DRAFT RED HERRING PROSPECTUS
Dated June 17, 2011
Please read section 60B of the Companies Act, 1956
(The Draft Red Herring Prospectus will be updated upon filing with the RoC)
100% Book Building Issue

MT EDUCARE LIMITED

(Our Company was originally incorporated as MT Educare Private Limited on August 19, 2006, at Mumbai, as a private limited company under the Companies Act, 1956, as amended (the "**Companies Act**".) Our Company was converted into a public limited company on May 18, 2011 and consequently, the name was changed to MT Educare Limited. For details of the change in the registered office and name of our Company, please see the section "History and Certain Corporate Matters" on page 120.)

Registered Office: 220, 2nd Floor, "Flying Colors", Pandit Din Dayal Upadhyay Marg, L.B.S. Cross Road, Mulund (West), Mumbai 400 080
Contact Person: Ashwin M. Patel, Company Secretary and Compliance Officer; **Tel:** (91 22) 2593 7700; **Fax:** (91 22) 2593 7799;
Email: info@mteducare.com; **Website:** www.mteducare.com

The Promoter of our Company: Mahesh R. Shetty

PUBLIC ISSUE OF [●] EQUITY SHARES OF FACE VALUE OF RS. 10 EACH OF MT EDUCARE 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 TO RS. [●] LAKHS CONSISTING OF A FRESH ISSUE OF [●] EQUITY SHARES AGGREGATING TO RS. 3,500 LAKHS (THE "FRESH ISSUE") AND AN OFFER FOR SALE OF UP TO 80,00,000 EQUITY SHARES BY HELIX INVESTMENTS COMPANY (THE "SELLING SHAREHOLDER") AGGREGATING UP TO RS. [●] LAKHS (THE "OFFER FOR SALE" AND TOGETHER WITH THE FRESH ISSUE, THE "ISSUE"). THE ISSUE SHALL CONSTITUTE [●]% OF THE POST-ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

THE FACE VALUE OF THE EQUITY SHARES IS RS. 10 EACH. THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY AND THE SELLING SHAREHOLDER IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGER ("BRLM") AND WILL BE ADVERTISED AT LEAST TWO WORKING DAYS PRIOR TO THE BID/ISSUE OPENING DATE.

In case of any revisions in the Price Band, the Bid/Issue Period will be extended by at least three additional Working Days after such revision of the Price Band, subject to the Bid/Issue Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Issue Period, if applicable, will be widely disseminated by notification to the Bombay Stock Exchange Limited ("**BSE**") and the National Stock Exchange of India Limited ("**NSE**"), by issuing a press release, and also by indicating the change on the website of the BRLM and at the terminals of the Syndicate.

Our Company is undertaking this Issue under Rule 19(2)(b)(i) of the Securities Contracts (Regulation) Rules, 1957 as amended ("**SCRR**") for more than 25% of the post-Issue capital through the Book Building Process wherein at least 50% of the Issue shall be Allotted on a proportionate basis to Qualified Institutional Buyers ("**QIB**"), provided that our Company may allocate up to 30% of the QIB Portion to Anchor Investors on a discretionary basis. 5% of the QIB Portion (excluding Anchor Investor 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 QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 15% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. Potential investors may participate in this Issue through an Application Supported by Blocked Amount ("**ASBA**") process providing details about the bank account which will be blocked by the Self Certified Syndicate Banks ("**SCSBs**") for the same. QIBs (other than Anchor Investors) and Non Institutional Bidders are mandatorily required to utilise the ASBA process to participate in this Issue. For details, please see the section "Issue Procedure" on page 245.

RISK IN RELATION TO THE FIRST ISSUE

This being the first public issue of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is Rs. 10 per Equity Share. The Issue Price (as determined by our Company and the Selling Shareholder, in consultation with the BRLM on the basis of assessment of market demand for the Equity Shares offered by way of the Book Building Process and as stated under the section "Basis for Issue Price" on page 76) 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.

IPO GRADING

This Issue has been graded by [●] as [●], indicating [●]. The IPO grade is assigned on a five-point scale from 1 to 5, with IPO grade 5/5 indicating strong fundamentals and IPO grade 1/5 indicating poor fundamentals. For details, please see the section "General Information" on page 47.

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" on page xi.

ISSUER'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and the Issue, which is material in the context of the Issue, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which make this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect. The Selling Shareholder accepts responsibility that this Draft Red Herring Prospectus contains all information about it as a Selling Shareholder in the context of the Offer for Sale.

LISTING

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

BOOK RUNNING LEAD MANAGER	REGISTRAR TO THE ISSUE
ENAM SECURITIES PRIVATE LIMITED 801/ 802, Dalamal Tower Nariman Point Mumbai 400 021 Tel: (91 22) 6638 1800 Fax: (91 22) 2284 6824 Email: mteducare.ipo@enam.com Investor Grievance Email: complaints@enam.com Website: www.enam.com Contact Person: Sonal Sinha SEBI Registration No.: INM000006856	**LINK INTIME INDIA PRIVATE LIMITED** C-13, Pannalal Silk Mill Compound L.B.S Marg Bhandup (West) Mumbai 400 078 Tel: (91 22) 2596 3838 Fax: (91 22) 2594 6969 Email: mtel.ipo@linkintime.com Investor Grievance Email: mtel.ipo@linkintime.com Website: www.linkintime.co.in Contact Person: Sanjog Sud SEBI Registration Number: INR000004058
BID/ ISSUE PROGRAMME*	
BID/ISSUE OPENS ON: [●]*	**BID/ISSUE CLOSES ON: [●]****

* *Our Company and the Selling Shareholder may, in consultation with the BRLM, consider participation by Anchor Investors in accordance with the SEBI Regulations. The Anchor Investor Bid/ Issue Period shall be one Working Day prior to the Bid/ Issue Opening Date.*
** *Our Company and the Selling Shareholder may, in consultation with the BRLM, consider closing the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date in accordance with the SEBI Regulations.*

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SECTION I: GENERAL

DEFINITIONS AND ABBREVIATIONS

This Draft Red Herring Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, shall have the meaning as provided below. References to any legislation, act or regulation shall be to such legislation, act or regulation as amended from time to time.

General Terms

Term	Description
"the Company", "our Company" or "the Issuer"	MT Educare Limited, a company incorporated under the Companies Act and having its Registered Office at 220, 2nd Floor, "Flying Colors", Pandit Din Dayal Upadhyay Marg, L.B.S. Cross Road, Mulund (West), Mumbai 400 080
"we", "us", or "our"	Our Company and our Subsidiaries on a consolidated basis

Issue Related Terms

Term	Description
Allotment/ Allot/ Allotted	The allotment of Equity Shares pursuant to the Fresh Issue and the transfer of the Equity Shares pursuant to the Offer for Sale to successful Bidders
Allottee	A successful Bidder to whom the Equity Shares are Allotted
Allotment Advice	Note or advice or intimation of Allotment sent to the Bidders who have been Allotted Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion, with a minimum Bid of Rs. 1,000 lakhs
Anchor Investor Bid/ Issue Period	The day, one Working Day prior to the Bid/Issue Opening Date, on which Bids by Anchor Investors shall be submitted and allocation to Anchor Investors shall be completed
Anchor Investor Issue Price	The final price at which Equity Shares will be issued and Allotted to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Issue Price, but not higher than the Cap Price. The Anchor Investor Issue Price will be decided by our Company and the Selling Shareholder in consultation with the BRLM
Anchor Investor Portion	Up to 30% of the QIB Portion which may be allocated by our Company and the Selling Shareholder, in consultation with the BRLM, to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to Anchor Investors
Application Supported by Blocked Amount/ASBA	An application, whether physical or electronic, used by Bidders, other than Anchor Investors, to make a Bid authorising an SCSB to block the Bid Amount in the ASBA Account maintained with the SCSB. ASBA is mandatory for QIBs and Non Institutional Bidders participating in the Issue.
ASBA Account	An account maintained with the SCSB and specified in the ASBA Bid cum Application Form for blocking the amount mentioned in the ASBA Bid cum Application Form
ASBA Bid cum Application Form	The form, whether physical or electronic, used by a Bidder to make a Bid through the ASBA process, which contains an authorisation to block the Bid Amount in an ASBA Account and will be considered as the application for Allotment for the purposes of the Red Herring Prospectus and the Prospectus
ASBA Bidder	Prospective investors in this Issue who intend to Bid through ASBA
ASBA Revision Form	The form used by the ASBA Bidders to modify the quantity of Equity Shares or

Term	Description
	the Bid Amount in their ASBA Bid cum Application Forms or any previous ASBA Revision Form(s)
Banker(s) to the Issue/Escrow Collection Bank(s)	The banks which are clearing members and registered with SEBI as bankers to an issue and with whom the Escrow Account will be opened, in this case being [●]
Basis of Allotment	The basis on which Equity Shares will be Allotted to successful Bidders under the Issue and which is described in the section "Issue Procedure- Basis of Allotment" on page 269
Bid	An indication to make an offer during the Bid/Issue Period by a Bidder pursuant to submission of the Bid cum Application Form, or during the Anchor Investor Bid/Issue Period by the Anchor Investors, to subscribe to or purchase the Equity Shares of our Company at a price within the Price Band, including all revisions and modifications thereto
Bid Amount	The highest value of the optional Bids indicated in the Bid cum Application Form
Bid cum Application Form	The form used by a Bidder (which, unless expressly provided, includes the ASBA Bid cum Application Form by an ASBA Bidder, as applicable) to make a Bid and which will be considered as the application for Allotment for the purposes of the Red Herring Prospectus and the Prospectus
Bid/ Issue Closing Date	Except in relation to any Bids received from Anchor Investors, the date after which the Syndicate and the SCSBs will not accept any Bids for the Issue, which shall be notified in two national daily newspapers (one each in English and Hindi) and in one Marathi newspaper, each with wide circulation Our Company and the Selling Shareholder may, in consultation with the BRLM, consider closing the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date in accordance with the SEBI Regulations
Bid/ Issue Opening Date	Except in relation to any Bids received from Anchor Investors, the date on which the Syndicate and the Designated Branches of the SCSBs shall start accepting Bids for the Issue, which shall be notified in an English national daily newspaper, a Hindi national daily newspaper and a Marathi daily newspaper, each with wide circulation
Bid/ Issue Period	Except in relation to Anchor Investors, the period between the Bid/Issue Opening Date and the Bid/Issue Closing Date, inclusive of both days, during which prospective Bidders can submit their Bids, including any revisions thereof
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form or the ASBA Bid cum Application Form, as applicable
Book Building Process/Method	The book building process, as provided in Schedule XI of the SEBI Regulations, in terms of which this Issue is being made
BRLM/Book Running Lead Manager	The book running lead manager to the Issue, in this case being Enam Securities Private Limited
CAN / Confirmation of Allocation Note	Notice or intimation of allocation of Equity Shares sent to Anchor Investors, who have been allocated Equity Shares, after discovery of the Issue Price through the Book Building Process, if the Issue Price is higher than the price at which allocation to the Anchor Investors has been made
Cap Price	The higher end of the Price Band, above which the Issue Price will not be finalised and above which no Bids will be accepted
Controlling Branches	Such branches of SCSBs which coordinate with the BRLM, the Registrar and the Stock Exchanges and a list of which is available at http://www.sebi.gov.in/pmd/scsb.html
Cut-off Price	The Issue Price finalised by our Company and the Selling Shareholder in consultation with the BRLM. Only Retail Individual Bidders are entitled to Bid at the Cut-off Price, for a Bid Amount not exceeding Rs. 2,00,000. QIBs and Non-Institutional Bidders are not entitled to Bid at the Cut-off Price

Term	Description
Designated Branches	Such branches of the SCSBs which shall collect the ASBA Bid cum Application Forms used by the ASBA Bidders and a list of which is available at http://www.sebi.gov.in/pmd/scsb.html
Designated Date	The date on which funds are transferred from the Escrow Account or the amount blocked by the SCSBs is transferred from the ASBA Account, as the case may be, to the Public Issue Account or the Refund Account, as appropriate, after the Prospectus is filed with the RoC, following which the Board of Directors shall Allot Equity Shares to successful Bidders in the Fresh Issue and the Selling Shareholder shall give delivery instructions for the transfer of the Equity Shares constituting the Offer for Sale
Designated Stock Exchange	[●]
Draft Red Herring Prospectus or DRHP	This Draft Red Herring Prospectus dated June 17, 2011 issued in accordance with the SEBI Regulations, which does not contain complete particulars of the price at which the Equity Shares will be issued and the size of the Issue
Eligible NRI(s)	NRI(s) from jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the Red Herring Prospectus constitutes an invitation to subscribe to or purchase the Equity Shares
Enam	Enam Securities Private Limited
Engagement Letter	The engagement letter dated June 11, 2011 between our Company, the Selling Shareholder and the BRLM
Escrow Account	Account opened with the Escrow Collection Bank(s) and in whose favour the Bidders (excluding the ASBA Bidders) will issue cheques or drafts in respect of the Bid Amount when submitting a Bid
Escrow Agreement	Agreement to be entered into between our Company, the Selling Shareholder, the Registrar to the Issue, the BRLM, the Syndicate Members, the Escrow Collection Bank(s) and the Refund Bank(s) for collection of the Bid Amounts and where applicable, refunds of the amounts collected to the Bidders (excluding the ASBA Bidders) on the terms and conditions thereof
Floor Price	The lower end of the Price Band, at or above which the Issue Price will be finalised and below which no Bids will be accepted, subject to any revision thereto
Fresh Issue	The fresh issue of [●] Equity Shares aggregating to Rs. 3,500 lakhs by our Company
IPO Grading Agency	[●]
Issue	The public issue of [●] Equity Shares for cash at a price of Rs. [●] each aggregating to Rs. [●] lakhs comprising of the Fresh Issue of [●] Equity Shares aggregating to Rs. 3,500 lakhs and the Offer for Sale of up to 80,00,000 Equity Shares by Helix, aggregating to Rs. [●] lakhs
Issue Agreement	The agreement dated June 14, 2011 between our Company, the Selling Shareholder and the BRLM, pursuant to which certain arrangements are agreed to in relation to the Issue
Issue Price	The final price at which Equity Shares will be issued/transferred and Allotted in terms of the Red Herring Prospectus. The Issue Price will be decided by our Company and the Selling Shareholder, in consultation with the BRLM, on the Pricing Date. Provided that for the purposes of the Anchor Investors, this price shall be the Anchor Investor Issue Price
Issue Proceeds	The proceeds of the Issue. For further information about use of the Issue Proceeds and the Issue expenses, please see the section “Objects of the Issue” on page 69
Mutual Fund Portion	5% of the QIB Portion (excluding the Anchor Investor Portion), or [●] Equity Shares which shall be available for allocation to Mutual Funds only
Mutual Funds	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996

Term	Description
Net Proceeds	Proceeds of the Fresh Issue less the Issue expenses
Non-Institutional Bidders	All Bidders that are not QIBs or Retail Individual Bidders and who have Bid for Equity Shares for an amount more than Rs. 2,00,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Portion	The portion of the Issue being not less than [●] Equity Shares which shall be available for allocation to Non-Institutional Bidders
Offer for Sale	The offer for sale of up to 80,00,000 Equity Shares by Helix at the Issue Price aggregating to Rs. [●] lakhs, pursuant to the terms of the Red Herring Prospectus
Price Band	Price Band of a minimum price of Rs. [●] per Equity Share (Floor Price) and the maximum price of Rs. [●] per Equity Share (Cap Price), including any revisions thereof. The Price Band and the minimum Bid Lot size for the Issue will be decided by our Company and the Selling Shareholder, in consultation with the BRLM, and advertised, at least two Working Days prior to the Bid/Issue Opening Date, in [●] edition of English national daily [●], [●] edition of Hindi national daily [●], and [●] edition of regional language newspaper [●], each with wide circulation
Pricing Date	The date on which our Company and the Selling Shareholder, in consultation with the BRLM, finalise the Issue Price
Prospectus	The Prospectus to be filed with the RoC in accordance with Section 60 of the Companies Act, containing, *inter alia*, the Issue Price that is determined at the end of the Book Building Process, the size of the Issue and certain other information
Public Issue Account	Account opened with the Bankers to the Issue to receive monies from the Escrow Account and from the SCSBs on the Designated Date
QIB Portion	The portion of the Issue being at least [●] Equity Shares, which shall be available for allocation to QIB Bidders
Qualified Institutional Buyers or QIBs	As defined under SEBI Regulations and include public financial institutions as specified in Section 4A of the Companies Act, scheduled commercial banks, mutual fund registered with SEBI, FIIs and sub-account registered with SEBI (other than a sub-account which is a foreign corporate or foreign individual), multilateral and bilateral development financial institutions, venture capital fund registered with SEBI, foreign venture capital investor registered with SEBI, state industrial development corporation, insurance company registered with the Insurance Regulatory and Development Authority, provident fund with minimum corpus of Rs. 2,500 lakhs, pension fund with minimum corpus of Rs. 2,500 lakhs, National Investment Fund, insurance funds set up and managed by the army, navy or air force of the Union of India and insurance funds set up and managed by Department of Posts, India
Red Herring Prospectus or RHP	The Red Herring Prospectus issued in accordance with Section 60B of the Companies Act, which does not have complete particulars of the price at which the Equity Shares are offered and the size of the Issue. The Red Herring Prospectus will be filed with the RoC at least three days before the Bid/Issue Opening Date and will become a Prospectus upon filing with the RoC after the Pricing Date
Refund Account(s)	The account opened with the Refund Bank(s), from which refunds, if any, of the whole or part of the Bid Amount (excluding the ASBA Bidder) shall be made
Refund Bank(s)	[●]
Refunds through electronic transfer of funds	Refunds through NECS, Direct Credit or NEFT, as applicable
Registrar to the Issue/Registrar	Registrar to the Issue, in this case being Link Intime India Private Limited
Retail Individual Bidder(s)	Individual Bidders who have Bid for Equity Shares for an amount not more than Rs. 2,00,000 in any of the bidding options in the Issue (including HUFs applying through their Karta and Eligible NRIs)

