pramod Maheshwari has filed a consumer complaint number 355/08 dated July 19, 2007 under section 12 of the Consumer Protection Act, 1986 against The Oriental Insurance Company Limited, before District Consumer Dispute Redressal Forum, Kota for deficiency in services and unfair trade practices under an umbrella insurance policy which he had purchased on July 29, 2005. The claim had been filed with reference to the theft of a projector which had been rejected by The Oriental Insurance Company Limited. The total amount of claim involved is Rs. 105,500 and the arguments for the case have commenced. The next date of hearing is April 3, 2010.

5. Notices issued

(i) Our Company had entered into a leasehold agreement dated October 9, 2006 with M/s Hindustan Forged & Fabrication Steel ("**Hindustan Steel**") in respect of leasing Plot No. A-116, Industrial Area, Kota, Rajasthan. Our Company paid Hindustan Steel a sum of Rs. 1,500,000 as advance, and had to pay a balance of Rs. 21,500,000. However, Hindustan

Steel on some pretext or the other did not grant possession to our Company and also kept postponing entering into the final sale agreement with our Company. Hence, our Company sent Hindustan Steel a notice dated November 26, 2007 asking them to give immediate possession of the land to our Company and if it did not do so, then, our Company would take legal action against Hindustan Steel for violating sections 120, 406 and 420 of the Indian Penal Code, 1908. Our Company is yet to take any action.

(ii) Arbitration disputes

Our Company had entered into education centre affiliate agreements ("Affiliate Agreement") with Mr. Krishan Kumar Arya, Mr. Aditya Gupta, Mr. Nagender Singh, Mr. Subratacharya, Mr. Amit Sharma, Mrs. Munmun Mazumder, Mrs. Anjoo Saraswat, Mr. Hazi Mohammad Hanif Barvatia, Ms. Avani Gupta, Mr. Shamsher Singh Hura and Mr. Zakhir Ahmed on February 18, 2006, June 2, 2006, February 28, 2007, December 30, 2006, March 2, 2005, March 29, 2006, January 27, 2005, January 2, 2007, March 17, 2005, March 7, 2006 and April 15, 2004, respectively, to establish and operate Franchisee Centres under the brand name of our Company. As per the Affiliate Agreement, all the aforementioned persons had to pay a stipulated fee to our Company alongwith 22% ongoing royalty on the gross fees collected from the students. Since, the conditions mentioned in the Affiliate Agreement were not met by the aforesaid parties, our Company sent a cease and desist notices to the aforementioned persons alleging the following:

- a. Breach of the contract by not complying with the conditions of the Affiliate Agreement;
- b. Execution of the Affiliate Agreement with malafide and dishonest intention which has caused losses to our Company; and
- Misappropriating the amount due to our Company, thereby committing criminal breach
 of trust pursuant to the provisions of Sections 409 and 420 of the Indian Penal Code,
 1860

Thereafter, our Company has issued individual notices to the aforementioned persons for the appointment of an arbitrator as per the procedure laid down in the Affiliate Agreement. The Company has decided to pursue arbitration as per the procedure laid down in the Affiliate Agreement and is in the course of appointing arbitrators.

C. Proceedings initiated against our Company for economic offences

There are no proceedings initiated against our Company for any economic offences.

D. Details of past penalties imposed on our Company

There are no past penalties imposed on our Company.

E. Potential litigation against our Company

There are no potential litigations against our Company that we are currently aware of or in connection with which, we have received notice.

F. Material developments since the last balance sheet date

Except as disclosed in the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" at page 183, in the opinion of our Board, there have not arisen, since the date of the last financial statements disclosed in this Draft Red Herring Prospectus, any circumstances that materially or adversely affect or are likely to affect our profitability taken as a whole or the value of its consolidated assets or its ability to pay its material liabilities within the next 12 months.

G. Outstanding dues to small scale undertaking(s) or any other creditors

There are no outstanding dues above Rs. 100,000 to small scale undertaking(s) or any other creditors by our Company, for more than 30 days.

H. Outstanding Litigation against other companies whose outcome could have an adverse effect on our Company

There is no outstanding litigation, suits, criminal or civil prosecutions, statutory or legal proceedings including those for economic offences, tax liabilities, prosecution under any enactment in respect of Schedule XIII of the Companies Act, show cause notices or legal notices pending against any company whose outcome could affect the operation or finances of our Company or have a material adverse effect on the position of our Company.

I. Adverse findings against any persons/entities connected with our Company as regards non compliance with securities laws

There are no adverse findings involving any persons/entities connected with our Company as regards non compliance with securities law.

J. Disciplinary action taken by SEBI or stock exchanges against our Company

There is no disciplinary action taken by SEBI or stock exchanges against our Company.

I. Litigation involving the Directors of our Company

A. Outstanding litigation against our Directors

Cases filed against the Directors

Mr. Pramod Maheshwari

1. Revenue Cases

Service Tax

A show cause notice bearing number V(CTC) 3/20/ST/2004/4605 dated May 12, 2004 was served upon Mr. Pramod Maheshwari by the Assistant Commissioner, Central Excise Division, Kota, calling upon them to tender service tax amounting to Rs. 2,495,872 alongwith interest at 15% p.a. and a penalty thereon. The Additional Commissioner passed an order dated December 23, 2005 against Mr. Pramod Maheshwari demanding payment of Rs 2,495,872 along with interest and penalty. Against this order he filed an appeal before the office of the Commissioner (Appeals -1), Customs and Central Excise, Jaipur asking them to set aside the previous order passed by the Additional Commissioner. The Commissioner Appeals set aside the impugned order, but, an appeal was filed by the service tax authorities against this order before the CESTAT. The CESTAT by its order dated December 16, 2008 asked him to pay the service tax as had been originally levied upon him and against the order of the CESTAT, he filed an appeal before the High Court of Rajasthan, Division Bench, Jaipur, and the same has been accepted. Mr. Pramod Maheshwari has been stayed from depositing the amount of the service tax as he has presented a fixed deposit receipt for the amount to be paid as a guarantee.

Income Tax

- Mr. Pramod Maheshwari received an impounding order dated December 5, 2009 (a) under section 133A(3)(ia) of the Income Tax Act from the Assistant Director of Income Tax, Jaipur stating that certain documents/diaries/registers/loose papers/ books of accounts etc. were found during the survey on December 4, 2009 which could not be verified from the regular books of assessee and no satisfactory explanation could be furnished by the assessee regarding the contents. Hence, the documents were impounded for further examination and verification. Further, the Commissioner of Income Tax, Kota passed an order dated January 13, 2010 transferring the case of Mr. Pramod Maheshwari including the "Career Point group" to the Deputy Commissioner of Income Tax, Jaipur after search and seizure operations were carried out on the "Career Point group" and a proposal for centralization of the cases of the group with the Deputy Commissioner of Income Tax, Jaipur was received by the Commissioner of Income, Kota. On January 29, 2010, Mr. Pramod Maheshwari received a letter from the Deputy Commissioner of Income Tax, Jaipur that all correspondence relating to the assessment and other proceedings under Income Tax Act, wealth tax, etc will be referred to the Deputy Commissioner of Income Tax, Jaipur.
- (b) A notice under section 143(2) of the Income Tax Act dated March 23, 2007 was issued to Mr. Pramod Maheshwari, in connection with assessment year 2006-2007 to attend the office of the Assistant Commissioner, Income Tax, Circle 1, Kota on April 10, 2007. An order was passed and appeal was filed before the Commissioner (Appeals), Kota. The hearing is yet to commence.
- (c) A notice under section 143(2) of the Income Tax Act dated September 3, 2009 was issued to Mr. Pramod Maheshwari, in connection with the assessment year 2008-2009, to attend the office of the Assistant Commissioner, Income Tax Circle 1, Kota on September 18, 2009. The hearing is yet to commence.
- (c) Notices under section 153A of the Income Tax Act

Mr. Pramod Maheshwari has received notices dated January 29, 2010 under section 153A of the Income Tax Act pursuant to the search conducted under section 132 of the Income Tax Act on Mr. Pramod Maheshwari on December 4, 2009. Mr. Pramod Maheshwari has been requested to furnish true and correct return of income with respect to him that is assessable for the assessment years 2005-06, 2006-07, 2007-08, 2008-09 and 2009-10 within 30 days from the service of the notices.

Mr. Nawal Kishore Maheshwari

1. Revenue Cases

Service Tax

(a) A show cause notice bearing number V(ST)CAREER POINT/37/JPR-1/04/2689 dated October 1, 2004 was issued by the office of the Deputy Commissioner of Central Excise Division 1, Jaipur to Mr. Nawal Kishore Maheshwari asking him to explain the short payment of service tax amounting to Rs. 495,895. The service tax authorities claimed recovery to this alongwith interest and penalty under sections 75, 76 and 78 of the Finance Act, 1994. He filed his reply through a letter dated December 9, 2004, requesting permission for a personal hearing before the Deputy Commissioner, Kota. A personal hearing before the Deputy Commissioner, Kota was granted on January 28, 2008 and currently Mr. Nawal Kishore Maheshwari is awaiting the final proceedings to take place.

Income Tax

- Mr. Nawal Kishore Maheshwari received an impounding order dated December 5, a) 2009 under section 133A (3) (ia) of the Income Tax Act from the Assistant Director of Income Tax, Jaipur stating that certain documents/diaries/registers/loose papers/ books of accounts etc. were found during the survey on December 4, 2009 which could not be verified from the regular books of assessee and no satisfactory explanation could be furnished by the assessee regarding the contents. Hence, the documents were impounded for further examination and verification. Further, the Commissioner of Income Tax, Kota passed an order dated January 13, 2010 transferring the case of Mr. Nawal Kishore Maheshwari including the "Career Point group" to the Deputy Commissioner of Income Tax, Jaipur after search and seizure operations were carried out on the "Career Point group" and a proposal for centralization of the cases of the group with the Deputy Commissioner of Income Tax, Jaipur was received by the Commissioner of Income, Kota. On January 29, 2010, Mr. Nawal Kishore Maheshwari received a letter from the Deputy Commissioner of Income Tax, Jaipur that all correspondence relating to the assessment and other proceedings under Income Tax Act, wealth tax, etc will be referred to the Deputy Commissioner of Income Tax, Jaipur.
- b) A notice under section 143(2) of the Income Tax Act dated March 23, 2007 was issued to Mr. Nawal Kishore Maheshwari in connection with the assessment year 2006-2007, to attend the office of the Assistant Commissioner, Income Tax, Circle 1, Kota on April 9, 2007. The hearing is yet to commence.
- c) A notice under section 143(2) of the Income Tax Act dated September 11, 2009 was issued to Mr. Nawal Kishore Maheshwari, in connection with the assessment year 2008-2009, to attend the office of the Assistant Commissioner, Income Tax circle 1, Kota on October 6, 2009. The hearing is yet to commence.
- d) Mr. Nawal Kishore Maheshwari has received notices dated January 29, 2010 under section 153A of the Income Tax Act pursuant to the search conducted under section 132 of the Income Tax Act on Mr. Nawal Kishore Maheshwari on December 4, 2009. Mr. Nawal Kishore Maheshwari has been requested to furnish true and correct return of income with respect to him that is assessable for the assessment years 2005-06, 2006-07, 2007-08, 2008-09 and 2009-10 within 30 days from the service of the notices.

Mr. Om Prakash Maheshwari

1. Revenue Cases

Income Tax

(a) Mr. Om Prakash Maheshwari received an impounding order on December 5, 2009 under section 133A (3) (ia) of the Income Tax Act, 1961 from the Assistant Director of Income Tax, Jaipur stating that certain documents/diaries/registers/loose papers/books of accounts etc. were found during the survey on December 4, 2009 which could not be verified from the regular books of assessee and no satisfactory explanation could be furnished by the assessee regarding the contents. Hence, the documents were impounded for further examination and verification. Further, the Commissioner of Income Tax, Kota passed an order dated January 13, 2010 transferring the case of Mr. Om Prakash Maheshwari including the "Career Point group" to the Deputy Commissioner of Income Tax, Jaipur after search and seizure

operations were carried out on the "Career Point group" and a proposal for centralization of the cases of the group with the Deputy Commissioner of Income Tax, Jaipur was received by the Commissioner of Income, Kota. On January 29, 2010, Mr. Om Prakash Maheshwari received a letter from the Deputy Commissioner of Income Tax, Jaipur that all correspondence relating to the assessment and other proceedings under Income Tax Act, wealth tax, etc will be referred to the Deputy Commissioner of Income Tax, Jaipur.

(b) Mr. Om Prakash Maheshwari has received notices dated January 29, 2010 under section 153A of the Income Tax Act pursuant to the search conducted under section 132 of the Income Tax Act on Mr. Om Prakash Maheshwari on December 4, 2009. Mr. Om Prakash Maheshwari has been requested to furnish true and correct return of income with respect to him that is assessable for the assessment years 2005-06, 2006-07, 2007-08, 2008-09 and 2009-10 within 30 days from the service of the notices.

Cases filed by our Directors

Mr. Pramod Maheshwari

1. Revenue Cases

Income Tax

(a) Mr. Pramod Maheshwari filed an appeal dated March 29, 2006 for the assessment year 2003-2004 before the Commissioner of Income Tax (Appeals), Kota, against the assessment order passed by the Assessing Officer under section 143(3) of the Income Tax Act, 1961. The assessing officer had asked for income tax to be paid on sale of application forms for IIT/PET/PMT courses and the classes conducted for it. Accordingly, the hearing was concluded on November 11, 2007 and an order was passed on December 12, 2007 to pay the tax which had been imposed on an additional income of Rs. 2,650,147. Mr. Pramod Maheshwari filed an appeal against this order before the Income Tax Appellate Tribunal. The order was passed in favour of him but the Department of Income Tax has filed an appeal against it in the High Court, Rajasthan. Mr. Pramod Maheshwari has not received a notice till date in relation to the appeal.

2. Consumer Complaints

- a) Our Company and Mr. Pramod Maheshwari has filed a consumer complaint number 355/08 dated July 19, 2007 under section 12 of the Consumer Protection Act, 1986 against The Oriental Insurance Company Limited, before District Consumer Dispute Redressal Forum, Kota for deficiency in services and unfair trade practices under an umbrella insurance policy which he had purchased on July 29, 2005. The claim had been filed with reference to the theft of a projector which had been rejected by The Oriental Insurance Company Limited. The total amount of claim involved is Rs. 105,500 and the arguments for the case have commenced. The next date of hearing is April 3, 2010.
- b) Mr. Pramod Maheshwari has filed a consumer complaint number 57/07 on January 18, 2007 against Bajaj Allianz Life Insurance Limited. Mr. Pramod Maheshwari submitted the switching form (to change the investment options for his insurance policy), however, the insurance company failed to transfer the entire amount into the new scheme. Hence, Mr. Pramod Maheshwari has accused Bajaj Allianz Life

Insurance Limited with unfair trade practices and deficiency in consumer services. The matter is currently pending and the next date of hearing is March 5, 2010.

3. Criminal Complaints

(a) Mr. Pramod Maheshwari has filed a complaint bearing number 775/04, under section 138 of the Negotiable Instruments Act, 1881, against Mr. Neeraj Kumar before the Magistrate First Class at Kota on March 25, 2004. Mr. Neeraj Kumar borrowed a total sum of Rs. 350,000 for his personal needs from time to time from Mr. Pramod Maheshwari and he repaid a sum of Rs. 150,000 in cash and issued a cheque for the balance amount of Rs. 200,000. The aforesaid cheque was dishonored and thus, Mr. Pramod Maheshwari filed a complaint under section 138 of the Negotiable Instruments Act, 1881. The Magistrate had taken cognizance of this matter and the next date of hearing is July 5, 2010.

4. Notices issued

Mr. Pramod Maheshwari and our Company ("Plaintiffs") have filed a notice of opposition bearing application number 1635801 under Section 21(1) and Rule 47(1) of the Trade Marks Act, 1999 before the Registrar of Trademarks, Chennai for opposing the registration of a trademark sought by Career Point Consultants Private Limited advertised in the Trade mark journal dated June 16, 2009 under class 35. The Plaintiffs have opposed the granting of this trademark as the mark "CAREER POINT" is exclusively associated with the opponent and it is the opponent's property; hence, by seeking to register a deceptively similar trademark, the applicant is invading the opponent's property rights.

5. Civil Cases

- a) Mr. Pramod Maheshwari and our Company ("Plaintiffs") have filed a plaint before the District Court at Jaipur against "Career Point" Patiala, Punjab ("Defendant") for temporary injunction to restrain them for using the mark and logo "CAREER POINT." The Defendant has registered the trademark under class 16 of the Trademarks Act, 1999. Mr. Pramod Maheshwari has also filed an application for the same mark and logo in the Trademarks Registry, Ahmedabad under class 41 as a prior user of the mark. On July 14, 2008, the District Court at Jaipur issued summons to Career Point at Patiala, Punjab for appearance on July 18, 2008. The next date of hearing is April 3, 2010.
- b) Mr. Pramod Maheshwari and our Company ("Plaintiffs") filed a plaint bearing number 294/08 on May 16, 2008 before the District Court at Jaipur against Rishabhdev Education and Research Institute, Raipur, Chattisgarh ("Defendant") for temporary injunction to restrain them from using the mark and logo "CAREER POINT". The Defendant has registered the trademark under the Trademarks Act, 1999 on May 16, 2008. On May 16, 2008, District Court, Jaipur issued summons to Rishabhdev Education and Research Institute, Raipur, Chattisgarh to appear before them on May 20, 2008. On account of non appearance of the Defendant on May 20, 2008 and after hearing the Plaintiffs in the suit filed by them, the Court granted the Plaintiffs a temporary injunction. The Defendant then, pleaded before the District and Sessions Judge that they did not have the jurisdiction to try the suit. However, the court overruled their contention and granted the injunction in favour of our Company and Mr. Pramod Maheshwari. The Defendant then filed an appeal before the Rajasthan High Court, Jaipur bench. The next date of hearing is March 27, 2010.
- c) Mr. Pramod Maheshwari filed an application in the matter of trade mark number 1407597 on September 8, 2008 for the removal of trade mark "Career Point" from the Register of Trademarks under sections 47, 57, 125 of the Trade Marks Act, 1999.

This application was filed before the Intellectual Property Appellant Board, Chennai against Rishabhdev Education and Research Institute, Raipur, Chattisgarh as Rishabhdev Education and Research Institute had wrongly infringed on a trademark registered in class 41 by Mr. Pramod Maheshwari. Thereafter, the Intellectual Property Appellate Board, Chennai issued direction to Rishabhdev Education and Research Institute to file a counter statement through its letter dated December 5, 2008. Rishabhdev Education and Research Institute filed its counter statement on February 21, 2009. The matter is currently pending and the hearing is yet to commence.

Mr. Om Prakash Maheshwari

1. Criminal Complaint

- a) Mr. Om Prakash Maheshwari has filed a complaint bearing number 843/2006 on September 28, 2006, under section 138 of the Negotiable Instruments Act, 1881, against Mr. Sanjeev Singhal before the Magistrate First Class at Kota. Mr. Sanjeev Singhal had borrowed an amount of Rs. 110,000 for his personal needs and to repay the borrowed amount he had issued a cheque of Rs. 110,000 which was dishonoured. The Magistrate has taken cognizance of the matter and the next date of hearing is March 31, 2010.
- b) Mr. Om Prakash Maheshwari has filed a complaint bearing no. 581/2006 on July 27, 2006, under section 138 of the Negotiable Instruments Act, 1881, against Mr. Parvez Ahmed before the Additional Chief Judicial Magistrate Number 5, Kota. Mr. Parvez Ahmed borrowed a total sum of Rs. 66,000 for his personal needs and to repay the entire amount by issuing two cheques of Rs. 33,000 each, both of which were dishonoured. The Magistrate has taken cognizance of the matter and the next date of hearing is February 3, 2010.
- c) Mr. Om Prakash Maheshwari filed a complaint bearing number 498/2005 on March 10, 2005, under section 138 of the Negotiable Instruments Act, 1881, against Mr. Yogesh Goyal before the Magistrate First Class at Kota. Mr. Yogesh Goyal borrowed a total sum of Rs. 35,000 for his personal needs and to repay the entire amount he issued a cheque of Rs. 35,000 which was dishonored. The Magistrate has taken cognizance of the matter and the next date of hearing is April 8, 2010.

B. Proceedings initiated against the Directors for economic offences

There are no proceedings initiated against our Directors for any economic offences.

C. Details of past penalties imposed on our Directors

There are no past penalties imposed on our Directors.

D. Criminal proceedings initiated against the Directors

There are no criminal proceedings initiated against our Directors as on the date of filing the Draft Red Herring Prospectus.

E. Tax proceedings initiated against the Directors

There are no criminal proceedings initiated against our Directors towards tax liabilities as on the date of filing the Draft Red Herring Prospectus.

II. Litigation involving our Subsidiary

1. Career Point Edutech Limited

There are no outstanding litigations by and against Career Point Edutech Limited.

2. Career Point Infra Limited

There are no outstanding litigations by and against Career Point Infra Limited.

III. Litigation involving the Promoters of our Company

A. Outstanding litigation and material developments/proceedings against our Promoters

For a detailed understanding of the litigation against our Promoters, see the section titled "Outstanding Litigation And Material Developments-Litigation involving the Directors of our Company" at page 199.

B. Outstanding litigation and material developments/proceedings filed by our Promoters

For a detailed understanding of the litigation proceedings filed by our Promoters, see the Section titled "Outstanding Litigation And Material Developments-Litigation involving the Directors of our Company" at page 199.

C. Details of past penalties imposed on our Promoters

There are no past penalties imposed on our Promoters.

D. Proceedings initiated against our Promoters for economic offences

There are no proceedings initiated against our Promoters, for any economic offences.

E. Litigation/Defaults in respect of companies/firms/ventures which our Promoters were associated in the past

There are no outstanding litigation/defaults in respect of companies/firms/ventures with which the Promoters were associated in the past.

F. Adverse findings against any persons/entities connected with our Promoters as regards non compliance with securities laws

There are no adverse findings involving any persons/entities connected with our Promoters with regard to non compliance with securities law.

G. Criminal proceedings initiated against the Promoters

There are no criminal proceedings initiated against our Promoters as on the date of filing the Draft Red Herring Prospectus.

H. Civil proceedings initiated against the Promoters

There are no civil proceedings initiated against our Promoters as on the date of filing the Draft Red Herring Prospectus.

I. Tax proceedings initiated against the Promoters

There are no criminal proceedings initiated against our Promoters towards tax liabilities as on the date of filing the Draft Red Herring Prospectus.

J. Litigation against the Promoters for violation of statutory regulations

There are no proceedings initiated against our Promoters for violation of statutory regulations as on the date of filing the Draft Red Herring Prospectus.

IV. Litigation involving our Group Companies and entities

A. Outstanding litigation and material developments/proceedings against Group Companies and entities

There are no outstanding litigations by and against any of our Group Companies and entities.

B. Details of past penalties imposed on our Group Companies and entities

There are no past penalties imposed on our Group Companies and entities.

C. Proceedings initiated against Group Companies and entities for economic offences

No proceedings have been initiated against our Group Companies and entities for any economic offences.

D. Adverse findings against any persons/entities connected with our Promoters as regards non compliance with securities laws

There are no adverse findings involving any persons/entities connected with our Promoters with regard to non compliance with securities law.

E. Proceedings initiated against the Group Companies and entities involving labour disputes or closure.

There has been no litigation against our Group Companies and entities with respect to labour disputes or closures as on the date of filing the Draft Red Herring Prospectus.

F. Proceedings against the Group Companies and entities with respect to default/overdues.

There has been no litigation against the Group Companies and entities with respect to default/overdues as on the date of filing the Draft Red Herring Prospectus.

G. Material Developments since the last balance sheet

Except as disclosed in the section titled "Management Discussion and Analysis of Financial Conditions and Results of Operations" at page 183, there are no material developments which would affect the business and operations of our Company.

GOVERNMENT AND OTHER APPROVALS

We have received the necessary consents, licenses, permissions and approvals from the government and various governmental agencies required for our present business and except as mentioned below, no further material approvals are required for carrying on our present business.

In view of the approvals listed below, we can undertake this Issue and our current business activities and no further major approvals from any governmental or regulatory authority or any other entity are required to undertake the Issue or continue our business activities. Unless otherwise stated, these approvals are all valid as of the date of this Draft Red Herring Prospectus.

Approvals for the Issue

- 1. In-principle approval from the BSE dated [●].
- In-principle approval from the NSE dated [●].

General

- 1. Company Identification Number U72200RJ2000PLC 016272.
- 2. Certificate of Incorporation dated March 31, 2000.
- Certificate of commencement of business issued by Registrar of Companies by its certificate dated April 11, 2000.

Taxation Related Approvals

- 1. Permanent Account Number AABCC4963A.
- 2. Service Tax Code Number AABCC4963AST001, issued by the Central Excise Division, dated August 8, 2003.
- 3. Tax Deduction Account Number JDHC01357G, issued by the Income Tax Department, dated September 13, 2004.

Other Approvals

- 1. Registration under Employees State Insurance Act, by a letter dated September 13, 2004, bearing number 15/19126/90, issued by the Employee State Insurance Corporation.
- 2. Registration under The Provident Funds Act by a letter dated April 25, 2007 bearing number RJ/PF/11231, issued by the Regional Provident Fund Commissioner.

Shops and Establishment

- 1. Certificate of registration dated April 1, 2008 bearing registration number 8967 issued by the Inspector under Shops and Establishments Act, 1958, certifying that our Nagpur Branch is registered as a commercial establishment.
- Certificate of registration dated May 5, 2008 bearing registration number SH/1604/R-C-16/P-172/08 issued by Inspector under Shops and Establishments Act, 1958, certifying that our Jaipur Branch is registered as a commercial establishment.

- 3. Certificate of registration dated May 12, 2008 bearing registration number 57/CE/7(2) issued by Inspector under Shops and Establishments Act, 1958, certifying that our Udaipur Branch is registered as a commercial establishment.
- 4. Certificate of registration dated August 7, 2008 bearing registration number C/2042/2008 issued by Inspector under Shops and Establishments Act, 1958, certifying that our Jodhpur Branch is registered as a commercial establishment.
- 5. Certificate of registration dated August 1, 2008 bearing registration number D.V.B.AJ.GA35/8969 issued by Labour Department, Uttar Pradesh, under Shops and Establishments Act, 1958, certifying that our Noida Branch is registered as a commercial establishment. The registration is valid till March 31, 2013.
- 6. Certificate of registration dated April 6, 2005 bearing registration number C/SH/4235/05 issued by the Inspector under Shops and Establishments Act, 1958, certifying that our Kota Branch is registered as a commercial establishment.
- 7. Permission for change in land use of industrial plot E-8(i) of Indraprastha Industrial Area, Kota for commercial use from Rajasthan State Industrial Development & Investment Corporation Limited dated February 23, 2010 vide letter number U(16)-3/10076.

Applications made for grant of approvals

- 1. Our Company has made an application for renewal of the consent bearing reference number RPCB/ROK/K-568/5097dated March 21, 2009 granted to it under Section 25/26 of the of the Water (Prevention and Control of Pollution) Act, 1974 by the Rajasthan State Pollution Control Board. The application has been made on December 22, 2009 for renewal of the license for a period of two years.
- Our Company has made an application dated December 22, 2009 for renewal of the consent bearing reference number RPCB/ROK/K-568/5097 dated March 21, 2009 to the Regional Officer, Rajasthan State Pollution Control Board for renewal of the consent to our Company to establish / operate under Section 21 of the Air (Prevention and Control of Pollution) Act, 1981.
- 3. Our Company has made application for registration of its trade mark " **knowledge Lat**" under the Trade Marks Act, 1999, to the Trade Mark Registry, by its application dated June 23, 2008, bearing number 1702358.
- 4. Our Company has made application for registration of its trade mark " **TechEdge** " under the Trade Marks Act, 1999, to the Trade Mark Registry, by its application dated June 23, 2008 bearing number 1702360.
- 5. Our Company has made application for registration of its trade mark " under the Trade Marks Act, 1999, to the Trade Mark Registry, by its application dated December 31, 2008 bearing number 1770997.
- 6. Our Company has made application for registration of its trade mark "under the Trade Marks Act, 1999, to the Trade Mark Registry, by its application dated February 5, 2010.
- 7. Our Company has made application for registration of its trade mark "Formal" under the Trade Marks Act, 1999, to the Trade Mark Registry, by its application dated February 3, 2010 bearing number 1916082.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

Our Board has, pursuant to resolution passed at its meeting held on January 1, 2010, authorised the Issue subject to the approval by the shareholders of our Company under section 81(1A) of the Companies Act. The shareholders of our Company have authorised the Issue by a special resolution passed pursuant to section 81(1A) of the Companies Act, held on January 5, 2010.

We have obtained all necessary governmental, regulatory consents and approvals and have received all necessary contractual consents required for the Issue. For further details, see the section titled "Government and Other Approvals" at page 207.

Prohibition by SEBI, RBI or governmental authorities

Except as provided under the section titled "Outstanding Litigation and Material Developments" at page 185, our Company, our Subsidiaries, our Directors, our Promoters, and the members of our Promoter Group with which our Directors are associated as directors have not been prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI.

Our Company, our Subsidiaries, the directors of our Subsidiaries, our Promoters, Associates, Promoter Group Companies or relatives of the Promoters, Directors and the companies in which the Directors are associated as directors, have not been declared as wilful defaulters by the RBI or any other governmental authority and there has been no violation of any securities law committed by any them in the past and no such proceedings are pending against any of them.

Eligibility for the Issue

Our Company is an unlisted company, complying with the conditions specified in Regulation 26(2) of the SEBI Regulations in the following manner:

Regulation 26(2) of the SEBI Regulations states:

An issuer not satisfying any of the conditions stipulated in sub-regulation (1) may make an initial public offer if:

- a. (i) the issue is made through the book building process and the issuer undertakes to allot at least fifty per cent. of the net offer to public to qualified institutional buyers and to refund full subscription monies if it fails to make allotment to the qualified institutional buyers;
 - (ii) at least fifteen per cent. of the cost of the project is contributed by scheduled commercial banks or public financial institutions, of which not less than ten per cent shall come from the appraisers and the issuer undertakes to allot at least ten per cent of the net offer to public to qualified institutional buyers and to refund full subscription monies if it fails to make the allotment to the qualified institutional buyers;

and

b. (i) the minimum post-issue face value capital of the issuer is ten crore rupees;

or

- (ii) the issuer undertakes to provide market-making for at least two years from the date of listing of the specified securities, subject to the following:
 - (A) the market makers offer buy and sell quotes for a minimum depth of three hundred specified securities and ensure that the bid-ask spread for their quotes does not, at any

time, exceed ten per cent;

(B) the inventory of the market makers, as on the date of allotment of the specified securities, shall be at least five per cent. of the proposed issue.

We are an unlisted Company not complying with the conditions specified in Regulation 26 (1) of the SEBI Regulations and therefore we are required to meet the conditions detailed in Regulation 26(2), which are as follows:

- We are complying with Regulations 26(2)(a) of the SEBI Regulations and at least 60% of the issue is proposed to be allotted to QIBs (in order to comply with the requirements of 19(2)(b) of the SCRR) and in the event we fail to do so, the full subscription monies will be refunded to the Bidders.
- We are also complying with Regulation 26(2)(b) of the SEBI Regulation and the post-issue face value capital of the Company shall be [●] million which is more than the minimum requirement of Rs. 100 million.

Further, in accordance with Clause 26(4) of the SEBI Regulations, we shall ensure that the number of Allottees shall be not less than 1,000.

Further, the Issue is subject to the fulfillment of the following conditions as required by Rule 19(2)(b) SCRR:

- A minimum 2,000,000 Equity Shares (excluding reservations, firm allotments and promoters contribution) are offered to the public;
- The Issue size, which is the Issue Price multiplied by the number of Equity Shares offered to the public, is a minimum of Rs. 1,000 million; and
- The Issue is made through the Book Building method with allocation of 60% of the Net Issue size to QIBs as specified by SEBI.

Disclaimer Clause

AS REQUIRED, A COPY OF THE DRAFT RED HERRING PROSPECTUS HAS BEEN SUBMITTED TO SEBI. IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE 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 FOR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGERS HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS FOR THE TIME BEING IN FORCE. 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, ADEOUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT RED HERRING PROSPECTUS, THE BOOK RUNNING LEAD MANAGER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE THE BOOK RUNNING LEAD MANAGERS HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED FEBRUARY 24, 2010 IN ACCORDANCE WITH THE SEBI (MERCHANT BANKERS) REGULATIONS, 1992, WHICH READS AS FOLLOWS:

WE STATE AS FOLLOWS:

- 1. WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THE DRAFT RED HERRING PROSPECTUS PERTAINING TO THE SAID ISSUE;
- 2. ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE ISSUER, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE ISSUER, WE CONFIRM THAT:
 - (A) THE DRAFT RED HERRING PROSPECTUS FILED WITH THE BOARD IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;
 - (B) ALL THE LEGAL REQUIREMENTS RELATING TO THE ISSUE AS ALSO THE REGULATIONS, GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY THE BOARD, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND
 - (C) THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 ("ICDR REGULATIONS") AND OTHER APPLICABLE LEGAL REQUIREMENTS.
- 3. WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRAFT RED HERRING PROSPECTUS ARE REGISTERED WITH THE BOARD AND THAT TILL DATE SUCH REGISTRATION IS VALID.
- 4. WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFILL THEIR UNDERWRITING COMMITMENTS.
- 5. WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES AS PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED / SOLD / TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT RED HERRING PROSPECTUS WITH THE BOARD TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT RED HERRING PROSPECTUS.
- 6. WE CERTIFY THAT REGULATION 33 OF THE ICDR REGULATIONS, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS.

- 7. WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE ICDR REGULATIONS SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE BOARD. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE ISSUER ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE. NOT APPLICABLE.
- 8. WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE ISSUER FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE ISSUER AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION.
- 9. WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 73 OF THE COMPANIES ACT, 1956 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION. NOTED FOR COMPLIANCE.
- 10. WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE. NOT APPLICABLE.
 - AS THE OFFER SIZE IS MORE THAN RS. 10 CRORES, HENCE UNDER SECTION 68B OF THE COMPANIES ACT, 1956, THE EQUITY SHARES ARE TO BE ISSUED IN DEMAT ONLY.
- 11. WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE ICDR REGULATIONS 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 DRAFT RED HERRING PROSPECTUS:
 - (A) AN UNDERTAKING FROM THE COMPANY THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE ISSUER AND
 - (B) AN UNDERTAKING FROM THE ISSUER THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE BOARD FROM TIME TO TIME.
- 13. WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE ICDR REGULATIONS WHILE MAKING THE ISSUE.

- 14. WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OR THE ISSUER, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS EXPERIENCE, ETC.
- 15. WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE ICDR REGULATIONS, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE DRAFT RED HERRING PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.

The filing of the Draft Red Herring Prospectus does not, however, absolve our Company from any liabilities under section 63 or section 68 of the Companies Act or from the requirement of obtaining such statutory and/or other clearances as may be required for the purpose of the proposed issue. SEBI further reserves the right to take up at any point of time, with the Book Running Lead Managers, any irregularities or lapses in the Red Herring Prospectus.

All legal requirements pertaining to the Issue will be complied with at the time of filing of the Draft Red Herring Prospectus with the RoC in terms of section 60B of the Companies Act. All legal requirements pertaining to the Issue will be complied with at the time of registration of the Prospectus with the RoC in terms of section 56, section 60 and section 60B of the Companies Act.

Caution: Disclaimer from the Company, the Directors and the Book Running Lead Managers

Our Company, our Directors and the BRLMs accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information, including the Company's website www.careerpointgroup.com, or the website of any Subsidiary, any Promoter, Promoter Group company, or of any affiliate or Associate of the Company or its Subsidiaries, would be doing so at his or her own risk.

The Book Running Lead Managers accepts no responsibility, save to the limited extent as provided in the agreement entered into among the Book Running Lead Managers and our Company on [●], and the underwriting agreement to be entered into between the Underwriters and the Company.

All information shall be made available by the Company and the Book Running Lead Managers to the public and investors at large and no selective or additional information would be made available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports, at Bidding Centres or elsewhere.

Neither our Company nor the Underwriters is liable to the Bidders for any failure in downloading the Bids due to faults in any software/hardware system or otherwise.

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

Disclaimer in Respect of Jurisdiction

This Issue is being made in India to persons resident in India, including Indian nationals resident in India who are majors, HUFs, companies, corporate bodies and societies registered under applicable laws in India and authorised to invest in shares, Mutual Funds, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorised under their constitution to hold and invest in shares, public financial institutions as specified in Section 4A of the Companies Act, VCFs, state industrial development corporations, insurance companies registered with the IRDA, provident funds (subject to applicable law) with minimum corpus of Rs. 250 million and pension funds with minimum corpus of Rs. 250 million, NIF and permitted Non-Residents including FIIs and Eligible NRIs and other eligible foreign investors, if any, provided that they are eligible under all applicable laws and regulations to hold the Equity Shares.

The Red Herring Prospectus will not, however, constitute an offer to sell or an invitation to subscribe for Equity Shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession the Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions.

Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in Jaipur, 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 this Draft Red Herring Prospectus has been filed with the 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 sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Company from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares have not been, and will not be, registered under the Securities Act or any state securities laws in the United States and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the Equity Shares will be offered and sold only (i) outside the United States in compliance with Regulation S of the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and 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 the CAN 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 form, or in a transaction not subject to, the registration requirements of the Securities Act.

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 the 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 the filing the same with the RoC.

Filing

A copy of this Draft Red Herring Prospectus will be filed with the SEBI at the Securities and Exchange Board of India, SEBI Bhavan, Plot No. C-4A, 'G' Block, Bandra Kurla Complex, Bandra (E), Mumbai 400 051, India.

A copy of the Red Herring Prospectus, along with the other documents required to be filed under Section 60B of the Companies Act, will be delivered for registration with the RoC at the office of the RoC and a copy of the Prospectus to be filed under section 60 of the Companies Act will be delivered for registration with the RoC at the office of the RoC.

Listing

Applications have been made to the Stock Exchanges for permission to deal in, and for an official quotation of the Equity Shares. The BSE will be the Designated Stock Exchange with which the 'Basis of Allocation' will be finalised.

If the permissions to deal in and for an official quotation of the Equity Shares are not granted by any of the Stock Exchanges, our Company will forthwith repay, without interest, all moneys received from the applicants in pursuance of the Red Herring Prospectus. If such money is not repaid within eight days after our Company become liable to repay it, i.e. from the date of refusal or within 15 days from the Bid/Issue Closing Date, whichever is earlier, then our Company and every Director of our Company who is an officer in default shall, on and from such expiry of eight days, be jointly and severally liable to repay the money, with interest at the rate of 15% per annum on application money, as prescribed under Section 73 of the Companies Act.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges mentioned above are taken within seven Working Days of finalization of the 'Basis of Allocation' for the Issue.

Impersonation

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 68A of the Companies Act, which is reproduced below:

"Any person who:

- (a) Makes in a fictitious name, an application to a company for acquiring or subscribing for, any shares therein, or
- (b) Otherwise induces a company to allot, or register any transfer of shares, therein to him, or any other person in a fictitious name

shall be punishable with imprisonment for a term which may extend to five years."

Consents

Consents in writing of: the Directors, the Company Secretary and Compliance Officer, the auditors, the legal counsels, the lenders, the Bankers to the Company, the Bankers to the Issue; and the Book Running Lead Managers, the Syndicate, the Bankers to the Issues and the Registrar to the Issue to act in their respective capacities, have been obtained and would be filed along with a copy of the Red Herring Prospectus with the RoC as required under sections 60 and 60B 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.

In accordance with the Companies Act and the SEBI Regulations, Sharp & Tannan, Chartered Accountants have agreed to provide their written consent to the inclusion of their report in the form and context in which it will appear in the 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 to the RoC.

Sharp & Tannan, Chartered Accountants, have given their written consent to inclusion of their report relating to the possible tax benefits accruing to the Company and its shareholders in the form and context in which it appears in this 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 to the RoC.

[•], the agency engaged by our Company for the purpose of obtaining IPO grading in respect of this Issue, will give its written consent to the inclusion of their report in the form and context in which it will appear in the 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 to the RoC.

As the offered Equity Shares have not been and will not be registered under the US Securities Act of 1933, Sharp & Tannan, Chartered Accountants have not issued and our Company has not filed their consent under the US Securities Act of 1933.

Expert Opinion

Except as stated in the Draft Red Herring Prospectus, we have not obtained any expert opinions.

Issue Related Expenses

Except as disclosed in the section "Objects of the Issue" at page 79, the expenses of this Issue include, among others, underwriting and management fees, selling commission, printing and distribution expenses, legal fees, statutory advertisement expenses and listing fees.

The estimated Issue expenses are as under:

Activity	Expense (Rupees millions)*	As % of total Issue related Expenses	As % of Issue
Fee payable to Book Running Lead		•	
Managers, Underwriting commission and SCSBs' commission	[•]	[•]	[•]
Advertising and marketing expenses	[•]	[•]	[•]
Printing, stationery and distribution expenses	[•]	[•]	[•]
Other (Registrar's fees, legal fees, regulatory fees, listing fees, IPO grading fees etc.)	[•]	[•]	[•]
Total estimated Issue expenses	[•]	[•]	[•]

^{*} Details will be provided after finalisation of the Issue Price.

Fees, Brokerage and Selling Commission Payable to the Book Running Lead Managers and the Syndicate

The total fees payable to the Book Running Lead Managers and the Syndicate Members (including underwriting commission and selling commission) will be as stated in the engagement letter with the BRLMs dated December 7, 2009 and January 8, 2010, a copy of which will be made available for inspection at our Registered Office from 10.00 am to 4.00 pm on Working Days from the date of the Red Herring Prospectus until the Bid/Issue Closing Date.

Fees Payable to the Registrar to the Issue

The fees payable to the Registrar to the Issue for processing of application, data entry, printing of CAN/refund order, preparation of refund data on magnetic tape, printing of bulk mailing register will be as per the memorandum of understanding dated February 10, 2010 signed with our Company, a copy of which will be made available for inspection at our Registered Office from 10.00 am to 4.00 pm on Working Days from the date of the Red Herring Prospectus until the Bid/Issue Closing Date.

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.

IPO Grading

This Issue has been graded by $[\bullet]$ and has been assigned the " $[\bullet]$ " indicating $[\bullet]$, through its letter dated $[\bullet]$, which is valid for a period of $[\bullet]$. The IPO grading is assigned on a five point scale from 1 to 5 with an "IPO Grade 5" indicating strong fundamentals and an "IPO Grade 1" indicating poor fundamentals. A copy of the report provided by $[\bullet]$, furnishing the rationale for its grading will be made available for inspection at our Registered Office from 10.00 am to 4.00 pm on Working Days from the date of the Red Herring Prospectus until the Bid/Issue Closing Date.

Particulars regarding Public or Rights Issues during the last ten years

Our Company has not made any previous public issues (including any rights issues to the public) in the ten years preceding the date of this Draft Red Herring Prospectus.

Previous issues of Equity Shares otherwise than for cash

Except as stated in the section titled "Capital Structure" at page 72 our Company has not issued any shares for consideration other than cash.

Underwriting commission, brokerage and selling commission on Previous Issues

There has been no public issue of the Equity Shares in the past. Thus, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since our Company's inception.

Companies under the Same Management

Our Company does not have any companies under the same management within the meaning of section 370(1) (B) of the Companies Act, other than our Subsidiaries and Group Companies and entities, the details of which are provided in the sections titled "History and Certain Corporate Matters" and "Our Promoters and Group Companies" at pages 127 and 154, respectively.

Previous Public Issues by Companies under the Same Management

No company under the same management within the meaning of Section 370(1B) of the Companies Act has made any public issue (including any rights issue to the public) during the last ten years.

Promise v/s performance

There has been no public issue (including any rights issue to the public) by our Company, Group Companies and entities, our Subsidiaries or the associate companies.

Outstanding Debentures or Bond Issues or Preference Shares

Except as stated in the section titled "Capital Structure" at page 58, our Company has no outstanding debentures or bonds or redeemable preference shares as of the date of this Draft Red Herring Prospectus.

Stock Market Data of the Equity Shares

This being an initial public issue of our Company, the Equity Shares are not listed on any stock exchange.

Other Disclosures

Except as stated in the section titled "Capital Structure" at page 72, our Promoter Group, the directors of our Promoters, or the Promoter Group companies and entities or the Directors of our Company have not purchased or sold any securities of our Company during a period of six months preceding the date on which this Draft Red Herring Prospectus is filed with the SEBI.

Mechanism for Redressal of Investor Grievances

The memorandum of understanding between the Registrar to the Issue and the Company will provide for retention of records with the Registrar to the Issue for a period of at least one year from the last date of dispatch of the letters of Allotment, or refund orders, demat credit or, where refunds are being made electronically, giving of refund instructions to the clearing system, to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the applicant, application number, number of Equity Shares applied for, amount paid on application, Depository Participant, and the bank branch or collection centre where the application was submitted.

Disposal of Investor Grievances by our Company

Our Company estimates that the average time required by our Company or the Registrar to the Issue for the redressal of routine investor grievances shall be 10 Working Days from the date of receipt of the complaint. In case of complaints that are not routine or where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has appointed Mr. Tarun Kumar Jain as the Company Secretary and Compliance Officer and he may be contacted in case of any pre-Issue or post-Issue-related problems. He can be contacted at the following address:

Mr. Tarun Kumar Jain

Career Point Infosystems Limited 112B, Shakti Nagar Kota – 324 009 Rajasthan, India

Tel: +91-744-2500492, 2500092

Fax: +91-744-2500892

Email: ipo@careerpointgroup.com

Disposal of investor grievances by listed companies under the same management as the Company

For details regarding the mechanism for redressal of investor complaints in regard to the listed companies under the same management for the period three years prior to the date of this Draft Red Herring, please see the section titled "Our Promoters and Group Companies" at page 157.

Change in Auditors

At the EGM held on November 12, 2007, the shareholders of our Company have appointed Sharp & Tannan, Chartered Accountants, as the statutory auditors of our Company in place of P. Khandelwal & Co., Chartered Accountants.

Capitalisation of Reserves or Profits

Other than as stated in the section titled "Capital Structure" at page 72, our Company has not undertaken any capitalisation of reserves or profits since incorporation.

Tax Implications

Investors that are allotted Equity Shares in the Issue will be subject to capital gains tax on any resale of the Equity Shares at applicable rates, depending on the duration for which the investors have held the Equity Shares prior to such resale and whether the Equity Shares are sold on the stock exchanges. For details, see the section "Statement of Tax Benefits" at page 84.

Revaluation of Assets

Our Company has not revalued its assets since its incorporation.

SECTION VII – ISSUE INFORMATION

TERMS OF THE ISSUE

The Equity Shares being issued are subject to the provisions of the Companies Act, the Memorandum and Articles of Association, the terms of the Red Herring Prospectus, the Prospectus, the Bid cum Application Form, the ASBA Form, the Revision Form, the CAN, the listing agreement with the Stock Exchanges and other terms and conditions as may be incorporated in the documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to all applicable laws, guidelines, rules, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the GoI, the Stock Exchanges, the RoC, the FIPB, the RBI and/or other authorities, as in force on the date of the Issue and to the extent applicable.

Authority for the Issue

Our Board of Directors has, pursuant to resolution dated January 1, 2010 authorised the Issue subject to the approval by the shareholders of our Company under section 81(1A) of the Companies Act, and such other authorities as may be necessary. The shareholders of our Company have, pursuant to a resolution dated January 5, 2010 under section 81(1A) of the Companies Act, authorised the Issue.

Our Company has obtained in-principle listing approvals dated [●] and [●] from the BSE and the NSE, respectively.

Ranking of Equity Shares

The Equity Shares being issued shall be subject to the provisions of our Memorandum and Articles of Association and shall rank *pari passu* with the existing Equity Shares including rights in respect of dividends. The Allottees of the Equity Shares in this Issue shall be entitled to dividends and 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" at page 271.

Mode of Payment of Dividend

Our Company shall pay dividends to its shareholders in accordance with the provisions of the Companies Act.

Face Value and Issue Price

The face value of each Equity Share is Rs. 10. The Floor Price of Equity Shares is Rs. [●] per Equity Share and the Cap Price is Rs. [●] per Equity Share. At any given point of time there shall be only one denomination of Equity Shares, subject to applicable law.

Rights of the Equity Shareholder

Subject to applicable laws, the equity shareholders of our Company shall have the following rights:

- The right to receive dividends, if declared;
- The right to attend general meetings and exercise voting powers, unless prohibited by law;
- The right to vote on a poll either in person or by proxy;
- The right to receive offers for rights shares and be allotted bonus shares, if announced;
- The right to receive any surplus on liquidation subject to any statutory and other preferential claims being satisfied;
- The right to freely transfer their Equity Shares; 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 agreements executed with the Stock Exchanges, and the Memorandum and Articles of Association.

For a detailed description of the main provisions of the Articles of Association relating to voting rights, dividend, forfeiture and lien, transfer and transmission, and/or consolidation/splitting, see the section titled "Main Provisions of the Articles of Association" at page 271.

Market Lot and Trading Lot

Under section 68B of the Companies Act, the Equity Shares shall be Allotted only in dematerialised form. As per the SEBI Regulations, the trading of the Equity Shares shall be in dematerialised form only. Since trading of the Equity Shares is in dematerialised form, the tradable lot is one Equity Share. Allotment in this Issue will be in electronic form in multiples of one Equity Share, subject to a minimum Allotment of [•] Equity Shares.

Jurisdiction

Exclusive jurisdiction for the purpose of this Issue is with the competent courts in Jaipur, India.

Nomination Facility to Investor

In accordance with section 109A of the Companies Act, 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, the death of all the Bidders, as the case may be, the Equity Shares Allotted shall vest. A person, being a nominee entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with section 109A of the Companies Act, be entitled to the same benefits such person 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 the Equity Share(s) in the event of his or her death during the minority. 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 only be made on the prescribed form available on request at the Registered Office or with the Registrar and transfer agents of our Company.

In accordance with section 109B of the Companies Act, any person who becomes a nominee by virtue of the provisions of section 109A of the Companies Act, shall upon the production of such evidence as may be required by the Board, elect either:

- to register himself or herself as the holder of the Equity Shares; or
- to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to register himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 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 will be made only in dematerialised form, there is no need to make a separate nomination with our Company. Nominations registered with the respective Depository Participant of the applicant will prevail. If the investors wish to change their nomination, they are requested to inform their respective Depository Participant.

Minimum Subscription

If our Company does not receive the minimum subscription of 90% of the Issue including devolvement to the Underwriters, within 60 days from the Bid/Issue Closing Date, we shall forthwith refund the entire subscription amount received. If at least 60% of the Net Issue cannot be allotted to QIBs, then the entire

application money will be refunded. If there is a delay beyond eight days after we become liable to pay the amount, we shall pay interest as per section 73 of the Companies Act.

Further, in accordance with Regulation 26(4) of the SEBI Regulations, our Company shall ensure that the number of prospective allottees to whom the Equity Shares will be Allotted will be not less than 1,000.

Our Equity Shares have not been and will not be registered under the Securities Act or any state securities laws in the United States and may not be offered or sold within the United States (as defined in Regulation S under the Securities Act), except pursuant to an exemption from or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, our Equity Shares are only being offered or sold outside the United States in offshore transactions in reliance on Regulation S under the Securities Act and the applicable laws of the jurisdictions where those offers and sales occur.

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

Application by Eligible NRIs, FIIs and Sub-Accounts

It is to be distinctly understood that there is no reservation for NRIs, FIIs and Sub-Accounts.

Arrangement for disposal of odd lots

There are no arrangements for disposal of odd lots.

Restriction on transfer of shares

There are no restrictions on transfers and transmission of Equity Shares and on their consolidation/splitting except as provided in our Articles. See the section titled "Main Provisions of the Articles of Association" at page 274.

Withdrawal of the Issue

Our Company, in consultation with the Book Running Lead Managers, reserves the right not to proceed with the Issue in accordance with SEBI Regulations. Provided, if our Company withdraws the Issue after the Bid/Issue Closing Date, we will give the reason thereof within two days of the Bid/Issue Closing Date by way of a public notice in the same newspapers where the pre-issue advertisement had appeared. The Stock Exchanges shall also be informed promptly. Notwithstanding the foregoing, the Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment and (ii) the final RoC approval of the Prospectus after it is filed with the RoC.

ISSUE STRUCTURE

Public issue of up to [●] Equity Shares for cash at a price of Rs. [●] per Equity Share including a share premium of Rs. [●] per Equity Share, aggregating upto Rs. 1,150 million. The Issue comprises of the Net Issue and the Employee Reservation Portion. The Issue shall constitute up to [●]% approximately of the fully diluted 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	Employee Reservation Portion
Number of Equity Shares*	At least [●] Equity Shares.	Not less than [•] Equity Shares or Net Issue less allocation to QIB Bidders and Retail Individual Bidders shall be available for allocation.	Not less than [•] Equity Shares or Net Issue less allocation to QIB Bidders and Non-Institutional Bidders shall be available for allocation.	Upto 65,000 Equity Shares.
Percentage of Issue available for Allotment/Allocati on	At least 60% of the Net Issue shall be allotted to QIB Bidders. However, 5% of the Net QIB Portion shall be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the 5% reservation in the Net QIB Portion will also be eligible for allocation in the remaining QIB Portion. The unsubscribed portion in the Mutual Fund reservation will be available to QIBs.	Not less than 10% of the Net Issue or the Net Issue less allocation to QIB Bidders and Retail Individual Bidders shall be available for allocation.	Not less than 30% of the Net Issue or the Net Issue less allocation to QIB Bidders and Non- Institutional Bidders shall be available for allocation.	The Issue less the Net Issue.
Basis of allocation if respective category is oversubscribed	Proportionate as follows: (a) [•] Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds; and (b) [•] Equity Shares shall be Allotted on a proportionate basis to all QIBs including Mutual Funds receiving	Proportionate.	Proportionate.	Proportionate.