Term	Description
Retail Portion	The portion of the Issue being not less than [●] Equity Shares which shall be available for allocation to Retail Individual Bidder(s)
Revision Form	The form used by the Bidders (which, unless expressly provided, includes the ASBA Revision Form) to modify the quantity of Equity Shares or the Bid Amount in their Bid cum Application Forms or any previous Revision Form(s)
Self Certified Syndicate Bank(s) or SCSB(s)	A banker to the issue registered with SEBI, which offers the facility of ASBA and a list of which is available at http://www.sebi.gov.in/pmd/scsb.html
Selling Shareholder	Helix Investments Company
Specified Cities	Cities as specified in the SEBI circular no. CIR/CFD/DIL/1/2011 dated April 29, 2011, namely, Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bangalore, Hyderabad, Pune, Baroda and Surat
Syndicate Agreement	The Agreement to be entered into amongst the Syndicate, our Company and the Selling Shareholder in relation to the collection of Bids in this Issue (excluding Bids from the Bidders applying through ASBA process)
Syndicate Members	[●]
Syndicate/ members of the Syndicate	The BRLM and the Syndicate Members
TRS/Transaction Registration Slip	The slip or document issued by the Syndicate, or the SCSB (only on demand), as the case may be, to the Bidder as proof of registration of the Bid
Underwriters	The BRLM and the Syndicate Members
Underwriting Agreement	The agreement amongst the Underwriters, our Company and the Selling Shareholder to be entered into on or after the Pricing Date
Working Days	Any day, other than Saturdays and Sundays, on which commercial banks in Mumbai are open for business, provided however, for the purpose of the time period between the Bid/Issue Closing Date and listing of the Equity Shares on the Stock Exchanges, "Working Days" shall mean all days excluding Sundays and bank holidays in Mumbai in accordance with the SEBI circular no. CIR/CFD/DIL/3/2010 dated April 22, 2010

Company Related Terms

Term	Description
Articles/ Articles of Association	Articles of Association of our Company
Auditor	The statutory auditor of our Company, Shaparia & Mehta, Chartered Accountants
Board/ Board of Directors	The board of directors of our Company or a duly constituted committee thereof
Coaching Centre	A unit where coaching services are provided by our Company for a particular stream. Each centre is headed by a centre coordinator or a centre head. More than one coaching centre may exist at the same location
Compulsorily Convertible Preference Shares	Compulsorily convertible preference shares of Rs. 10 each
Courses	The various courses conducted by our Company, including coaching for (i) IXth, Xth (School section), XIth and XIIth standard (Commerce and Science); (ii) engineering and medical CET, AIEEE; (iii) CPT, IPCC and CA Final conducted by ICAI; and (iv) graduation degree in Commerce
CPLPL	Chitale's Personalised Learning Private Limited
Director(s)	The director(s) of our Company
Equity Shares	Equity shares of our Company of face value of Rs. 10 each fully paid-up
Group Companies	Companies, firms and ventures promoted by our Promoter, irrespective of whether such entities are covered under Section 370(1)(B) of the Companies Act or not and disclosed in the section "Promoter, Promoter Group and Group Companies" on page 142
Helix	Helix Investments Company

Term	Description
HTLCL	HT Learning Centres Limited
Memorandum/ Memorandum of Association	Memorandum of Association of our Company, as amended
MTESPL	MT Education Services Private Limited
Promoter	The promoter of our Company, Mahesh R. Shetty. For details, please see the section "Promoter, Promoter Group and Group Companies" on page 142
Promoter Group	The persons and entities constituting our Promoter group in terms of Regulation 2(zb) of the SEBI Regulations and disclosed in the section "Promoter, Promoter Group and Group Companies" on page 142
Registered Office	The registered office of our Company, which is located at 220, 2nd Floor, "Flying Colors", Pandit Din Dayal Upadhyay Marg, L.B.S. Cross Road, Mulund (West), Mumbai 400 080
Students Serviced	The number of students from whom revenue has been recognised, in whole or part, based on the distinct Courses availed by them during the relevant Fiscal, in the Coaching Centres operated by our Company
Subsidiaries	The subsidiaries of our Company namely, MT Education Services Private Limited and Chitale's Personalised Learning Private Limited, as disclosed in the section "Our Subsidiaries" on page 140

Technical/Industry Related Terms

Term	Description
AIMA	All India Management Association
CA Final	Final chartered accountancy examinations conducted by ICAI
CA IPCC	Integrated Professional Competence Course for chartered accountancy conducted by ICAI, previously known as Professional Competence Course
CAT	Common Admission Test conducted by IIM
CBSE	Centralised Board of Secondary Education
CFP	Certified Financial Planner
CPT	Common proficiency test conducted by ICAI
ICAI	Institute of Chartered Accountants of India
ICSE	Indian School certificate Examinations
IIM	Indian Institute of Management
MAT	Management Aptitude Test conducted by the AIMA
PUC	Pre-University College
VSAT	Very Small Aperture Terminal

Conventional Terms/ Abbreviations

Term	Description
AED	United Arab Emirates Dirham
AGM	Annual General Meeting
AS/Accounting Standards	Accounting Standards issued by the Institute of Chartered Accountants of India
Bn	Billion
BSE	Bombay Stock Exchange Limited
CAGR	Compounded Annual Growth Rate
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identity Number
Companies Act	The Companies Act, 1956

Term	Description
Depositories	NSDL and CDSL
Depositories Act	The Depositories Act, 1996
DIN	Director Identification Number
DP ID	Depository Participant’s Identification
DP/Depository Participant	A depository participant as defined under the Depositories Act
EBITDA	Earnings before Interest, Tax, Depreciation and Amortisation
EGM	Extraordinary General Meeting
EPS	Earnings per share
EU	European Union
FCNR	Foreign Currency Non-Resident
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999 read with rules and regulations thereunder and amendments thereto
FEMA Regulations	FEMA (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended
FII(s)	Foreign Institutional Investors as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended, and registered with SEBI under applicable laws in India
Financial Year/Fiscal/FY	The period of 12 months ending March 31 of that particular year
FIPB	Foreign Investment Promotion Board of the Government of India
FVCI	Foreign Venture Capital Investors as defined and registered with SEBI under the SEBI (Foreign Venture Capital Investors) Regulations, 2000, as amended
GDP	Gross Domestic Product
GIR	General Index Register
GoI/Government	Government of India
HUF	Hindu Undivided Family
ICAI	Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards
Income Tax Act	The Income Tax Act, 1961
Indian GAAP	Generally Accepted Accounting Principles in India
IPO	Initial Public Offering
NA/n.a.	Not Applicable
National Investment Fund	National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India
NAV	Net Asset Value
NECS	National Electronic Clearing Service
NEFT	National Electronic Fund Transfer
NR/ Non-Resident	A person resident outside India, as defined under FEMA and includes a Non Resident Indian, FIIs registered with SEBI and FVCIs registered with SEBI
NRE Account	Non Resident External Account
NRI	A person resident outside India, who is a citizen of India or a person of Indian origin, and shall have the meaning ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2000
NRO Account	Non Resident Ordinary Account
NSDL	National Securities Depository Limited
NSE	The National Stock Exchange of India Limited
OCB/Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA. OCBs are not allowed to invest in this Issue

Term	Description
p.a.	Per annum
Partnership Act	Indian Partnership Act, 1932
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number
PAT	Profit After Tax
RBI	The Reserve Bank of India
RoC	The Registrar of Companies, Maharashtra located at 100, Everest, Marine Drive, Mumbai 400 002
RoNW	Return on Net Worth
`/Rs./Rupees	Indian Rupees
RTGS	Real Time Gross Settlement
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act, 1992
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI ESOP Guidelines	Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999
SEBI Regulations	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997
Securities Act	U.S. Securities Act, 1933
SICA	Sick Industrial Companies (Special Provisions) Act, 1985,
Sq. Ft./sq. ft.	Square feet
Sq. Mts./sq. mts.	Square metres
State Government	The government of a state in India
Stock Exchanges	The BSE and the NSE
Trusts Act	Indian Trusts Act, 1882
UAE	United Arab Emirates
UK	United Kingdom
US /United States/USA	United States of America
US GAAP	Generally Accepted Accounting Principles in the United States of America
USD/US$	United States Dollars
VAT	Value added tax
VCFs	Venture Capital Funds as defined in and registered with SEBI under the SEBI (Venture Capital Funds) Regulations, 1996

CERTAIN CONVENTIONS, PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

All references to “India” contained in this Draft Red Herring Prospectus are to the Republic of India.

Financial Data

Unless stated otherwise, the financial data included in this Draft Red Herring Prospectus is derived from the audited financial statements as of the nine months period ended December 31, 2010 and the years ended March 31, 2010, March 31, 2009, March 31, 2008 and March 31, 2007, prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with the SEBI Regulations. In this Draft Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All decimals have been rounded off to two decimal points.

Our Company’s financial year commences on April 1 and ends on March 31 of the next year, so all references to particular financial year, unless stated otherwise, are to the 12 months period ended on March 31 of that year.

Currency and Units of Presentation

All references to “`” or “Rupees” or “Rs.” are to Indian Rupees, the official currency of the Republic of India. All references to “US$” are to United States Dollars, the official currency of the United States of America. All references to “AED” are to the United Arab Emirates Dirham, the official currency of the United Arab Emirates.

Our Company has presented certain numerical information in this Draft Red Herring Prospectus in “lakhs” units. One lakh represents 1,00,000.

Industry and Market Data

The section “Industry Overview” quotes and otherwise includes information from a report commissioned by us, prepared by CRISIL Limited (“*CRISIL Research Report, State Coaching industry, April 2011*”) for the purposes of this Draft Red Herring Prospectus. We commissioned the CRISIL Research Report to obtain an independent assessment of the opportunities, dynamics and competitive landscape of the coaching industry in India. Except for the CRISIL Research Report, market and industry related data used in this Draft Red Herring Prospectus has been obtained or derived from publicly available documents and other industry sources. Industry sources and publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Accordingly, no investment decision should be made on the basis of such information. Although industry data used in this Draft Red Herring Prospectus is reliable, it has not been independently verified.

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 industry in which our Company conducts its business, and methodologies and assumptions may vary widely among different market industry sources.

FORWARD-LOOKING STATEMENTS

We have included statements in this Draft Red Herring Prospectus which contain words or phrases such as “will”, “aim”, “will likely result”, “believe”, “expect”, “will continue”, “anticipate”, “estimate”, “intend”, “plan”, “seek to”, “future”, “objective”, “project”, “should”, “will pursue” and similar expressions or variations of such expressions, that are “forward-looking statements”. Similarly statements which describe our strategies, objectives, plans or goals are also forward-looking statements.

These forward-looking statements are based on our current plans and expectations and actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties associated with our expectations with respect to, but not limited to:

- our ability to retain the present number of Students Serviced by us and attract new students;
- termination or non-renewal of the leases on which our Coaching Centres and centres operated by CPLPL and HTLCL are located;
- any change the existing regulations or introduce a new regulatory framework in the future that adversely impacts our business;
- our inability to implement our expansion projects;
- our inability to continue any of our Courses due to regulatory or other reasons;
- our inability to commence our new initiatives on time or at all;
- our inability to adapt and update our study materials and coaching methodologies in accordance with the changing syllabi and examinations patterns.

For further discussion of factors that could cause the actual results to differ from the expectations, please see the section “Risk Factors” on page xi. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

Forward-looking statements reflect the current views as of the date of this Draft Red Herring Prospectus and are not a guarantee of future performance. These statements are based on the beliefs and assumptions of our Company’s management, which in turn are based on currently available information. Although our Company believes the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Neither our Company, our Directors, the Selling Shareholder, the members of the Syndicate 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, our Company, Selling Shareholder and the BRLM will ensure that investors in India are informed of material developments until such time as the grant of listing and trading permissions by the Stock Exchanges for the Equity Shares Allotted pursuant to the Issue.

SECTION II: RISK FACTORS

An investment in the Equity Shares involves a high degree of risk. Investors should carefully consider all the information in this Draft Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in the Equity Shares. The risks and uncertainties described in this section are not the only risks that our Company currently faces. Additional risks and uncertainties not currently known to us or that are currently believed to be immaterial may also have an adverse impact on our business, results of operations and financial condition. If any of the following risks, or other risks that are not currently known or are currently deemed immaterial, actually occur, our business, results of operations and financial conditions could be materially and adversely affected and the price of our Equity Shares could decline, causing the investor to lose part or all of the value of their investment in the Equity Shares. The financial and other related implications of the risk factors, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are certain risk factors where the impact is not quantifiable and, therefore, cannot be disclosed in such risk factors.

This Draft Red Herring Prospectus also contains forward-looking statements that involve risks and uncertainties. Our Company's actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Draft Red Herring Prospectus. Please see the section "Forward-Looking Statements" on page x. To obtain a complete understanding, prospective investors should read this section in conjunction with the sections "Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 101 and 201, respectively, as well as the other financial and statistical information contained in this Draft Red Herring Prospectus.

INTERNAL RISK FACTORS

1. ***There is one outstanding criminal litigation involving our Director, which if determined adversely, may affect our business.***

   Dr. Chhaya Shastri and B. Satyanand Shastri have filed a criminal application (no. 376/2011) before the High Court of Bombay against CVK Associates, challenging an order dated April 23, 2009 passed by the Additional Chief Judicial Magistrate, Bandra, Mumbai. The order dated April 23, 2009 was passed to issue process in a criminal complaint (no. 25/SW/2009) filed by CVK Associates against Dr. Chhaya Shastri, B. Satyanand Shastri and others, alleging charges under various provisions of the Indian Penal Code, 1860 and the Maharashtra Ownership Flats Act, 1963 in connection with the execution of conveyance deed for the sale of certain flats owned by Dr. Chhaya Shastri and B. Satyanand Shastri. The High Court of Bombay has passed an order dated April 26, 2011 directing that this criminal application be placed along with the criminal application (no. 3456/2009) filed by Ashok Narayan Pathare in the same matter.

   An adverse outcome in this proceeding may have an adverse impact on our Company's business. Further, any adverse outcome in this proceeding may affect the reputation and may have an impact on the future business prospects. For further details, please see the section "Outstanding Litigation and Material Developments" on page 218.

2. ***Our ability to retain the present number of Students Serviced by us and attract new students is heavily dependent upon various factors including our reputation and our ability to maintain a high level of service quality. Any failure by us to retain or attract students may impact its business and revenues.***

   Our business heavily relies on our reputation as well as the quality and popularity of the services provided by us and our visibility and perception amongst students. It is important that we retain the trust placed by our students and their parents on our result oriented approach. We must also continue to attract new students and increase the number of Students Serviced by us at a consistent rate.

   We attempt to retain our position by maintaining quality and by our ability to improve and add value to the performance of the students enrolled for the Courses offered by us. This requires constant upgradation of the methodology and study material utilised along with ensuring that our faculty members are adequately equipped to instruct the students. Further, we rely on a variety of advertising efforts tailored to target the student community, such as advertising through print and electronic media, outdoor media, below the line advertising activities such as distributing leaflets, displays, brochures, and ambient media, amongst others. Prospective students also gain awareness of our Courses and quality of coaching at the Coaching Centres through interactions with the students presently enrolled in various Courses.

Further, due to the relatively low barriers of entry in the coaching sector, new entrants may compete with the existing players with lesser difficulty as compared to other sectors. Further, the coaching industry, specifically in the School Section, is perceived to be an industry in which scalability is difficult to achieve. This is primarily due to dominance of unorganized segment, varied syllabi across the states, high dependence on people, and price sensitive nature of the business. Whilst we believe that we have achieved reasonable scale in our business in the School Section, any decrease in Students Serviced by us or delay in our expansion plans may lead to slow down in our growth and scale.

Failure to maintain and enhance our reputation or any actual or perceived reasons leading to reduction of benefits from the Courses by the students or their parents or any negative publicity against us may affect the rate of enrolments and consequently, the Students Serviced by us. Further, if the students perceive that the locations of our Coaching Centres or the schedule or the coaching style are unsuitable to them, it may adversely impact our ability to retain and attract new students.

In the event of occurrence of any of the above mentioned risks, our existing students may not seek admissions for our other Courses leading to loss of our existing student base and we may be unable to attract new students. Any failure by us to retain or attract students may adversely impact our business and revenues.

3. ***If the performance of our students in the examinations does not match their or their parents' expectations, our reputation may be adversely affected and thereby lead to a loss in our business and revenues.***

We are an education support and coaching services provider for students in secondary and higher secondary school, and for students pursuing graduation degree in commerce, preparing for competitive examinations and chartered accountancy examinations. In addition to coaching, the individual performance of each student also depends on various factors including personal merit, ability to perform under pressure, physical health and mental state, all of which impacts the rank obtained by the student. The performance of the students enrolled in our Courses in a year determines the success rate of our business for that year. The quality of results of the students trained by us in a particular year impacts the number of enrolments for the future years and consequently our revenues could be adversely affected. Additionally, if certain students do not complete or drop-out of the Courses in which they are enrolled, their performance in the examination may be unsatisfactory and this may adversely impact our business and reputation.