	QIBs	Non-Institutional Bidders	Retail Individual Bidders	Employee Reservation Portion
	allocation as per (a) above.			
Minimum Bid	Such number of Equity Shares so that the Bid Amount exceeds Rs. 100,000.	Such number of Equity Shares so that the Bid Amount exceeds Rs. 100,000.	[●] Equity Shares.	[•] Equity Shares.
Maximum Bid	Such number of Equity Shares not exceeding the size of the Net Issue, subject to applicable limits.	Such number of Equity Shares not exceeding the size of the Net Issue, subject to applicable limits.	Such number of Equity Shares whereby the Bid Amount does not exceed Rs. 100,000.	Such number of Equity Shares not exceeding the size of the Employee Reservation Portion, subject to applicable limits.
Mode of Allotment	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.
Bid Lot	[•] Equity Shares and in multiples thereof.	[•] Equity Shares and in multiples thereof.	[•] Equity Shares and in multiples thereof.	[•] Equity Shares and in multiples thereof.
Allotment Lot	A minimum of [●] Equity Shares and thereafter in multiples of one Equity Share.	A minimum of [●] Equity Shares and thereafter in multiples of one Equity Share.	A minimum of [●] Equity Shares and thereafter in multiples of one Equity Share.	A minimum of [●] Equity Shares and thereafter in multiples of one Equity Share.
Trading Lot	One Equity Share.	One Equity Share.	One Equity Share.	One Equity Share.
Who can Apply **	A mutual fund, venture capital fund and foreign venture capital registered with SEBI, FIIs and subaccount (other than a sub-account which is a foreign corporate or foreign individual), a public financial institution as defined in section 4A of the Companies Act, schedule commercial banks, multilateral and bilateral development financial institutions, state industrial development corporation, an insurance company registered with IRDA, provident funds with a minimum corpus of Rs. 250 million, pension funds with a	Eligible NRIs, Resident Indian individuals, HUF (in the name of the Karta), companies, corporate bodies, scientific institutions, societies and trusts, sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals.	Resident Indian individuals (including ASBA Bidders and HUFs in the name of the Karta) and Eligible NRIs.	Eligible Employees.

	QIBs	Non-Institutional Bidders	Retail Individual Bidders	Employee Reservation Portion
Tarms of Doymant	minimum corpus of Rs. 250 million, national investment fund set up by the Government of India and insurance funds set-up and managed by army, navy or air force of the Union of India. Margin Amount	Margin Amount	Margin Amount	
Terms of Payment	Margin Amount applicable to QIBs shall be payable at the time of submission of the Bid cum Application Form to the Member of Syndicate.	Margin Amount applicable to Non-Institutional Bidders shall be payable at the time of submission of the Bid cum Application Form to the Syndicate Members.	Margin Amount applicable to Retail Individual Bidders shall be payable at the time of submission of the Bid cum Application Form to the Syndicate Members. In case of ASBA Bidders, the SCSB shall be authorised to block the Bid Amount mentioned in the ASBA Form.	Margin Amount Applicable to Eligible Employees at the time of submission of Bid cum Application Form to the Syndicate Members.
Margin amount***	At least 10% of Bid Amount.	Full Bid Amount on Bidding.	Full Bid Amount on Bidding.	Full Bid Amount on Bidding.

* Subject to valid Bids being received at or above the Issue Price. In terms of Rule 19(2)(b) of the SCRR, this is an Issue for less than 25% of the post-Issue equity share capital, therefore, the Issue is being made through a Book Building Process wherein at least 60% of the Net Issue shall be allotted on a proportionate basis to QIBs. 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder shall be available for Allotment on a proportionate basis to QIBs, subject to valid Bids being received from them at or above the Issue Price. Further, not less than 10% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 30% of the Net Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price.

Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in the Non-Institutional Portion, Retail Portion and the Employee Reservation Portion would be allowed to be met with spill-over from other categories at the discretion of our Company in consultation with the BRLMs and the Designated Stock Exchange. If at least 60% of the Net Issue cannot be allotted to QIBs, then the entire application money will be refunded forthwith.

The QIB Portion includes Anchor Investor Portion, as per the SEBI Regulations. Anchor Investor Margin Amount shall be payable at the time of submission of the application form by the Anchor Investor.

** In case the Bid cum Application Form or ASBA Form is submitted in joint names, the investors should ensure that the demat account is also held in the same joint names and the names are in the same sequence in which they appear in the Bid cum Application Form or ASBA Form, as the case may be.

*** After the Bid/Issue Closing Date, depending on the level of subscription, additional Margin Amount, if any, may be called for from the QIB Bidders.

Letters of Allotment, Refund Orders or Instructions to SCSBs

Our Company shall credit the Equity Shares to the valid beneficiary account with its Depository Participants within two Working Days from the date of the Allotment to all successful Allottees including ASBA Bidders which in any event shall not exceed 15 days of the Bid/Issue Closing Date.

Please note that only Bidders having a bank account at any of the 68 centres where the clearing houses for the ECS as notified by the RBI are eligible to receive refunds or payment through electronic transfer of funds. For all other Bidders, including Bidders having bank accounts in the said 68 centres who have not updated their bank particulars along with the nine-digit MICR code, the refund orders shall be dispatched within 15 days of the Bidding/Issue Closing Date "Under Certificate of Posting" for refund orders less than or equal to Rs. 1,500 and through speed post/registered post for refund orders exceeding Rs. 1,500.

In case of ASBA Bidders, the Registrar to the Issue shall instruct the SCSBs to unblock the funds in the relevant ASBA Account to the extent of the Bid Amount specified in the ASBA for withdrawn, rejected or unsuccessful or partially successful ASBAs within 15 days of the Bid/Issue Closing Date.

Interest in case of delay in dispatch of Allotment Letters/ Refund Orders or instructions to SCSBs

In accordance with the Companies Act, the requirements of the Stock Exchanges and SEBI Regulations, our Company undertakes that:

- Allotment shall be made only in dematerialised form within 15 days from the Bid/ Issue Closing Date:
- Dispatch of refund orders, except for Bidders who can receive refunds through Direct Credit, NEFT, RTGS or ECS, shall be done within 15 days from the Bid/Issue Closing Date;
- Instructions to SCSBs to unblock the funds in the relevant ASBA Account for withdrawn, rejected or unsuccessful Bids shall be made within 15 days of the Bid/Issue Closing Date.
- It shall pay interest at 15% p.a. if the allotment letters/ refund orders have not been dispatched to the applicants or if, in a case where the refund or portion thereof is made in electronic manner through Direct Credit, NEFT, RTGS or ECS, the refund instructions have not been given to the clearing system in the disclosed manner within 15 days from the Bid/Issue Closing Date or if instructions to SCSBs to unblock funds in the ASBA Accounts are not given within 15 days of the Bid/Issue Closing Date.

Our Company will provide adequate funds required for dispatch of refund orders or Allotment advice to the Registrar to the Issue. Refunds will be made by cheques, pay orders or demand drafts drawn on any one or more of the Bankers to the Issues/ Refund Banker(s) and payable at par at places where Bids are received. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

In case of ASBA Bidders, the SCSBs will unblock funds in the ASBA Account to the extent of the refund to be made based on instructions received from the Registrar to the Issue.

Bid/Issue Program

BID/ISSUE OPENS ON	[•], 2010
BID/ISSUE CLOSES ON	[•], 2010

Our Company may consider participation by Anchor Investors in terms of the SEBI Regulations. The Anchor Investor Bid/Issue Period shall be one day prior to the Bid/Issue Opening Date.

Bids and any revision in Bids shall be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time) during the Bidding/Issue Period as mentioned above at the Bidding Centres mentioned on the Bid cum Application Form or, in case of Bids submitted through ASBA, the Designated Branches of the SCSBs except that on the Bid/Issue Closing Date, Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time) and uploaded until (i) 4.00 p.m. in case of Bids by OIB Bidders and Non-Institutional Bidders where the Bid Amount is in excess of Rs. 100,000 and (ii) until 5.00 p.m. in case of Bids by Retail Individual Bidders, where the Bid Amount is up to Rs. 100,000 which may be extended up to such time as deemed fit by Stock Exchanges after taking into account the total number of applications received up to the closure of timings and reported by the BRLMs to the Stock Exchanges within half an hour of such closure. Due to limitation of the time available for uploading the Bids on the Bid/Issue Closing Date, the Bidders are advised to submit their Bids one day prior to the Bid/Issue Closing Date and, in any case, no later than 3.00 p.m. (Indian Standard Time) on the Bid/Issue Closing Date. Bidders 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 offerings, 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 under the Issue. Bids will only be accepted on Working Days, i.e., Monday to Friday (excluding any public holiday).

In case of discrepancy in the data entered in the electronic book *vis-à-vis* the data contained in the physical Bid form, for a particular Bidder, the details as per physical application form of that Bidder may be taken as the final data for the purpose of allotment. In case of discrepancy in the data entered in the electronic book *vis-à-vis* the data contained in the physical or electronic ASBA Form, for a particular ASBA Bidder, the Registrar to the Issue shall ask the relevant SCSB for rectified data.

On the Bid/Issue Closing Date, extension of time may be granted by the Stock Exchanges only for uploading the Bids received by 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 BRLMs to the Stock Exchange within half an hour of such closure.

Our Company in consultation with the BRLMs, reserves the right to revise the Price Band during the Bidding/Issue Period in accordance with the SEBI Regulations. The cap shall not be more than 120% of the floor of the Price Band. Subject to compliance with the immediately preceding sentence, the floor of the Price Band can move up or down to the extent of 20% of the floor of the Price Band disclosed in the Red Herring Prospectus.

In case of revision in the Price Band, the Bidding/Issue Period shall be extended for three additional Working Days after such revision, 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, shall 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 BRLMs and the terminals of the other members of the Syndicate.

ISSUE PROCEDURE

Book Building Procedure

In terms of to Rule 19(2)(b) of the SCRR, this being an Issue for less than 25% of the post-Issue share capital, is being made through the Book Building Process wherein at least 60% of the Net Issue shall be allocated on a proportionate basis to OIBs. Provided that, our Company may, allocate up to 30% of the OIB Portion to Anchor Investors at the Anchor Investor Issue Price on a discretionary basis, out of which at least one-third will be available for allocation to Mutual Funds only. In the event of under-subscription in the Anchor Investor Portion, the balance 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. The remainder shall be available for allocation on a proportionate basis to QIB Bidders including Mutual Funds, subject to valid Bids being received from them at or above the Issue Price. If at least 60% of the Net Issue cannot be Allotted to QIB Bidders, then the entire application money will be refunded forthwith. In addition, in accordance with Rule 19(2)(b) of the SCRR, a minimum of two million securities are being offered to the public and the size of the Net Issue shall aggregate to at least Rs. 1,000 million. Further, not less than 10% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 30% of the Net Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received from them at or above the Issue Price. Further 65,000 Equity Shares shall be available for allocation on a proportionate basis to the Eligible Employee, subject to valid bids being received at or above the Issue Price. Retail Individual Bidders and Non-Institutional Bidders may participate in this Issue through ASBA by providing the details of their respective bank accounts in which the corresponding Bid Amounts will be blocked by Self Certified Syndicate Banks.

Bidders are required to submit their Bids through the Syndicate. In the case of QIB Bidders, our Company, in consultation with the BRLMs, may 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. In the cases of Non-Institutional Bidders and Retail Individual Bidders, our Company will have a right to reject the Bids only on technical grounds.

Investors should note that Allotment to all successful Bidders will only be in dematerialised form. Bidders will not have the option of receiving Allotment of the Equity Shares in physical form. The Equity Shares on Allotment shall be traded only in the dematerialised segment of the Stock Exchanges.

Bid cum Application Form

Bidders, except ASBA Bidders, shall only use the specified Bid cum Application Form bearing the stamp of a member of the Syndicate for the purpose of making a Bid. The Bidders 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. Upon determination of the Issue Price and filing of the Prospectus with the RoC, the Bid cum Application Form shall be considered as the Application Form. Upon completing and submitting the Bid cum Application Form to a member of the Syndicate, the Bidder is deemed to have authorised our Company to make the necessary changes in the Red Herring Prospectus and the Bid cum Application Form as would be required for filing the Prospectus with the RoC and as would be required by the RoC after such filing, without prior or subsequent notice of such changes to the Bidder.

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

The prescribed colour of the Bid cum Application Form for various categories is as follows:

Category	Colour of Bid cum Application Form
Indian public including resident QIBs, Non-Institutional Bidders and Retail	White
Individual Bidders or Eligible NRIs applying on a non-repatriation basis	
Eligible NRIs applying on a repatriation basis, FIIs and their sub-accounts	Blue
registered with SEBI other than a sub-account which is a foreign corporate or	
foreign individual, Foreign Venture Capital Funds, Multilateral and Bilateral	
Development Financial Institutions and other Non-Residents applying on a	
repatriation basis	
Eligible Employees	Green

The physical ASBA shall be white in colour.

- (a) In accordance with the SEBI Regulations, only Retail Individual Bidders and Non-Institutional Bidders can participate in the Issue through ASBA.
- (b) In accordance with the SEBI Regulations, only QIBs can participate in the Anchor Investor Portion.

Who can Bid?

- 1. Persons eligible to invest under all applicable laws, rules, regulations and guidelines;
- 2. Indian nationals resident in India who are not minors in single or joint names (not more than three);
- 3. Hindu Undivided Families in the individual name of the *Karta*. The Bidder should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form as follows: "Name of sole or first Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta*". Bids by HUFs would be considered at par with those from individuals;
- 4. Eligible NRIs on a repatriation basis or a non-repatriation basis subject to compliance with applicable laws. NRIs, other than Eligible NRIs, are not permitted to participate in this Issue;
- 5. FIIs registered with SEBI and their sub-accounts registered with SEBI other than a sub-account which is a foreign corporate or foreign individual;
- 6. State industrial development corporations;
- 7. Insurance companies registered with the Insurance Regulatory and Development Authority, India;
- 8. Provident Funds with a minimum corpus of Rs. 250 million and who are authorised under their constitution to invest in equity shares;
- 9. Pension funds with a minimum corpus of Rs. 250 million and who are authorised under their constitution to invest in equity shares;
- 10. Companies, corporate bodies and societies registered under applicable laws in India and authorised to invest in equity shares;
- 11. VCFs;
- 12. Mutual Funds:
- 13. Indian financial institutions, commercial banks (excluding foreign banks), regional rural banks, cooperative banks (subject to the RBI regulations and the SEBI Regulations and regulations, as applicable);
- 14. Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to trusts and who are authorised under their constitution to hold and invest in equity shares;
- 15. National investment fund set up by Government of India;
- 16. Sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals, only under the Non-Institutional Bidders category;
- 17. Scientific and/or industrial research organisations in India authorised to invest in equity shares;
- 18. Foreign Venture Capital Investors registered with SEBI;
- 19. Multilateral and bilateral development financial institutions;
- 20. Insurance funds set up by army, navy, or the air force of the Union of India, and
- 21. Eligible Employees.

22. Sub-accounts of FIIs registered with SEBI, which are foreign corporate or foreign individual, only under Non-Institutional Bidders category;

As per existing regulations, OCBs cannot Bid in the Issue.

Anchor Investor Portion

Our Company may consider participation by Anchor Investors in the Issue for up to [•] Equity Shares in accordance with the applicable SEBI Regulations. The Anchor Investor Bid/Issue period shall be open one day prior to the Bid/Issue Opening Date. The QIB Portion shall be reduced to the extent of allocation under the Anchor Investor Portion. In accordance with the SEBI Regulations, the key terms for participation in the Anchor Investor Portion are as follows:

- (a) Anchor Investors shall be QIBs as defined in the SEBI Regulations.
- (b) The Anchor Investor Bid must be for a minimum of such number of Equity Shares so that the Anchor Investor Bid Amount exceeds Rs. 100 million and in multiples of [●] Equity Shares thereafter. An Anchor Investor Bid cannot be submitted for more than the Anchor Investor Portion.
- (c) [●] Equity Shares out of the Anchor Investor Portion shall be reserved for allocation to domestic Mutual Funds.
- (d) The bidding for Anchor Investors shall open one day before the Bid/Issue Opening Date and shall be completed on the same day.
- (e) The Company, in consultation with the BRLMs, shall finalise allocation to the Anchor Investors on a discretionary basis, subject to compliance with requirements regarding minimum number of allottees.
- (f) The number of Equity Shares allocated to the Anchor Investors and the price at which the allocation is made, shall be made available in public domain by the BRLMs before the Bid/Issue Opening Date.
- (g) Anchor Investors shall pay Anchor Investor Margin Amount representing 25% of the Bid Amount at the time of submission of the Anchor Investor Bid. Any difference between the amount payable by an Anchor Investor for Equity Shares allocated and the Anchor Investor Margin Amount paid at the time of Anchor Investor Bidding, shall be payable by the Anchor Investor within two days of the Bid/Issue Closing Date.
- (h) In case the Issue Price is greater than the Anchor Investor Price, the additional amount being the difference between the Issue Price and Anchor Investor Price shall be paid by the Anchor Investors. In the event the Issue Price is lower than the Anchor Investor Price, the allotment to Anchor Investors shall be at Anchor Investor Price.
- (i) The Equity Shares allotted in the Anchor Investor Portion shall be locked-in for a period of 30 days from the date of Allotment.
- (j) The BRLMs or any person related to the BRLMs/Promoters/Promoter Group shall not participate in the Anchor Investor Portion.
- (k) Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion shall not be considered as multiple Bids.
- (1) The payment instruments for payment into the Escrow Account should be drawn in favour of:
 - In case of Resident Anchor Investors: "[●] Escrow Account Anchor Investor"
 - In case of Non-Resident Anchor Investor: "[●]—Escrow Account Anchor Investor NR"

Bids by Mutual Funds

Under the SEBI Regulations, at least one-third of the Anchor Investor Portion, will be available for allocation to Mutual Funds only on a discretionary basis and 5% of the Net QIB Portion have been specifically reserved for mutual funds on a proportionate basis. An eligible Bid by a Mutual Fund shall first be considered for allocation proportionately in the Mutual Funds Portion. In the event that the demand is greater than [•] Equity Shares, allocation shall be made to Mutual Funds on a proportionate basis to the extent of the Mutual Funds Portion. The remaining demand by Mutual Funds shall, as part of the aggregate demand by QIB Bidders, be made available for allocation proportionately out of the remainder of the QIB Portion, after excluding the allocation in the Mutual Funds Portion.

In the 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 for which the Bid has been made.

In accordance with current regulations, the following restrictions are applicable for investments by Mutual Funds:

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry-specific funds. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up capital carrying voting rights. The Bid cum Application Form made by a Mutual Fund should clearly indicate the name of the scheme for which the Bid cum Application is being made.

Bids by Eligible NRIs

Bid cum Application Forms (blue in colour) have been made available for Eligible NRIs at our Registered Office and with members of the Syndicate.

Eligible NRI Bidders should note that only such Bids as are accompanied by payment in free foreign exchange shall be considered for Allotment under the Eligible NRI category. The Eligible NRIs who intend to make payment through the NRO Account shall use the Bid cum Application form meant for Resident Indians (white in colour).

Bids by FIIs

In accordance with the current regulations, the following restrictions are applicable for investments by FIIs:

The issue of Equity Shares to a single FII should not exceed 10% of our post-Issue issued capital (i.e. 10% of [•] Equity Shares). In respect of an FII investing in our Equity Shares on behalf of its sub-accounts, the investment on behalf of each sub-account shall not exceed 10% of our total issued capital or 5% of our total issued capital in case such sub-account is a foreign corporate or an individual. As of now, the aggregate FII holding in our Company cannot exceed 24% of our total issued capital. The said 24% limit can be increased up to 100% by passing a resolution by the Board followed by passing a special resolution to that effect by the shareholders of our Company. Our Company has not obtained board or shareholders approval to increase the FII limit to more than 24%.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of regulation 15A(1) of the SEBI (Foreign Institutional Investor) Regulations, 1995, an FII or its sub-account may issue, deal or hold, off shore derivative instruments such as "Participatory Notes", equity-linked notes or any other similar instruments against underlying securities listed or proposed to be listed on any stock exchange in India only in favour of those entities which are regulated by any relevant regulatory authorities in the countries of their incorporation or establishment subject to compliance of "know your client" requirements. An FII or sub-account shall also ensure that no further downstream issue or transfer of any instrument referred to hereinabove is made to any person other than a regulated entity.

Associates and affiliates of the Underwriters, including the BRLMs, that are FIIs or its sub-account may issue offshore derivative instruments against Equity Shares allocated to them in the Issue.

Bids by SEBI-registered Venture Capital Funds and Foreign Venture Capital Funds

The SEBI (Venture Capital Funds) Regulations, 1996 and the SEBI (Foreign Venture Capital Investor) Regulations, 2000, as amended prescribe investment restrictions on VCFs and FVCIs. For example, the holding by any individual VCF should not exceed 25% of the corpus of the VCF in one venture capital undertaking. Further, VCFs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offer.

Pursuant to the SEBI Regulations, the shareholding of SEBI-registered VCF and FVCIs held in a company prior to making an initial public offering would be exempt from lock-in requirements only if the shares have been held by them for at least one year prior to the time of filing the draft prospectus with SEBI.

Bids by Eligible Employees

For the purpose of the Employee Reservation Portion, Eligible Employee means all or any of the following:

A permanent and full-time employee or a Director of our Company excluding our Promoters and Promoter Group, as on the date of the Red Herring Prospectus, who is a person resident in India (as defined under the FEMA) and who continues to be in the employment of our Company until submission of the Bid cum Application Form/ASBA Form.

Bids under Employee Reservation Portion by Eligible Employees shall be:

- Made only in the prescribed Bid cum Application Form or Revision Form (i.e. green colour form).
- Only Eligible Employees (as defined above) would be eligible to apply in this Issue under the Employee Reservation Portion.
- Eligible Employees, as defined above, should mention the Employee Number at the relevant place in the Bid cum Application Form.
- The sole/ first Bidder shall be the Eligible Employee as defined above.
- Bids by Eligible Employees will have to Bid like any other Bidder. Only those Bids, which are received at or above the Issue Price, would be considered for allocation under this category.
- The Bids must be for a minimum of [•] Equity Shares and in multiples of [•] Equity Shares thereafter. The Allotment in the Employee Reservation portion will be on a proportional basis. However, in no event shall the Allotment exceed Rs. 100,000.
- Eligible Employees who Bid for Equity Shares of or for a value of not more than Rs. 100,000 in any of the bidding options can apply at Cut-off Price. This facility is not available to other Eligible Employees whose Bid Amount in any of the bidding options exceeds Rs. 100,000.
- The maximum Bid under Employee Reservation Portion by an Employee cannot exceed 65,000 Equity Shares.
- Bids by Eligible Employees can also be made in the "Net Issue" portion and such Bids shall not be treated as multiple Bids.
- If the aggregate demand in this category is less than or equal to 65,000 Equity Shares at or above the Issue Price, full allocation shall be made to the Eligible Employees to the extent of their demand. Any unsubscribed portion in any reserved category shall be added to the Net Issue to the public. In case of under-subscription in the Net Issue to the public category, spill-over to the extent of under-subscription shall be permitted from the reserved category to the Net Issue to the public.
- If the aggregate demand in this category is greater than 65,000 Equity Shares at or above the Issue Price, the allocation shall be made on a proportionate basis. For the method of proportionate basis of allocation, please see "Issue Procedure Basis of Allotment" at page 253.

Bids by Insurance Companies

In case of the Bids made by insurance companies registered with the Insurance Regulatory and Development Authority, a certified copy of certificate of registration issued by the Insurance Regulatory and Development Authority must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to reject such Bids in whole or in part without assigning reasons thereof.

Bids made by Provident Funds/ Pension Funds

In case of the Bids made by provident funds, subject to applicable law, with minimum corpus of Rs. 250 million and pension funds with minimum corpus of Rs. 250 million, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

Bids under Power of Attorney

By limited companies, corporate bodies, registered societies

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum and articles of association and/or bye laws must be lodged along with the Bid cum Application Form as applicable. Failing this, our Company reserves the right to reject such Bids in whole or in part without assigning reasons thereof.

By FIIs, VCFs, Mutual Funds

In case of the Bids made pursuant to a power of attorney by FIIs, VCFs and Mutual Funds, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to reject such Bid in whole or in part without assigning reasons thereof

Our Company in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form, subject to such terms and conditions that our Company/the BRLMs may deem fit without assigning reasons thereof.

Participation by Associates/Affiliates of the BRLMs and Syndicate Members

Associates/affiliates of BRLMs and Syndicate Members may Bid and subscribe to Equity Shares in the Issue either in the QIB Portion or in the Non-Institutional Portion as may be applicable to such investors. Such bidding and subscription may be on their own account or on behalf of their clients. Allotment to all investors including associates/affiliates of BRLMs and Syndicate Members shall be on a proportionate basis.

However, the BRLMs and Syndicate Members shall not be entitled to subscribe to this Issue in any manner except towards fulfilling their underwriting obligation.

The above information is given for the benefit of the Bidders. The Bidders are advised to make their own enquiries about the limits/restrictions applicable to them. Our Company, its Directors and officers, its directors, affiliates, associates and their respective directors and officers and the BRLMs do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company, its Directors and officers, it's directors, affiliates, associates and their respective directors and officers and the BRLMs are not liable to inform the investors of any amendments or modifications 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 the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

Maximum and Minimum Bid Size

- a) For Retail Individual Bidders: The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter, so as to ensure that the Bid Amount payable by the Bidder does not exceed Rs. 100,000. In case of revision of Bids, the Retail Individual Bidders have to ensure that the Bid Amount does not exceed Rs. 100,000. Where the Bid Amount is over Rs. 100,000 due to revision of the Bid or revision of the Price Band or on exercise of the option to Bid at Cut-off Price, the Bid would be considered for allocation under the Non-Institutional Portion. The Cut-off Price option is given only to Retail Individual Bidders where the Bid Amount does not exceed Rs. 100,000 indicating their agreement to the Bid and to purchase the Equity Shares at the Issue Price as determined at the end of the Book Building Process.
- b) For Non-Institutional Bidders and QIB Bidders: The Bid must be for a minimum of such number of Equity Shares such that the Bid Amount exceeds Rs. 100,000 and is a multiple of [●] Equity Shares. A Bid cannot be submitted for more than the Issue size. However, the maximum Bid by a QIB should not exceed the investment limits prescribed for them under applicable laws. Under the SEBI Regulations, a QIB Bidder cannot withdraw its Bid after the Bid/Issue Closing Date and is required to pay the QIB Margin Amount upon submission of the Bid.

In case of revision in Bids, the Non-Institutional Bidders, who are individuals, have to ensure that the Bid Amount is greater than Rs. 100,000 for being considered for allocation in the Non-Institutional Portion. In case the Bid Amount reduces to Rs. 100,000 or less due to a revision in Bids or revision of the Price Band, Bids by Non-Institutional Bidders who are eligible for allocation in the Non-Institutional Portion would be considered for allocation under the Retail Portion. Non-Institutional Bidders and OIB Bidders are not allowed to Bid at the Cut-off Price.

- (c) For Bidders in the Employee Reservation Portion: The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter. Bidders in Employee Reservation Portion applying for a maximum Bid in any of the bidding options not exceeding Rs. 100,000 may Bid at the Cut-off Price. The Allotment in the Employee Reservation Portion will be on a proportionate basis.
- (d) For Bidders in the Anchor Investor Portion: The Bid must be for a minimum of such number of Equity Shares such that the Bid Amount is atleast Rs. 100 million and in multiples of [●] Equity Shares hereafter. A Bid cannot be submitted for more than 30% of the QIB Portion. Bids by Anchor Investors under the Anchor Investor Portion and the QIB Portion shall not be considered as multiple Bids. Anchor Investors cannot withdraw their bids after the Anchor Investor Bid/Offer Period.

Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Red Herring Prospectus.

Refund amounts following a permitted withdrawal or rejection of a Bid shall be paid in the manner described under paragraph "Issue Procedure-Payment of Refund" at page 257.

Information for the Bidder:

1. Our Company will file the Red Herring Prospectus with the RoC at least three days before the Bid/Issue Opening Date.

- 2. Our Company and the BRLMs will declare the Bid/Issue Opening Date, Bid/Issue Closing Date and Price Band at the time of filing the Red Herring Prospectus with the RoC and also publish the same in two national newspapers (one each in English and Hindi, which is also the regional language newspaper), each with wide circulation.
- 3. The members of the Syndicate will circulate copies of the Bid cum Application Form to potential investors, and at the request of potential investors, copies of the Red Herring Prospectus. Any investor (who is eligible to invest in our Equity Shares) who would like to obtain the Red Herring Prospectus and/or the Bid cum Application Form can obtain the same from the Registered Office or from any of the members of the Syndicate.
- 4. Eligible investors who are interested in subscribing for the Equity Shares should approach any of the BRLMs, Syndicate Members or their authorised agent(s), as applicable to register their Bids. ASBA Bidders should approach the SCSBs to register their Bids.
- 5. The Members of the Syndicate shall accept Bids from the Bidder during the Bid/Issue Period in accordance with the terms of the Syndicate Agreement. Provided that the BRLMs shall accept the Bids from the Anchor Investors only on the Anchor Investor Bidding Date.
- 6. The Bids should only be submitted on the prescribed Bid cum Application Form. Bid cum Application Forms should bear the stamp of the member of the Syndicate. Bid cum Application Forms which do not bear the stamp of a member of the Syndicate are liable to be rejected.

Method and Process of Bidding

- 1. Our Company and the BRLMs shall declare the Bid/Issue Opening Date, the Bid/Issue Closing Date and Price Band in the Red Herring Prospectus to be filed with the RoC and also publish the same in two national newspapers (one each in English and Hindi, which is also the regional language newspaper), each with wide circulation in the place where our Registered Office is situated. This advertisement, subject to the provisions of section 66 of the Companies Act, shall contain the disclosure requirements as specified under Schedule XIII of the SEBI Regulations. The BRLMs and Syndicate Members shall accept Bids from the Bidders during the Bidding/Issue period in accordance with the terms of the Syndicate Agreement.
- The BRLMs shall accept Bids from the Anchor Investors on the Anchor Investor Bid Date, i.e. one day prior to the Bid Opening Date. Investors, except Anchor Investors who are interested in subscribing to the Equity Shares should approach any of the members of the Syndicate or their authorised agents to register their Bids, during the Bidding Period. The Members of the Syndicate shall accept Bids from the all the other Bidders and shall have the right to vet the Bids, during the Bidding Period in accordance with the terms of the Syndicate Agreement and Red Herring Prospectus.
- 3. The Bidding/Issue period shall be for a minimum of three Working Days and shall not exceed ten Working Days, including the period for which the Issue is kept open for the purpose of revision of price band. In case the Price Band is revised, the revised Price Band and Bidding/Issue period shall be published in two national newspapers (one each in English and Hindi, which is also the regional language newspaper), each with wide circulation and also by indicating the change on the website of the BRLMs and at the terminals of the members of the Syndicate. The Bidding/Issue period shall be extended by an additional three Working Days, subject to the total Bidding/Issue period not exceeding 10 Working Days.
- 4. Each Bid cum Application Form will give the Bidder the choice to Bid for up to three optional prices within the Price Band and specify the demand (i.e., the number of Equity Shares Bid for) in each option. The price and demand options submitted by the Bidder in the Bid cum Application Form will be treated as optional demands from the Bidder and will not be cumulated. After determination of the Issue Price, the maximum number of Equity Shares Bid for by a Bidder at or

- above the Issue Price will be considered for allocation and the rest of the Bid(s), irrespective of the Bid price, will become automatically invalid.
- 5. The Bidder cannot Bid on another Bid cum Application Form after Bid(s) on one Bid cum Application Form have been submitted to any member of the Syndicate or a SCSB, respectively. Submission of an additional Bid cum Application Form to either the same or to another member of the Syndicate or ASBA Form to any SCSB will be treated as multiple bidding and is liable to be rejected either before entering the Bid into the electronic bidding system, or at any point in time before the Allotment. However, the Bidder can revise the Bid through the Revision Form, the procedure for which is detailed section titled "Issue Procedure -Build up of the Book and Revision of Bids" at page 242. Provided that Bids submitted by a QIB in the Anchor Investor Portion and in the Net QIB Portion will not be considered as Multiple Bids. Bids by Eligible Employees in the Eligible Employee Reservation and in the "Net Issue" portion shall not be treated as multiple Bids.
- 6. Except in relation to the Bids received from the Anchor Investors, the members of the Syndicate will enter each Bid option into the electronic bidding system as a separate Bid and generate a Transaction Registration Slip ("TRS") for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three TRSs for each Bid cum Application Form.
- 7. During the Bid/Issue period, Bidders may approach the members of the Syndicate to submit their Bids. Every member of the Syndicate shall accept Bids from all clients/investors who place orders through them and shall have the right to vet the Bids, subject to the terms of the Syndicate Agreement and the Red Herring Prospectus.
- 8. Along with the Bid cum Application Form, as applicable, all Bidders will make payment in the manner described under the section titled "Issue Procedure -Terms of Payment and Payment into the Escrow Accounts" at page 245.
- 9. The identity of QIB Bidder shall not be made public.

Bids at different price levels

- 1. The Bidder can Bid at any price within the Price Band in multiple of Re. 1 (Rupee One). The Bidder has to Bid for the desired number of Equity Shares at a specific price.
- 2. The Price Band has been fixed at Rs. [•] to Rs. [•] per Equity Share, Rs. [•] being the Floor Price and Rs. [•] being the Cap Price. The Bidders can Bid at any price within the Price Band, in multiple of Re. 1. In accordance with the SEBI Regulations, our Company in consultation with the BRLMs, reserves the right to revise the Price Band during the Bidding/Issue period. The cap on the Price Band will not be more than 120% of the floor of the Price Band. Subject to compliance with the immediately preceding sentence, the floor of the Price Band can move up or down to the extent of 20% of the floor of the Price Band.
- 3. In case the Price Band is revised, the Bidding/Issue period shall be extended, by an additional three Working Days, subject to the total Bidding/Issue period not exceeding 10 Working Days. The revised Price Band and Bidding/Issue period, if applicable, will be widely disseminated by notification to the Stock Exchanges, and by publishing in two national newspapers (one each in English and Hindi, which is also the regional language newspaper), with wide circulation in the place where our Registered Office is situated and also by indicating the change on the websites of the BRLMs and at the terminals of the members of the Syndicate.
- 4. Our Company in consultation with the BRLMs, shall finalise the Issue Price and Anchor Investor Issue Price, within the Price Band, without the prior approval of, or intimation to, the Bidders.
- 5. Retail Individual Bidders and Eligible Employees in the Employee Reservation Portion who Bid at the Cut-off Price agree that they shall purchase the Equity Shares at any price within the Price Band.

Retail Individual Bidders and the Eligible Employees in the Employee Reservation Portion bidding at the Cut-off Price shall deposit the Bid Amount based on the Cap Price in the Escrow Accounts. In the event that the Bid Amount is higher than the subscription amount payable by the Retail Individual Bidders and the Eligible Employees in the Employee Reservation Portion who Bid at Cut-Off Price, such Bidders shall receive the refund of the excess amounts from the Escrow Accounts in the manner described under the section titled "Issue Procedure -Payment of Refund" at page 257.

- 6. In case of an upward revision in the Price Band announced as above, Retail Individual Bidders the Eligible Employees in the Employee Reservation Portion, who had Bid at the Cut-off Price could either (i) revise their Bid or (ii) make additional payment based on the higher cap of the revised Price Band (such that the total amount i.e., the original Bid Amount plus additional payment does not exceed Rs. 100,000 if the Bidder wants to continue to Bid at the Cut-off Price), with the members of the Syndicate to whom the original Bid was submitted. In case the total amount (i.e., original Bid Amount plus additional payment) exceeds Rs. 100,000 for the Retail Individual Bidders, the Bid will be considered for allocation under the Non-Institutional Portion in terms of the Red Herring Prospectus. In case of Retail Individual Bidders and the Eligible Employees in the Employee Reservation Portion who do not revise the Bid or make additional payment, where the Issue Price is higher than the cap of the Price Band before revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of Allotment, such that no additional payment would be required from such Bidder and the Bidder is deemed to have approved such revised Bid at the Cutoff Price.
- 7. In case of a downward revision in the Price Band, announced as above, Retail Individual Bidders and the Eligible Employees in the Employee Reservation Portion who have Bid at the Cut-off Price could either revise their Bid or the excess amount paid at the time of bidding would be refunded from the Escrow Accounts. In case of downward revision in the Price Band, the number of Equity Shares Bid for shall be adjusted upwards to the higher Bid lot for the purpose of Allotment.
- 8. In the event of any revision in the Price Band, whether upwards or downwards, the Company in consultation with the BRLMs shall decide the minimum number of Equity Shares for each Bid to ensure that the minimum application is in the range of Rs. 5,000 to Rs. 7,000.

GENERAL INSTRUCTIONS

Dos:

- (a) Check if you are eligible to apply having regard to applicable laws, rules, regulations, guidelines and approvals and the terms of the Red Herring Prospectus;
- (b) Ensure that you Bid within the Price Band;
- (c) Read all the instructions carefully and complete the Bid cum Application Form;
- (d) Ensure that the details about your Depository Participant and beneficiary account are correct and the beneficiary account is activated as Equity Shares will be Allotted in dematerialised form only;
- (e) Ensure that you have collected a TRS for all your Bid options;
- (f) Submit Revised Bids to the same member of the Syndicate through whom the original Bid was placed and obtain a revised TRS;
- (g) Each of the Bidders, should mention their PAN allotted under the IT Act;
- (h) Ensure that the name(s) given in the Bid cum Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. Where the Bid cum

Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Bid cum Application Form; and

- (i) Ensure that the demographic details (as defined in the section titled "Issue Procedure Bidder's Depository Account and Bank Account Details" at page 238 are updated, true and correct in all respects.
- (j) Ensure that the Bids are submitted at the bidding centres only on forms bearing stamp of a member of the Syndicate.

Don'ts:

- (a) Do not Bid for lower than the minimum Bid size;
- (b) Do not Bid or revise Bid to a price that is less than the Floor Price or higher than the Cap Price;
- (c) Do not Bid on another Bid cum Application Form after you have submitted a Bid to the members of the Syndicate;
- (d) Do not pay the Bid amount in cash, postal order, or by stockinvest;
- (e) Do not send Bid cum Application Forms by post; instead submit the same to a member of the Syndicate;
- (f) Do not Bid at the Cut-off Price (for QIB Bidders and Non-Institutional Bidders for whom the Bid Amount exceeds Rs. 100,000);
- (g) Do not Bid such that such that the number of Equity Shares Bid for exceeds the Issue size and/or the investment limit or the maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of this Draft Red Herring Prospectus;
- (h) Do not Bid at Bid Amount exceeding Rs. 100,000 for in case of a Bid by a Retail Individual Bidder;
- (i) Do not submit the Bid without the OIB Margin Amount, in the case of a Bid by a OIB; and
- (j) Do not submit the GIR Number instead of the PAN as the Bid is liable to be rejected on this ground.

INSTRUCTIONS FOR COMPLETING THE BID CUM APPLICATION FORM

Bidders can obtain Bid cum Application Forms and/or Revision Forms from the members of the Syndicate.

Bidder's Depository account and bank account details

Bidders should note that on the basis of the name of the Bidders, Depository Participant's name, Depository Participant identification number and beneficiary account number provided by them in the Bid cum Application Form, the Registrar to the Issue will obtain from the Depository Participant, the demographic details of the Bidders such as their address, PAN, occupation and bank account details (hereinafter referred to as "Demographic Details") for printing on refund orders or giving credit through ECS, RTGS or Direct Credit. Hence, Bidders are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in credit of refunds to Bidders at the Bidders' sole risk and neither the BRLMs, our Company, its Directors and officers, its directors, affiliates, associates and their respective directors and officers shall have any responsibility or undertake any liability for the same. Hence, Bidders should carefully fill in their Depository Account details on the Bid cum Application Form.

IT IS MANDATORY FOR ALL THE BIDDERS TO RECEIVE THEIR EQUITY SHARES IN DEMATERIALISED FORM. ALL BIDDERS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE BID CUM APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN ON THE BID CUM APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IF THE BID CUM APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND SUCH JOINT NAMES ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR ON THE BID CUM APPLICATION FORM.

These Demographic Details will be used for all correspondence with the Bidders including mailing of the refund orders/ECS credit for refunds/direct credit of refund/CANs/allocation advice/NEFT or RTGS for refunds and printing of Company particulars on the refund order. The Demographic Details given by Bidders in the Bid cum Application Form will not be used for any other purposes by the Registrar to the Issue.

By signing the Bid cum Application Form, the Bidder will be deemed to have authorised the Depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

Refund orders/allocation advice/CAN would be mailed to the address of the Bidder as per the Demographic Details received from the Depositories. Bidders may note that delivery of refund orders/allocation advice/CANs may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. In such an event, the address and other details given by the Bidder in the Bid cum Application Form would be used only to ensure re-dispatch of refund orders. Please note that any such delay shall be at the Bidder's sole risk and neither our Company, its Directors and officers, its directors, affiliates, associates and their respective directors and officers, Bankers to the Issue, the BRLMs nor the Registrar to the Issue shall be liable to compensate the Bidder for any losses caused to the Bidder due to any such delay or pay any interest for such delay. In case of refunds through electronic modes as detailed in this Draft Red Herring Prospectus, Bidders may note that refunds may get delayed if bank particulars or the MICR code obtained from the Depository Participant are incorrect or incomplete.

Where no corresponding record is available with the Depositories that matches three parameters, namely, names of the Bidder's (including the order of names of joint holders), the Depository Participant's identity and the beneficiary's identity, then such Bids are liable to be rejected.

OTHER INSTRUCTIONS

Joint Bids in case of Individuals

Bids may be made in single or joint names (not more than three). In the case of joint Bids, all refund payments will be made in favour of the Bidder whose name appears first in the Bid cum Application Form or Revision Form. All communications will be addressed to the first Bidder and will be dispatched to his or her address as per the Demographic Details received from the Depository.

Multiple Bids

A Bidder should submit only one Bid (and not more than one) for the total number of Equity Shares required. Two or more Bids will be deemed to be multiple Bids if the sole or first Bidder is one and the same. The PAN of the first/sole Bidder as furnished in the Bid cum Application Form or as recorded with the Depositories shall be the criteria to identify multiple Bids.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Funds and such Bids in respect of more than one scheme of the Mutual Funds will not be treated as multiple Bids provided

that the Bids clearly indicate the scheme for which the Bid has been made.

In this regard, the procedures which would be followed by the Registrar to the Issue to detect multiple applications are given below:

- 1. All applications with the same name and age will be accumulated and taken to a separate process file which would serve as a multiple master.
- In this master, a check will be carried out for the same PAN. In cases where the PAN is different, the same will be deleted from this master.
- 3. The Registrar to the Issue will obtain, from the depositories, details of the applicant's address based on the DP ID and Beneficiary Account Number provided in the Bid-cum-Application Form and create an address master.
- 4. The addresses of all the applications in the multiple master will be strung from the address master. This involves putting the addresses in a single line after deleting non-alpha and non-numeric characters i.e. commas, full stops, hash etc. Sometimes, the name, the first line of address and pin code will be converted into a string for each application received and a photo match will be carried out amongst all the applications processed. A print-out of the addresses will be taken to check for common names. The applications with same name and same address will be treated as multiple applications.
- 5. The applications will be scrutinised for DP ID and Beneficiary Account Numbers. In case applications bear the same DP ID and Beneficiary Account Numbers, these will be treated as multiple applications.
- 6. Subsequent to the aforesaid procedures, a print out of the multiple master will be taken and the applications physically verified to tally signatures as also father's/ husband's names. On completion of this, the applications will be identified as multiple applications.

Our Company, in consultation with the BRLMs, reserves the right to reject, in their absolute discretion, all or any multiple Bids in any or all categories.

Permanent Account Number

The Bidder or in the case of a Bid in joint names, each of the Bidders, should mention his/her PAN allotted under the I.T. Act. **Applications without this information will be considered incomplete and are liable to be rejected.** It is to be specifically noted that Bidders should not submit the GIR Number instead of the PAN, as the Bid is liable to be rejected on this ground.

IMPERSONATION

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 68A of the Companies Act, which is reproduced below:

"Any person who:

- (a) makes in a fictitious name, an application to a company for acquiring or subscribing for, any shares therein, or
- (b) otherwise induces a company to allot, or register any transfer of shares therein to him, or any other person in a fictitious name,

shall be punishable with imprisonment for a term which may extend to five years".

Submission of Bid cum Application Form

All Bid cum Application Forms or Revision Forms duly completed and accompanied by account payee cheques or drafts shall be submitted to the members of the Syndicate at the time of submission of the Bid.

Separate receipts shall not be issued for the money payable on the submission of Bid cum Application Forms or Revision Forms. However, the collection centre of the members of the Syndicate 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.

Electronic Registration of Bids

- 1. The members of the Syndicate will register the Bids using the on-line facilities of the Stock Exchanges. There will be at least one on-line connectivity facility in each city where a stock exchange is located in India and where Bids are being accepted.
- 2. The NSE and the BSE will offer a screen-based facility for registering Bids for the Issue. This facility will be available on the terminals of the members of the Syndicate and their authorised agents during the Bidding/Issue period. The members of the Syndicate can also set up facilities for off-line electronic registration of Bids subject to the condition that they will subsequently upload the off-line data file into the on-line facilities for book building on a regular basis. On the Bid/Issue Closing Date, the members of the Syndicate and SCSBs shall upload the Bids until such time as may be permitted by the Stock Exchanges.
- 3. The aggregate demand and price for Bids registered on electronic facilities of the NSE and the BSE will be uploaded on a regular basis, consolidated and displayed on-line at all bidding centres as well as on the NSE's website at www.nseindia.com and on the BSE's website at www.bseindia.com. A graphical representation of consolidated demand and price will be made available at the bidding centres during the Bidding/Issue period.
- 4. At the time of registering each Bid, the members of the Syndicate shall enter the following details of the investor in the on-line system:
 - Name of the Bidder(s). Bidders should ensure that the name given in the Bid cum Application Form is exactly the same as the name in which the Depositary Account is held.
 In case the Bid cum Application Form is submitted in joint names, Bidders should ensure that the Depository Account is also held in the same joint names and the names are in the same sequence in which they appear in the Bid cum Application Form;
 - Investor category—Individual, Corporate, QIBs, Eligible Employee, Eligible NRI, FII or Mutual Fund, etc.;
 - Numbers of Equity Shares Bid for;
 - Bid price;
 - Bid cum Application Form number;
 - Margin Amount paid-upon submission of Bid cum Application Form; and
 - Depository Participant identification number and client identification number of the demat account of the Bidder.

- 5. A system generated TRS will be given to the Bidder as proof of the registration of each of the bidding options. It is the Bidder's responsibility to obtain the TRS from the members of the Syndicate or SCSBs as applicable. The registration of the Bid by the member of the Syndicate or SCSB does not guarantee that the Equity Shares shall be allocated either by the members of the Syndicate, SCSBs or our Company.
- 6. Such TRS will be non-negotiable and by itself will not create any obligation of any kind.
- 7. In the case of QIB Bidders of the Net QIB Portion, members of the Syndicate also have the right to accept the Bid or reject the Bid. However, such rejection should be made at the time of receiving the Bid and only after assigning a reason for such rejection in writing. In case of Non-Institutional Bidders and Retail Individual Bidders, Bids would not be rejected except on the technical grounds listed in this Draft Red Herring Prospectus.
- 8. The permission given by the NSE and the BSE to use their network and software of the online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company or the BRLMs are cleared or approved by the NSE and the BSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, the Promoters, the management or any scheme or project of our Company.

It is also to be distinctly understood that the approval given by the NSE and the BSE should not in any way be deemed or construed that the Draft Red Herring Prospectus has been cleared or approved by the NSE or the BSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of the Draft Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the NSE and the BSE.

Build up of the Book and Revision of Bids

- 1. Bids registered by various Bidders through the members of the Syndicate or SCSBs shall be electronically transmitted to the NSE or BSE mainframe on a regular basis.
- 2. The book gets built up at various price levels. This information will be available from the BRLMs on a regular basis.
- 3. During the Bidding/Issue period, any Bidder 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 printed Revision Form, which is a part of the Bid cum Application Form.
- 4. Revisions can be made in both the desired number of Equity Shares and the Bid Amount by using the Revision Form. The Bidder must complete the details of all the options in the Bid cum Application Form or earlier Revision Form. For example, if a Bidder has Bid for three options in the Bid cum Application Form and he is changing only one of the options in the Revision Form, he must still complete all the details of the other two options that are not being changed in the Revision Form. Incomplete or inaccurate Revision Forms will not be accepted by the members of the Syndicate.
- 5. The Bidder can make this revision any number of times during the Bidding/Issue period. However, for any revision(s) in the Bid, the Bidders will have to use the services of the same member of the Syndicate through whom the original Bid was placed.
- 6. Bidders are advised to retain copies of the blank Revision Form and the revised Bid must be made only on such Revision Form or copies thereof.
- 7. Any revision of the Bid shall be accompanied by payment in the form of cheque or demand draft for the incremental amount, if any, to be paid on account of the upward revision of the Bid. The excess

amount, if any, resulting from downward revision of the Bid would be returned to the Bidder at the time of refund in accordance with the terms of this Draft Red Herring Prospectus. In the case of QIB Bidders in the Net QIB Portion, the members of the Syndicate shall collect the payment in the form of cheque or demand draft or electronic transfer of funds through RTGS for the incremental amount in the QIB Margin, if any, to be paid on account of the upward revision of the Bid at the time of one or more revisions by the QIB Bidders.

- 8. When a Bidder revises a Bid, the Bidder shall surrender the earlier TRS and get a revised TRS from the members of the Syndicate. It is the responsibility of the Bidder to request and obtain the revised TRS, which will act as proof of revision of the original Bid.
- Only Bids that are uploaded on the online IPO system of the NSE and the BSE shall be considered for allocation/Allotment. In the event of a discrepancy of data between the Bids registered on the online IPO system and the physical Bid cum Application Form, the decision of the BRLMs and the Designated Stock Exchange, based on the physical records of Bid cum Application Forms shall be final and binding on all concerned.

Bids and Revisions of Bids for all Bidders

Bids and revisions of Bids must be:

- 1. Made only on the prescribed Bid cum Application Form or Revision Form, as applicable (white, green or blue).
- 2. Made in a single name or in joint names (not more than three, and in the same order as their Depository Participant details).
- 3. Completed in full, in BLOCK LETTERS in English and in accordance with the instructions contained herein, on the Bid cum Application Form or in the Revision Form. Incomplete Bid cum Application Forms or Revision Forms are liable to be rejected.
- 4. Bids from the Retail Individual Bidders must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter subject to a maximum Bid Amount of Rs. 100,000.
- 5. For Non-Institutional Bidders and QIB Bidders, Bids must be for a minimum of such number of Equity Shares such that the Bid Amount exceeds Rs. 100,000 and in multiples of [●] Equity Shares thereafter. Bids cannot be made for more than the Net Issue size. Bidders are advised to ensure that a single Bid from them does not exceed the investment limits or maximum number of shares that can be held by them under the applicable laws and regulations.
- 9. Thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.

Bids by Non-Residents, including Eligible NRIs, FIIs on repatriation basis

Bids and revision to the Bids must be made:

- 1. On the Bid cum Application Form or the Revision Form, as applicable (blue in colour), and completed in full in BLOCK LETTERS in ENGLISH in accordance with the instructions contained therein.
- 2. In a single name or joint names (not more than three and in the same order as their Depository Participant details).

- 3. Eligible NRIs for a Bid Amount of up to Rs. 100,000 would be considered under the Retail Portion for the purposes of allocation and for a Bid Amount of more than Rs. 100,000 would be considered under Non-Institutional Portion for the purposes of allocation. Other Non-Resident Bidders must Bid for a minimum of such number of Equity Shares and in multiples of [•] that the Bid Amount exceeds Rs. 100,000. For further details, see the section titled "Issue Procedure Maximum and Minimum Bid Size" at page 234.
- 4. In the names of individuals, or in the names of FIIs but not in the names of minors, OCBs, firms or partnerships, foreign nationals (excluding Eligible NRIs) or their nominees.

Refunds, dividends and other distributions, if any, will be payable in Indian Rupees only, at the rate of exchange prevailing at the time of remittance, 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 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 will be dispatched by registered post or if the Bidders so desire, will be credited to their NRE Accounts, details of which are received from the Depositories as part of the demographic details of the First Bidder/ sole Bidder. Our Company, its Directors and officers, its directors, affiliates, associates and their respective directors and officers will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

It is to be distinctly understood that there is no reservation for Non-Residents, including Eligible NRIs and FIIs and all Non-Residents will be treated on the same basis with other categories for the purpose of allocation.

As per the existing policy of the GoI, OCBs cannot participate in this Issue. Further, NRIs, who are not Eligible NRIs are not permitted to participate in this Issue.

As per the current regulations, the following restrictions are applicable for investments by FIIs:

No single FII can hold more than 10% of the post-Issue paid-up capital of our Company. In respect of an FII investing in our Equity Shares on behalf of its sub-accounts, the investment on behalf of each sub-Account shall not exceed 10% of our total issued capital.

With the approval of the board of directors and the shareholders by way of a special resolution, the aggregate FII holding limit may be increased to 100%.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 15(A)(1) of the Securities Exchange Board of India (Foreign Institutional Investors) Regulations 1995, as amended, an FII or its sub-account may issue, deal or hold, offshore derivative instruments such as participatory notes, equity-linked notes or any other similar instruments against underlying securities listed or proposed to be listed in any stock exchange in India only in favour of those entities which are regulated by any relevant regulatory authorities in the countries of their incorporation or establishment subject to compliance of "know your client" requirements. An FII or sub-account shall also ensure that no further downstream issue or transfer of any instrument referred to hereinabove is made to any person other than a regulated entity.