The satisfaction of the students and quality of the services in terms of the coaching, providing study materials, and administration of classes benchmarks our service standards. We believe that before enrolling with any coaching services provider, the students consult the previous batch of students who had registered in that Course. Any kind of student dissatisfaction in relation to any of the services, facilities or methods may impact their judgment regarding the quality of services which may adversely impact our reputation and consequently, our business and profitability.

4. ***We generate a substantial portion of our revenues from the coaching services conducted for the School Section. If, for regulatory or other reasons, we discontinue any of these Courses, our revenues may be adversely affected.***

A significant proportion of our revenues are generated from the coaching services conducted for the School Section. These include coaching services conducted for students in the IXth and Xth standards, who appear for the examinations conducted by their respective schools as well as examinations conducted by the state education boards of Maharashtra (Marathi and English medium), Gujarat and Karnataka and by CBSE and ICSE. These Courses are offered across 92 Coaching Centres in the states of Maharashtra, Karnataka and Gujarat. The School Section contributed an aggregate of Rs. 4,228.12 lakhs in the Fiscal year ended March 31, 2010 and Rs. 4,127.50 lakhs for the nine month period ended December 31, 2010 constituting 49.28% and 48.17%, respectively, of our total revenue for that period. During Fiscal 2011, the number of Students Serviced in the School Section was 29,249 across Coaching Centres operated by our Company and 595 across Coaching Centres operated through franchisee arrangements.

Our revenues and growth are heavily dependent upon the number of Students Serviced by us in the School Section. Future enrolment of students in the School Section may vary due to changes in the examination pattern, syllabi or other reasons. Additionally, we may be forced to discontinue any of the School Section, partially or completely, due to regulatory or other reasons. This may affect our business and revenues adversely.

5. ***We are dependent on the services of our Promoter, Mahesh R. Shetty, our directors and the key members of our management team. Any loss of their services may impair our ability to operate effectively and may have an adverse impact on our business and financial condition.***

Our success depends largely on the continued services of Mahesh R. Shetty, our Promoter and the Managing Director of our Company. He has over 27 years of experience in the coaching sector. He plays a major role in providing vision, leadership and strategic guidance to us. As the Managing Director, he has substantial responsibilities for strategizing our growth. The loss of the services of Mahesh R. Shetty may have an adverse effect on our business, financial condition and results of operations. Further, we are also dependent on our directors for our future growth and strategies. Specifically, we have entered into an advisory services agreement with Prosynapse Consultants India Private Limited ("Prosynapse") wherein Prosynapse, through its director Dr. Chhaya Shastri, who is also a Director of our Company, has agreed to provide certain advisory services. For further details of the advisory services agreement, please see the section "History and Certain Corporate Matters – Summary of Key Agreements – Other Agreements" on page 123.

Additionally, we are also dependent on our key management personnel, to manage current operations, develop new projects and meet future business challenges. Attracting and retaining top quality managerial talent is essential for our continued growth. If any of our key management personnel are unable or unwilling to continue in their present positions or we are unable to find qualified persons for any of these positions, our business could be adversely affected.

6. ***All properties on which our Coaching Centres and centres operated by CPLPL and HTLCL are located have been leased. In the event of termination or non-renewal of the leases, our business and revenues may be adversely affected.***

All the properties on which our Coaching Centres and centres operated by CPLPL and HTLCL are located are held through leasehold interests. Certain of the leasehold interests are pursuant to lease agreements which do not provide for renewal of the lease and do not specify the maximum amount by which the lease payment may be increased in the event of renewal. The lease periods for the properties expire at regular intervals and we initiate the process of renewing such agreements.

Additionally, some of our Coaching Centres and centres operated by CPLPL and HTLCL are operated on properties which are consolidated by joining adjacent properties owned by multiple landlords and have been obtained on lease from each of the landlords by separate agreements with varying terms. Our inability to renew or extend the lease of any portion of the property from the respective landlord may jeopardize our operations on that location. Further, the renewal of the lease may be on substantially higher lease rentals or onerous lease terms. Additionally, if the terms of the leasehold interests expire, we may be unable to extend or renew these interests on economically viable terms or at all, which could result in our inability to continue to operate on those properties. Further, any adverse impact on the ownership rights of the landlords may impede the effective future operations of our Coaching Centres and centres operated by CPLPL and HTLCL. We cannot assure you that alternative premises will be available at the same or similar costs or locations, in a timely manner. This may have an adverse impact on our business, operations and revenues.

7. ***The coaching sector in which we operate is not specifically regulated. However, the central and state governments may change the existing regulations or introduce a new regulatory framework in the future. The impact of such changes or new regulations on the business cannot be ascertained presently and may affect our business adversely in the future.***

Our business presently is not specifically regulated either by any national or state legislations. The central or state governments may, however, change the existing laws or introduce new laws to regulate the education sector or, more specifically, the coaching business in relation to its operations, expansions, fee and other charges. The impact of such regulations on the business cannot be ascertained currently. Such regulations may curtail or impose additional and onerous obligations on our operations and may adversely impact our business. Further, the applicable laws may vary in each state which could restrict our operations to specific states and prevent or slow down our expansion in certain jurisdictions. These factors may result in an increase in operational costs to comply with such legislation and failure to comply may cause adverse impact to our business.

8. ***Our revenues vary in the fourth quarter as compared to the other three quarters as most examinations for IXth, Xth, XIth and XIIth standards are conducted in the months of February and March, thereby leading to a decrease in the number of classes as part of our Coaching Services during this period.***

In accordance with our Company's accounting policy, the fee paid to us for a particular Course, gets accrued over the duration of the Course when the classes are held. The months of February and March are when most of the examinations for IXth, Xth, XIth and XIIth standards are customarily conducted in India across schools and boards of education. This leads to a decrease in the number of classes being held as part of the coaching services during this period since most Courses conclude prior to the examination period of February and March. Thus, revenue recognized in the fourth quarter is lower than the other quarters. For the Fiscal year 2010, our revenue for the fourth quarter was approximately 19% of our total income for the Fiscal year 2010. This variation in the revenues may result in volatility and adversely affect the price of our Equity Shares.

9. ***We face risks and uncertainties associated with the implementation of expansion projects.***

Our business plan includes expansion of our Coaching Centres as well as the services and the Courses offered to students in various parts of the country. We propose to implement expansion projects by organic as well as inorganic methods like strategic acquisitions. However, our growth may be affected by non-compete arrangements entered into by us with third parties. For instance, under the terms of our Company's joint venture arrangement with HT Education Limited through its wholly owned subsidiary, MTESPL, our Company is restricted from undertaking classroom based (non-digital) coaching services in the northern and eastern states of India.

Further, we may also face other risks and uncertainties which may include:

a) funding anticipated to be deployed towards the cost of the new Coaching Centres or Courses not being available;
b) cost overruns primarily due to sudden increase in lease rentals of the preferred location of the Coaching Centres or increase in fee for the faculty members or inflation;
c) difficulties in recruiting, training and retaining sufficient skilled faculty members and technical, advertising and management personnel;
d) inability to or difficultly in satisfying student expectations;
e) inability to develop adequate internal administrative functions and systems and controls;
f) inability to integrate the acquired entities into our Company; and
g) acquisition of entities which subsequently become unprofitable or liabilities.

Further, failure to update and expand the Courses offered and study material to suit the requirements of students in a timely manner may have an impact on the enrolments. This may impact the initiation of the services offered and their continuance and the enrolments at the new Coaching Centres or the new Courses and consequently may impact our expansion plans, and consequently our business, operations and financial conditions.

10. ***Upon completion of the proposed acquisition of property in Mangalore, our Company may not hold, or may not be able to prove that it holds, good title to the property acquired by our Company.***

Our Company has entered into a memorandum of understanding dated May 14, 2011 with Rohan Monteiro, the owner of the property situated at Bangara Kuloor and Derebail village in Mangalore, Karnataka admeasuring 1.5 acres. We may not have good title to some or all portions of the land as a result of defective title of the prior owners of the land or non-execution or non-registration or inadequate stamping of conveyance deeds tracing the title and other acquisition documents, or may be subject to, or affected by, encumbrances of which we may not be aware. Further, a portion of the land which our Company proposes to acquire consists of agricultural land. The title to agricultural land is often fragmented and the land may, in many cases, have had multiple owners and claimants who may not have perfect title to it. Legal disputes in respect of land title can take several years and their outcome can be uncertain.

The land may also be subject to proceedings under applicable laws. A partition suit bearing number 231 of 2006 was initiated before the I Additional Civil Judge (Junior Division), Dakshina Kannada, Mangalore by Somappa Deviga and a preliminary decree has been obtained in his favour on March 23, 2007. No final decree has been obtained but the limitation period for appeals has passed.

Further, we may not be able to assess or identify disputes, unregistered encumbrances or adverse possession rights over title to the property. The failure to obtain good title to the land may materially prejudice the construction and development of the pre-university college for which that plot is proposed to be purchased and leased by our Company.

11. ***Due to our limited experience, some of our new initiatives may not commence on time or at all or may be discontinued.***

Whilst we are already in the business of providing coaching to students for competitive entrance examinations for engineering colleges, we proposes to expand the business to undertake coaching for other competitive exams. For instance, pursuant to the acquisition of CPLPL, our Company, through CPLPL, will be conducting Courses for students appearing for competitive entrance examinations for admissions to universities offering masters in business administration degrees. Introducing new initiatives requires strategic planning and the efficient use of resources. Also, due to our limited experience, we may face unanticipated hurdles which may affect the timeline or its ability to launch new initiatives. Further, we may seek to introduce new Courses by acquiring other entities or companies providing such services.

We may lack sufficient expertise and experience in these activities and this may impose additional strain on our resources and consume additional time and attention of our senior management. Further, some of these initiatives may fail to commence or may have to be abruptly discontinued at their early stages, due to regulatory, commercial or other reasons. We may fail to initiate or choose to discontinue the new initiatives if we do not attract significant number of students for the respective courses.

Additionally, in the Fiscal year 2011, we opened four new Coaching Centres in Maharashtra. The impact of these Coaching Centres on our revenues can be assessed only upon the completion of the academic year.

We may need to modify our systems and strategy or enter into arrangements with other institutions to provide new Courses effectively and profitably. If these new Coaching Centres and courses do not perform profitably, we may be forced to discontinue the arrangements, Coaching Centres or courses. Further, if any new Coaching Centres or courses are discontinued, the resources utilized for their establishment may not be recoverable. This may adversely affect our business, results of operation and revenues.

12. ***In the event our proposed arrangements with the MT Educare Charitable Trust to manage its pre-university colleges, specifically in relation to the college at Mangalore do not get executed as contemplated or pursuant to the execution are terminated due to business considerations or any legal or regulatory requirements, our business and financial conditions may be adversely impacted.***

Our Company intends to provide management and consultancy services to the pre-university colleges ("PUCs") operated by the MT Educare Charitable Trust (the "Trust"), an independent public charitable trust settled by our Promoter, Mahesh R. Shetty. The Trust presently operates PUCs in Mangalore and Udipi in Karnataka. The scope of management and consultancy services shall include advice on structuring of the PUC' courses/curriculum and classes, assistance and consultancy services with respect to recruitment of teachers for the PUC, training of the PUC' teachers, providing techniques based on usage of technology, management of tests/examinations conducted by the PUC, advising on and assisting with marketing activities of the PUC, infrastructure management/advisory and support services (including designing of classrooms and laboratories of the PUC and facilitating optimum utilisation by the PUC of the available infrastructure) and other administrative and information technology related services. Our Company may provide all or any of these services to the PUCs.

In relation to the PUC at Mangalore, our Company is proposing to enter into a management services agreement with the Trust. As part of these management services proposed to be provided by our Company to the Trust, our Company is proposing to enter into lease arrangements with the Trust in order to lease land and the building to the Trust for a period of 30 years for conducting the operations of the PUC and has entered into a memorandum of understanding in this regard. For further details, please see the section "Objects of the Issue" on page 69.

In the event the arrangements contemplated with the Trust are not executed, or are not executed in a timely manner or are terminated due to business considerations or legal or regulatory requirements, our Company may not be able to undertake the business of providing management services to the PUCs and may also lose the investments made by it to provide the services, specifically infrastructure services, to the Trust. Additionally, any business venture undertaken by our Company, which is dependent on the operations of the PUCs or the number of students admitted in the PUCs, may affect the investments made into and the revenue generated through such business activities by our Company. This may adversely impact the business and financial conditions of our Company.

13. ***Strong competition in the coaching sector could decrease our market share and compel us to either reduce the fee charged or increase the payments made to our faculty members. This may have an adverse impact on our enrolments, revenues and profitability.***

The coaching sector is highly fragmented and competitive. We not only compete with organized players but also a high percentage of unorganized entities such as individual tutors and small scale institutes. Some of them may pay better attention to the individual needs of the students and may be capable of providing more personalized services to each student due to the smaller number of students catered to by them. Further, these unorganized entities offer their services at highly competitive prices having well established presence in their local markets. In addition, there are minimal entry barriers in the coaching sector and hence we may also face competition from new entrants. Some of our faculty members, who disassociate themselves from us, may also compete with our Company.

Although, we generally prohibit our faculty members from engaging in business similar to us or competing with us, in any manner, during the term of their contract with our Company, this contract may not eliminate the risk pursuant to the termination of the contract of engagement. Such factors may put pressure on us to reduce the fee we charge our students. Further, our competitors may provide better remuneration to faculty members, which may compel us to increase the payments made by us to our faculty members. The fee charged for the services provided is an important factor considered by students and parents while selecting our coaching services. Whilst we have not reduced our fee previously, with the increasing number of competitors, we may be required to reduce the fee charged to attract new enrolments. Additionally, we may lose important faculty members if we are unable to match the remuneration offered by our competitors to the faculty members. Any reduction of fee charges or an increase in the payments to be made to the faculty members may have an adverse impact on the number of Students Services by us, our revenues and profitability.

14. ***Our future operating results are difficult to predict and may fluctuate or adversely vary from our past performance.***

Our operating results may fluctuate or adversely vary from past performances in the future due to a number of factors, many of which are beyond our control. Our results of operations during any financial year or from period to period may differ from one another or from the expected results operation. Our business, results of operations and financial condition may be adversely affected by, *inter alia*, a decrease in the growth and demand for the services offered by us, plagiarism by third parties of our study material, changes in government policy increasing the regulation of the education and coaching sector and any strategic alliances which may subsequently become a liability or non-profitable. Due to various reasons including the above, our future performance may fluctuate or adversely vary from our past performances and may not be predictable.

15. ***Our business depends in large part upon our faculty members and our ability to attract and retain them. Sudden decrease in the number of our faculty members due to attrition may affect our operations and business.***

The attrition rate of faculty members in the coaching industry is generally high due to the coaching industry being an extremely competitive market and lower barriers of entry for new players. Any decrease in the number of our faculty members will affect the operations and continuity in the Coaching Centres. Our Company operates through the 'faculty empowerment' model through which we operate, wherein the faculty members are provided a role in the business and rewarded for their contribution in the growth. Further, an independent trust, the MT Associate Trust, funded by our Promoter, has been set up, to which our Company has issued 6,80,966 Equity Shares for the exclusive purpose of transfer of these shares to our faculty members on the recommendations of our Company. However, we cannot assure you that the remuneration policy or the human resource strategy in place will be sufficient to retain the services of the faculty members or obtain new faculty members. Any sudden decrease in the number of the faculty members leading to attrition will affect our business and any delay or difficulties in finding requisite number of faculty members in a timely manner may affect our operations and consequently our business.

16. ***We have entered into contracts with our faculty members in relation to their terms of appointment and employment. If we are unable to renew the term of employment of the faculty members, we will lose the faculty members.***

We engage our faculty members pursuant to contractual arrangements. The term of the agreement is usually three years. Upon expiration of the term of the contractual arrangement, if we are unable to renew the term of employment of the faculty members, we will lose the faculty members. This may disrupt the operations of certain of our Coaching Centres for the immediate period till suitable arrangements can be made by us. Additionally, we may face difficulties, delays or other challenges in finding similarly qualified replacement for the resigning faculty members and this may affect our business, reputation and revenues to that extent.

17. ***We have entered into business tie-up agreements with individuals, in addition to our faculty members, who structure and manage the various Courses offered by us. We have also entered into core faculty agreements with certain of our faculty members to manage some of our Coaching Centres. Any disruption in the services provided by these individuals may affect our business and financial condition.***

We have entered into a business tie-up agreement with an individual, in addition to our faculty members, for conducting coaching for the CFP Course. We have also entered into three core faculty agreements with our faculty members conducting and managing classes for the Commerce Section at three locations in Chennai, Tamil Nadu. For further details, please see the section 'Business' on page 101. Operations of the Courses and these Coaching Centres are highly dependent on the performance and availability of these individuals. Our Company may continue to enter into such arrangements in the future. In the event of any disruptions or discontinuance of services by such individuals under the business tie-up or core faculty agreements, our business and revenues may be adversely affected.