PAYMENT INSTRUCTIONS

Escrow Accounts shall be opened with the Bankers to the Issues for the collection of the Bid Amount payable upon submission of the Bid cum Application Form and for amounts payable pursuant to allocation in the Issue. Each Bidder shall draw a cheque or demand draft for the amount payable on the Bid and/or on allocation as per the following terms:

Escrow Mechanism

Escrow Accounts shall be opened with one or more Bankers to the Issue for collection of application money. The Bidders shall draw the cheque or demand draft in respect of his or her Bid and/or revision of the Bid in favour of the payee detailed under the section titled "Issue Procedure -Payment into Escrow Accounts" at page 245. Cheques or demand drafts received for the full Bid Amount from Bidders in a particular category would be deposited in the Escrow Accounts. The Bankers to the Issue will act in terms of the Red Herring Prospectus, the Prospectus and the Escrow Agreement. The monies in the Escrow Accounts shall be maintained by the Bankers to the Issue for and on behalf of the Bidders. The Bankers to the Issue shall not exercise any lien whatsoever over the monies deposited therein and shall hold the monies therein in trust for the Bidders. On the Designated Date, the Bankers to the Issue shall transfer the monies from the Escrow Accounts to the Public Issue Account and the Refund Account as per the terms of the Escrow Agreement, the Red Herring Prospectus and the Prospectus. The Bidders should note that the escrow mechanism is not prescribed by SEBI and has been established to facilitate collections from the Bidders and shall be governed by the terms of the Red Herring Prospectus and the Escrow Agreement.

Terms of Payment and Payment into the Escrow Accounts

Each Bidder, other than the Anchor Investor, shall pay the applicable Margin Amount with the submission of the Bid cum Application Form, draw a cheque or demand draft in favour of the Escrow Accounts of the Bankers to the Issue (see the section titled "Issue Procedure - Payment Instructions" at page 244) and submit such cheque or demand draft to the member of the Syndicate to whom the Bid is being submitted. The Bidder may also provide the applicable Margin Amount by way of an electronic transfer of funds through the RTGS mechanism. Each QIB shall provide their QIB Margin Amount only to a BRLM. Bid cum Application Forms accompanied by cash/stockinvest/money order shall not be accepted. The Margin Amount based on the Bid Amount has to be paid at the time of submission of the Bid cum Application Form.

The members of the Syndicate shall deposit the cheque or demand draft with the Bankers to the Issue, which will hold the monies for the benefit of the Bidders until the Designated Date. On the Designated Date, the Bankers to the Issue(s) shall transfer the funds from the Escrow Accounts, as per the terms of the Escrow Agreement, the Red Herring Prospectus and the Prospectus into the Public Issue Account. The balance amount after transfer to the Public Issue Account shall be transferred to the Refund Account on the Designated Date.

Each category of Bidders, i.e., Anchor Investors, QIB Bidders, Non-Institutional Bidders, Eligible Employees and Retail Individual Bidders would be required to pay their applicable Margin Amount at the time of submission of the Bid cum Application Form. The Margin Amount payable by each category of Bidders is mentioned under the heading "Issue Structure" at page 225. Where the Margin Amount applicable to the Bidder is less than 100% of the Bid Amount, any difference between the amount payable by the Bidder for Equity Shares allocated at the Issue Price and the Margin Amount paid at the time of Bidding, shall be payable by the Bidder no later than the Pay-in Date. If the payment is not made favouring the Escrow Accounts within the time stipulated above, the Bid of the Bidder is liable to be rejected. However, if the applicable Margin Amount for Bidders is 100%, the full amount of payment has to be made at the time of submission of the Bid cum Application Form.

Where the Bidder has been allocated a lesser number of Equity Shares than he or she had Bid for, the excess amount paid on Bidding, if any, after adjustment for Allotment, will be refunded to such Bidder within 15 days from the Bid/Issue Closing Date, failing which our Company shall pay interest according to the provisions of the Companies Act for any delay beyond the periods as mentioned above.

Payment into Escrow Accounts

- 1. The Bidders for whom the applicable margin is equal to 100% shall, with the submission of the Bid cum Application Form, draw a payment instrument for the Bid Amount in favour of the Escrow Accounts and submit the same to the members of the Syndicate.
- 2. Where the above Margin Amount paid by the Bidders during the Bidding/Issue period is less than the Issue Price multiplied by the Equity Shares allocated to the Bidder, the balance amount shall be paid by the Bidders into the Escrow Accounts within the period specified in the CAN.
- 3. The Bidders shall, with the submission of the Bid cum Application Form, draw a payment instrument for applicable margin amount for the Bid Amount in favour of the Escrow Accounts and submit the same to the members of the Syndicate. The payment instruments for payment into the Escrow Accounts should be drawn in favour of:
 - (a) In the case of Resident QIB Bidders: "Escrow Account— [●]—Public Issue—QIB-R".
 - (b) In the case of Non-Resident QIB Bidders: "Escrow Account— [●]—Public Issue— QIB-NR".
 - (c) In the case of Resident Retail and Non-Institutional Bidders: "Escrow Account— [●]—Public Issue—R".
 - (d) In the case of Non-Resident Retail and Non-Institutional Bidders: "Escrow Account—

 [●]—Public Issue—NR".
 - (e) In case of Resident Anchor Investors: "-[•]"
 - (f) In case of Non-Resident Anchor Investors: "-[•]"
 - (g) In the case of Eligible Employees: "Escrow Account— [●]—Public Issue—E".
- 4. In the case of Bids by Eligible NRIs applying on a repatriation basis, the payments must be made through Indian Rupee drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in NRE Accounts or FCNR Accounts, maintained with banks authorised to deal in foreign exchange in India, along with documentary evidence in support of the remittance. Payment will not be accepted out of NRO Account of the Non-Resident Bidder bidding on a repatriation basis. Payment by draft should be accompanied by a bank certificate confirming that the draft has been issued by debiting a NRE Account or a FCNR Account.
- In the case of Bids by Eligible NRIs applying on a non-repatriation basis, the payments must be made by Indian Rupee drafts purchased abroad or cheques or bank drafts, for the amount payable on application, remitted through normal banking channels or out of funds held in NRE Accounts or FCNR Accounts, maintained with banks authorised to deal in foreign exchange in India, along with documentary evidence in support of the remittance or out of an NRO Account of a Non-Resident Bidder bidding on a non-repatriation basis. Payment by drafts should be accompanied by a bank certificate confirming that the draft has been issued by debiting an NRE or a FCNR or an NRO Account.
- 6. In case of Bids by FIIs the payment should be made out of funds held in a special rupee account along with documentary evidence in support of the remittance. Payment by draft should be accompanied by a bank certificate confirming that the draft has been issued by debiting a special rupee account.

- 7. Where a Bidder has been allocated a lesser number of Equity Shares than the Bidder has Bid for, the excess amount, if any, paid on Bidding, after adjustment towards the balance amount payable on the Equity Shares allocated, will be refunded to the Bidder from the Refund Account.
- 8. The monies deposited in the Escrow Accounts will be held for the benefit of the Bidders until the Designated Date.
- 9. On the Designated Date, the Bankers to the Issue shall transfer the funds from the Escrow Accounts as per the terms of the Escrow Agreement, the Red Herring Prospectus and the Prospectus into the Public Issue Account.
- 10. No later than 15 days from the Bid/Issue Closing Date, the Bankers to the Issue shall refund all amounts payable to unsuccessful Bidders and the excess amount paid on Bidding, if any, after adjusting for allocation to the Bidders.
- 11. Payments should be made by cheque, or demand draft drawn on any bank (including a cooperative 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. Outstation cheques/bank drafts drawn on banks not participating in the clearing process will not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected. Cash/stockinvest/money orders/postal orders will not be accepted.
- 12. Bidders are advised to mention the number of application form on the reverse of the cheque/demand draft to avoid misuse of instruments submitted along with the Bid cum Application Form.
- In case clear funds are not available in the Escrow Accounts as per final certificates from the Bankers to the Issue, such Bids are liable to be rejected.

Payment by Stockinvest

Under the terms of the RBI Circular No. DBOD No. FSC BC 42/24.47.00/2003-04 dated November 5, 2003, the option to use the stockinvest instrument in lieu of cheques or bank drafts for payment of Bid money has been withdrawn. Accordingly, payment through Stockinvest will not be accepted in this Issue.

Announcement of pre-Issue Advertisement

Subject to section 66 of the Companies Act, our Company shall, after receiving final observations, if any, on this Draft Red Herring Prospectus from the SEBI, publish an advertisement, in the form prescribed by the SEBI Regulations, in two national newspapers (one each in English and Hindi, which is also the regional language newspaper), each with wide circulation.

Advertisement regarding Issue Price and Prospectus

A statutory advertisement will be issued by our Company after the filing of the Prospectus with the RoC. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the Issue Price and the Anchor Investor Issue Price. Any material updates between the date of the Red Herring Prospectus and the Prospectus shall be included in such statutory advertisement.

Right to reject Bids by our Company

In case of QIB Bidders bidding in the Net QIB Portion, our Company, in consultation with the BRLMs, may reject Bids provided that the reason for rejecting the Bid shall be provided to such Bidders in writing. Provided further that, the Company in consultation with the BRLMs, reserves the right to reject any Bid received from Anchor Investors without assigning any reasons therefore. In case of Non-Institutional Bidders and Retail Individual Bidders, our Company will have a right to reject Bids based on technical grounds only.

Consequent refunds shall be made as described in this Draft Red Herring Prospectus and will be sent to the Bidder's address at the Bidder's risk.

Grounds for Technical Rejections

Bidders are advised to note that Bids are liable to be rejected on, *inter alia*, the following technical grounds:

- 1. Amount paid is less than the amount payable for the highest value of Equity Shares Bid for;
- 2. In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply;
- Age of the first Bidder not given;
- 4. Bids by persons not competent to contract under the Indian Contract Act, 1872 including minors and insane persons;
- 5. PAN not stated, or GIR Number furnished instead of PAN;
- 6. Bids for lower number of Equity Shares than specified for that category of investors;
- 7. Bids at a price less than the lower end of the Price Band;
- 8. Bids at a price more than the higher end of the Price Band;
- 9. Bids at Cut-off Price by Non-Institutional Bidders and QIB Bidders and Eligible Employees bidding in the Employee Reservation Portion exceeding Rs. 100,000;
- 10. Bids for a number of Equity Shares, which are not in multiples of [•];
- 11. Category not ticked;
- 12. Multiple Bids as described in this Draft Red Herring Prospectus;
- 13. In the case of a Bid under power of attorney or by limited companies, corporates, trusts etc., relevant documents are not submitted;
- 14. Bids accompanied by stockinvest/money order/postal order/cash;
- 15. Signature of sole and/or joint Bidders missing;
- 16. Bid cum Application Form does not have the stamp of the BRLMs or the Syndicate Members or SCSBs;
- 17. Bid cum Application Form does not have the Bidder's depository account details or the details given are incomplete;
- 18. Bid is not registered within the time prescribed and as per the instructions in the Bid cum Application Form;
- 19. In case no corresponding record is available with the Depositories that matches three parameters, namely, names of the Bidders (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary account number;
- 20. Bids for amounts greater than the maximum permissible amounts prescribed by the regulations;

- 21. Bids by QIBs not submitted through members of the Syndicate;
- 22. Bids by OCBs;
- 23. Bids by persons in the Employee Reservation Portion not qualifying as Eligible Employees;
- 24. Bids by U.S. residents;
- 25. Bids by persons who are not eligible to acquire Equity Shares under any applicable law, rule, regulation, guideline or approval, inside India or outside India;
- 26. Bids where clear funds are not available in Escrow Accounts as per final certificate from the Bankers to the Issue;
- 27. Bank account details for the refund not given;
- 28. Bids by any person outside India if not in compliance with applicable foreign and Indian Law;
- 29. Bids by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- 30. Bids not uploaded in the Book;
- 31. Bids or revision thereof by QIB Bidders and Non Institutional Bidders where the Bid amount is in excess of Rs. 100,000, uploaded after 4.00 p.m or any such time as prescribed by Stock Exchange on the Bid/Issue closing Date;
- 32. Bids which do not comply with securities laws at their specific jurisdictions.

Price Discovery and Allocation

- 1. After the Bid/Issue Closing Date, the Registrar to the Issue shall aggregate the demand generated under the ASBA along with the demand generated by other Retail Individual Bidders to determine the demand generated.
- 2. Our Company in consultation with the BRLMs, shall finalise the Issue Price.
- 3. The Allotment to QIBs will be at least 60% of the Net Issue, on a proportionate basis and the availability for allocation to Non-Institutional and Retail Individual Bidders (including ASBA Bidders) will be not less than 10% and 30% of the Net Issue, respectively, on a proportionate basis, in a manner specified in the SEBI Regulations and this Draft Red Herring Prospectus, in consultation with the Designated Stock Exchange, subject to valid Bids being received at or above the Issue Price. The Allotment under the Employee Reservation Portion shall be on a proportionate basis, in the manner specified under the SEBI Regulations and the Red Herring Prospectus, subject to valid Bids being received at or above the Issue Price, and is approved by the Designated Stock Exchange.
- 4. Our Company, in consultation with the BRLMs, reserves the right not to proceed with the Issue in accordance with SEBI Regulations. Provided, if our Company withdraws the Issue after the Bid/Issue Closing Date, we will give the reason thereof within two days of the Bid/Issue Closing Date by way of a public notice in the same newspapers where the pre-issue advertisement had appeared. The Stock Exchanges shall also be informed promptly.
- 5. In case of over-subscription in all categories, at least 60% of the Net Issue shall be available for allocation on a proportionate basis to QIBs, out of which 5% shall be reserved for Mutual Funds. Mutual Funds participating in the 5% share in the QIB Portion will also be eligible for allocation in

the remaining QIB Portion. However, if the aggregate demand by Mutual Funds is less than 5% of the QIB Portion, the balance Equity Shares from the portion specifically available for allocation to Mutual Funds in the QIB Portion will be added to the QIB Portion and be allocated proportionately to the QIBs in proportion to their Bids.

- 6. Under-subscription, if any, in the Retail and Non-Institutional categories, would be allowed to be met with spill-over from any other category or combination of categories at the sole discretion of our Company, in consultation with the BRLMs and Designated Stock Exchange. However, if the aggregate demand by Mutual Funds is less than [●] Equity Shares, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the QIB Portion and be allotted proportionately to the QIB Bidders. Any under-subscription in the Equity Shares under the Employee Reservation Portion will be added back to the Net Issue.
- 10. Allotment to Eligible NRIs, FIIs, sub-accounts, or Mutual Funds will be subject to applicable laws, rules, regulations, guidelines and approvals.
- 11. In terms of the SEBI Regulations, QIBs shall not be allowed to withdraw their Bid in the Net QIB Portion after the Bid/Issue Closing Date. Further, Anchor Investors shall not be allowed to withdraw their Bid after the Anchor Investor Bidding Date.
- 12. The BRLMs, in consultation with the Company, shall notify the members of the Syndicate of the Issue Price and allocations to their respective Bidders, where the full Bid Amount has not been collected from the Bidders.
- Our Company, in consultation with the BRLMs, reserves the right to reject any Bid procured from QIB Bidders, by any or all members of the Syndicate. Rejection of Bids made by QIBs, if any, will be made at the time of submission of Bids provided that the reasons for rejecting the same shall be provided to such Bidder in writing.

Signing of Underwriting Agreement and RoC Filing

- (a) Our Company, the BRLMs and the Syndicate Members shall enter into the Underwriting Agreement upon finalisation of the Issue Price.
- (b) After signing the Underwriting Agreement, our Company will update and file the Red Herring Prospectus with RoC, which then will be termed "Prospectus". The Prospectus will have details of the Issue Price, Issue size, underwriting arrangements and will be complete in all material respects.

Filing of the Red Herring Prospectus and the Prospectus with the RoC

We will file a copy of the Red Herring Prospectus and the Prospectus with the RoC in terms of sections 56, 60 and 60B of the Companies Act.

Issuance of CAN

(a) Upon approval of the basis of Allotment by the Designated Stock Exchange, the BRLMs or the Registrar to the Issue shall send to the members of the Syndicate a list of their Bidders who have been allocated Equity Shares in the Issue. The approval of the basis of allocation by the Designated Stock Exchange for QIB Bidders in the Net QIB Portion may be done simultaneously with or before the approval of the basis of allocation for the Retail Individual Bidders and Non-Institutional Bidders. However, the investor should note that our Company shall ensure that demat credit of Equity Shares to all investors in this Issue is completed within two Working Days from the date of Allotment. For Anchor Investors, see "Notice to Anchor Investors- Allotment Reconciliation and Revised CANs".

- (b) The BRLMs, the members of the Syndicate or the Registrar to the Issue, as the case may be, will then send a CAN to Bidders who have been allocated Equity Shares in the Issue.
- (c) Bidders who have been allocated Equity Shares and who have already paid into the Escrow Accounts at the time of bidding shall directly receive the CAN from the Registrar to the Issue subject, however, to realisation of their cheque or demand draft paid into the Escrow Accounts.
- (d) In case of QIB Bidders, the dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder to pay the entire Issue Price for all the Equity Shares allocated to such Bidder. Those Bidders who have not paid the Bid Amount in full into the Escrow Accounts at the time of bidding shall pay in full the amount payable into the Escrow Accounts by the Pay-in Date specified in the CAN. The issuance of a CAN is subject to "Notice to QIBs: Allotment Reconciliation and Revised CANs" as set forth below.

Notice to Anchor Investors: Allotment Reconciliation and Revised CANs

After the Anchor Investor Bidding Date, a physical book will be prepared by the Registrar on the basis of Bid cum Application Forms received in the Anchor Investor Portion. Based on the physical book and at the discretion of the Company and BRLMs, select Anchor Investors may be sent a CAN, within two Working Days of the Anchor Investor Bidding Date, indicating the number of Equity Shares that may be allocated to them. The provisional CAN shall constitute the valid, binding and irrevocable contract (subject only to the issue of a revised CAN) for the Anchor Investor to pay the entire Issue Price for all the Equity Shares allocated to such Anchor Investor. This provisional CAN and the final allocation is subject to (a) physical application being valid in all respects along with stipulated documents being received by the Registrar to the Issue, (b) the Issue Price being finalized at a price not higher than the Anchor Investor Issue Price, and (c) allotment by the Board of Directors. Subject to SEBI Regulations, certain Bid applications may be rejected due to technical reasons, non-receipt of funds, cancellation of cheques, cheque bouncing, incorrect details, among other things, and these rejected applications will be reflected in the reconciliation and basis of Allotment as approved by the Designated Stock Exchange. In such instances or in the event the Issue Price is fixed higher that the Anchor Investor Issue Price, a revised CAN may be sent to Anchor Investors, price of the Equity Shares in such revised CAN may be different from that specified in the earlier CAN. Anchor Investors should note that they may be required to pay additional amounts, if any, by the Pay-in Date specified in the revised CAN, for any increased allocation or price of Equity Shares, which shall in no event be later than two days after the Bid Closing Date. Any revised CAN, if issued, will supersede in entirety the earlier CAN.

Notice to OIBs: Allotment Reconciliation and Revised CANs

After the Bid/Issue Closing Date, an electronic book will be prepared by the Registrar on the basis of Bids uploaded on the BSE/NSE system. Based on the electronic book, QIBs bidding in the Net QIB Portion will be sent a CAN, indicating the number of Equity Shares that may be allocated to them. This CAN is subject *inter alia* to the approval of the basis of Allotment by the Designated Stock Exchange. Subject to the SEBI Regulations, certain Bid applications may be rejected due to technical reasons, non-receipt/availability of funds, cancellation of cheques, cheque bouncing, incorrect details, etc., and these rejected applications will be reflected in the reconciliation and basis of Allotment as approved by the Designated Stock Exchange. As a result, one or more revised CAN(s) may be sent to QIBs bidding in the Net QIB Portion and the allocation of Equity Shares in such revised CAN(s) may be different from that specified in the earlier CAN(s). QIBs should note that they may be required to pay additional amounts, if any, by the Pay-in Date specified in the revised CAN(s), for any increased allocation of Equity Shares. The CAN will constitute the valid, binding and irrevocable contract (subject only to the issue of a revised CAN) for the QIB bidding in the Net QIB Portion to pay the entire Issue Price for all the Equity Shares allocated to such QIB. Any revised CAN, if issued, will supersede in its entirety the earlier CAN.

Designated Date and Allotment

(a) Our Company will ensure that the Allotment is done within 15 days of the Bid/Issue Closing Date. After the funds are transferred from the Escrow Accounts to the Public Issue Account and the

Refund Account, our Company will ensure the credit to the successful Bidder(s) depository account. Allotment of the Equity Shares to the successful Bidders shall be within 15 days from the Bid/Issue Closing Date.

- (b) As per section 68B of the Companies Act, Allotment of the Equity Shares will be only in dematerialised form to the allottees.
- (c) Successful Bidders will have the option to re-materialise the Equity Shares so Allotted as per the provisions of the Companies Act and the Depositories Act.

Investors are advised to instruct their Depository Participant to accept the Equity Shares that may be allocated to them pursuant to this Issue.

Equity Shares in Dematerialised form with NSDL or CDSL

As per the provisions of section 68B of the Companies Act, the Equity Shares in this Issue shall be allotted only in a dematerialised form (i.e., not in the form of physical certificates but fungible statements issued in electronic mode).

In this context, two tripartite agreements have been signed among our Company, the respective Depositories and the Registrar to the Issue:

- (a) an agreement dated [•] among NSDL, our Company and the Registrar to the Issue; and
- (b) an agreement dated May 22, 2008 among CDSL, our Company and the Registrar to the Issue.

Bidders will be allotted Equity Shares only in dematerialised mode. Bids from any Bidder without relevant details of his or her depository account are liable to be rejected.

- 1. A Bidder applying for Equity Shares must have at least one beneficiary account with the Depository Participants of either NSDL or CDSL prior to making the Bid.
- The Bidder must necessarily fill in the details (including the beneficiary account number and Depository Participant's identification number) appearing on the Bid cum Application Form and Revision Form.
- 3. Allotment to a successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Bidder.
- 4. Names in the Bid cum Application Form, Bid Revision Form should be identical to those appearing in the account details with the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details with the Depository.
- 5. If incomplete or incorrect details are given under the heading "Bidders Depository Account Details' in the Bid cum Application Form or Bid Revision Form, it is liable to be rejected.
- 6. The Bidder is responsible for the correctness of his or her Demographic Details given in the Bid cum Application Form or vis-à-vis those recorded with his or her Depository Participant.
- 7. Equity Shares in electronic form can be traded only on the Stock Exchanges having electronic connectivity with NSDL and CDSL. All the Stock Exchanges where the Equity Shares are proposed to be listed have electronic connectivity with CDSL and NSDL.
- 8. The trading of the Equity Shares would be in dematerialised form only for all investors in the demat segment of the respective Stock Exchanges.

ALLOTMENT

Basis of Allotment

A. For Retail Individual Bidders

- Bids received from Retail Individual Bidders at or above the Issue Price shall be grouped together to determine the total demand under this portion. The Allotment to all successful Retail Individual Bidders will be made at the Issue Price.
- The Net Issue size less Allotment to Non-Institutional Bidders and QIB Bidders shall be available for Allotment to Retail Individual Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price.
- If the valid Bids in this portion are less than or equal to [●] Equity Shares at or above the Issue Price, full Allotment shall be made to Retail Individual Bidders to the extent of their valid Bids.
- If the valid Bids in this portion are greater than [●] Equity Shares at or above the Issue Price, the allocation shall be made on a proportionate basis of not less than [●] Equity Shares and in multiples of one Equity Share thereafter. For the method of proportionate basis of allocation, refer below.

B. For Non-Institutional Bidders

- Bids received from Non-Institutional Bidders at or above the Issue Price shall be grouped together to determine the total demand under this portion. The Allotment to all successful Non-Institutional Bidders will be made at the Issue Price.
- The Net Issue size less allocation to QIB Bidders and Retail Individual Bidders shall be available for allocation to Non-Institutional Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price.
- If the valid Bids in this portion are less than or equal to [●] Equity Shares at or above the Issue Price, full Allotment shall be made to Non-Institutional Bidders to the extent of their valid Bids.
- If the valid Bids in this portion are greater than [●] Equity Shares at or above the Issue Price, allocation shall be made on a proportionate basis of not less than [●] Equity Shares and in multiples of one Equity Share thereafter. For the method of proportionate basis of allocation, refer below.

C. For QIB Bidders in the Net QIB Portion

- Bids received from QIB Bidders bidding in the Net QIB Portion at or above the Issue Price shall be grouped together to determine the total demand under this portion. The allocation to QIB Bidders will be made at the Issue Price.
- The Net QIB Portion shall be available for allocation to QIB Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price.
- Allotment shall be undertaken in the following manner:
 - (a) In the first instance allocation to Mutual Funds for up to 5% of the Net QIB Portion shall be determined as follows:

- (i) If Bids from Mutual Funds exceed 5% of the Net QIB Portion, allocation to Mutual Funds shall be made on a proportionate basis of not less than [●] Equity Shares and in multiples of one Equity Share thereafter up to 5% of the Net QIB Portion.
- (ii) If the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, then all Mutual Funds shall get full Allotment to the extent of valid Bids received above the Issue Price.
- (iii) Equity Shares remaining unsubscribed, if any, not allocated to Mutual Funds shall be available to QIB Bidders as set out in (b) below.
- (b) In the second instance allocation to all Bidders shall be determined as follows:
 - (i) In the event of an oversubscription in the Net QIB Portion, all QIB Bidders who have submitted Bids above the Issue Price shall be Allotted Equity Shares on a proportionate basis of not less than [●] Equity Shares and in multiples of one Equity Share thereafter for up to 95% of the Net OIB Portion.
 - (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 of not less than [●] Equity Shares and in multiples of one Equity Share thereafter along with other QIB Bidders.
 - (iii) Under-subscription below 5% of the Mutual Fund Portion, if any, from Mutual Funds, would be included for allocation to the remaining QIB Bidders on a proportionate basis.

D. For Anchor Investors

Allocation of Equity Shares to Anchor Investors at the Anchor Investor Issue Price will be at the discretion of the Company, in consultation with the BRLMs, subject to compliance with the following requirements:

- a. not more than 30% of the QIB Portion will be allocated to Anchor Investors.
- b. [●] Equity Shares out of the Anchor Investor Portion shall be available for allocation to Mutual Funds only.
- c. Allocation to a minimum number of two Anchor Investors.

The number of Equity Shares Allotted to Anchor Investors and the Anchor Investor Issue Price, shall be made available in the public domain by the BRLMs before the Bid Opening Date

E. For Employee Reservation Portion

- a) Bids received from the Eligible Employees at or above the Issue Price shall be grouped together to determine the total demand under this category. Allocation to all the successful Employees will be made at the Issue Price.
- b) If the aggregate demand in this category is less than or equal to 65,000 Equity Shares at or above the Issue Price, full allocation shall be made to the Employees to the extent of their demand.
- c) If the aggregate demand in this category is greater than 65,000 Equity Shares at or above the Issue Price, the allocation shall be made on a proportionate basis up to a maximum of 65,000 Equity Shares. For the method of proportionate allocation, refer below.

d) Only Eligible Employees may apply for Equity Shares under the Employee Reservation Portion.

Procedure and Time of Schedule for Allotment and demat Credit of Equity Shares

The Issue will be conducted through a "Book Building Process" pursuant to which the members of the Syndicate will accept Bids for the Equity Shares during the Bidding/Issue period. The Bidding/Issue period will commence on [●], 2010 and expire on [●], 2010. Following the expiration of the Bidding/Issue period, our Company in consultation with the BRLMs, will determine the Issue Price. Our Company in consultation with the BRLMs will determine the basis of allocation and entitlement to Allotment based on the Bids received and subject to confirmation by the Designated Stock Exchange. Successful bidders will be provided with a confirmation of their allocation (subject to a revised confirmation of allocation) and will be required to pay any unpaid amount for the Equity Shares within a prescribed time. The SEBI Regulations require our Company to complete the Allotment to successful bidders within 15 days of the expiration of the Bidding/Issue period. The Equity Shares will then be credited and Allotted to the investors' demat accounts maintained with the relevant Depository Participant. Upon approval by the Stock Exchanges, the Equity Shares will be listed and trading will commence.

Method of proportionate Basis of Allotment

Except in relation to Anchor Investors, in the event the Issue is oversubscribed, the Allotment shall be as per the basis of allocation approved by the Designated Stock Exchange. The executive director or managing director or a public representative on the Governing Body of the Designated Stock Exchange along with the BRLMs and the Registrar to the Issue shall be responsible for ensuring that the basis of Allotment is finalised in a fair and proper manner. Except in relation to Anchor Investors, Allotment to Bidders shall be made in marketable lots on a proportionate basis as explained below:

- (a) Bidders will be categorised according to the number of Equity Shares applied for by them.
- (b) The total number of Equity Shares to be Allotted to each category as a whole shall 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 inverse of the oversubscription ratio.
- (c) The number of Equity Shares to be allotted to the successful Bidders will be arrived at on a proportionate basis, which is the total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the oversubscription ratio.
- (d) If the proportionate Allotment to a Bidder is a number that is more than [●] but is not a multiple of one (which is the market lot), the decimal will 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 will be rounded off to the lower whole number. Allotment to all Bidders in such categories shall be arrived at after such rounding off.
- (e) In all Bids where the proportionate Allotment is less than [●] Equity Shares per Bidder, the Allotment shall be made as follows:
 - Each successful Bidder shall be Allotted a minimum of [●] Equity Shares; and
 - The successful Bidders out of the total Bidders for a portion shall be determined by the drawing 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 (c) above; 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 portion, the remaining Equity Shares available for Allotment shall be first adjusted against any other category, where the Equity Shares are not sufficient for

proportionate Allotment to the successful Bidders in that category. The balance of Equity Shares, if any, remaining after such adjustment will be added to the category comprising Bidders applying for the minimum number of Equity Shares.

(g) Subject to valid Bids being received, Allotment of Equity Shares to Anchor Investors will be at the discretion of the Company, in consultation with the BRLMs.

Illustration of Allotment to QIBs and Mutual Funds ("MF") in the Net QIB Portion

Issue details

Particulars	Issue details	
Issue size	200 million Equity Shares	
Allocation to QIB (at least 60% of the Issue)	120 million Equity Shares	
Of which:		
a. Reservation For Mutual Funds, (5%)	6 million Equity Shares	
b. Balance for all QIBs including Mutual Funds	114 million Equity Shares	
Number of QIB applicants	10	
Number of Equity Shares applied for	500 million Equity Shares	

Details of QIB Bids

S. No.	Type of QIBs	No. of shares bid for (in million)	
1.	A1	50	
2.	A2	20	
3.	A3	130	
4.	A4	50	
5.	A5	50	
6.	MF1	40	
7.	MF2	40	
8.	MF3	80	
9.	MF4	20	
10.	MF5	20	
11.	Total	500	

* A1-A5: (QIBs other than Mutual Funds), MF1-MF5 (QIBs which are Mutual Funds) Details of Allotment to QIBs Applicants

Type of QIB	Shares bid for	Allocation of 5% Equity Shares	Allocation of 95% Equity Shares	Aggregate allocation to Mutual Funds	
(I)	(II)	(III)	(IV)	(V)	
	(Number of equity shares in million)				
A1	50	0	11.52	0	
A2	20	0	4.60	0	
A3	130	0	29.94	0	
A4	50	0	11.52	0	
A5	50	0	11.52	0	
MF1	40	1.2	8.97	9.68	
MF2	40	1.2	8.97	9.68	
MF3	80	2.4	17.96	20.36	
MF4	20	0.6	4.49	5.09	
MF5	20	0.6	4.49	5.09	
	500	6	114	49.99	

Notes:

- 1. The illustration presumes compliance with the requirements specified in this Draft Red Herring Prospectus in the section titled "Issue Structure" at page 223.
- 2. Out of 120 million Equity Shares allocated to QIBs, 6 million (i.e., 5%) will be Allotted on a proportionate basis among five Mutual Fund applicants who applied for 200 million Equity Shares in the QIB Portion.
- 3. The balance 114 million Equity Shares i.e., 120 6 (available for Mutual Funds only) will be Allotted on a proportionate basis among 10 QIB Bidders who applied for 500 million Equity Shares (including 5 Mutual Fund applicants who applied for 200 million Equity Shares).
- 4. The figures in the fourth column entitled "Allocation of balance 114 million Equity Shares to QIBs proportionately" in the above illustration are arrived at as explained below:

For QIBs other than Mutual Funds (A1 to A5) = Number of Equity Shares Bid for \times 114/494

For Mutual Funds (MF1 to MF5) = (No. of shares bid for (i.e., in column II of the table above) less Equity Shares Allotted (i.e., column III of the table above) $\times 114/494$

The numerator and denominator for arriving at the allocation of 114 million Equity Shares to the 10 QIBs are reduced by 6 million shares, which have already been Allotted to Mutual Funds in the manner specified in column III of the table above.

PAYMENT OF REFUND

Bidders should note that on the basis of the name of the Bidders, Depository Participant's name, Depository Participant identification number and beneficiary account number provided by them in the Bid cum Application Form, the Registrar to the Issue will obtain from the Depository the Bidder's bank account details including a nine digit MICR code. Hence, Bidders are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in credit of refunds to Bidders, as the case may be, at the Bidder's sole risk and neither our Company, its Directors and officers, its directors, affiliates, associates and their respective directors and officers the Syndicate Members, the Bankers to the Issue, the BRLMs nor the Registrar to the Issue shall have any responsibility and undertake any liability for the same.

Mode of making refunds

The payment of refund, if any, would be done through various modes in the following order of preference:

1. ECS – Payment of refund would be done through ECS for applicants having an account at any of the following 68 centres: Ahmedabad, Bangalore, Bhubaneshwar, Kolkata, Chandigarh, Chennai, Guwahati, Hyderabad, Jaipur, Kanpur, Mumbai, Nagpur, New Delhi, Patna, Thiruvananthapuram (managed by RBI); Baroda, Dehradun, Nashik, Panaji, Surat, Trichy, Trichur, Jodhpur, Gwalior, Jabalpur, Raipur, Calicut, Siliguri (Non-MICR), Pondicherry, Hubli, Shimla (Non-MICR), Tirupur, Burdwan (Non-MICR), Durgapur (Non-MICR), Sholapur, Ranchi, Tirupati (Non-MICR), Dhanbad (Non-MICR), Nellore (Non-MICR) and Kakinada (Non-MICR) (managed by State Bank of India); Agra, Allahabad, Jalandhar, Lucknow, Ludhiana, Varanasi, Kolhapur, Aurangabad, Mysore, Erode, Udaipur, Gorakpur and Jammu (managed by Punjab National Bank); Indore (managed by State Bank of Indore); Pune, Salem and Jamshedpur (managed by Union Bank of India); Visakhapatnam (managed by Andhra Bank); Mangalore (managed by Corporation Bank); Coimbatore and Rajkot (managed by Bank of Baroda); Kochi/Ernakulum (managed by State Bank of Travancore); Bhopal (managed by Central Bank of India); Madurai (managed by Canara Bank); Amritsar (managed by Oriental Bank of Commerce); Haldia (Non-MICR) (managed by United Bank of India); Vijaywada (managed by State Bank of Hyderabad); and Bhilwara (managed by State Bank of Bikaner and Jaipur). This mode of payment of refunds would be subject to availability of complete bank account details including the MICR code as appearing on a cheque leaf, from the Depositories. The payment of refunds is mandatory for applicants having a bank account at any of the abovementioned 68 centres.

- 2. NEFT Payment of refund may be undertaken through NEFT wherever the applicants' bank has been assigned the Indian Financial System Code, which can be linked to a MICR code, if any, available to that particular bank branch. IFSC will be obtained from the website of RBI as at a date immediately prior to the date of payment of refund, duly mapped with MICR code of the Bidder's bank. Wherever the applicants have registered the nine digit MICR code of the branch of the bank where they are having their account and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC of that particular bank branch and the payment of refund will be made to the applicants through this method.
- 3. Direct Credit Applicants having their bank account with the Refund Banker shall be eligible to receive refunds, if any, through direct credit. Charges, if any, levied by the Refund Bank(s) for the same will be borne by our Company.
- 4. RTGS Where the refund amount exceeds Rs. 1 million, the same shall be remitted through RTGS provided the Bidder has given details of the IFSC, type of account and account number of the branch where the account is maintained, in the Bid cum Application Form in the space provided for the same. Charges, if any, levied by the applicant's bank receiving the credit will be borne by the applicant.
- 5. For all the other applicants, including applicants who have not updated their bank particulars along with the nine-digit MICR Code, the refund orders will be dispatched "Under Certificate of Posting" for refund orders of value up to Rs. 1,500 and through Speed Post/Registered Post for refund orders of Rs. 1,500 and above. Refunds will be made by cheques, pay orders or demand drafts drawn on the Refund Banker(s) which shall be payable at par at places where Bids are received. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

Interest on refund of excess Bid Amount

Our Company shall pay interest at the rate of 15% p.a. on the excess Bid Amount received if refund orders are not dispatched or if instructions to SCSBs are not issued for unblocking ASBA Accounts within 15 days of the Bid/Issue Closing Date for any delay beyond such 15 day time period.

COMMUNICATIONS

All future communications in connection with Bids made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or first Bidder, Bid cum Application Form number or ASBA number, details of Depository Participant, number of Equity Shares applied for, date of Bid cum Application Form, name and address of the member of the Syndicate or SCSB where the Bid was submitted and cheque or draft number and issuing bank thereof.

DISPOSAL OF APPLICATIONS AND APPLICATIONS MONEY AND INTEREST IN CASE OF DELAY

Our Company shall ensure dispatch of Allotment advice, transfer advice or refund orders and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchanges within 15 days of the Bid/Issue Closing Date. Our Company shall dispatch refunds above Rs. 1,500, if any, by registered post or speed post at the sole or first Bidder's sole risk, except for refunds through the ECS facility or RTGS or Direct Credit.

Our Company shall use its best efforts to ensure that all steps for completion of the necessary formalities for Allotment and trading at the Stock Exchanges where the Equity Shares are proposed to be listed are taken within seven Working Days of the finalisation of the basis of Allotment.

In accordance with the Companies Act, the requirements of the Stock Exchanges and the SEBI Regulations, the Company further undertakes that:

- Allotment and transfer only in dematerialised form shall be made within 15 days of the Bid/Issue Closing Date;
- Dispatch refund orders, except for Bidders who are eligible to receive refunds through the ECS facility, shall be made within 15 days of the Bid/Issue Closing Date;
- Instructions to SCSBs for unblocking ASBA Accounts shall be issued within 15 days of the Bid/Issue Closing Date; and
- They shall pay interest at 15% p.a. for any delay beyond the 15 day time period as mentioned above, if Allotment is not made or, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the Refund Banker(s) in the disclosed manner, and/or demat credits are not made to investors within the 15 day time period prescribed above or if instructions to SCSBs for unblocking ASBA Accounts are not issued within 15 days of the Bid/Issue Closing Date.

Our Company will provide adequate funds required for dispatch of refund orders or Allotment advice to the Registrar to the Issue. Save and except for refunds effected through the electronic mode, i.e., ECS, NEFT, direct credit or RTGS, refunds will be made by cheques, pay orders or demand drafts drawn on a bank appointed by us, as a Refund Banker which shall be payable at par at places where Bids are received. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

Undertakings by our Company

Our Company undertakes as follows:

- that complaints received in respect of this Issue shall be dealt with expeditiously and satisfactorily;
- that all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchanges where the Equity Shares are proposed to be listed within seven Working Days of finalisation of the basis of Allotment;
- that our Company shall apply in advance for the listing of Equity Shares;
- that the 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 where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 15 days of the Bid/Issue Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- that our Company shall pay interest of 15% per annum (for any delay beyond the period mentioned above) if allotment has not been made and refund orders have not been dispatched within the aforementioned dates.
- that the refund orders or Allotment advice to the Non-Resident Indian Bidders shall be dispatched within the specified time;
- no further issue of Equity Shares shall be made until the Equity Shares offered through the Red Herring Prospectus and the Prospectus are listed or until the Bid monies are refunded on account of

non-listing, under-subscription etc.; and

• that adequate arrangements shall be made to collect all ASBA Forms and all ASBA Bidders shall be considered similar to other applications while finalizing the basis of Allotment.

Utilisation of Issue proceeds

The Board of Directors certifies 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 section 73(3) of the Companies Act;
- details of all monies utilised out of the Issue shall be disclosed till the time any part of the issue proceeds remains unutilised under an appropriate heading 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 the appropriate head
 in the balance sheet of our Company 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 the Stock Exchanges have been obtained.

ISSUE PROCEDURE FOR ASBA BIDDERS

SEBI, by its circular dated July 30, 2008 and December 10, 2009, introduced a new mode of payment in public issues i.e., application supported by blocked amount wherein the application money remains in the ASBA Account until allotment in the public issue. Mode of payment through ASBA became effective on September 1, 2008. On December 30, 2009, SEBI further amended the procedure for payment through ASBA, applicable to all public issues which shall open after January 1, 2010. Since this is a new mode of payment, set forth below is the procedure for bidding under the ASBA procedure, for the benefit of the Bidders.

This section is only to facilitate better understanding of aspects of the procedure for bidding which is specific to ASBA Bidders. ASBA Bidders should nonetheless read this document in entirety.

Our Company, its Directors and officers its directors, affiliates, associates and their respective directors and officers and the BRLMs are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. ASBA Bidders are advised to make their independent investigations and to ensure that the ASBA Form is correctly filled up, as described in this section.

The list of banks who have been notified by SEBI to act as SCSBs for the ASBA are provided at http://www.sebi.gov.in. For details on designated branches of SCSB collecting the ASBA Form, please refer the above mentioned SEBI link.

ASBA Process

A Retail Individual Bidder or a Non-Institutional Bidder can submit the bid through an ASBA Form, either in physical or electronic mode, to the SCSB with whom the bank account of the ASBA Bidder or bank account utilised by the ASBA Bidder is maintained. The SCSB shall block an amount equal to the Bid Amount in the ASBA Account specified in the ASBA Form, physical or electronic, on the basis of an authorisation to this effect given by the account holder at the time of submitting the ASBA Bid. The ASBA Bid data shall thereafter be uploaded by the SCSB in the electronic IPO system of the Stock Exchanges. The Bid Amount shall remain blocked in the ASBA Account until finalisation of the basis of Allotment and

consequent transfer of the Bid Amount against the allocated Equity Shares to the Public Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the ASBA Bid, as the case may be. Once the basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the Controlling Branch for unblocking the relevant ASBA Accounts and for transferring the amount allocable to the successful ASBA Bidders to the Public Issue Account. In case of withdrawal/failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the BRLMs.

Who can Bid?

In order to be eligible to apply under the ASBA, an ASBA Bidder has to satisfy the following conditions:

- a. The ASBA Bidder should be a Retail Individual Bidder or a Non-Institutional Bidder; and
- b. The ASBA bid should be made through the blocking of funds in a bank account with the SCSBs;

ASBA Form

An ASBA Bidder shall use the ASBA Form obtained from the Designated Branches for the purpose of making an ASBA Bid in terms of the Red Herring Prospectus. ASBA Bidders are required to submit their bids under the Issue, either in physical or electronic mode. In case of application in physical mode, the ASBA Bidder shall submit the ASBA Form at the Designated Branch. In case of application in electronic form, the ASBA Bidder shall submit the ASBA Form either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for bidding and blocking funds in the ASBA Account held with SCSB, and accordingly registering such Bids. For further information on how to complete ASBA Forms, see the section titled "Issue Procedure-Instructions for Completing the ASBA Form" at page 265.

- The ASBA Bidders can submit the bid option in the ASBA Form. After determination of the Issue Price, the number of Equity Shares Bid for by the ASBA Bidders will be considered for allocation along with the other Retail Individual Bidders and Non-Institutional Bidders who have Bid for the Equity Shares at or above the Issue Price.
- In the ASBA Form, the ASBA Bidder shall, inter alia, give the following confirmations/declarations:
 - a. That he/she/ it is an ASBA Bidder as per the SEBI Regulations;
 - b. That he/she/it has authorized the SCSBs to do all acts as are necessary to make an application in the Issue, upload his/her Bid, block or unblock the funds in the ASBA Account and transfer the funds from the ASBA Account to the Public Issue Account after finalization of the basis of Allotment entitling the ASBA Bidder to receive Equity Shares in the Issue etc.; and
 - c. That he/she/it has authorized the Registrar to the Issue to issue instructions to the SCSBs to unblock the funds in the ASBA Account upon finalization of the basis of Allotment and to transfer the requisite money to the Public Issue Account.
- An ASBA Bidder cannot bid under the Issue, either in physical or electronic mode, on another ASBA Form or Bid cum Application Form after bidding on one ASBA Form either in physical or electronic mode. Submission of a second ASBA Form to either the same or another Designated Branch or a Bid cum Application to the Members of Syndicate will be treated as multiple Bid and will be liable to be rejected either before entering the Bid into the electronic Bidding System, or at any point of time prior to the Allotment of Equity Shares in the Issue.
- Upon completing and submitting the ASBA Form to the Designated Branch, the ASBA Bidder is deemed to have authorized our Company to make the necessary changes in the 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 ASBA Bidder.

Maximum and Minimum Bid Size for ASBA Bidders

The maximum and minimum bid size applicable to a Retail Individual Bidder or a Non-Institutional Bidders shall be applicable to an ASBA Bidder as per the category that he or she falls under. For details please refer to "Issue Procedure-Maximum and Minimum Bid Size" at page 234.

Information for the ASBA Bidders:

- 1. We will file a copy of the Red Herring Prospectus and the Prospectus with the RoC in terms of sections 56, 60 and 60B of the Companies Act.
- 2. ASBA Bidders who would like to obtain the Red Herring Prospectus and/or the ASBA Form can obtain the same from the Designated Branches. ASBA Bidders can also obtain a copy of the Red Herring Prospectus and/or the ASBA Form in electronic form on the websites of the SCSBs.
- 3. The ASBA Bids should be submitted to the SCSBs on the prescribed ASBA Form if applied in physical mode. SCSBs may provide the electronic mode of bidding either through an internet enabled bidding and banking facility or such other secured, electronically enabled mechanism for bidding and blocking funds in the ASBA Account. For further information on how to complete ASBA Forms, see the section titled "Issue Procedure -Instructions for Completing the ASBA Form" at page 265.
- 4. The Price Band has been fixed at Rs. [•] to Rs. [•] per Equity Share. In accordance with the SEBI Regulations, our Company in consultation with the BRLMs, reserves the right to revise the Price Band during the bidding/Issue period. In case of revision, the cap on the Price Band will not be more than 120% of the floor of the Price Band. Subject to compliance with the immediately preceding sentence, the floor of the Price Band can move up or down to the extent of 20% of the floor of the Price Band.
- 5. Our Company in consultation with the BRLMs, shall finalise the Issue Price within the Price Band, without the prior approval of, or intimation to, the ASBA Bidders.
- 6. Our Company and the BRLMs shall declare the Bid/Issue Opening Date, the Bid/Issue Closing Date and Price Band in the Red Herring Prospectus to be filed with the RoC and also publish the same in two national newspapers (one each in English and Hindi, which is also the regional language newspaper), each with wide circulation in the place where our Registered Office is situated. This advertisement, subject to the provisions of Section 66 of the Companies Act, shall contain the disclosure requirements as specified under Schedule XIII of the SEBI Regulations. The SCSBs shall accept ASBA Bids from the ASBA Bidders during the bidding/Issue period.
- 7. The Bidding/Issue period shall be for a minimum of three Working Days and shall not exceed ten Working Days. In case the Price Band is revised, the revised Price Band and bidding/Issue period will be published in two national newspapers (one each in English and Hindi, which is also the regional language newspaper), each with wide circulation and also by indicating the change on the website of the BRLMs and at the terminals of the members of the Syndicate. The Bidding/Issue period shall be extended by an additional three Working Days, subject to the total Bidding/Issue period not exceeding 10 Working Days.

Mode of Payment

Upon submission of an ASBA Form with the SCSB, whether in physical or electronic mode, each ASBA Bidder shall be deemed to have agreed to block the entire Bid Amount and authorized the Designated

Branch to block the Bid Amount in the ASBA Account.

ASBA Form should not be accompanied by cash, draft, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account.

SCSBs shall block the Bid Amount in the ASBA Account. The Bid Amount shall remain blocked in the ASBA Account until finalization of the basis of Allotment or withdrawal/failure of the Issue or withdrawal/failure of the ASBA Bid, as the case may be. In the event the ASBA Account does not have a sufficient credit balance for the Bid Amount, the ASBA Bid shall be rejected by the SCSB and no funds shall be blocked in the that ASBA Account.

On the Designated Date, the SCSBs shall unblock and transfer the Bid Amount from the ASBA Account for successful Bids into the Public Issue Account and the balance amount, if any, shall be unblocked.

Electronic Registration of Bids

Upon receipt of the ASBA Form, the Designated Branch shall register and upload the Bid. The BRLMs, our Company, our directors, affiliates, associates and their respective directors and officers and the Registrar to the Issue shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to Bids accepted by SCSBs, Bids uploaded by SCSBs, Bids accepted but not uploaded by SCSBs or Bids accepted and uploaded without blocking funds in the ASBA Accounts. It shall be presumed that for Bids uploaded by SCSBs, the Bid Amount has been blocked in the relevant ASBA Account.

At the time of registering each Bid, the Designated Branches shall enter the information pertaining to the investor into the online system, including the following details:

- Name of the Bidder(s);
- Application number;
- Permanent account number;
- Number of Equity Shares Bid for;
- Depository participant identification No.; and
- Client identification number of the Bidder's beneficiary account.

In case of electronic ASBA Form, the ASBA Bidder shall himself fill in all the above mentioned details, except the application number which shall be system generated. The SCSBs shall thereafter upload all the above mentioned details in the electronic bidding system provided by the Stock Exchanges.

A system generated TRS will be given to the ASBA Bidder upon request as proof of the registration of the Bid. It is the ASBA Bidder's responsibility to obtain the TRS from the Designated Branches. The registration of the Bid by the Designated Branch does not guarantee that the Equity Shares Bid for shall be Allocated to the ASBA Bidders. Such TRS will be non-negotiable and by itself will not create any obligation of any kind.

The Stock Exchanges offer a screen-based facility for registering Bids for the Issue which will be available on the terminals of Designated Branches during the Bidding/Issue period. The Designated Branches can also set up facilities for offline electronic registration of Bids subject to the condition that they will subsequently upload the offline data file into the online facilities for book building on a regular basis. On the Bid/Issue Closing Date, the Designated Branches shall upload the Bids till such time as may be permitted by the Stock Exchanges.

GENERAL INSTRUCTIONS

DO's:

- Check if you are a Retail Individual Bidder, Non-Institutional Bidder and eligible to Bid under ASBA.
- 2. Ensure that you use the ASBA Form specified for the purposes of ASBA.
- 3. Read all the instructions carefully and complete the ASBA Form.
- 4. Ensure that the details of your Depository Participant and beneficiary account are correct and that your beneficiary account is activated, as Equity Shares will be Allotted in dematerialised form only.
- 5. Ensure that your ASBA Form is submitted at a Designated Branch, with a branch of which the ASBA Bidder or a person whose bank account will be utilized by the ASBA Bidder for bidding has a bank account and not to the Bankers to the Issue/Collecting Banks (assuming that such Collecting Bank is not a SCSB), to the Company or the Registrar to the Issue or the BRLMs.
- 6. Ensure that the ASBA Form is signed by the account holder in case the applicant is not the account holder.
- 7. Ensure that you have mentioned the correct ASBA Account number in the ASBA Form.
- 8. Ensure that you have funds equal to the number of Equity Shares Bid available in your ASBA Account before submitting the ASBA Form to the respective Designated Branch.
- 9. Ensure that you have correctly checked the authorisation box in the ASBA Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for the Designated Branch to block funds equivalent to the Bid Amount mentioned in the ASBA Form in your ASBA Account maintained with a branch of the concerned SCSB.
- 10. Ensure that you receive an acknowledgement from the Designated Branch for the submission of your ASBA Form.
- 11. Ensure that you have mentioned your PAN.
- 12. Ensure that the name(s) given in the ASBA Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the ASBA Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the ASBA Form.
- 13. Ensure that the Demographic Details are updated, true and correct, in all respects.

DON'Ts:

- 1. Do not submit an ASBA Bid if you are not a Retail Individual Bidder or a Non-Institutional Bidder.
- 2. Do not bid for lower than the minimum Bid size.
- 3. Do not Bid on another ASBA Form or on a Bid cum Application Form after you have submitted a Bid to a Designated Branch.
- 4. Payment of Bid Amounts in any mode other than blocked amounts in the ASBA Accounts, shall not be accepted under the ASBA.
- 5. Do not send your physical ASBA Form by post; instead submit the same to a Designated Branch.

6. Do not submit the GIR Number instead of the PAN Number.

Impersonation

For details, see section titled "Issue Procedure-Impersonation" at page 240.

INSTRUCTIONS FOR COMPLETING THE ASBA FORM

- 1. Bids through ASBA must be made only in the prescribed ASBA Form (if submitted in physical mode) or electronic mode.
- 2. The ASBA Bid may be made in single name or in joint names (not more than three, and in the same order as their Depository Participant details).
- 3. Completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained herein and in the ASBA Form.
- 4. The Bids must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter subject to a maximum of [●] Equity Shares. The ASBA Bid, in case of Retail Individual Investors, cannot exceed [●] Equity Shares in order to ensure that the total ASBA Bid Amount blocked in respect of the ASBA Bidder does not exceed Rs. 100,000.
- 5. Thumb impressions and signatures other than in the languages specified in the Eighth Schedule in the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.
- 6. ASBA Bidders should correctly mention the ASBA account number in the ASBA Form and ensure that funds equal to the Bid Amount are available in the ASBA Account before submitting the ASBA Form to the respective Designated Branch.
- 7. If the ASBA Account holder is different from the ASBA Bidder, the ASBA Form should be signed by the account holder as provided in the ASBA Form.
- 8. ASBA Bidders should correctly mention their DP ID and Client ID in the ASBA Form. For the purpose of evaluating the validity of Bids, the demographic details of ASBA Bidders shall be derived from the DP ID and Client ID mentioned in the ASBA Form.