18. ***Our inability to adapt and update our study materials and coaching methodologies in accordance with the changing syllabi and examinations patterns may affect our business.***

The syllabi for standards in the secondary and higher secondary segment are updated periodically subject to the discretion of the Government. Further, the patterns of examinations may be modified by reducing the time period of the examination or altering the nature of questions included in these examinations. In relation to competitive examinations, the formats and difficulty levels may also vary.

In case of such alterations, updations or revisions, the study materials, coaching and testing methodologies and structure of the Courses have to be modified to suit the new syllabi. This requires considerable planning and may be time consuming. Further, this may also require additional training to be provided to our faculty members in relation to inclusion of new and advanced topics in the syllabi and including better and improved methods. Faculty members heading a subject stream is trained on a weekly basis for providing innovative teaching methodologies and updating with recent trends. Failure to update the syllabi and to engage, train and retain adequately qualified faculty members may affect our ability to adapt to the changed syllabi and consequently, may affect our business, reputation and revenues.

19. ***We may discontinue the operations of any of our new initiatives or Coaching Centres, partially or completely, if they fail to prove profitable or cease to be economically viable.***

We continue to explore our business opportunities and introduce various new initiatives and Courses, including new Coaching Centres, as part of our expansion. Some of these new initiatives or Coaching Centres may fail to commence operations due to various factors and we may be forced to discontinue such operations partially or completely, which may lead to loss of the investments made by us in setting up these initiatives, Courses or Coaching Centres. We may stop or reduce operations of a new initiative or a Coaching Centre due to various reasons, including high rental costs or unavailability of adequate infrastructure for operations or lack of expected enrolments or unavailability of faculty members. Such discontinuation may adversely affect our business and results of operation.

20. ***The Ministry of Human Resource Development of the Government of India and the CBSE have, through various circulars, made the annual examinations conducted for X^{th} standard students studying in schools affiliated with the CBSE, optional from the academic year 2010-11. Our revenues may be adversely affected as our Company and our wholly owned subsidiary, MTESPL, are involved in providing coaching services for the X^{th} standard examinations conducted by the CBSE.***

The Ministry of Human Resource Development of the Government of India, along with CBSE, through various circulars, have made the annual examinations conducted for X^{th} standard students studying in schools affiliated with the CBSE, optional from the academic year 2010-11 (the “Change in Policy”).

Our Company undertakes coaching services in Maharashtra for students studying in schools affiliated with the CBSE through 12 Coaching Centres. Further, our wholly owned subsidiary, MTESPL, has entered into a joint venture agreement with HT Education Limited to set up HT Learning Centres Limited (“HTLCL”) to provide classroom based (non-digital) coaching services under the brand “*Study Mate – Powered by MT Educare*” in northern and eastern states of India. HTLCL has recently started providing coaching services at six locations in New Delhi and Gurgaon for secondary and higher secondary students appearing for examinations under the CBSE curriculum.

Pursuant to the Change in Policy, the enrolments for the Courses offered for CBSE examinations may decrease. If the demand for these Courses decreases, we may have to reduce or discontinue these Courses. Further, we may be forced to shift our resources and focus to other Courses in which we may not be sufficiently equipped or may find it difficult to compete with the established players. Additionally, we may not be able to find suitable alternative to utilize the resources engaged in these Course leading to loss of investments utilised in acquiring such resources.

21. ***We operate some of our Coaching Centres through franchisee arrangements, which leads to our limited control on the operations and the risk of discontinuation of the Coaching Centres, which may impact our reputation, business and financial conditions adversely.***

We operate 28 Coaching Centres through franchise arrangements in Maharashtra at Nashik, Aurangabad, Nagpur, Kolhapur, Sangli, Nashik Road, Ahmednagar and Jalgaon, wherein we enter into franchisee agreements (“Franchisee Agreement”) with third party franchisees (the “Franchisee”), to conduct and operate Coaching Centres under the ‘Mahesh Tutorials’ brand. For further details of such arrangements, please “Our Business – Franchisee Arrangements”. Our Company proposes to expand in existing markets, particularly in Maharashtra except for Mumbai and Pune, through the franchise arrangements also.

All of the Franchisee operated Coaching Centres currently are located outside of Mumbai. Thus, whilst we lay down standard operating guidelines for the Franchisees and provide the study and test materials, we may have a lesser control on the operations of these Coaching Centres as compared to Coaching Centres operated through our Company. Further, we are not involved in the marketing activities of these Coaching Centres. Thus, in the event the Franchisee fails to operate the Coaching Centre in manner as stipulated in terms of the Franchisee Agreement or has different strategic priorities, then it may impact our reputation and the profitability of that Coaching Centre. In the event, the Franchisee ceases to operate the Coaching Centre in accordance with our instructions, it may lead to termination of the Franchisee Agreement by us and we may be compelled to discontinue the Coaching Centre, permanently or temporarily. Such a discontinuation may impact the students enrolled in the particular Coaching Centre adversely and consequently, have an adverse impact on our reputation.

Further, whilst the Franchisee cannot operate similar business as our business during the term of the Franchisee Agreement and a year after its termination, the Franchisee may operate a similar business thereafter using the goodwill and reputation created while operating the our Coaching Centre. Further, the non-compete restrictions are for a short period of time and we may be unable to enforce the restrictions. This may cause loss of business for our Coaching Centres in the jurisdictions where such Franchisee operates and consequently impact our business and financial conditions adversely.

22. ***Most of our Coaching Centres are located in Mumbai. Due this geographic concentration of the Coaching Centres, our results of operation and growth might be restricted to the economic and demographic conditions of Mumbai.***

Our business is heavily dependent on the performance of our Coaching Centres in Mumbai where we have an aggregate of 138 Coaching Centres at 85 locations as on May 15, 2011. In the event of a natural calamity, economic slowdown or any disruption in Mumbai, or any developments that makes it difficult for us to conduct these Coaching Centres in Mumbai, economically and otherwise, we may experience more pronounced effects on our results of operations, financial condition and cash flows than if it were further diversified across different geographical locations. Though, we presently operate a total of 24 Coaching Centres across Karnataka, Gujarat, Tamil Nadu and other cities of Maharashtra, our business, results of operations and financial condition have been and will continue to be largely dependent on the prevailing conditions in Mumbai.

23. ***Existing and future strategic alliances or acquisitions may have a material and adverse impact on our business, reputation and results of operations.***

We have in the past acquired the businesses of entities providing coaching services in order to increase our market share and better resources. We acquired Scholar’s Learning Centre in 2008 and 51% of the shareholding of CPLPL in 2011. We will evaluate and continue to explore and acquire entities or enter into strategic alliances with various third parties for inorganic growth.

Pursuant to such acquisitions, we typically assume all rights and liabilities of the acquired entities which may impose a strain on our resources. Our ability to achieve the benefits we anticipate from our acquisitions, such as the acquisition of CPLPL, will depend upon our ability to integrate the businesses of the acquired entity with our Company in an efficient and effective manner. The integration process requires coordination and substantial management time and energy and may involve unforeseen difficulties that could require significant time and attention of our management.

Further, future acquisitions and strategic alliances with third parties could subject us to risks including risks associated with non-performance by the counter-party which may adversely affect our business. Also, some of the acquired entities may carry liabilities which may not be apparent at the time of acquisition and may adversely impact our business and revenues. There can be no assurance that we will be able to successfully execute future acquisitions or efficiently manage the businesses we acquired or may acquire or may not be able to integrate acquired entities into existing business operations. We may, if required due to regulatory, commercial or other reasons, choose to discontinue the acquisition or alliance which may affect our business and revenues.

24. ***We have entered into certain agreements which contain a buy-out arrangement or a pre-emptive right, which if exercised, may have an adverse impact on our business operations and financial conditions. We may enter into agreements in the future that contain similar provisions.***

We are a party to certain agreements, which provide an obligation on or a right to our Company to buy out the shareholding of other parties in its subsidiaries/joint ventures at a price specified in such agreements.

In terms of the acquisition agreement entered into by our Company with CPLPL and its erstwhile promoters (the "Sellers") dated January 22, 2011, we have acquired 51% of the shareholding of CPLPL and the Sellers have an option to obligate us to buy the remaining shareholding of CPLPL post March 31, 2015. Further, in terms of the joint venture agreement entered into between our wholly owned subsidiary, MTESPL, and HT Education Limited dated January 21, 2010, for setting up a joint venture company for undertaking operations in the northern and eastern states of India, upon expiry of the lock-in period of five years, either party may sell its shareholding to a third party, subject to the pre-emption right of the non-selling shareholder over the shareholding of the selling shareholder.

Any exercise of the buy-out provisions or pre-emption rights in terms of the agreements mentioned above, or in the future agreements, will require equity contribution by our Company, which may have an adverse impact on our financial condition.

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

We have not paid any dividends in the last three Fiscal years. Our future ability to pay dividends will depend on our earnings, financial condition and capital requirements. Dividends distributed by us will attract dividend distribution tax at rates applicable from time to time. There can be no assurance that we will generate sufficient income to cover the operating expenses and pay dividends to the shareholders.

Our ability to pay dividends will also depend on our expansion plans. We may be unable to pay dividends in the near or medium term, and the future dividend policy will depend on the capital requirements and financing arrangements for the business plans, financial condition and results of operations.

26. ***We have not registered some of the trademark used by us for certain Courses and initiatives and have no statutory protection in relation to the same.***

We conduct our operations and Coaching Centres under the brand 'Mahesh Tutorials' and use the logo . We have registered this logo as our trademark in accordance with the Trademarks Act, 1999 under Class 41 which deals with education, providing of training, entertainment, sporting and cultural activities with the Registrar of Trademark. We also use the logo for our business and corporate purposes and this logo is registered under class 41 of the Trademarks Act, 1999. Presently there are no third parties using the same or similar logo or trademark but we may face disputes or litigation from other parties in future in relation to the logo or trademark.

Further, we also conduct business under trademarks such as "*MT Edu Solutions*", "*Hum Se Puchoo*", "*Mahesh Tutorials School Section*""*Mahesh Tutorials Commerce*", "*Mahesh Tutorials Sciences*", "*Scholars' Coaching Center*", "*global champs*" "*INK – Interractive Network Knowledge*" and "*TAT – Technology Aided Teaching*" . Of these, we have obtained registration for certain trademarks such as MT EduSolutions, TAT – Technology Aided Teaching and Hum Se Puchoo. We have applied for the registration of the remaining trademarks. If we fail to receive the requisite registration, we may have to discontinue using these marks. This may affect our brand value and consequently our business and financial condition.

27. ***The intellectual property developed by us has not been registered under the patent or copyright laws of India.***

In relation to our study materials, we have not obtained copyright registrations for any of our products or materials. We have made an application dated April 30, 2011 for obtaining copyright for the material used in technology aided training of certain subjects in relation to the syllabi for IX[th] and X[th] standards under Maharashtra State Board of Secondary and Higher Secondary Education. In the event of a dispute with respect to our copyright in any of our products or materials, we may not be able to adequately protect its intellectual property rights over the material.

In relation to our study materials in electronic format, while we employ certain measures to avoid copying, transmitting or plagiarism of the information by any person, our efforts to protect the content developed by us may not be adequate to prevent misappropriation or to detect unauthorised use and take appropriate steps to enforce our rights in relation to the content developed by us.

Also, our competitors may independently develop similar products or duplicate our products or services. The misappropriation or duplication of our products could disrupt the ongoing business, distract management and employees, reduce revenues and increase expenses. In the future, litigation may be necessary to enforce our rights in relation to the content developed by it or to determine the validity and scope of the proprietary rights of others. Any such litigation could be time-consuming and costly.

28. **There are outstanding legal proceedings involving the Promoter, Directors and the Group Company.**

There are outstanding legal proceedings involving the Promoter, Directors and the Group Company. These proceedings are pending at different levels of adjudication before various courts, tribunals, enquiry officers, appellate tribunals and arbitrators. For further details, please see the section "Outstanding Litigation and Material Developments" on page 218. In addition, further liability may arise out of these claims. The details of such outstanding litigation as at the date of the Draft Red Herring Prospectus are as follows:

Litigation against our Directors

Sr. No.	Nature of cases	No. of outstanding cases	Amount involved (*in Rs*)
1.	Tax Litigation	2	15,13,184
2.	Property Litigation	1	-

Litigation against our Promoters

Sr. No.	Nature of cases	No. of outstanding cases	Amount involved (*in Rs.*)
1.	Tax Litigation*	2	15,13,184

** These proceedings are against Mahesh R. Shetty, who is also our Chairman and Managing Director. These proceedings are also included in the table above on litigation against our Directors.*

Litigation against our Group Companies

Sr. No.	Nature of cases	No. of outstanding cases	Amount involved (*in Rs.*)
1.	Tax Litigation	2	-
2.	Property	5	-
3.	Civil	1	-
4.	Consumer	1	-

An adverse outcome in any of these proceedings may affect our reputation and standing and could have an adverse effect on our business, financial condition and results of operations. For further details of outstanding litigation, please see the section "Outstanding Litigation and Material Developments" on page 218.

29. ***We may not be able to renew, maintain or obtain the requisite permits and approvals in future and this may affect our business and operations.***

Failure to renew, maintain or obtain the required permits or approvals at the requisite time may result in the interruption of our operations and may have an adverse impact on our business, financial condition and results of operations. We have not obtained approvals under the Bombay Shops and Establishment Act, 1948 in relation to the centres operated at four loctions by our Subsidiary, CPLPL and we propose to apply for these approvals at the earliest.

Further, it cannot be assured that the approvals, licenses, registrations and permits issued to us would not be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. Any failure to renew the approvals that have expired or apply for and obtain the required approvals, licenses, registrations or permits, or any suspension or revocation of any of the approvals, licenses, registrations and permits that have been or may be issued to us, may impede our operations. We may need to apply for more approvals in the future including renewal of approvals that may expire from time to time. There can be no assurance that the relevant authorities will issue such permits or approvals in the timeframe anticipated or at all. For details, please see the section "Government Approvals" on page 225.

30. ***We will have considerable discretion as to the use of the Net Proceeds from this Issue and it is not subject to monitoring by any independent agency.***

The allocation of the Net Proceeds from this Issue is based on our current plans and business conditions. The amounts and timing of any expenditure will vary depending on the amount of cash generated by our operations, competitive, market as well as technological developments, and the number and type of new acquisitions and investments undertaken by us. Accordingly, subject to the section "Objects of the Issue" on page 69, our management will have considerable discretion in the application of the Net Proceeds from this Issue. The management's judgment will have to be relied upon regarding the application of the Net Proceeds of the Issue. Any change in the allocation of Net Proceeds will however be subject to the approval of the shareholders of our Company after the completion of the Issue. In view of the highly competitive nature of the industry in which we operate, our management may have to revise the management estimates from time to time and consequently, the programs for deployment of Net Proceeds may be rescheduled.

31. ***Our contingent liabilities could adversely affect our financial condition.***

As of December 31, 2010, we had contingent liabilities as disclosed in the section "Financial Statements" on page 152. There can be no assurance that we will not incur similar or increased levels of contingent liabilities in the current Fiscal year or in the future.

32. ***Our insurance coverage may not adequately protect us against certain operating hazards and this may have an adverse impact on our business.***

Our insurance policies currently consist of standard fire and special perils policies for our registered office and various leased premises. We also maintain office package policies to cover risks of burglary, and breakdown of office and electronic equipment. Additionally, we maintain key man insurance policy for Mahesh R. Shetty, our Chairman and Managing Director. There can be no assurance that any claim under the insurance policies maintained by us will be honoured fully, in part or on time. To the extent that we suffer any loss or damage that is not covered by insurance or exceeds the insurance coverage, our results of operations could be adversely affected. We do not maintain a directors and officers liability insurance policy for the directors or key managerial personnel of our Company. For details of our insurance cover, please see section "Business-Insurance" on page 115.

33. ***We will continue to be controlled by our Promoter and Promoter Group after the Issue.***

Currently, our Promoter and Promoter Group together own an aggregate of 48.21% of the outstanding Equity Shares. After the completion of the Issue, our Promoter and Promoter Group will control, directly or indirectly, [●]% of the outstanding Equity Shares, representing [●]% of the total voting power of the outstanding Equity Shares post-offering. Our Promoter and Promoter Group will have the ability to exercise control over us and certain matters requiring shareholder approval. The extent of their shareholding in our Company may also delay, prevent or deter a change in control, even if such a transaction is beneficial to the other shareholders. It may deprive the other shareholders of an opportunity to receive a premium for their Equity Shares as part of a sale of our Company and may reduce the price of our Equity Shares. The interests of our Promoter and Promoter Group as the controlling shareholders could also conflict with the interest or the interests of the other shareholders. It cannot be assured that our Promoter and Promoter Group will act to resolve any conflicts of interest in the favour of our Company, and they may take actions that are not in the best interest of our Company or the other shareholders. These actions may be taken even if they are opposed by the other shareholders, including those who have purchased our Equity Shares in this Issue. For further details, please see the section "Promoter, Promoter Group and Group Companies" on page 142.

34. ***We have entered into, and will continue to enter into, related party transactions.***

We have entered into transactions with certain related parties, including our Group Companies and Directors. For further details regarding the related party transactions, see the disclosure on related party transactions contained in the restated financial statements included in this Draft Red Herring Prospectus and, also see the section "Related Party Transactions" on page 150.