ASBA Bidder's Depository Account and Bank Details

ALL ASBA BIDDERS SHALL RECEIVE THE EQUITY SHARES ALLOTTED TO THEM IN DEMATERIALISED FORM. ALL ASBA BIDDERS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE ASBA FORM. ASBA BIDDERS MUST ENSURE THAT THE NAME GIVEN IN THE ASBA FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE ASBA FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE ASBA FORM.

ASBA Bidders should note that on the basis of name of the ASBA Bidders, Depository Participant's name and identification number and beneficiary account number provided by them in the ASBA Form, the Registrar to the Issue will obtain from the Depository, demographic details of the ASBA Bidders including address. Hence, ASBA Bidders should carefully fill in their Depository Account details in the ASBA Form.

As these demographic details would be used for all correspondence with the ASBA Bidders they are advised to update their demographic details as provided to their Depository Participants.

By signing the ASBA Form, the ASBA Bidder is deemed to have authorised the Depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

CAN/allocation advice would be mailed at the address of the ASBA Bidder as per the Demographic Details received from the Depositories. ASBA Bidders may note that delivery of CAN/allocation advice may be delayed if the same once sent to the address obtained from the Depositories are returned undelivered. Note that any such delay shall be at the sole risk of the ASBA Bidders and neither of the Designated Branches, the members of the Syndicate, the Company or the Registrar to the Issue shall be liable to compensate the ASBA Bidder for any losses caused to the ASBA Bidder due to any such delay or be liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories that match three parameters, namely, names of the ASBA Bidders (including the order of names of joint holders), the DP ID and the beneficiary account number, then such Bids are liable to be rejected.

ASBA Bidders are required to ensure that the beneficiary account is activated, as Equity Shares will be Allotted in dematerialised form only.

ASBA Bids under Power of Attorney

In case of an ASBA Bid pursuant to a power of attorney, a certified copy of the power of attorney must be lodged along with the ASBA Form. Failing this, our Company, in consultation with the BRLMs, reserves the right to reject such Bids. 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 ASBA Form, subject to such terms and conditions that we, in consultation with the BRLMs may deem fit.

OTHER INSTRUCTIONS

Joint ASBA Bids

ASBA Bids may be made in single or joint names (not more than three). In case of joint ASBA Bids, all communication will be addressed to the first Bidder and will be dispatched to his address.

Multiple ASBA Bids

An ASBA Bidder should submit only one Bid. Two or more Bids will be deemed to be multiple Bids if the sole or first Bidder is the same. However, not more than five Bid cum Application Form can be made from an ASBA Account.

Permanent Account Number

The ASBA Bidder or in the case of a Bid in joint names, each of the Bidders, should mention his/her PAN allotted under the I.T. Act. **Applications without this information will be considered incomplete and are liable to be rejected by the SCSBs**. It is to be specifically noted that ASBA Bidders should not submit the GIR Number instead of the PAN, as the Bid is liable to be rejected on this ground.

Withdrawal of ASBA Bids

The ASBA Bidders are entitled to revise their Bids. They can withdraw their Bids during the Bidding/Issue period by submitting a request for the same to the SCSBs who shall do the requisite, including deletion of details of the withdrawn ASBA Form from the electronic bidding system of the Stock Exchanges and unblocking of the funds in the ASBA Account.

In case the ASBA Bidder wishes to withdraw the Bid after the Bid/Issue Closing Date, the same can be done by submitting a withdrawal request by the ASBA Bidder to the Registrar to the Issue. The Registrar to

the Issue shall delete the withdrawn Bid from the Bid file and give instruction to the SCSB for unblocking the ASBA Account after finalization of the basis of Allotment.

RIGHT TO REJECT ASBA BIDS

The Designated Branches shall have the right to reject ASBA Bids if at the time of blocking the Bid Amount in the ASBA Account, the respective Designated Branch ascertains that sufficient funds are not available in the ASBA Account.

Further, in case any DP ID, Client ID or PAN mentioned in the ASBA Form does not match with one available in the depository's database, such ASBA Bid shall be rejected by the Registrar to the Issue.

Grounds for Technical Rejections under the ASBA Process

ASBA Bidders are advised to note that Bids under the ASBA Process are liable to be rejected on, *inter alia*, the following technical grounds:

- 1. In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply;
- 2. Bids by persons not competent to contract under the Indian Contract Act, 1872 including minors and insane persons;
- 3. Amount mentioned in the ASBA Form does not tally with the amount payable for the value of Equity Shares Bid for;
- 4. Bids for a value of more than Rs. 100,000 by ASBA Bidders, in case of Retail Individual Investors;
- 5. Bid made by categories of investors other than Retail Individual Bidders or Non-Institutional Bidders;
- 6. PAN not stated, or GIR Number furnished instead of PAN;
- 7. Bids for number of Equity Shares, which are not in multiples of [●];
- 8. Authorisation for blocking funds in the ASBA Account not ticked or provided;
- 9. In case of Bid under power of attorney, relevant documents are not submitted;
- 10. Signature of sole and/or joint Bidders missing in case of ASBA Forms submitted in physical mode;
- 11. ASBA Form does not have the Bidder's depository account details;
- 12. ASBA Form is not delivered, either in physical or electronic form, by the Bidder within the time prescribed and as per the instructions provided in the ASBA Form and the Red Herring Prospectus;
- 13. Inadequate funds in the ASBA Account to block the Bid Amount specified in the ASBA Form at the time of blocking such Bid Amount in the ASBA Account; and
- 14. In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Bidders (including the order of names of joint holders), the DP ID and the beneficiary account number.

Price Discovery and Allocation

After the Bid/Issue Closing Date, the Registrar to the Issue shall aggregate the demand generated under the ASBA along with the demand generated by other Retail Individual Bidders and Non-Institutional Bidders to determine the demand generated.

Filing of the Red Herring Prospectus and the Prospectus with the RoC

We will file a copy of the Red Herring Prospectus and the Prospectus with the RoC in terms of sections 56, 60 and 60B of the Companies Act.

Basis of Allocation and Method of Proportionate Basis of Allocation in the Issue

Bids received from ASBA Bidders will be considered at par with Bids received from other Retail Individual Bidders and Non-Institutional Bidders. No preference shall be given vis-à-vis ASBA and other Retail Individual Bidders and Non-Institutional Bidders. The basis of allocation to such valid ASBA and other Retail Individual Bidders and Non-Institutional Bidders will be that applicable to Retail Individual Bidders and Non-Institutional Bidders. For details, see section "Issue Procedure- Basis of Allotment" at page 253.

Issuance of CAN

- (a) Upon approval of the basis of Allotment by the Designated Stock Exchange, the Registrar to the Issue shall send the Controlling Branches, a list of the ASBA Bidders who have been allocated Equity Shares in the Issue, along with:
 - (i) The number of Equity Shares to be allotted against each successful ASBA;
 - (ii) The amount to be transferred from the ASBA Account to the Public Issue Account, for each successful ASBA;
 - (iii) The date by which the funds referred to in sub-para (ii) above, shall be transferred to the Public Issue Account; and
 - (iv) The details of rejected ASBAs, if any, along with reasons for rejection and details of withdrawn/ unsuccessful ASBAs, if any, to enable SCSBs to unblock the respective ASBA Accounts.

Investors should note that our Company shall ensure that the instructions by our Company for demat credit of the Equity Shares to all investors in this Issue shall be given on the same date; and

(b) The ASBA Bidders shall directly receive the CANs from the Registrar. The dispatch of a CAN to an ASBA Bidder shall be deemed a valid, binding and irrevocable contract with the ASBA Bidder.

Undertaking by our Company

With respect to the ASBA Bidders, our Company undertakes that adequate arrangements shall be made to collect all ASBA Forms and ASBA Bidders shall be considered similar to other Bidders while finalizing the basis of Allotment.

Allotment of Equity Shares

 Our Company will ensure that the Allotment of Equity Shares is done within 15 days of the Bid/Issue Closing Date. After the funds are transferred from the ASBA Accounts to the Public Issue Account on the Designated Date, to the extent applicable, our Company would ensure the credit of the Allotted Equity Shares to the depository accounts of all successful ASBA Bidders' within two Working Days from the date of Allotment. • As per the SEBI Regulations, Equity Shares will be issued, transferred and allotted only in the dematerialised form to the Allottees. Allottees will have the option to re-materialise the Equity Shares so Allotted, if they so desire, as per the provisions of the Companies Act and the Depositories Act.

Unblocking of ASBA Account

Once the basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the Controlling Branches for unblocking the ASBA Accounts and for the transfer of requisite amount to the Public Issue Account. On the basis of instructions from the Registrar to the Issue, the SCSBs shall transfer the requisite amount against each successful ASBA Bidder to the Public Issue Account and shall unblock excess amount, if any in the ASBA Account. However, the Bid Amount may be unblocked in the ASBA Account prior to receipt of intimation from the Registrar to the Issue by the Controlling Branch regarding finalisation of the basis of Allotment in the Issue, in the event of withdrawal/failure of the Issue or withdrawal or rejection of the ASBA Bid, as the case may be.

Interest in case of delay in dispatch of Allotment letters/ Refund Orders or instructions to SCSBs

In accordance with the Companies Act, the requirements of the Stock Exchanges and the SEBI Regulations, our Company undertakes that:

- Allotment shall be made only in dematerialised form within 15 days from the Bid/Issue Closing Date;
- Instructions to the SCSBs to unblock funds in the relevant ASBA Account for withdrawn, rejected or unsuccessful Bids shall be made within 15 days of the Bid/Issue Closing Date.
- Our Company shall pay interest at 15% p.a. for any delay beyond the 15 day period mentioned above, if Allotment is not made and/or demat credits are not made to investors within the time period prescribed above or if instructions to SCSBs to unblock ASBA Accounts are not issued within 15 days of the Bid/Issue Closing Date.

In case of ASBA Bidders, the SCSBs will unblock funds in the ASBA Accounts to the extent of the refund to be made based on instructions received from the Registrar to the Issue.

COMMUNICATIONS

All future communication in connection with ASBA Bids made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First ASBA Bidder, ASBA Form number, details of Depository Participant, number of Equity Shares applied for, date of ASBA Form, name and address of the Designated Branch where the ASBA Bid was submitted and bank account number of the ASBA Account, with a copy to the relevant SCSB. The Registrar to the Issue shall obtain the required information from the SCSBs for addressing any clarifications or grievances. The SCSB shall be responsible for any damage or liability resulting from any errors, fraud or wilful negligence on the part of any employee of the concerned SCSB, including its Designated Branches and the branches where the ASBA Accounts are held.

ASBA Bidders can contact the Compliance Officer, the Designated Branch where the ASBA Form was submitted, or the Registrar to the Issue in case of any pre or post-Issue related problems such as non-receipt of credit of Allotted Equity Shares in the respective beneficiary accounts, unblocking of excess Bid Amount, etc.

Disposal of Investor Grievances

All grievances relating to the ASBA 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 on application, bank account number of the ASBA Account number and the Designated Branch or the collection centre of the SCSB where the Bid cum Application Form was submitted by the ASBA Bidders.

Restrictions on Foreign Ownership of Indian Securities

Foreign investment in Indian securities is governed by the provisions of the FEMA read with the applicable FEMA Regulations and the FDI Policy issued in November 2006 by the DIPP. Foreign investment is permitted (except in the prohibited sectors) in Indian companies either through the automatic route or the approval route, depending upon the sector in which foreign investment is sought to be made.

Under the automatic route, no prior approval of the GoI is required for the issue of securities by Indian companies/acquisition of securities of Indian companies, subject to the sectoral caps and other prescribed conditions. Investors are required to file the required documentation with the RBI within 30 days of such issue/acquisition of securities. Under the approval route, prior approval from the FIPB/RBI is required. FDI for the items/activities that cannot be brought in under the automatic route may be brought in through the approval route. Approvals are accorded on the recommendation of the FIPB, which is chaired by the Secretary, DIPP, with the Union Finance Secretary, Commerce Secretary and other key Secretaries of the GoI as its members.

Under the applicable industrial policy and extant foreign direct investment policy, foreign direct investment up to 100% is permitted in the educational services industry.

As per existing regulations promulgated under the FEMA, Eligible NRIs and FIIs are eligible to participate in the Issue. Further, as per existing regulations, OCBs cannot participate in the Issue.

Our Company has obtained all the necessary approvals from the concerned governmental authorities for the Issue. For further details, see the section "Government and Other Approvals" at page 207.

Subscription by foreign investors (NRIs/FIIs)

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 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.

There is no reservation for Eligible NRIs and FIIs registered with SEBI. All Eligible NRIs and FIIs will be treated on the same basis with other categories for the purpose of allocation.

The Equity Shares have not been, and will not be, registered under the Securities Act or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares will be offered and sold only outside the United States in compliance with Regulation S of the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

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

The above information is given for the benefit of the Bidders. The Company and the Book Running Lead Managers are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

SECTION VIII - MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

Capitalized terms used in this section have the meaning that has been given to them in our Articles of Association.

Pursuant to Schedule II of the Companies Act and the SEBI Regulations, the main provisions of the Articles of Association relating to voting rights, dividend, lien, forfeiture, restrictions on transfer and transmission of Equity Shares or debentures and/or on their consolidation/splitting are detailed below. Please note that each provision hereinbelow is numbered as per the corresponding article number in our Articles of Association.

Applicability of Table 'A'

Article 1 provides that "the regulations contained in Table 'A' in the First Schedule to the Companies Act, shall be applicable to this Company subject to the provisions contained hereinafter and the regulations for the management of the Company and for the observance by the Members thereof and their representatives are contained in these Articles, unless the same are repugnant or contrary to the provisions of the Companies Act."

SHARE CAPITAL

Increase of Capital by the Company

Article 6 provides that "the Company may from time to time, in a general meeting, by an Ordinary Resolution increase its share capital by creation and issue of new shares, of such amount as it thinks expedient. Subject to the provisions of the Act, Articles any shares of the original or increased capital the further shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto, as the general meeting resolving upon the creation thereof shall direct and if no direction be given as 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 and with a right of voting at general meeting of the Company and with a right of voting at general meeting of the Company in conformity with Section 87 of the Act. Whenever the capital of the Company has been increased under the provisions of these Articles, the Directors shall comply with the provisions of Section 97 of the Act."

Reduction of Capital

Article 14 provides that "the company may, (subject to the provisions of the Act), from time to time by Special Resolution reduce its capital and any capital redemption reserve account or any share premium account in any manner for the time being authorized by law and in particular capital may be paid off on the footing that it may be called up again or otherwise. This Article shall not derogate from any power the Company would have if it were omitted."

Sale of Fractional Shares

Article 16 provides that "If and whenever as the result of issue of new shares or of any consolidation or sub-division of shares, any share becomes held by Members in fractions, the Board shall subject to the provisions of the Act and the Articles and to the directions of the Company in general meeting, if any, sell those shares which Members hold in fractions for the best price reasonably obtainable and shall pay and distribute to and amongst the Members entitled to such shares in due proportions the net proceeds of the sale thereof. For the purpose of giving effect to any such sale the Board may authorize any person to transfer and the purchaser shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings with reference to the sale."

Modification of rights

Article 17 provides that "whenever the capital, by reason of the issue of preference shares or otherwise is divided into different classes of shares, all or any of the rights and privileges attached to each class may, (unless otherwise provided by the terms of issue of shares of that class) subject to the provisions of Sections 106 and 107 of the Act, and whether or not the Company is being wound up be varied, modified, commuted, affected or abrogated with the consent in writing of the holders of at least three-fourths in nominal value of the issued shares of that class or is confirmed by a special resolution passed by the votes

of not less than three fourths of the votes of the holders of shares of that class at a separate general meeting of the holders of shares of that class and all the provisions contained in these Articles. as to general meetings shall mutatis mutandis apply to every such separate meeting but so that if at any adjourned meeting of such holders a quorum as defined above is not present, those persons who are present shall be the quorum.. This Article is not to derogate from any power the Company would have if this Article were omitted."

BORROWING POWERS

Terms of Issue of debentures

Article 98 provides that "any debentures, debenture stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination, and with any privileges and conditions as to redemption, surrender, drawing; allotment of shares and attending (but not voting) at general meetings appointments of Directors and otherwise. Debentures with right to conversion into or allotment of shares shall be issued only with the consent of the Company in General Meeting accorded by a Special Resolution in accordance with Section 81(3) of the Act."

Redeemable preference shares

Article 8 provides that "subject to the provisions of Section 80 of the Act, the Company shall have power to issue preference shares which are, or at the option of the Company are liable to be redeemed and the resolution authorizing such issue shall prescribe the manner, terms and conditions of redemption."

Provisions applicable for issue of Redeemable Preference shares

Article 10 provides that "on the issue of redeemable preference shares under the provisions of Article 8 hereof, the following provisions shall take effect:-

- (a) No such shares shall be redeemed except out of the profits of the Company which would otherwise be available for dividend or out of the proceeds of a fresh issue of shares made for the purpose of the redemption
- (b) No such shares shall be redeemed unless they are fully paid.
- (c) The premium, if any, payable on the redemption shall be provided for out of the profits of the Company or out of the Company's security premium account before the shares are redeemed; and
- (d) Where any such, shares are redeemed otherwise than out of the proceeds of a fresh issue, there shall, out of the profits which would otherwise have been available for dividend, be transferred to a reserve fund to be called "Capital Redemption Reserve Account", a sum equal to the nominal amount of the shares to be redeemed, and the provisions of the Act, relating to the reduction of the share capital of the Company shall, except as provided under Section 80 of the Act, apply as if the Capital Redemption Reserve Account were paid-up share capital of the Company."

SHARE AND CERTIFICATES

Register and Index of Members

Article 19 provides that "the Company shall cause to be kept a Register and Index of Members in accordance with all the applicable provisions of the Companies Act, 1956 and the Depositories Act, 1996 with details of shares and debentures held in material and dematerialized forms in any media as permitted by law including in any form of electronics medium and the Companies (Issue of Share Certificates) Rules, and any modification thereof. The Company shall be entitled to keep in any state or country outside India a Branch Register of Member resident in the State or country."

Shares to be numbered and no share to be sub-divided

Article 20 provides that "the shares in the capital shall be numbered progressively according to their several denominations and except in the manner hereinbefore mentioned, no share shall be subdivided. Every surrendered or forfeited share shall bear the number by which the same was originally distinguished. the

provision relating to progressive numbering shall not apply to the shares of the Company which are dematerialized or may be dematerialized in future or issued in future in dematerialized form."

Acceptance of shares

Article 24 provides that "any application signed by or on behalf of an applicant for shares in the Company followed by allotment of any share therein, shall be an acceptance of shares within the meaning of these Articles. It further provides that, every person who thus or otherwise accepts any shares and whose name is on the Register of Members or in the records of the Depository shall for the purposes of these Articles be a Member. No share shall be applied for by or allotted to a minor, insolvent or person of unsound mind."

Dematerialisation of shares

Article 94 provides that "notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialize its existing shares, debentures or other securities / rematerialize its shares, debentures or other securities held in the depository and /or offer its, shares, debentures and other securities in a dematerialized form pursuant to the Depositories Act, 1966."

Liability of Members

Article 26 provides that "every Member, 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 amounts at such time or times and in such manner, as the Board of Directors shall from time to time, in accordance with Company's Regulations require or fix for the payment thereof."

Company not to be bound to recognize any interest in share other than registered holder

Article 33(2) provides that "save as herein otherwise provided, the Company shall be entitled to treat the person whose name appears on the Register of Members or in the records of the Depository as the 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 law required). be bound to recognize any benami, trust 'or other claim or claims or right to or interest in such shares on the part of any other person whether or not it shall have express or implied notice thereof."

FORFEITURE SURRENDER AND LIEN

Subject to the provisions of the Act and these Articles the share in the capital of the Company for the time being (including any shares forming part of any increased capital of the Company) shall be under the control of the Board who may allot or otherwise dispose of the same or any of them to such persons, in such proportions and on such terms and conditions and either at a premium or at par or at a discount (subject to compliance with provisions of Section 78 and Section 79' of the Act) and at such times as it may from time to time think fit and proper and, with the consent of the general meeting, give to any person the option or right to call for or be allotted any class of shares of the Company either at par or at premium or, subject as aforesaid at a discount, such option being exercisable at such times and for such consideration as the Board thinks fit provided however, notwithstanding the foregoing, the option or right to call on Shares shall not be given to any Person or Persons without the sanction of the Company in the General Meeting.

Application of forfeiture on nominal value or premium

Article 63 provides that "the Board may at any time, subject to the provisions of the Act, accept the surrender of any share from or by any Member desirous of surrendering the same on such terms as the Board may think fit."

If money payable on shares not paid notice to be given to Members

Article 51 provides that "if any Member fails to pay any call or installment of a call in respect of any share on or before the day appointed for the payment of the same, or any such extension thereof, the Board may, at any time thereafter, during such time as the call or installment remains unpaid serve a notice on such Member requiring him to pay the same, together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment."

CONVERSION OF SHARES INTO STOCK

Shares may be converted into stock

Article 92 provides that "the Board may by an ordinary resolution in general meeting, convert any paid up share into stock and reconvert that stock into paid up shares of any denomination. Where any shares have been so converted, the several holders of such stock may thenceforth, transfer their respective interests therein, or any part of such interest, in the same manner and subject to the same regulation as, and subject to which shares from which the stock arose might have been transferred, or as near thereto as circumstances will admit."

Rights of stockholders

Article 93 provides that "the holders of stock shall, according to the amount of stock held by them respectively, have the same rights, privileges and advantages as regards participation in the profits and voting at meetings of the Company and for other purposes, as if they held the shares from which the stock, but so that none of such privileges or advantages, except participation in the profits of the Company or in the assets of the Company on a winding up, shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage. No such conversion shall affect or prejudice any preference or other special privileges attached to the shares so converted."

TRANSFER AND TRANSMISSION OF SHARES AND DEBENTURES

Form of transfer

Article 72 provides that "the Company shall have a common form of transfer. The instrument of transfer shall be in writing and all the provisions of Section 108 of the Act and any statutory modifications thereof for the time being shall be duly complied with, in respect of all transfer of shares and of the registration thereof."

Transfer form to be completed and presented to the Company

Article 71 provides that "every instrument of transfer shall be duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee, specifying the name, address and occupation of the transferee and transferred to the Company. The instrument of transfer shall be accompanied by such evidence as the board may require, to prove the title of the transferor and his right to transfer. Every registered instrument of transfer shall remain in the custody of the Company until destroyed by order of the board. The transferor shall be deemed to remain the holder of such shares until the name of the transferee is entered in the register in respect thereof. Shares of different classes shall not be included in the same instrument of transfer."

Transfer of Securities

Article 94(6) (c) provides that "in the case of transfer or transmission of shares, or other marketable securities where the Company has not issued any certificates and where such share or securities are being held in any electronic or fungible form in a Depository, the provisions of the Depositories Act shall apply."

Application for transfer

Article 76 provides that "an application for the registration of a transfer of shares may be made either by the transferor or by the transferee.

- (1) Where the application is made by the transferor and relates to partly paid up shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee and the transferee makes no objection to the transfer within two weeks from the receipt of the notice.
- (2) For the purpose of clause (2) hereof notice to the transferee shall be deemed to have been duly given if it is dispatched by prepaid registered post to the transferee at the address given in the instrument of transfer and will be deemed to have been duly delivered at the time at which it would have been delivered .in the ordinary course of post."

Company not liable for disregard of a notice prohibiting registration of transfer

Article 89 provides that "the Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer or transmission of shares made or purporting to be made by apparent legal owner thereof as shown or appearing in the Register of Members or in the records of the Depository to the prejudice of persons having or claiming any equitable right, title to or interest in the same

shares, notwithstanding that the Company may have had any notice of such equitable right, title or interest or notice prohibiting registration of such transfer and may have entered such notice. or referred thereto in any book of the Company and the Company shall not be bound or required to regard or attend or to give effect to any notice which may be given to it of any equitable right, title or interest or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in some books of the Company but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto if the Board shall so think fit."

Directors may refuse to register transfer

Article 74 provides that "subject to the provisions of Section 111A of the Act and Section 22A of the Securities Contract (Regulation) Act, 1956, the Directors may, at their own absolute and uncontrolled discretion and by giving reasons, decline to register or acknowledge any transfer of shares whether fully paid or not and the right of refusal, shall not be affected by the circumstances that the proposed transferee is already a member of the Company but in such cases, the Directors shall within one month from the date on which the instrument of transfer was lodged with the Company, send to the transferee and transferor notice of the refusal to register such transfer provided that registration of transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except when the Company has a lien on the shares. Transfer of shares / debentures in whatever lot shall not be refused."

Company not liable for disregard of a notice prohibiting registration of transfer

Article 89 provides that "no fee shall be charged for registration of transfer, transmission, probate, succession certificate and letters of administration, certificate of death or marriage, power of attorney or similar other document with the Company."

Nature of rights attached to shares

Article 18 provides that "the Company shall not issue any shares (not being preference shares) which carry voting right or rights in the Company as to dividend, capital or otherwise which are disproportionate to rights attached to the holders of other shares (not being preference shares)."

Company to have lien on shares

Article 64 provides that "the Company shall have a first and paramount lien upon all the shares (other than fully paid up shares) registered in the name of each Member (whether held solely or jointly with others) and upon the proceeds of sale thereof for all moneys called or payable at a fixed time in respect of such shares and no equitable interest in any shares shall be created except upon the footing and condition that this Article shall have full effect. Any such lien shall extend to all dividends and bonuses and their accretions from time to time declared in respect of such shares. Unless otherwise agreed, the registration of a transfer of shares shall operate as a waiver of the, Company's lien if any, on such shares. The Board may, at any time, declare any share to be wholly or in part exempt from the provisions of this Article."

Enforcing lien by sale

Article 65 provides that "for the purpose of enforcing such lien, the Board may sell the shares subject thereto in such manner as it thinks fit, and for that purpose may cause to be issued a duplicate certificate in respect of such shares and may authorize a member of the board to execute the transfer thereof on behalf of and in the name of such member. No sale shall be made until such time fixed as aforesaid shall have arrived and until notice in writing of the intention to sell shall have been served on such Member, his heirs, executors, administrators or other legal representatives, as the case may be, and default shall have been made by him or them in payment, fulfillment or discharge of such debts, liabilities or engagements for fourteen days after the date of such notice."

Application of proceeds of sale

Article 66 provides that "the net proceeds of any such sale shall be received, by the Company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable and the residue, if any, shall be paid to such Member, his heirs, executors, administrators or other legal representatives as the case may be."

BORROWING POWERS

Power to borrow

Article 96 provides that "subject to the provisions of Sections 58A, 292 and 293 of the Act, the Board may, from time Power to time at its discretion by a resolution passed at a meeting of the Board, accept deposits from Members either in advance of calls or otherwise borrow and generally raise or borrow or secure the payment of any sum or sums of money for the purpose of the Company. Provided, however, where the moneys to be borrowed together with the moneys already borrowed (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aggregate of the paid up capital of the Company and its free reserves (not being reserves set apart for any specific purpose), the Board shall not borrow such moneys without the consent of the Company in General Meeting."

The payment or repayment of moneys to be borrowed

Article 97 provides that "subject to the provisions of the previous Article the payment or repayment of moneys borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respects as the Board may think fit and in particular by a resolution passed at a meeting of the Board (and not by circular resolution) including by the issue of debentures or debenture stock of the Company, charged upon all or any part of the property of the Company (both present and future) including its uncalled capital for the time being and debenture, debenture-stock and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued."

MEETING OF MEMBERS

Annual General Meeting

Article 107 provides that "subject to the provisions of Sections 166 and 210 of the Act, the Company shall in each year hold an Annual General Meeting and a General Meeting in addition to any other meetings in that year.

An Annual General Meeting of the Company shall be held within six months after the expiry of each financial year provided that not more than fifteen months shall elapse between the date of Annual General Meeting of the Company and that of the next.

Every annual general meeting shall be, called for at a time during business hours on a day that is not a public holiday and shall be held either at the Registered Office of the Company or at some other place within the city or town or village in which the Registered Office of the Company is situated and the notices calling the meetings shall specify it as the Annual General Meeting.

Every Member of the Company shall be entitled to attend either in person or by proxy and the Auditor of the Company shall have the right to attend and to be heard at any general meeting which he attends on any part of the business which concerns him as Auditor."

Extraordinary General Meeting by Board and by requisitionists

Article 109 provides that "all General Meetings other than Annual General Meetings shall be called Extraordinary General Meetings.

The Board may, whenever it thinks fit, call an extraordinary general meeting of the Company and it shall also call such a meeting on the requisition of the holders in writing by any member or members holding in the aggregate not less than one tenth of the paid up issued capital of the Company as at that date carries the right of voting in regard to that matter upon which all calls or other sums then due have been paid, forthwith proceed to convene an extraordinary general meeting of the Company, and in case of such requisition the provisions of Section 169 of the Act shall apply. No shareholder or shareholders shall call a meeting of the Company except by or upon a requisition as herein provided."

Quorum at General Meeting

Article 118 provides that "five Members entitled to vote and present in person shall be quorum for a general meeting."

Chairman of General meeting

Article 124 provides that "the Chairman of the Board, and, in his absence, the Vice-Chairman of the Board, shall preside as Chairman at every general meeting, annual or extra-ordinary. If there be no Chairman or Vice Chairman of the Board or if neither of them is present within fifteen minutes after the time appointed for holding such meeting, the Directors present may choose one of their Member to be Chairman and in default of doing so the Members present shall choose one of the Directors to, be Chairman and if no Director present be willing to take the chair shall, on a show of bands, elect one of them to be Chairman of the meeting."

Voting in person or by proxy

Article 140 provides that "subject to the provisions of these Articles, vote may be given either personally or by an attorney or by proxy. A body corporate being a Member may vote either by proxy or by a, representative duly authorized in accordance with Section -187 of the Act and such representative shall be entitled to exercise the same rights and powers (including the right to vote by proxy) on behalf of the body corporate which he represents as that body could ¬exercise it if it were an individual Member."

Appointment of Proxy

Article 142 provides that "every proxy (whether a Member or not) shall be appointed in writing under the hand of the appointee or his attorney, or if such appointer is a corporation, under the common seal of such corporation, or be signed by an officer or any attorney duly authorized by it, and any committee or guardian may appoint such proxy. The proxy so appointed shall not have any right to speak at the meeting."

Minutes of General Meeting and Inspection thereof by Members

Article 151 provides that:

- (a) The Company shall cause the minutes of all proceedings of every general meeting to be kept by making within thirty days of the conclusion of every such meeting concerned entries thereof in books kept for that purpose with their pages consecutively numbered.
- (b) Every page of every such book shall be initialed or signed and the last page of the record of proceedings of each meeting in such books shall be dated and signed by the Chairman of the same meeting within the aforesaid period of thirty days or, in the event of the death or inability of that Chairman within that period, by a Director duly authorized by the Board for the purpose.
- (c) In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.
- (d) The minutes of each meeting shall contain a fair I and correct summary of the proceedings thereat.
- (e) All appointments of officers made at any meeting aforesaid shall be included in the minutes of the meeting.
- (f) Nothing herein contained shall require or be deemed to require the inclusion in any such minutes of any matter which in the opinion of the Chairman of the meeting is or could reasonably be regarded as defamatory of any person or it is irrelevant or immaterial to the proceedings or it is detrimental to the interests of the Company. The Chairman of the meeting shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the aforesaid grounds.
- (g) Any such minutes shall be evidence of the proceedings recorded therein.
- (h) The book containing the minutes of the proceedings of General Meetings shall be kept at the Registered Office of the Company and shall be open during business hours for such periods not being less in the aggregate than two hours in each day as the Directors determine, to the inspection of any Member without charge.

DIRECTORS

Number of Directors

Article 152 provides that "until otherwise determined by a general meeting of the Company and subject to the provisions of Section 252 of the Act, the number of Directors shall not be less than three and more than twelve."

RETIREMENT AND ROTATION OF DIRECTORS

Retirement of Director's

Article 169 provides that:

- (1) At every annual general meeting of the Company, one third of such of the Directors for the time being as are liable to retire by rotation, or if their number is not three or a multiple of three, then the number nearest to one third shall retire from office. The Debenture Director or any Director appointed under Article 155 and the Managing Director for the time being, shall not be subject to retirement under this clause and shall not be taken into account in determining the rotation of retirement or the number of Directors to retire.
- (2) The Directors to retire by rotation at every annual general meeting shall be those who have been longest in the office since their last appointment but as between persons who became Directors on: the same day, those who are to retire shall, in default of and subject to any agreement among themselves, be determined by lot.
- (3) At the annual general meeting at which a Director retires as aforesaid the Company may fill up the vacancy, by appointing the retiring Director who shall be eligible for re-appointment or some other person thereto.
- (4) If the place of the retiring Director is not filled up and the meeting has not expressly resolved not to fill the vacancy the meeting shall stand adjourned till the same day in the next week at the same time and place or if that is a public holiday, till the next succeeding day which is not a public holiday at the same time and place. If at the adjourned meeting also the place of the retiring Director is not filled up and that meeting also has not expressly resolved not to fill the vacancy, the retiring Director shall be deemed to have been re-appointed at the adjourned meeting unless:
 - i. At the meeting or at the previous meeting, a resolution for the reappointment of such Director bas been put to vote and lost,
 - ii. The retiring Director has by a notice in writing addressed to the Company or its Board of Directors, expressed his unwillingness to be so re appointed,
 - iii. He is not qualified or is disqualified for appointment,
 - iv. A resolution, whether special or ordinary, is required for his appointment by virtue of any of the provisions of the Act, or
 - v. The proviso to sub-section (2) of Section 263 of the Act is applicable to his case.

Qualification of Directors

Article 157 provides that "a Director need not hold any qualification shares."

POWERS OF THE BOARD

Powers of Board

Article 183 provides that:

(1) Subject to the provisions of the Act and these Articles the Board of Directors of the Company shall be entitled to exercise all such powers and to do all such acts and things as the Company-is authorized 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 Act 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 power or doing any such act or thing the Board shall be subject to the provisions contained in this behalf in the Act or ¬in any other Act or in the Memorandum of Association or in any regulations not inconsistent therewith and duly made thereunder including regulations made by the Company in general meeting.

(2) No regulation made by the Company in general meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.

DIVIDENDS

Division of Profits

Article 205 provides that "the profits of the Company which it shall from time to time determine, subject to any special rights relating thereto created or authorized to be created by these Articles and subject to the provisions of the Act, in respect of any year or other period, shall be applied first in paying the fixed preferential dividend on the capital paid up on the preference shares if any and secondly in paying a dividend declared for such year or other period on the capital paid up on the equity shares."

How to treat capital paid in advance

Article 206 provides that "no amount paid or credited as paid on the shares in advance of calls shall be treated as capital paid up on the shares.

However, any amount paid-up in advance of calls on any share may carry interest but shall not entitle the holder of the share to participate in respect thereof, in a dividend subsequently declared."

Dividends in proportion to amount paid in advance

Article 207 provides that "all dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid but if any share is issued on terms providing that it shall rank for dividend as from a particular date, such share shall rank, for dividend accordingly."

The Company in general meeting may declare a dividend

Article 208 provides that "the Company in general meeting may subject to the provisions of the Act declare a dividend to be paid to the Members according to their respective rights and interests in the profits and may fix the time for payment."

Limit of dividend

Article 209 provides that "no larger dividend shall be declared than is recommended by the, Board but the Company in general meeting may declare a smaller dividend."

Dividend out of profits

Article 210 (1) (a) provides that "no dividend shall be payable except out of the profits of the Company arrived at as laid down in the Act and out of profits of the financial year arrived at after providing or depreciation in accordance with the provisions of Section 205 of the Act or out of the profits of the Company for previous financial year or years arrived at after providing for depreciation in accordance with these provisions and remaining undistributed or out of both, provided that:

- i. If the Company has not provided for depreciation for any previous financial year or years it shall, before declaring or paying a dividend for any financial year, provide for such depreciation out of the profits of the financial year or out of the profits of any other previous financial year or years;
- ii. If the Company has incurred any loss in any previous financial year or years the amount of the loss or an amount which is equal to the amount provided for depreciation for that year or those years whichever is less, shall be set off against the profits of the Company for the year for which the dividend is proposed to be declared or paid or against the profits of the Company for any

previous financial year or years arrived at in both cases after providing for depreciation in accordance with the provisions of sub-section (2) of Section 205 of the Act or against both.

Retention of Dividends

Article 212 provides that "the Board may retain any dividends payable on shares on which the Company has lien and may apply the same in or towards the satisfaction of the debts, liabilities or engagements in respect of which the lien exists."

Distribution of specific assets as dividend

Article 214 provides that "any general meeting declaring a dividend or bonus may resolve that such dividend be paid wholly or in part by the distribution of specific assets, partly or fully paid up shares, or debentures or debenture-stock of the. Company or in anyone or more of such ways and the Board shall give effect to the same and the Board may settle any difficulty in doing so in such manner as it may deem expedient."

No member to receive dividend whilst indebted to the Company and the Company's right of reimbursement thereof

Article 217 provides that "no Member shall be entitled to receive payment of any interest of or dividend in respect of his own share or shares whilst any money may be due or owing from. him to the Company in respect of such share or shares or otherwise howsoever, either alone or jointly with any other person or persons subject to Section 205A and the Board may deduct from the interest or dividend payable to any shareholder all sums of money so due, from him to the Company."

When dividend to be paid

Article 219 provides that "the Company shall pay dividend or sent the warrant in respect thereof to the shareholder entitled to the payment of the dividend within thirty days from the date of the declaration the dividend unless:

- a) The dividend could not be paid by reason of the operation of any law or;
- b) A shareholder has given directions to the Company regarding the payment of dividend and these directions cannot be complied with, or;
- c) There is a dispute regarding the right to receive the dividend, or;
- d) The dividend has been lawfully adjusted by the Company against any sum due to it from the shareholder, or;
- e) For any other reason, the failure to pay the dividend or to post the warrant within the period aforesaid was not due to any default on the part of the Company."

When dividend to be paid

Article 220 provides that "where the Company has declared a dividend but which has not been paid or the dividend warrant in respect thereof has not been posted within 30 days from the date of declaration to any shareholder entitled to the payment of the dividend, the Company shall within 7 days from the date of expiry of the said period of 30 days, open a special account in that behalf in any scheduled bank called unpaid dividend account of Career Point Infosystems Limited and transfer to the said account, the total, amount of dividend which remains unpaid or in relation to which no dividend warrant has been posted. Any money transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of 7 years from the date of such transfer, shall be transferred by the company to a fund known as Investor Education and Protection Fund established under Section 205C of the Act. No unclaimed or unpaid dividend shall be forfeited by the Board."

Dividend and call together

Article 213 provides that "any general meeting declaring a dividend may on the recommendation of the Directors 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 may 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 calls."

CAPITALIZATION

Capitalisation

Article 221 states that:

- (a) Any general meeting may, upon the recommendation of the Board, resolve that any moneys, investments or other assets forming part of the undistributed profits of the Company standing to the credit of the profit and loss account or of the reserve fund or any capital redemption reserve fund or in the hands, of the Company and available for dividend (or representing premium received on the issue of shares and standing to the credit of the Security Premium Account) be capitalized and distributed amongst such of the shareholders as would be entitled to receive the same if distributed by way of dividend and in the same proportion on the footing that they become entitled thereto as capital and that all or any part of such capitalized fund shall not be paid in cash but shall be applied subject to the provisions contained in this clause on behalf of such shareholders in full or towards:
 - (1) paying either at par or at such premium as the resolution may provide any unissued shares or debentures or debenture-stock of the Company which shall be allotted, distributed and credited as fully paid up to and amongst such Members in the proportions aforesaid; or
 - paying up any amounts for the time being remaining unpaid on any shares, debentures or debenture-stock held by such Members respectively; or .
 - paying up partly in the, way specified in sub-clause (1) and partly in that specified in sub-clause (2) and that such distribution or payment shall be acceptable by such shareholders in full satisfaction of their interest in the said capitalised sum.
- (b) (1) any moneys, investments or other assets representing premium received on the issue of shares and standing to the credit of share premium account, and,
 - (2) If the Company shall have redeemed any redeemable preference shares, all or any part of any capital redemption fund arising from the redemption of such shares may by resolution of the Company be applied only in paying up in full or in part of any new shares or any share then remaining unissued; to be issued to such Members of the Company as the general meeting may resolve upto an amount equal to the nominal amount of the shares so issued.
- (c) Any general meeting may resolve that any surplus moneys arising from the realisation of any capital assets of the Company or any investments representing the same or any other undistributed profits of the Company not subject to the charge for income-tax be distributed amongst the Members on the footing that they receive the same as capital
- (d) For the purpose of giving effect to any such resolution the Board may settle any difficulty which may arise in regard to the distribution or payment as aforesaid as it thinks expedient and in particular it may issue fractional certificates and may fix the value for distribution of any specific assets and may determine that cash payments be made to any Members on the footing of the value so fixed or that fraction of less value than Rs.10/- may be disregarded in order to adjust the rights of all the parties, and may vest any such cash, share, debenture, debenture-stock, bonds or other obligation in trustees upon such trust for the persons entitled to the dividend or capitalized fund as may seen expedient to the Board.
- (e) If and whenever any share becomes held by any Member in fraction the Board may subject to the provisions of the Act, and these Articles and to the directions of the Company in general meeting, if any, sell the shares which Members hold in fractions for the best price reasonably obtained and shall pay and distribute to and amongst the, Members entitled to such shares in due proportion the net proceeds of the sale thereof. For the purpose of giving effect to any such sale the Board may authorize any person to transfer the shares sold to the purchaser thereof; Comprised in any such

transfer and the purchaser shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity or by invalidity in the proceedings with reference to the sale.

(f) Where required, a proper contract shall be delivered to the Registrar for registration in accordance with Section 15 of the Act and the Board may appoint any person to, sign such contract on behalf of the persons entitled to the dividend or capitalized fund and such appointment shall be effective.

ACCOUNTS

Accounts to be audited

Article 228 provides that "once at least in every year the, accounts of the Company shall be examined by one or more auditors who shall report to the shareholders as to whether the balance sheet reflects a true and fair view of the state of affairs of the Company as at that date and the profit and loss account discloses a true and fair view of the profit and loss account incurred by the Company during the year under review."

Appointment of Auditors

Article 229 provides that:

- (1) Auditors shall be appointed and their qualifications, rights and duties regulated in accordance with Sections 224 to 233 of the Act.
- (2) The Company shall at each annual general meeting appoint an Auditor or Auditors to hold office from conclusion of that meeting until the conclusion of the next annual general meeting and shall within seven days of the appointment give intimation thereof to the Auditor so appointed.
 - PROVIDED THAT before any appointment or re-appointment is done by the Company, a written certificate shall be obtained by the Company from the , Auditor or Auditors, to the effect that the appointment or re-appointment, if made, will be in accordance with the limits specified in Section 224(IB).
- (3) Subject to the provisions of Sections 224(IB) and 224A, at any annual general meeting, a Retiring Auditor by Whatsoever authority appointed Shall be re-appointed unless
 - (a) he is not qualified for re-appointment;
 - (b) he has given the Company notice in writing of his unwillingness to be re-appointed;
 - (c) a resolution has been passed at that meeting appointing somebody instead of him or providing expressly that he shall not be re-appointed; or
 - (d)where notice has been given of an intended resolution to appoint some person or persons in the place of a retiring Auditor, and by reason of the death, incapacity or disqualification of that person or of all those persons, as the case may be, the resolution cannot be proceeded with.
- (4) Where at an annual general meeting no Auditors are appointed or re-appointed, the Central Government may appoint a person to fill the vacancy.
- (5) The Company shall, within seven days of the Central Government's power under the sub-clause (4) becoming exercisable, give notice of that fact to the Government.
- (6) The Directors may fill any casual vacancy in the office of Auditor, but while any such vacancy continues, the surviving or continuing Auditor or Auditors (if any) may act but where such vacancy is caused by the resignation of an Auditor, the vacancy shall9nly be filled by the Company in general meeting.
- (7) A person, other than a retiring Auditor, shall not be capable of being appointed at .an Annual General Meeting unless special notice of a resolution for appointment of that person to the office of Auditor has been given by a Member to the Company not less than fourteen days before the meeting in accordance with Section 190 of the Act and the Company shall send a copy of any such notice to the retiring Auditor and shall give notice thereof to the Members in accordance with Section 190 of the Act and all the other provisions of Section 225 of the Act shall apply in the

matter. The provisions of this sub-clause shall also apply to a resolution that a retiring Auditor shall not be re-appointed.

- A. All notice of and other communications relating to any general meeting of the Company which a member of the Company is entitled to have sent to him shall also be forwarded to the Auditors 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 of the business which concerns him as Auditor.
- B. The Auditors Report shall be read before the Company in the Annual General Meeting and shall be open to inspection by any of the members of the Company.
- C. Every balance sheet and profit and loss account of the Company when audited and adopted by the Company at an annual general meeting shall be conclusive provided that such balance sheet and profit and loss account and Board's Report may be amended at any time with the consent of the Company accorded by a special resolution.

Directors to keep true accounts

Article 222 provides that "the Company shall keep and maintain at the office or at such other place in India as the Board thinks fit proper books of account in accordance with Section 209 of the Act with respect to:

- (a) All sums of money received and expended by the Company and the matters in respect of which receipts and expenditure take place;
- (b) All sales and purchases of goods by the Company; and
- (c) The assets and liabilities of the Company."

As to inspection of accounts or books by Members

Article 224 provides that "the Board of Directors shall from time to time determine whether and to what extent and at what times and place and under what conditions or regulations the documents of the Company or any of them shall be open to the inspection of Member and no Member (not being a Director) shall have any right of inspecting any account or book or document of the Company except as conferred by statute or authorized by the Board of Directors or by a resolution of the Company in general meeting."

Statement of accounts to be furnished to general meetings

Article 225 provides that "the Board of Directors shall from time to time in accordance with Sections 210, 211, 212, 215, 216 and 217 of the Act, cause to be prepared and to be placed before the Company in general meeting, such balance sheets, profits and loss accounts and reports as are required by the Act."

Copies shall be sent to each Member

Article 226 provides that "a copy of every such profit and loss account and balance sheet so audited (including the auditor's report and every other document required by the Act to be annexed or attached to the balance sheet) shall at least twenty one days before the meeting at which the same are to be laid before the Members be sent to the Members of the Company, to holders-of debentures issued by the Company (not being debentures which ex-facie are payable to the bearer thereof) to the trustees for the holders of such debentures and to all persons entitled to receive notice of general meetings of the Company."

WINDING UP

Distribution of assets

Article 239 provides that "if the Company shall be wound up, and the assets available for distribution among the Members as such shall be insufficient to repay the whole of the paid up capital, such assets shall be so distributed, that, as nearly as may be the losses shall be borne by the Members in proportion to the capital paid up at the commencement of the winding up, on the shares held by them respectively, and if in a winding up the assets available for distribution among the Members shall be more than sufficient to repay the whole of the capital paid at the commencement of the winding up the excess shall be distributed amongst the Members in proportion to the capital paid up or which ought to have been paid up at the

commencement of the winding up, on the shares held by them respectively. But this Article is without prejudice to the rights of the holders of shares issued upon special terms and conditions."

Rights of Shareholders in case of Sales

Article 241 provides that "a Special Resolution sanctioning a sale to any other Company duly passed pursuant to Section 494 of the Act may subject to the provisions of the Act in like manner as aforesaid determine that any shares or other consideration receivable by the Liquidator be distributed amongst the Members otherwise than in accordance with their existing rights and any such determination shall be binding upon all the Members subject to the rights of dissent and consequential rights conferred by the said sanction."

INDEMNITY AND RESPONSIBILITY

Directors' and others' rights to indemnity

Article 237 provides that "subject to the provisions of Section 201 of the Act every Director, Manager and other Officer or any person (whether officer of the Company or not) employed by the Company, or as auditor, or servant of the Company shall be indemnified by the Company and it shall be the duty of the Board to payout of the funds of the Company all costs, charges, losses and expenses which any such officer or servant may incur or become liable to by reason of any contract entered into or act or thing done by him as such officer or servant or in any way in the discharge of his duties including expenses and in-particular and so as not to limit the generality of the foregoing provisions, against all liabilities incurred by him as such Director, Manager, officer or servant in defending any proceedings, whether civil or criminal in which judgment 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 by the Court."

Director, Officer not responsible for acts of others

Article 238 provides that "subject to the provisions of the Act, no Director, Auditor or other Officer of the, Company be liable for the act, receipts, neglects or defaults of any other Director or officer or for joining in any receipt or other act for conformity or for any loss or expenses happening to the Company through the insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the moneys of-the Company shall be invested or for any loss. or damage arising from bankruptcy; insolvency or tortuous act of any person, firm or company to or with whom any moneys, securities or effects shall be entrusted or deposited or for loss occasioned by any other loss, damage or misfortune whatever which shall happen in relation to the execution of the duties of his office or in relation thereto unless the same shall happen through his own dishonesty."

AMENDMENT OF ARTICLES POST COMPLETION OF THE IPO

Notwithstanding anything contained elsewhere in these Articles, post the listing of the Equity Shares of the Company in terms of the IPO, the rights of the Investor and the Shareholders as set out in Part II of the Articles – 247, 248, 249, 250, 251, 252, 253, 254, 255, 256, 257, 258, 259, 260, 261, 262, 263, 264 and 265 (to the extent set out therein), shall cease to be applicable.

SECTION IX - OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or entered into more than two years before the date of the Red Herring Prospectus) which are or may be deemed material have been entered or to be entered into by our Company. These contracts, copies of which will be attached to the copy of the Red Herring Prospectus, delivered to the RoC for registration and also the documents for inspection referred to hereunder, may be inspected at our Registered Office from 10.00 am to 4.00 pm on Working Days from the date of the Red Herring Prospectus until the Bid/Issue Closing Date.

Material Contracts to the Issue

- 1. Engagement Letter dated December 7, 2009 and January 8, 2010 to the Book Running Lead Managers from our Company appointing them as the Book Running Lead Managers.
- 2. Agreement between our Company and the Book Running Lead Managers dated February 20, 2010.
- 3. Agreement between our Company and Registrar to the Issue dated February 10, 2010.
- 4. Escrow Agreement dated [•] amongst our Company, the Book Running Lead Managers, the Bankers to the Issue and the Registrar to the Issue.
- 5. Syndicate Agreement dated [•] amongst our Company, the Book Running Lead Managers and the Syndicate Members.
- 6. Underwriting Agreement dated [•] amongst our Company, the Book Running Lead Managers and the Syndicate Members.
- 7. Agreement dated [•] amongst NSDL, our Company and the Registrar to the Issue.
- 8. Agreement dated May 22, 2008 amongst CDSL, our Company and the Registrar to the Issue.

Material Documents

- 1. Our Memorandum and Articles of Association, as amended from time to time.
- 2. Our certification of incorporation and certificate of commencement of business.
- 3. Board resolution in relation to the Issue dated January 1, 2010.
- 4. Shareholders' resolution in relation to the Issue dated January 5, 2010.
- 5. Memorandum of Understanding entered between our Company and Hughes Communications India Limited dated January 7, 2010.
- 6. Trademark license agreement entered between our Company and Mr. Pramod Maheshwari dated February 4, 2010.
- 7. Subscription cum Shareholders Agreement dated July 16, 2009 entered between our Company, Franklin Templeton Asset Management (India) Private Limited (in its capacity as portfolio manager of FTPES), Swastika Polyolefins Private Limited, Mr. Pramod Maheshwari, Mr. Om Prakash Maheshwari, Mr. Nawal Kishore Maheshwari, Mr. Gulab Chand Maheshwari, Ms.

- Kailash Bai Maheshwari, Ms. Neelima Maheshwari, Ms. Shilpa Maheshwari and Ms. Rekha Maheshwari.
- 8. Report of the Auditor dated January 29, 2010 prepared as per Indian GAAP and mentioned in the Financial Statements appearing at page F-3.
- 9. Statement of Tax Benefits from Sharp & Tannan, Chartered Accountants dated January 29, 2010.
- 10. Report of the IPO grading agency, [•], furnishing the rationale for its grading, to be disclosed in the Red Herring Prospectus.
- 11. Copies of annual reports of our Company for the years ended March 31, 2009, 2008, 2007, 2006 and 2005.
- 12. Consent of the Auditor for inclusion of their reports on restated financial statements in the form and context in which they appear in this Draft Red Herring Prospectus.
- 13. Consent of the IPO grading agency, [●], for inclusion of their IPO grading report furnishing the rationale for its grading, in the form and context in which they will appear in the Red Herring Prospectus.
- 14. Consents of Bankers to our Company, Book Running Lead Managers, Syndicate Members, Registrar to the Issue, Bankers to the Issue, Legal Counsel to our Issue, Directors of our Company, Company Secretary and Compliance Officer, as referred to, in their respective capacities.
- 15. Applications dated [●] and [●] filed with the NSE and the BSE, respectively, for obtaining their in-principle listing approval.
- 16. In-principle listing approvals dated [•] and [•] received from the NSE and the BSE, respectively.
- 17. Due diligence certificate dated February 24, 2010 to SEBI from Book Running Lead Managers.
- 18. SEBI observation letter No [●] dated [●].

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 the Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

We, the Directors of the Company, certify that all relevant provisions of the Companies Act, and the guidelines issued by the GoI or the regulations issued by Securities and Exchange Board of India, applicable, 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, the Securities and Exchange Board of India Act, 1992 or the rules made or regulations issued thereunder, as the case may be, and that all approvals and permissions required to carry on the business of our Company have been obtained, are currently valid and have been complied with. We further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY

Mr. Pramod Maheshwari Chairman, Managing Director & CEO

Mr. Om Prakash Maheshwari Wholetime Director & CFO

Mr. Nawal Kishore Maheshwari Wholetime Director

Mr. Pritam Kumar Goswami Independent Director

Mr. Ram Swaroop Chaudhary Independent Director

Mr. Pawan Kumar Lalpuria Independent Director

Mr. Arun Luharuka Nominee Director

Mr. Dwarka Das Nihchal Das Nainani Independent Director

SIGNED BY THE COMPANY SECRETARY

Date: February 24, 2010

Place: Kota