35. ***The grant of options under our ESOP 2011 – I and ESOP 2011 – II will result in a charge to our profit and loss account and may adversely impact our net income.***

Our Company follows the fair value method for the accounting of employee compensation cost on options granted, pursuant to which, if the exercise price of any options granted is lower than the fair value of the Equity Shares, calculated in terms of schedule III of the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (the "Fair Value") at the time of grant, it will result in a charge to our profit and loss account on a straight line basis over the period of vesting, equal to the product of the number of Equity Shares granted and the difference between the exercise price and the Fair Value at the time of grant.

We established the ESOP 2011 – I in April 8, 2011, pursuant to Board and Shareholders' resolutions dated April 8, 2011 and April 13, 2011, respectively, wherein we granted 1,40,886 options convertible into up to 1,40,886 Equity Shares at face value of the Equity Shares, i.e. Rs. 10 per Equity Shares while the Fair Value of the options at the time of the grant was Rs. 25.96 per option. These options were converted into 1,40,886 Equity Shares of our Company on June 11, 2011 by the employees. Thus, our Company will have to account for Rs. 36,57,400.56 as employee compensation cost in relation to options issued under the ESOP 2011 – I for Fiscal 2012.

Further, we established the ESOP 2011 – II in April 8, 2011, pursuant to Board and Shareholders' resolutions dated April 8, 2011 and April 13, 2011, respectively, wherein we have granted 272,912 options convertible into up to 272,912 Equity Shares at face value of the Equity Shares, i.e. Rs. 10 per Equity Shares while the Fair Value of the options at the time of the grant was Rs. 28.69 per option. These options shall vest in three tranches over a period of three years or one year from the date of listing, whichever is later. Thus, our Company will have to account for Rs. 78,29,845.28 as employee compensation cost in relation to options issued under the ESOP 2011 – II which will be amortized over the vesting period of the options, being three years from the date of grant of the options.

Further, we may continue to introduce such employee stock option schemes in the future, where we issue options to our employees at substantial discount to the market price of the Equity Shares, which may have an adverse impact on our results of operations and financial condition. The holders of our Equity Shares may experience dilution of their shareholding to the extent that we issue any Equity Shares pursuant to any options issued under our employee stock option schemes.

36. ***We have referred to the data derived from industry reports commissioned from the CRISIL Limited.***

We have retained the services of an independent third party research agency, CRISIL Limited, to prepare a report on the coaching industry in Maharashtra, Karnataka, Tamil Nadu and Gujarat. Their report is based upon various limitations and assumptions that are subjective. There can be no assurance that the assumptions adopted by this third party agency for the purposes of preparing their research report will prove to be accurate. If any of these assumptions are incorrect, the coaching industry could be materially different from that set forth in the reports. Accordingly, investors are advised not to place undue reliance on the data derived from the report in their investment decisions.

37. ***Within the last 12 months, Equity Shares have been issued to MT Associate Trust and under ESOP 2011 – I at a price lower than the Issue Price.***

We have issued 6,80,966 Equity Shares to the MT Associate Trust and 1,40,886 Equity Shares to certain of our employees under ESOP 2011-I within the last 12 months. For further details, please see the section "Capital Structure" on page 54. The price at which Equity Shares have been issued in the past 12 months is not indicative of the price at which Equity Shares may be offered in the Issue or at the price at which they will trade upon listing.

38. ***Our Subsidiaries and some of our Group Companies have incurred losses during the last two Fiscal years.***

Our Subsidiaries and some of the Group companies have incurred losses and/or have had negative net worth during the last two Fiscal Years (as per their respective audited standalone financial statements), as set forth below:

(Rs. in lakhs)

Sr. No.	Name of the Subsidiary or Group company	Fiscal 2010		Fiscal 2009	
		Net worth	Profit/(Loss) after tax	Net worth	Profit/(Loss) after tax
Subsidiaries					
1.	MTESPL*	0.24	(0.76)	-	-
2.	CPLPL**	0.09	(0.06)	-	-
Group Companies					
	Companies				
3.	Prithviraj Shares and Securities Private Limited	0.41	(0.20)	0.62	(0.38)
4.	Neptune Ventures and Developers Private Limited	121.92	3,817.64	(304.27)	(294.28)
	Partnerships				
5.	Neptune Developers	N.A.	0.00	N.A.	(0.84)
	Trusts				
6.	Global Education Trust	N.A.	2.66	N.A.	(0.22)
7.	Neptune Foundation***	N.A.	(0.02)	-	-

**CPLPL was incorporated in the Fiscal 2009-2010. CPLPL was acquired and is a 51% Subsidiary with effect from February 1, 2011.*
***MTESPL was incorporated in the Fiscal 2009-2010. MTESPL was a Group Company till April 6, 2011 and has subsequently been made into a 100% Subsidiary with effect from April 7, 2011 pursuant to acquisition by our Company.*
**** Neptune Foundation is a trust formed by a deed dated April 17, 2009.*

For further details, please see the section "Our Subsidiaries" and "Promoter, Promoter Group and Group Companies" on pages 140 and 142.

39. ***We have availed a non-fund based facility from Citibank N.A. which is repayable on demand. In the event the lender calls on the outstanding amount payable by our Company under this facility, we may need to find alternative sources of financing, which may not be available on commercially reasonable terms or at all.***

Our Company has availed a non-fund based facility in the form of bank guarantee, up to a limit of Rs. 30 lakhs from Citibank N.A. which is repayable on demand. Our Company has created a first charge in favour of Citibank N.A. on its present and future book debts, outstanding monies, receivables, claims and bills which form part of the current assets of our Company to the extent of Rs. 30 lakhs along with all the benefits and legal incidence thereof. In the event of the lender demanding repayment and our Company being unable to repay the outstanding amount within the stipulated time, the lender may enforce the security attached. We may also require alternative sources of financing, which may not be available on commercially reasonable terms or at all. For further details, please see the section "Financial Indebtedness" on page 217.

40. ***Any future issuance of Equity Shares may dilute your shareholdings, and sales of the Equity Shares by our Promoter or other major shareholders may adversely affect the trading price of the Equity Shares.***

Any future equity issuances by us, including a primary offering, may lead to the dilution of investors' shareholdings in our Company. Under the Securities Contracts (Regulation) Rules, 1957, as amended ("SCRR"), listed companies are required to maintain public shareholding of at least 25% of their issued share capital. Pursuant to the Securities Contracts (Regulation) (Amendment) Rules, 2010, notified on June 4, 2010, the SCRR were amended to define 'public shareholding' to refer to persons other than a company's promoter and promoter group and subsidiaries and associates, and excluding shares held by a custodian against which depository receipts have been issued overseas. After listing, we are required to maintain the public shareholding to bring the total public shareholding to at least 25% of the issued share capital of our Company within a period of three years from the date of listing. Our Promoter, Mahesh R. Shetty, currently holds 48.21% of the equity share capital and after this Issue, the public shareholding in our Company will be [●]. Failure to comply with the minimum public shareholding provision would require a listed company to delist its shares and may result in penal action being taken against the listed company pursuant to the SEBI Act.

Any future equity issuances by us or sales of the Equity Shares by our Promoter or other major shareholders, including issuances made pursuant to the employee stock options instituted by us or to comply with minimum public shareholding requirements, may adversely affect the trading price of the Equity Shares. In addition, any perception by potential investors that such issuances or sales might occur could also affect the trading price of the Equity Shares. For further details on ESOP 2011 – I and ESOP 2011- II, please see the section "Capital Structure" on page 54.

EXTERNAL RISK FACTORS

41. ***After the Issue, the price of our Equity Shares may be volatile, and the prospective investor 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 stock exchanges may not develop or be sustained after the Issue. The Issue Price of our Equity Shares may bear no relationship to the market price of our Equity Shares at the time of commencement of trading of our Equity Shares or at any time thereafter. The market price of our Equity Shares at such times may be subject to significant fluctuations in response to, among other factors, variations in the operating results, market conditions specific to the sector we operate in, developments relating to India and volatility in the Stock Exchanges and securities markets elsewhere in the world.

42. ***There is no guarantee that the Equity Shares will be listed on the BSE and the NSE in a timely manner or at all.***

We intend to list its Equity Shares on the BSE and the NSE. Pursuant to Indian regulations, certain actions, such as crediting of demat accounts, must be completed before the Equity Shares can be listed and trading may commence. In addition, 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 other relevant documents authorizing the issuing of Equity Shares to be submitted. There could be a failure or delay in listing the Equity Shares. We cannot assure the prospective investors that the Equity Shares will be credited to investors' demat accounts, or that trading in the Equity Shares will commence, in a timely manner or at all. Any failure or delay in obtaining the approvals would restrict your ability to dispose of your Equity Shares.

43. ***Global economic conditions were unprecedented and challenging and have had, and continue to have, an adverse impact on the Indian financial markets and the Indian economy in general, and which, given the same economic conditions may in future have a adverse impact on our business and financial performance and may have an impact on the price of the Equity Shares.***

Global market and economic conditions were unprecedented and challenging with tighter credit conditions and recession in most major economies continuing into 2009. Continued concerns about the systemic impact of potential long-term and wide-spread recession, energy costs, geopolitical issues, the availability and cost of credit, and the global housing and mortgage markets have contributed to increased market volatility and diminished expectations for western and emerging economies. These conditions, combined with volatile oil prices, declining business and consumer confidence and increased unemployment, have contributed to volatility of unprecedented levels.

As a result of these market conditions, the cost and availability of credit has been and may continue to be adversely affected by illiquid credit markets and wider credit spreads. Concern about the stability of the markets generally and the strength of counterparties specifically has led many lenders and institutional investors to reduce, and in some cases, cease to provide credit to businesses and consumers. These factors have led to a decrease in spending by businesses and consumers alike and corresponding decreases in global infrastructure spending and commodity prices. Continued turbulence in the international markets and economies and prolonged declines in business consumer spending may adversely affect our liquidity and financial condition including our ability to refinance maturing liabilities and access the capital markets to meet liquidity needs. These global market and economic conditions have had, and continue to have, an adverse impact on the Indian financial markets and the Indian economy in general, and which, given the same economic conditions, may in future have a adverse impact on our business, financial performance and may adversely affect the prices of the Equity Shares.

44. ***Increases in interest rates may affect our results of operations.***

We do not currently have any debt, but it cannot be assured that we will not incur indebtedness with a floating rate of interest in the future. As such, increases in interest rates may adversely affect the cost of our future borrowings.

We do not currently enter into any interest rate hedging or swap transactions. It cannot be assured to the prospective investor that we, if we do not enter into any interest rate hedging or swap transactions, will be able to do so on commercially reasonable terms, or that any of such agreements will protect us fully against interest rate risk. Any increase in interest expense may have an adverse impact on our business, prospects, financial condition and results of operations.

45. ***Political instability or a change in economic liberalization and deregulation policies could seriously harm business and economic conditions in India generally and our business in particular.***

The Government of India has traditionally exercised and continues to exercise influence over many aspects of the economy. The business and the market price and liquidity of the Equity Shares may be affected by interest rates, changes in Government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India. The Government of India has in recent years sought to implement economic reforms and the current government has implemented policies and undertaken initiatives that continue the economic liberalization policies pursued by previous governments. There can be no assurance that liberalization policies will continue in the future. The rate of economic liberalization could change, and specific laws and policies affecting the information technology sector, foreign investment and other matters affecting investment in the securities could change as well. Any significant change in such liberalization and deregulation policies could adversely affect business and economic conditions in India, generally, and our business, prospects, financial condition and results of operations, in particular.

46. ***Our ability to raise foreign capital may be constrained by Indian law. The limitations on foreign debt may have an adverse impact on our business growth, financial condition and results of operations.***

As an Indian company, we are subject to exchange controls that regulate borrowing in foreign currencies. Such regulatory restrictions limit our financing sources and hence could constrain our ability to obtain financings on competitive terms and refinance future indebtedness. In addition, it cannot be assured to the prospective investor that the required approvals will be granted to us without onerous conditions, or at all. The limitations on foreign debt may have an adverse impact on our business growth, financial condition and results of operations.

47. ***Government regulation of foreign ownership of Indian securities may have an adverse impact on the price of the Equity Shares.***

Foreign ownership of Indian securities is subject to Government regulation. Under foreign exchange regulations currently in effect in India, under certain circumstances the RBI must approve the sale of the Equity Shares from a non-resident of India to a resident of India or vice-versa if the sale does not meet the requirements of the RBI Circular dated October 4, 2004, as amended by the RBI Circular dated May 4, 2010. The RBI must approve the conversion of the Rupee proceeds from any such sale into foreign currency and repatriation of that foreign currency from India unless the sale is made on a stock exchange in India through a stock broker at the market price. As provided in the foreign exchange controls currently in effect in India, the RBI has provided the price at which the Equity Shares are transferred based on a specified formula, and a higher (or lower, as applicable) price per share may not be permitted. There are also restrictions on sales between two non-residents if the acquirer is involved with by the prior joint venture or technical collaboration in the same industry. The approval from the RBI or any other government agency may not be obtained on terms favourable to a non-resident investor in a timely manner or at all. Because of possible delays in obtaining requisite approvals, investors in the Equity Shares may be prevented from realizing gains during periods of price increase or limiting losses during periods of price decline.

48. ***Our business and activities may affected by the recent amendments to the competition law in India.***

The Parliament has enacted the Competition Act, 2002, as amended, (the "**Competition Act**") for the purpose of preventing practices having an adverse effect on competition in the relevant market in India under the auspices of the Competition Commission of India (the "**CCI**"). Under the Competition Act, any arrangement, understanding or action whether or not formal or informal which causes or is likely to cause an appreciable adverse effect on competition is void and attracts substantial penalties. Any agreement among competitors which directly or indirectly involves determination of purchase or sale prices, limits or controls production, or shares the market by way of geographical area or number of customers in the relevant market is presumed to have an appreciable adverse effect on competition in the relevant market in India and shall be void. Further, the Competition Act prohibits abuse of dominant position by any enterprise. If it is proved that the contravention committed by a company took place with the consent or connivance or is attributable to any neglect on the part of, any director, manager, secretary or other officer of such company, that person shall be guilty of the contravention and liable to be punished.

On March 4, 2011 the Government of India notified and brought into force the combination regulation (merger control) provisions under the Competition Act with effect from June 1, 2011. The combination regulation provisions require that acquisition of shares, voting rights, assets or control or mergers or amalgamations which cross the prescribed asset and turnover based thresholds shall be mandatorily notified to and pre-approved by the CCI. In addition, on May 11, 2011, the CCI issued the final Competition Commission of India (Procedure in regard to the transaction of business relating to combinations) Regulations, 2011 which sets out the mechanism for implementation of the combination regulation provisions under the Competition Act. It is unclear as to how the Competition Act and the CCI will affect the business environment in India.

If we are adversely impacted, directly or indirectly, by any provision of the Competition Act, or its application or interpretation, generally or specifically in relation to any merger, amalgamation or acquisition proposed by us, or any enforcement proceedings initiated by the CCI, either *suo moto* or pursuant to any complaint, for alleged violation of any provisions of the Competition Act it may have a material adverse effect on our business, financial condition and results of operations.

49. ***Terrorist attacks, civil unrests and other acts of violence in India and around the region could adversely affect the financial markets, result in a loss of consumer confidence and adversely affect our business, results of operations, financial condition and cash flows.***

Terrorist attacks, civil unrests and other acts of violence or war in India and around the region may adversely affect worldwide financial markets and result in a loss of consumer confidence and ultimately adversely affect our business, results of operations, financial condition and cash flows. Political tensions could create a perception that an investment in Indian companies involves higher degrees of risk and on the business and price of the Equity Shares.

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

India has experienced natural calamities such as earthquakes, a tsunami, floods and drought in the past few years. The extent and severity of these natural disasters determines their impact on the Indian economy. The erratic progress of a monsoon would also adversely affect sowing operations for certain crops. Further prolonged spells of below normal rainfall or other natural calamities in the future could have a negative impact on the Indian economy, adversely affecting our business and the price of the Equity Shares.

51. ***The transition to IFRS in India is still unclear and we may be negatively impacted by such transition.***

The Ministry of Corporate Affairs, Government of India, has recently notified that the IFRS converged Indian Accounting Standards ("IND AS") will be implemented in a phased manner. It was also mentioned that the date of implementation of IND AS will be notified by the MCA at a later date and such date is yet to be notified. There is not yet a significant body of established practice on which to draw in forming judgments regarding its implementation and application. Additionally, IND AS has fundamental differences with IFRS and hence financial statements prepared under IND AS may be substantially different from financial statements prepared under IFRS. There can be no assurance that the financial condition, results of operations, cash flow or changes in shareholder's equity of our Company will not appear materially worse under IND AS than under Indian GAAP. As our Company adopts IND AS reporting, it may encounter difficulties in the ongoing process of implementing and enhancing its management information systems. Moreover, there is increasing competition for the small number of IFRS-experienced accounting personnel available once Indian companies begin to prepare IND AS financial statements. There can be no assurance that the adoption of IND AS by our Company will not adversely affect its reported results of operations or financial condition and any failure to successfully adopt IND AS in accordance with the prescribed timelines could have a material adverse effect on our financial position and results of operations.

52. ***We cannot guarantee the accuracy or completeness of facts and other statistics with respect to the coaching services industry contained in this Draft Red Herring Prospectus.***

While facts and other statistics in this Draft Red Herring Prospectus relating to India, the Indian economy as well as the coaching services industry have been based on various publications and reports from agencies that we believe are reliable, we cannot guarantee the quality or reliability of such materials. Whilst we have taken reasonable care in the reproduction of such information, industry facts and other statistics have not been prepared or independently verified by us or any of our respective affiliates or advisers and, therefore we make no representation as to their accuracy or completeness. These facts and other statistics include the facts and statistics included in "Industry Overview" on page 89. Due to possibly flawed or ineffective data collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced elsewhere and should not be unduly relied upon. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy, as the case may be, elsewhere.

Prominent Notes:

- Public issue of [●] Equity Shares of face value of Rs. 10 each, comprising of a Fresh Issue of [●] Equity Shares aggregating to Rs. 3500 lakhs and an Offer for Sale of upto 80,00,000 Equity Shares aggregating Rs. [●] lakhs, for cash, at a price of Rs. [●] per Equity Share, including a share premium of Rs. [●] per Equity Share, aggregating to Rs. [●] lakhs. The Issue will constitute [●]% of the fully diluted post Issue paid up capital of our Company.

- As at December 31, 2010, our Company's net worth based on our restated financial statements under Indian GAAP was Rs. 5,076.70 lakhs.

- As at December 31, 2010, the book value per Equity Share was Rs. 14.78 as per our restated financial statements under Indian GAAP.

- The average cost of acquisition of Equity Shares by our Promoter, which has been calculated by taking the average amount paid by them to acquire the Equity Shares, is as follows:

S. No.	Name of the Promoter	Cost of acquisition per Equity Share (Rs.)
1.	Mahesh Shetty	0.02

- We have entered into certain transactions with related parties**,** including our Promoter Group Companies and Subsidiaries, Directors and their relatives, key management personnel and enterprises in which key management personnel/Directors have significant influence. Summary of our Company's related party transactions for the nine months ended December 31, 2010 and for the years ended March 31, 2010, March 31, 2009. March 31, 2008 and March 31, 2007 are as follows:

(Rs. in lakhs)

Transaction	Nine months ended December 31, 2010		Year ended March 31, 2010		Year ended March 31, 2009		Year Ended March 31, 2008		Year Ended March 31, 2007	
	Transaction amount	Closing Balance of Loan Given/ (Taken)	Transaction amount	Closing Balance of Loan Given/ (Taken)	Transaction amount	Closing Balance of Loan Given/ (Taken)	Transaction amount	Closing Balance of Loan Given/ (Taken)	Transaction amount	Closing Balance of Loan Given/ (Taken)
Subsidiary	-	-	-	-	-	-	3.46	(8.20)	-	(4.81)
Key Management Personnel	40.15	-	53.53	-	74.04	-	88.85	(0.84)	-	(1.83)
Enterprises over which KMP is able to exercise significant influence	129.95	21.25	237.44	24.75	83.73	3.50	-	-	100.00	-
Relative of Key Managerial Personnel	-	-	-	-	-	-	-	(0.60)	-	-
Total	**170.10**	**21.25**	**290.97**	**24.75**	**157.77**	**3.50**	**92.31**	**(9.64)**	**100.00**	**(6.64)**

- Mahesh R. Shetty, our Promoter, who is also the settlor of the MT Associate Trust, has provided an unsecured and interest free loan of Rs. 69,00,000 to MT Associates Trust through a letter dated May 28, 2011 for the purpose of subscribing to 6,80,966 Equity Shares of the Company. For further details, please see the section "Capital Structure – MT Associate Trust" on page 62. Except as stated, there have been no financing arrangements whereby our Group Companies and Directors and their relatives have financed the purchase by any other person of securities of our Company during the period of six months immediately preceding the date of filing of the Draft Red Herring Prospectus.

- Except as disclosed in the section "Promoter, Promoter Group and Group Companies" on page 142, our Group Companies do not have any common pursuits and business interests in the business of our Company.

- Our Company changed its name from MT Educare Private Limited to MT Educare Limited upon conversion into a public company and pursuant to the receipt of fresh certificate of incorporation dated May 18, 2011.

- Investors may contact the BRLM for any complaints pertaining to the Issue.

SECTION III: INTRODUCTION

SUMMARY OF INDUSTRY

The information in this section has been extracted from the websites of and publicly available documents from various sources. The data may have been re-classified by us for the purpose of presentation. Neither we nor any other person connected with the Issue has independently verified the information provided in this section. Industry sources and publications, referred to in this section, generally state that the information contained therein has been obtained from sources generally believed to be reliable but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured, and, accordingly, investment decisions should not be based on such information.

*The CRISIL Research Industry Report on State Coaching Industry–Maharashtra, Karnataka, Tamil Nadu & Gujarat, April 2011 cited in this section was commissioned by and prepared by CRISIL Research, an independent agency, for our Company ("**Source: CRISIL Research Report, State Coaching Industry, April 2011**")for analyzing the coaching sector in Maharashtra, Karnataka, Tamil Nadu and Gujarat.*

CRISIL Research, a Division of CRISIL Limited has taken due care and caution in preparing this Report. Information has been obtained by CRISIL from sources which it considers reliable. However, CRISIL does not guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. . No part of this Report may be published or reproduced in any form without CRISIL's prior written approval. CRISIL is not liable for investment decisions which may be based on the views expressed in this Report. CRISIL Research operates independently of, and does not have access to information obtained by CRISIL's Ratings Division, which may, in its regular operations, obtain information of a confidential nature which is not available to CRISIL Research

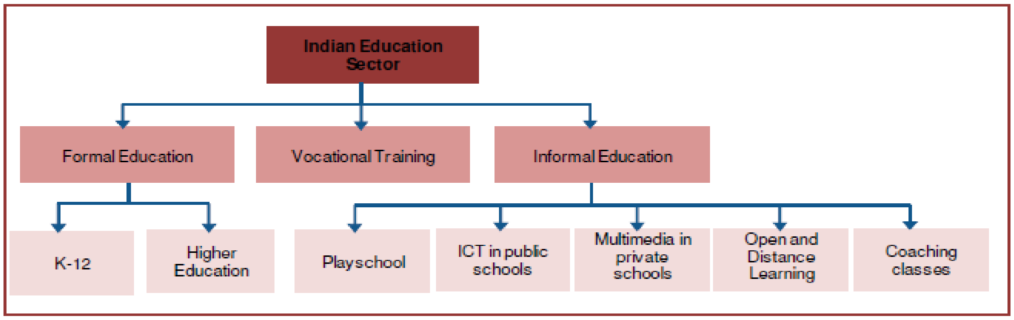
Prospective investors are advised not to unduly rely on the CRISIL Research Industry Report when making their investment decision. The CRISIL Research Industry Report contains estimates of market conditions based on samples. This information should not be viewed as a basis for investment and references to CRISIL Research Industry Report should not be considered CRISIL's opinion as to the value of any security or the advisability of investing in us.

I. Overview of the Indian Education System

India is a nation of young people. Out of a population of above 1.1 billion, 672 million people are in the age-group of 15 to 59 years, which is usually treated as the "working age population". It is predicted that India will see a sharp decline in the dependency ratio over the next 30 years, which will constitute a major 'demographic dividend' for India. In the year 2001, 11% of population of the country was in age group of 18 years to 24 years which is expected to rise to 12% by the end of Eleventh Five Year Plan. This young population should be considered as an invaluable asset which if equipped with knowledge and skills, can contribute effectively to the development of the national as well as the global economy. (*Source: Report to the People on Education- 2009-10- MHRD- July 2010*)

The education system in India comprises of formal, vocation anal informal education. All levels of formal education are heavily regulated by the Ministry of Human Resource Development, Government of India (MHRD). Informal education is unregulated.

Structure of India's education sector



Note: ICT refers to Information Communication and Technology

(*Source: CRISIL Research Report, State Coaching Industry, April 2011*)

Over the last decade, with growing focus on literacy and primary education, the Government of India has increased its outlay on education at a CAGR of approximately 20%. From 2004–05 onwards, allocations have accelerated, recording a CAGR of approximately 30%. (*Source: CRISIL Research Report, State Coaching Industry, April 2011*)

However, the infrastructural issues emanating from the shortage of quality educational institutions and poor quality of teaching in the formal education system continue to persist. Considering the importance given to examination scores in the Indian education system and the increasing competition to get admission into a limited number of premium institutes, students have been looking for alternative solutions. This has increased the significance of supplementary teaching or private coaching industry. (*Source: CRISIL Research Report, State Coaching Industry, April 2011*)

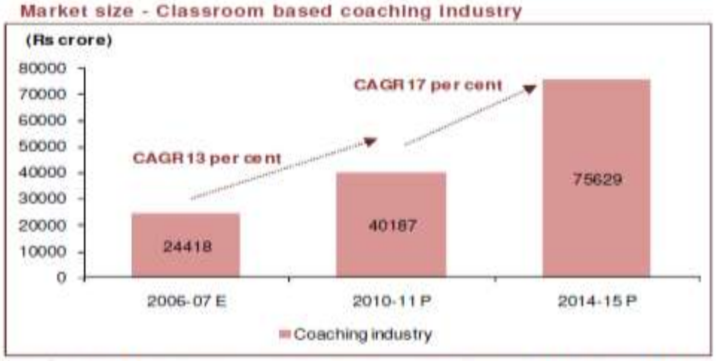
The Indian coaching industry has progressed from the days of lessons being imparted to a few students in a small room to the current environment, where organised players impart supplementary teaching to a large number of students through sophisticated technology and classrooms. The market is expected to grow from Rs. 40,187 crore in 2010-11 to Rs. 75,629 crore in 2014-15. (*Source: CRISIL Research Report, State Coaching Industry, April 2011*)

Several factors are expected to drive the coaching industry. These include:

1. Rising disposable income;
2. Increasing household spend on education;
3. Infrastructural bottlenecks for formal education;
4. Increasing private sector participation; and
5. Growth in addressable market.

Apart from these growth factors, since the coaching industry is a low capital intensive industry, it has attracted high entrepreneurial interest. As a result, the coaching industry in India is estimated to grow at a CAGR of 17% between 2010-11 and 2014-15 as against 13% growth during the last four year period. (*Source: CRISIL Research Report, State Coaching Industry, April 2011*)

Market size - Classroom based coaching industry



Note: Coaching market includes curriculum based coaching (K-12 and graduation) and test based coaching (graduation and post graduation).

Source: CRISIL Research

i. ***Increasing disposable income* -** On the back of strong economic growth, average household income in India has increased and affordability levels have improved considerably. This transition of households from lower income to higher income bracket will provide an impetus to spend on education by private households especially on coaching.

ii. ***Household spend on education* -** As a proportion of the total household expenditure, the share of education increased from 0.6% in 1950-51 to 2.6% in 2007-08. Apart from regular tuition fee, this expenditure has also accelerated as a result of increased emphasis on coaching (including private tuition classes). (*Source: CRISIL Research Report, State Coaching Industry, April 2011*)

iii. ***Infrastructural bottlenecks for formal education* -** Apart from inadequate infrastructure, the quality of educational institutions in the country also leaves a lot to be desired. This has resulted in a growing competition among students to get into premier schools/ colleges, leading to an increased dependence on coaching. (*Source: CRISIL Research Report, State Coaching Industry, April 2011*)

iv. ***Increased private sector participation* -** Due to factors listed above and given that the coaching industry has low capital intensity, it has attracted high entrepreneurial interest. (*Source: CRISIL Research Report, State Coaching Industry, April 2011*)

v. ***Increasing Addressable Market***

Secondary and higher secondary examinations - For the year 2011, 13,25,936 students appeared for the higher secondary examinations conducted by Maharashtra State Board of Secondary and Higher Education. (*Source: Website of Maharashtra State Board of Secondary and Higher Secondary Education)* For the year 2011, 10,61,566 students appeared for the examinations conducted for students of Xth standard and 7,69,929 students appeared for the examinations conducted for students of XIIth standard by the CBSE. (*Source: Website of Central Board of Secondary Education)*

Competitive Examinations - Competitive entrance examination is a screening process for providing education in various engineering, medical, business administration, computer applications and accountancy.

All India Engineering Entrance Examination - 10,65,100 candidates appeared, out of 11,18,148 candidates registered, for the AIEEE examination at 1,623 centres located in 86 cities for approximately, 26,816 seats for graduate degrees such as bachelor of engineering or bachelor of technology and 936 seats for bachelor of architecture or bachelor of planning in various institutions. (*Source: Website of AIEEE*).

All India Pre Medical/Pre-Dental Test - The preliminary and final examinations for the All India Pre Medical/Pre-Dental Test, 2009 was attended by 1,35,617 candidates and 13,022 candidates qualified in preliminary examination and combined merit and wait list contained 4,263 candidates. (*Source: MHRD*)

Chartered Accountancy - According to Institute of Chartered Accountants of India, the number of students registered in 2009-2010 for CPT examination were 5,74,259, the PCC examinations were 120,195, the IPCC were 100,151 and the Final examination were 80,077 (*Source: Annual Report 2009-2010- ICAI*).

Common Entrance Examinations, Maharashtra - For the year 2010, 2,82,096 students appeared for the common entrance test and of these, 1,76,632 students has appeared for the common entrance test conducted for the medical course (*Source: Maharashtra Directorate of Medical Education and Research*). Further, 92, 166 students appeared for the common entrance exam conducted by Maharashtra Directorate of Technical Education for obtaining admission in business administration courses.

SUMMARY OF BUSINESS

Overview

We are an education support and coaching services provider for students in the secondary and higher secondary school and for students pursuing graduation degree in commerce, preparing for various competitive examinations and undertaking chartered accountancy examinations. Our Company has operations across the states of Maharashtra, Tamil Nadu, Karnataka and Gujarat, through 190 Coaching Centres in 106 locations, as on May 15, 2011. Of these, our Company operates 28 Coaching Centres in eight locations in Maharashtra in cities such as Nashik, Aurangabad and Nagpur, through franchisee arrangements. Our Company is one of the leading coaching services providers in Maharashtra, with primary operations in Mumbai with 138 Coaching Centres in 85 locations as on May 15, 2011. We also provide coaching for competitive examinations for admissions to universities offering masters in business administration degrees through our subsidiary, CPLPL, which operates in four locations in Mumbai. Additionally, we have recently started operations at six locations in New Delhi and Gurgaon under the brand '*Study Mate – Powered by MT Educare*' through HT Learning Centres Limited ("HTLCL"), which is a joint venture of our wholly owned subsidiary, MTESPL with HT Education Limited. Our Company, through its Dubai branch, MT Management Solution, also provides management consultancy services to a coaching center in Dubai which includes providing coaching and administrative support services for secondary and higher secondary school curriculum of various education boards.

We provide results focused education support and coaching services. The main sections of students to whom our Company offers services are as follows:

(i) ***School Section***: The School Section consists of IXth and Xth standard students for (i) state board examinations conducted by the state education boards of Maharashtra, Gujarat and Karnataka; (ii) board examinations conducted by the CBSE; and (iii) board examinations conducted by ICSE;

(ii) ***Science Section***: The Science Section consists of XIth and XIIth standard students in science and for engineering and medical CETs conducted by the Maharashtra and Karnataka State Governments; and

(iii) ***Commerce Section***: The Commerce Section consists of (i) XIth and XIIth standard students in commerce and CPT conducted by ICAI; (ii) undergraduate students pursuing their bachelor's degree in commerce; and (iii) CA IPCC and CA Final examinations conducted by ICAI.

The number of 'Students Serviced' *i.e.,* the number of students from whom revenue has been recognised, in whole or part, based on the distinct Courses availed by them during the relevant Fiscal, in the Coaching Centres operated by our Company, in the last three Fiscal years is as below:

Services	**Fiscal**		
	2011	**2010**	**2009**
School Section	29,249	27,324	24,803
Science Section	11,527	11,240	9,289
Commerce Section	17,695	14,163	10,225
Total	**58,471**	**52,727**	**44,317**

In addition to the above, the number of Students Serviced through the 28 Coaching Centres operated through franchisee arrangements, which commenced operations in Fiscal 2011, is as below:

Services	**Fiscal 2011**
School Section	595
Science Section	877
Commerce Section	-
Total	**1,472**

Our Promoter, Mahesh R. Shetty, has over 27 years of experience in the coaching sector. He started the business of providing coaching services to students in School Section in 1988 under the brand of '*Mahesh Tutorials*'. For further details, please see the section 'History and Certain Corporate Matters' on page 120. He provides vision, leadership and strategic guidance to our Company. We believe that the experience of our Promoter and our presence and concentration in Mumbai contributes significantly towards our brand equity.

As of May 15, 2011, our Company has 701 faculty members across all our Coaching Centres. Additionally, since April, 2011 we have engaged 56 faculty members as 'resident' faculty members for our students in the School Section to focus on providing personal attention to resolve doubts of such students in small groups, in addition to the regular classroom coaching. We follow a systematic approach in selecting and training faculty members for the services we offer in order to ensure the quality and performance of the students who attend our Courses. We operate through a 'faculty empowerment' model, wherein our faculty members are provided a role in the business and rewarded for their contribution in the growth. In addition to their academic growth as faculty members, we also entrust our faculty members with the opportunity to grow within the organization by taking up administrative and business development roles for different Coaching Centres, which, we believe has helped us in retaining our faculty members.

For the nine months ended December 31, 2010, our total income and net profit, as restated, were Rs. 8,568.30 lakhs and Rs. 963.09 lakhs. For the year ended March 31, 2010, our total income and net profit, as restated, were Rs. 8,579.16 lakhs and Rs. 523.31 lakhs, which represent 14.14% and 99.51% increase, respectively as compared to the year ended March 31, 2009.

For details of the number of students who appear for the various examinations for which coaching is provided by our Company, please see the section 'Industry Overview' on page 89.

Competitive Strengths

We believe the following are our core competitive strengths:

Well recognised brand and experience in the business of education support and coaching

We have established ourselves as an education support and coaching services provider and have been able to achieve a competitive position in Maharashtra, with primary operations in Mumbai with 138 Coaching Centres in 85 locations as on May 15, 2011. We operate in the states of Maharashtra, Tamil Nadu, Karnataka and Gujarat, through 190 Coaching Centres in 106 locations as on May 15, 2011, out of which 28 Coaching Centres in eight locations are currently operated through franchisee arrangements. Our wholly owned subsidiary, MTESPL, has entered into a joint venture agreement with HT Education Limited to set up HTLCL to provide classroom based (non digital) coaching services under the brand "*Study Mate – Powered by MT Educare*" in northern and eastern states of India. HTLCL has recently started providing coaching services at six locations in New Delhi and Gurgaon for secondary and higher secondary students appearing for examinations under the CBSE curriculum.

Our Promoter, Mahesh R. Shetty, who is also our Chairman and Managing Director has been associated with providing coaching services under the brand '*Mahesh Tutorials*' since 1988 and has over 27 years of experience in this sector. We believe that we have benefited from the experience and the reputation of our Promoter in establishing and further growing our business. We believe that our brand is well-recognised amongst our students. We have been able to deepen our brand recognition and improve our brand recall through continuous marketing and advertising campaigns undertaken by us. We believe our brand recognition has been instrumental in increasing the number of Students Serviced, which has grown from 44,317 students in Fiscal 2009 to 58,471 in Fiscal 2011. Additionally, our Company had 1,472 Student Serviced through 28 Coaching Centres in eight locations operated through the franchisee arrangements in Fiscal 2011. We provide coaching services to students at various academic levels and we believe that our experience helps us in gaining a better and deeper understanding of student requirements.

We also benefit from a proven track record of high student performances over the years. For the academic year 2010, we had 2,686 students who secured 90% and above in the Xth standard examination conducted by Maharashtra State Board of Secondary and Higher Secondary Education out of 13,394 of our Students Serviced to appear for these examinations. 15 of our students secured ranks in the top 50 successful candidates in the CA IPCC and nine of our students secured ranks in the top 50 successful candidates in the CA Final examinations held in May 2010. We have been able to attain the confidence of the parents and students in receiving services from us, which is evident from the number of Students Serviced.

Organised and diversified player in the education support and coaching services sector

Our Company is one of the leading coaching services provider in Maharashtra, with primary operations in Mumbai with 138 Coaching Centres in 85 locations as on May 15, 2011. We believe that our knowledge of the Mumbai market and the Maharashtra education system, including the various examinations and syllabi, assists us in developing appropriate teaching methodologies to address the changing student requirements. We also believe that Mumbai's position as the commercial capital of India, new and increasing employment avenues, together with the demographics of the Mumbai population, with a high-income and an expanding segment of young population, provide a substantial market for our services and for further expansion. We believe that our concentration and network of Coaching Centres across Mumbai acts as a barrier for new players to compete with us.

We are expanding in the rest of Maharashtra and in Tamil Nadu, Gujarat and Karnataka, where we currently operate 52 Coaching Centres, with eight locations being operated through franchisee arrangements in Nashik, Aurangabad, Nagpur, Kolhapur, Sangli, Nashik Road, Ahmednagar and Jalgaon. For further details, please see "Business – Franchisee Arrangements". We provide coaching for competitive examination for admissions to universities offering masters in business administration degrees through our subsidiary, CPLPL, which operates in four locations. Additionally, we have recently started operations at six locations in New Delhi and Gurgaon under the brand '*Study Mate – Powered by MT Educare*' through HT Learning Centres Limited, which is a joint venture of our wholly owned subsidiary, MTESPL with HT Education Limited. Our Company, through its Dubai branch, MT Management Solution, also provides management consultancy services to a coaching center in Dubai which includes providing coaching and administrative support services for secondary and higher secondary school curriculum of various education boards.

Further, we provide coaching services across academic levels, starting from School Section which consists of IXth and Xth standard , Science Section and Commerce Sections for XIth and XIIth standard including competitive examinations such as CET conducted by state governments and CPT conducted by ICAI. We also coach undergraduate students pursuing their bachelor's degree in commerce and students preparing for various chartered accountancy examinations. Commencing June 2011, we propose to offer University, Vocational and Affiliated ("UVA") programme, to students pursuing graduation degree in commerce. UVA will include coaching for the graduation degree curriculum and for competitive examinations for admissions to universities providing masters in business administration degrees along with three supplementary vocational programmes, namely, skill enhancement and employment/entrepreneurial development programmes, life enrichment and advancement programmes and transforming through outbound and behavioural education programmes. Further, as a new initiative, we will also start providing coaching services to students enrolled in classes below IXth standard, which will be primarily through the internet, with limited classroom interaction. We also plan to launch curriculum delivery for our coaching services for chartered accountancy through very small aperture terminal ("VSAT") technology, which shall enable our faculty members to coach students across locations from our VSAT studio in Mumbai. Our Company also undertakes projects for vocational training, grade enhancement programme and teacher training with certain entities associated with the Government of India and the State Governments.

We believe that the diversified nature of our business with our presence in various states and varied range of Courses has enabled us to be involved across the academic life of our students. This has also helped us to be more competitive as compared to the unorganized players, who are usually area specific and localised, with their services restricted to a few specific subjects.

Large pool of faculty members

With 701 faculty members as on May 15, 2011, our Company has access to a large number of qualified and experienced faculty members, who contribute significantly to our success and growth. Our Company's faculty members are typically graduates in science, commerce and arts subjects. Of these, 266 faculty members are post-graduates or professionals such as chartered accountants and company secretary or who have obtained educational degrees such as such as bachelor of education and have an average teaching experience of over six years.

Our Company conducts continuous training programmes including refresher guidance programmes for our faculty members throughout the year on teaching subjects as well as personality development, attitude development and soft skills such as presentation and communication skills, leadership skills and time management. These training sessions also involve training on teaching methodologies, teaching skills and communication skills in order to equip our faculty members to adapt and reciprocate to students' changing needs in the competitive environment and changing examination trends, academic syllabus and increasing career options. Our faculty training sessions help us in attaining and maintaining quality across our faculty team thereby enabling us to maintain a large pool of faculty members which in turn gives us an advantage over other tutorial service providers who rely on one or a few renowned teachers.

Further, our Company operates through a 'faculty empowerment' model, wherein our Company's faculty members are provided a role in the business and rewarded for their contribution in the growth. In addition to academic growth for the faculty members through training sessions, we also entrust our faculty members with the opportunity to grow within the organization by taking up administrative and business development roles, such as centre coordinators, centre heads and zonal heads, on the basis of their experience and association with our Company. Some of our faculty members also participate in the 'steering committees' which focus on operations and admissions of the students in our Courses and liaise between the management and the centre heads or centre co-ordinators. We believe that the broadening of the scope of work provides greater job satisfaction and increased remuneration thereby aiding us in retaining our faculty members. Further, an independent trust, the MT Associate Trust, settled by our Promoter, has been set up, to which our Company has issued 6,80,966 Equity Shares for the exclusive purpose of transfer of these Equity Shares to our faculty members on the recommendations of our Company. We believe that this initiative will increase the sense of ownership of the faculty members towards our Company.
Further, the large pool of 701 faculty members enables us to allocate multiple faculty members for each subject, thereby preventing dependence on any one or a few faculty members and ensure minimal disruptions in our operations for a particular subject due to absence of faculty members for illness or other reasons. Our large pool of faculty members has enabled us to plan for contingencies and deliver quality at all times.

Corporatised structure and experienced management team

The coaching services sector is highly fragmented and unorganised and we believe that we benefit from having a corporatised set-up and an experienced management team. We believe that our incorporation as a company has increased our visibility amongst governments and international educational institutions and in receiving opportunities for entering into tie-ups. It has also assisted us in raising capital from Helix Investments Company ("Helix"), a private equity investor. Helix invested in our Company in August 2007 subscribing to 3,28,00,059 Compulsorily Convertible Preference Shares for a subscription consideration of a Rs. 32,80,00,590 (equivalent of USD 8 million), through which, upon conversion into 50,884 Equity Shares in March, 2009, Helix held 29.33% of the shareholding of our Company. We have also granted equity shares of our Company to our key management personnel under employee stock option scheme ESOP 2011 – I and ESOP 2011 – II. Further, through an independent trust settled by our Promoter, our faculty members shall receive Equity Shares on the recommendations of our Company. For further details, please see the section "Capital Structure" on page 54.

Our senior management has extensive experience in the education sector with an average experience of 17 years. Mahesh R. Shetty, our Promoter, who is also the Chairman and Managing Director of our Company, has over 27 years of experience in the coaching services sector. Most of our senior management have been associated with our business and the Promoter for a number of years. We believe that this longstanding association of our senior management and the Promoter with our business facilitates efficient and successful management of our operations. We also believe that our senior management is an apt combination of education sector experience and professional experience drawn from different industries. We leverage the deep understanding and the experience of our senior management in successfully managing our operations and services which has facilitated the growth of our business.

Result oriented methods of coaching

We have, over a period of time developed scientific coaching methods and system of imparting conceptual knowledge which we believe is capable of aiding our students to perform better in examinations. We focus on training our students by enhancing their conceptual knowledge base, enabling them to improve their accuracy levels and speed. We aim at achieving a holistic development of our students and along with academics, we include activities for personality developments, time and stress management and improving communication and presentation skills. We believe these will provide a competitive advantage to our students over their peers. We conduct regular parents and students counselling sessions which we believe help the students in handling the pressure created by examinations. We have also developed an in-house system to constantly monitor the progress of the students and to identify their special requirements and to administer content delivery based on regular feedback from students. With the help of our in-house developed system, we continuously administer faculty allocation and conduct constant reviews and improvement.

We use technology to supplement coaching. For instance, we use audio visual technology in classes and quizzes in game formats, which we believe, enhance sensory learning and contribute to greater retention. As a new initiative, we will start providing coaching to students enrolled in classes below IX^{th} standard through the internet. Further, we plan to launch curriculum delivery for our coaching services through VSAT technology, which shall enable our faculty members to coach students across locations from our VSAT studio in Mumbai.

We undertake constant monitoring of our services through our 'steering committees' where each member of the steering committee supervises a zone containing approximately six to seven centres and is responsible for content generation, faculty selection and faculty training for the respective centres. Our Company conducts training sessions for the members of the steering committee in relation to management programmes which brings out the various strengths and weaknesses of the individuals and helps them improve their capabilities.

We undertake training of our faculty members through a specialised department called 'Aakar, Centre of Excellence' ("Aakar") where we train our faculty in teaching methodologies, content development, classroom delivery and evaluation methods. Aakar also provides comprehensive teaching materials for conceptual and analytical areas by continuously reassessing and updating the Courses. Aakar also develops test series and assessments designed to map students' performance and identify areas of improvement for remedial or intensive coaching. The evaluation process involves working with learning management systems that reflects the effectiveness of study skills and techniques taught in the classroom. This training is conducted for all of our faculty members and also includes guest lectures.

Growth Strategies

Our aim is to strengthen our position as an organised and diversified education support and coaching services provider and strengthen our brand recognition by continuing to pursue the following growth strategies:

Expansion of network of centres

We intend to expand our presence in our existing markets, viz. Maharashtra, Tamil Nadu, Gujarat and Karnataka, by increasing the number of our Coaching Centres. We plan to leverage our brand recognition and experience in the markets to service the increasing demand for our coaching services. We propose to open new Coaching Centres at 20 locations across Mumbai and Pune over the next two years. Of these 20 locations we have identified eight locations and are in the process of identifying the remaining 12 locations. For further details, please see the section "Objects of the Issue" on page 69.

Use of technology to extend our reach

We intend to launch technology enabled coaching services at our Coaching Centres through Courses based on virtual classroom environment with the help of VSAT technology which shall enable our faculty members to coach students across locations from our VSAT studio. We intend to launch such coaching services with VSAT enabled chartered accountancy courses. Our VSAT studio, located at Mumbai at the corporate office of our Company, is almost completed and shall be enabled with equipments to provide high definition video and audio and a power backup to ensure high-quality uninterrupted service.

Commencing June 2011, we also intend to offer online hybrid coaching services to the students enrolled in classes below IX^{th} standard wherein coaching shall be provided primarily through the internet, with limited classroom interaction. The students shall be connected by a two way communication system through a web-camera enabling a face to face interaction with the faculty member. We believe this shall maximize the impact of the learning techniques employed and also help in efficient utilization of the classroom space.

Introduction of new Courses

We intend to offer new Courses such as test preparation Courses for various entrance examinations such as the 'Indian Institute of Technology – Joint Entrance Examination' and the 'Common Aptitude Test' ("CAT") and 'Management Aptitude Test' ("MAT") for competitive examinations for admissions to universities providing masters in business administration degrees. With effect from February, 2011, we acquired 51% shareholding in CPLPL, which is engaged in the business of providing coaching services for CAT, MAT and other entrance examinations for admission to colleges offering bachelor of business administration and bachelor of management studies. For further details, please see the section "History and Certain Corporate Matters" on page 120.

We also intend to offer coaching services for the CFP examinations conducted by the Financial Planning Standard Board. In this regard, we have entered into an agreement dated May 15, 2011 with the Financial Planning Standard Board of India for providing education and training on financial planning in India.

Starting June 2012, we also plan to introduce coaching for the examinations conducted by Institute of Company Secretaries in India and Institute of Cost and Work Accountants in India in relation to the foundation examinations conducted by these institutes respectively.

Additionally, we also intend to launch certain new supplementary vocational programmes in the form of certificate courses under the University, Vocational and Affiliated ("UVA") programme in June 2011. These include a) skill enhancement and employment/entrepreneurial development programme, b) life enrichment and advancement programme and c) transforming through outbound and behavioural education programme. These programmes will be offered to students pursuing graduation degree in commerce and will be provided as part of combined coaching for the graduation degree curriculum and for competitive examinations for admissions to universities providing masters in business administration.

Additionally, we also intend to extend our existing faculty training courses, Aakar, to teachers across schools, colleges and tutorial service providers who are not our faculty members. Such services of Aakar will be aimed at providing training for teachers on curriculum delivery skills, study techniques and soft skills such as time management, communication skills, presentation skills and team work. We believe that this programme will be a brand enhancement and marketing tool for us to attract faculty members.

In order to formulate strategies for further growth, including for any expansions domestically or internationally, we have entered into an advisory services agreement with Prosynapse Consultants India Private Limited ("Prosynapse") wherein Prosynapse, through Dr. Chhaya Shastri, has agreed to provide certain advisory services to our Company including, inter alia, providing strategies for future growth and conceiving and implementing marketing strategies and sales promotion exercises. For further details of the advisory services agreement, please see the section "History and Certain Corporate Matters – Summary of Key Agreements – Other Agreements" on page 123.

Expansion through alliances

We intend to expand into new markets in India and internationally. We intend to expand into tier II and tier III cities in Maharashtra and Tamil Nadu in India primarily through franchise arrangements, wherein we enter into agreements with third party franchisees to conduct and operate Coaching Centres under revenue sharing arrangements. For further details on franchise arrangements, please see "Franchise Arrangements" on page 113. Further, we, through our wholly owned subsidiary, MTESPL, have set up a joint venture, HTLCL with HT Education Limited to propose to offer classroom based (non digital) coaching services in the northern and eastern states of India. HTLCL currently operates at six locations in New Delhi and Gurgaon for secondary and higher secondary students appearing for examinations under the CBSE curriculum. For further details of the joint venture, please see the section "History and Certain Corporate Matters" on page 120.

We intend to explore opportunities to expand our operations to international markets by setting up Coaching Centres in such markets. Our Company, through its Dubai branch, MT Management Solution, also provides management consultancy services to a coaching center in Dubai which includes providing coaching and administrative support services for secondary and higher secondary school curriculum of various education boards.

Where suitable opportunities arise, we intend to acquire or partner with companies or entities that we believe will enhance our business, revenues and profitability. We may execute strategic acquisitions to expand our coaching services. In certain markets, we may enter into joint ventures with local partners, in accordance with requirements of local laws. We have recently acquired 51% interest in Chitale's Personalised Learning Private Limited and have in the past acquired the businesses of various tutorial service providers as part of our business expansion. We intend to explore opportunities to acquire other companies or entities that provide coaching services in Courses or jurisdictions which we do not cater to presently. This will enable us to further diversify our services and expand our business.

Managing pre-university junior colleges in Karnataka

MT Educare Charitable Trust (the "Trust"), an independent public charitable trust settled by our Promoter, Mahesh R. Shetty, operates pre-university colleges ("PUCs") in Mangalore and Udupi, in Karnataka.

Our Company intends to provide management and consultancy services to the PUCs operated by the Trust. The scope of management and consultancy services shall include advice on structuring of the PUCs' courses/curriculum and classes, assistance and consultancy services with respect to recruitment of teachers for the PUCs, training of the PUCs' teachers, providing techniques based on usage of technology, management of tests/examinations conducted by the PUCs, advising on and assisting in marketing activities of the PUCs, infrastructure management/advisory and support services (including designing of classrooms and laboratories of the PUCs and facilitating optimum utilisation by the PUCs of the available infrastructure) and other administrative and information technology related services. Our Company may provide all or any of these services to the PUCs.

In relation to the PUC at Mangalore, our Company is proposing to enter into a management services agreement with the Trust and is in discussions in relation to the same. As part of the infrastructure management/advisory and support services to be provided by our Company to the Trust under this agreement, our Company is proposing to enter into lease arrangements with the Trust in order to lease land and the building to the Trust for a period of 30 years for conducting the operations of the PUC and has entered into a memorandum of understanding in this regard. For further details, see sections "History and Certain Corporate Matters" and "Objects of the Issue" on pages 120 and 69. The details of the proposed management services agreement and the lease arrangements will be updated in the Red Herring Prospectus.

The Company intends to continue to provide management and consultancy services, including infrastructure, management/advisory and support services to the PUCs operated by the Trust in the future.

SUMMARY FINANCIAL INFORMATION

The following tables set forth summary financial information derived from the audited restated financial statements as of and for the nine months period ended December 31, 2010 and the years ended March 31, 2010, 2009, 2008 and 2007.

These financial statements have been prepared in accordance with Indian GAAP, the Companies Act and the SEBI Regulations and presented under the section "Financial Statements" on page 152. The summary financial information presented below should be read in conjunction with the restated financial statements and the notes thereto and the section "Management's Discussion and Analysis of Financial Condition and Results of Operations" on page 201.

Summary Statement of Restated Assets and Liabilities

(Rs. in lakhs)

	Particulars	As at December 31, 2010	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008	As at March 31, 2007
A	**FIXED ASSETS**					
	Gross Block	5,151.24	4,740.75	4,213.72	365.51	43.12
	Less: Accumulated Depreciation	1,989.98	1,583.77	962.15	53.87	2.45
	Net Block	3,161.26	3,156.98	3,251.57	311.64	40.67
	Less: Revaluation Reserve	-	-	-	-	-
	Net Block after adjustment for Revaluation Reserve	3,161.26	3,156.98	3,251.57	311.64	40.67
	Intangible Assets	291.19	138.64	38.34	0.06	0.06
	Capital Work In Progress	18.07	307.02	271.52	204.50	17.91
	(A)	**3,470.52**	**3,602.64**	**3,561.43**	**516.20**	**58.64**
B	**INVESTMENTS**	2,034.14	1,884.30	878.35	1,386.69	-
	(B)	**2,034.14**	**1,884.30**	**878.35**	**1,386.69**	**-**
C	**CURRENT ASSETS, LOANS AND ADVANCES**					
	Sundry Debtors	616.22	119.46	147.95	373.40	-
	Cash and Bank Balances	1,916.41	1,188.03	1,330.54	539.09	456.78
	Loans and Advances	2,435.15	1,872.15	2,076.47	576.83	157.45
	(C)	**4,967.78**	**3,179.64**	**3,554.96**	**1,489.32**	**614.23**
D	**LIABILITES AND PROVISIONS**					
	Secured Loans	-	-	-	63.22	167.38
	Unsecured Loans	-	-	500.00	10.18	506.64
	Current Liabilities and Provisions	5,618.01	4,769.87	3,955.85	170.33	37.41
	(D)	**5,618.01**	**4,769.87**	**4,455.85**	**243.73**	**711.43**
E	**DEFERRED TAX**	**222.27**	**216.88**	**44.01**	**1.85**	**(0.91)**

	Particulars	As at December 31, 2010	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008	As at March 31, 2007
	(LIABILITY)/ ASSET(E)					
F	**NET WORTH (A+B+C-D+E)**	**5,076.70**	**4,113.59**	**3,582.90**	**3,150.33**	**(39.47)**
G	**REPRESENTED BY**					
	Share Capital	3,435.10	104.09	17.35	3,292.26	10.00
	Share Application Money	-	-	-	5.94	-
	Reserves and Surplus	1,641.60	4,009.50	3,565.55	192.75	-
	Less: Revaluation Reserve	-	-	-	-	-
	Reserves and Surplus after Revaluation Reserve	1,641.60	4,009.50	3,565.55	192.75	-
	Miscellaneous Expenditure					
	(to the extent not written off or adjusted)	-	-	-	(340.62)	(49.47)
	NET WORTH (G)	**5,076.70**	**4,113.59**	**3,582.90**	**3,150.33**	**(39.47)**

Notes:

1. The above should be read with Significant Accounting Policies and Notes to Accounts, as restated appearing in Annexure V and VA.
2. The Company was incorporated on August 19, 2006 and hence the restated financials statements of Financial year 2006-07 are for the period August 19, 2006 - March 31, 2007
3. As a result of amalgamation of the Company, Mahesh Tutorials Private Limited (MTPL), Mahesh Tutorials Commerce Private Limited (MTCPL) and Mahesh Tutorials Science Private Limited (MTSPL), all the assets and liabilities of erstwhile MTPL, MTCPL, MTSPL stand transferred to and vested with the Company effective from April 1, 2008. Accordingly, the financial statements of Financial year 2008-09 are not comparable with Financial year 2007-08.

Summary Statement of Restated Profit and Loss

(Rs. in lakhs)

	Particulars	For the Period Ended December 31, 2010	For the Year Ended March 31, 2010	For the Year Ended March 31, 2009	For the Year Ended March 31, 2008	For the Year Ended March 31, 2007
A	**INCOME**					
	Fees Received	8,256.75	8,275.51	7,071.15	454.62	7.02
	Government Grants	126.86	49.04	200.40	-	-
	Total Operating Income	**8,383.61**	**8,324.55**	**7,271.55**	**454.62**	**7.02**
	Other Income	184.69	254.61	244.99	131.57	3.36
	Total Income	**8,568.30**	**8,579.16**	**7,516.54**	**586.19**	**10.38**
B	**EXPENDITURE**					
	Direct Expenses	4,179.12	4,555.82	4,048.06	188.67	15.56
	Personnel Expenses	1,009.70	1,103.75	1,042.14	142.56	7.53
	Administrative Expenses	689.14	785.80	686.28	395.31	13.22
	Selling Expenses	565.87	586.09	660.01	65.87	14.56
	Finance Expenses	9.13	20.74	44.26	33.37	5.48
	Depreciation	621.95	789.22	719.91	51.42	2.45
	Total Expenditure	**7,074.91**	**7,841.42**	**7,200.66**	**877.20**	**58.80**
	Net Profit/(Loss) Before Tax and Extraordinary Items (A - B)	**1,493.39**	**737.74**	**315.88**	**(291.01)**	**(48.42)**
	Taxation	(535.69)	(387.30)	(104.00)	-	-
	Provision for Deferred Tax	5.39	172.87	78.96	2.76	(0.91)
	Provision for Fringe Benefit Tax	-	-	(28.50)	(2.90)	(0.14)
	Add/Less: Short/Excess Provision for tax	-	-	(0.04)	-	-
	Net Profit/(Loss) after Tax, before Extraordinary Items	**963.09**	**523.31**	**262.30**	**(291.15)**	**(49.47)**
	Less : Extraordinary Items	-	-	-	-	-
	Net Profit After Extraordinary Items As Restated	**963.09**	**523.31**	**262.30**	**(291.15)**	**(49.47)**
	Profit and Loss account, beginning of the year	-	-	-	(49.47)	-
	Balance available for appropriations, as restated	963.09	523.31	262.30	(340.62)	(49.47)
	Transfer to General Reserve	-	-	-	-	-

	Particulars	For the Period Ended December 31, 2010	For the Year Ended March 31, 2010	For the Year Ended March 31, 2009	For the Year Ended March 31, 2008	For the Year Ended March 31, 2007
	Dividend	-	-	-	-	-
	Tax on Dividend	-	-	-	-	-
	Balance carried forward to summary statement of Assets and Liabilities, as restated	**963.09**	**523.31**	**262.30**	**(340.62)**	**(49.47)**

Notes:

1. The above should be read with Significant Accounting Policies and Notes to Accounts, as restated appearing in Annexure V and VA.
2. The Company was incorporated on August 19, 2006 and hence the restated financials statements of Financial year 2006-07 are for the period August 19, 2006 to March 31, 2007
3. As a result of amalgamation of the Company, Mahesh Tutorials Private Limited (MTPL), Mahesh Tutorials Commerce Private Limited (MTCPL) and Mahesh Tutorials Science Private Limited (MTSPL), all the assets and liabilities of erstwhile MTPL, MTCPL, MTSPL stand transferred to and vested with the Company effective from April 1, 2008. Accordingly, the financial statements of Financial year 2008-09 are not comparable with Financial year 2007-08.
4. The above statement should be read with Annexure IV - Statement on Adjustment to Audited Financial Statements

Summary Statement of Restated Cash Flows

(Rs. in lakhs)

Particulars	For the Period Ended December 31, 2010	For the Year Ended March 31, 2010	For the Year Ended March 31, 2009	For the Year Ended March 31, 2008	For the Year Ended March 31, 2007
Cash Flows From Operating Activities					
Net Profit after taxation, and extraordinary items	**963.09**	**523.31**	**262.30**	**(291.15)**	**(49.47)**
Adjustment for:					
Depreciation	621.95	789.22	719.91	51.42	2.45
Deferred Tax	(5.39)	(172.87)	(78.96)	(2.76)	0.91
Fringe Benefit Tax	-	-	28.50	2.90	0.14
Income Tax	535.69	387.30	104.00	-	-
Preliminary expenses written off	-	-	-	4.96	1.75
Interest Received / Dividend Received	(140.94)	(214.52)	(206.35)	(72.17)	(3.33)
Income from Capital Gains	(7.53)	(8.31)	-	-	-
Arbitrage Income	-	-	(0.04)	(59.00)	-
Amount written off	2.13	-	-	-	-
Profit on sale of Fixed Assets	-	-	(10.58)	-	-
Loss on sale of Fixed Assets	68.11	134.85	69.19	-	-
Provision for Diminution of Current Investment	0.17	-	-	-	-
Finance Expenses	-	8.22	5.08	29.06	5.42
Extraordinary Item	-	-	-	-	-
Operating profit before working capital changes, Taxation and Extraordinary Item	**2,037.28**	**1,447.20**	**893.05**	**(336.74)**	**(42.13)**
(Increase)/Decrease in Sundry debtors	(496.76)	28.49	762.53	(373.40)	-
(Increase)/Decrease in Other current assets	-	-	-	-	-
(Increase)/Decrease in Loans and advances	(73.09)	547.00	(132.67)	(416.50)	(157.39)
Increase/(Decrease) in Current liabilities	312.45	434.11	(102.00)	130.02	37.27
Cash generated from operations before Taxation and Extraordinary Item	**1,779.88**	**2,456.80**	**1,420.91**	**(996.62)**	**(162.25)**
Income tax paid	(492.04)	(342.68)	(67.95)	(2.88)	(0.06)
Preliminary expenses	-	-	-	(4.96)	(1.75)
Extraordinary Item	-	-	-	-	-
Net Cash from operating activities	**1,287.84**	**2,114.12**	**1,352.96**	**(1,004.46)**	**(164.06)**
Cash flow from Investing activities					
Purchase of Fixed assets (including Capital WIP)	(559.67)	(965.74)	(2,261.05)	(508.98)	(61.08)
Sale of Fixed Assets (including	1.73	0.45	20.54	-	-

Particulars	For the Period Ended December 31, 2010	For the Year Ended March 31, 2010	For the Year Ended March 31, 2009	For the Year Ended March 31, 2008	For the Year Ended March 31, 2007
Capital WIP)					
Purchase of Investments	(4,634.32)	(5,742.14)	(7,202.64)	(5,584.42)	-
Sale of Investment	4,491.86	4,744.50	7,965.04	4,256.73	-
Interest Received / Dividend Received	140.94	214.52	206.35	72.17	3.33
Net Cash from investing activities	**(559.46)**	**(1,748.41)**	**(1,271.76)**	**(1,764.50)**	**(57.75)**
Cash Flow From Financing Activities					
Proceeds from issue of share capital	-	-	-	3,282.26	10.00
Share Premium	-	-	-	192.75	-
Share Application Money	-	-	-	5.94	-
Refund of Share Application Money	-	-	-	-	-
Net increase in Long term borrowings	-	(500.00)	191.71	(600.62)	674.01
Finance Expenses	-	(8.22)	(5.08)	(29.06)	(5.42)
Net Cash from financing activities (C)	-	**(508.22)**	**186.63**	**2,851.27**	**678.59**
Net increase in cash and cash equivalents (A)+(B)+(C)	**728.38**	**(142.51)**	**267.83**	**82.31**	**456.78**
Cash and cash equivalents at beginning of period	1,188.03	1,330.54	539.09	456.78	-
Cash and cash equivalents acquired during Amalgamation	-	-	523.62	-	-
Cash and cash equivalents at the end of period	**1,916.41**	**1,188.03**	**1,330.54**	**539.09**	**456.78**

Notes:

1. Cash and Cash Equivalents comprises of:
   a) Cash on Hand
   b) Balance with Scheduled Banks
      − On Current Account
      − On Deposit Account
2. The cash flows Statements have been prepared under indirect method as set out in Accounting Standard -3 on Cash Flow Statement as issued by ICAI.
3. As a result of amalgamation of the Company, Mahesh Tutorials Private Limited (MTPL), Mahesh Tutorials Commerce Private Limited (MTCPL) and Mahesh Tutorials Science Private Limited (MTSPL), all the assets and liabilities of erstwhile MTPL, MTCPL, MTSPL stand transferred to and vested with the Company effective from April 1, 2008. No effect pertaining to the assets and liabilities taken over on amalgamation has been given in the Cash Flow Statement as it does not impact the cash flow of the Company.

THE ISSUE

Issue	[●] Equity Shares
Of which	
Fresh Issue(1)	[●] Equity Shares aggregating to Rs. 3,500 lakhs
Offer for Sale(2)	Up to 80,00,000 Equity Shares
A) QIB portion(3)(4)	At least [●] Equity Shares
Of which:	
Available for allocation to Mutual Funds only (5% of the QIB Portion (excluding the Anchor Investor Portion))	[●] Equity Shares
Balance for all QIBs including Mutual Funds	[●] Equity Shares
B) Non-Institutional Portion(4)	Not less than [●] Equity Shares
C) Retail Portion(4)	Not less than [●] Equity Shares
Pre and post Issue Equity Shares	
Equity Shares outstanding prior to the Issue	3,51,72,872 Equity Shares(5)
Equity Shares outstanding after the Issue	[●] Equity Shares
Use of Net Proceeds	Please see the section "Objects of the Issue" on page 69.

Allocation to all categories, except the Anchor Investor Portion, if any, shall be made on a proportionate basis.

(1) *The Fresh Issue has been authorized by the Board of Directors and the Shareholders, pursuant to their resolutions dated June 2, 2011and June 11, 2011, respectively.*

(2) *The Offer for Sale has been authorized by the Selling Shareholder by a resolution dated June 9, 2011 of the board of directors of the Selling Shareholder. The Equity Shares to be offered in the Offer for Sale have been held for a period of at least one year prior to the date of filing of this Draft Red Herring Prospectus and hence are eligible for being offered for sale in the Issue.*

(3) *Our Company and the Selling Shareholder may, in consultation with the BRLM, allocate up to 30% of the QIB Portion to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors. For further details, please see the section "Issue Procedure" on page 245.*

(4) *Under subscription, if any, in any category, except in the QIB category, would be allowed to be met with spill over from any other category or combination of categories at the discretion of our Company and the Selling Shareholder, in consultation with the BRLM and the Designated Stock Exchange.*

(5) *Our Company has granted 2,72,912 options convertible into 2,72,912 Equity Shares to its employees, pursuant to ESOP 2011 – II. For details regarding ESOP 2011 – II, please see the section "Capital Structure – Employee Stock Option Plan" on page 63.*

GENERAL INFORMATION

Our Company was incorporated on August 19, 2006 in Mumbai under the Companies Act. For further details, please see the section "History and Certain Corporate Matters" on page 120. Our Company is engaged in the business of providing education support and coaching services. For further details of the business of our Company, please see the section "Business" on page 101.

Registered Office of our Company

220, 2nd Floor, "Flying Colors"
Pandit Din Dayal Upadhyay Marg
L.B.S. Cross Road
Mulund (West)
Mumbai 400 080
Tel: (91 22) 2593 7700
Fax: (91 22) 2593 7799
Email: info@mteducare.com
Website: www.mteducare.com
Company Identification Number: U80903MH2006PLC163888
Registration Number: 163888

Address of the Registrar of Companies

Our Company is registered with the Registrar of Companies, Maharashtra, situated at Registrar of Companies, 100, Everest, Marine Drive, Mumbai 400 002.

Board of Directors

The following table sets out the current details of regarding our Board as on the date of filing of this Draft Red Herring Prospectus:

Name	Designation	DIN	Address
Mahesh R. Shetty	Chairman and Managing Director	01526975	1301, 13th Floor, "Kalinga" Nirmal Nagar, Mulund Link Road Mulund (West) Mumbai 400 080
Naarayanan Iyer	Non Independent, Non-Executive Director	00295246	Flat No. 3C, Mayflower Grandeur Laxmi Mill Compound Behind Airtel Office Avinashi Road Coimbatore 641 037
David Danziger	Non Independent, Non-Executive Director	01728112	115, Central Park West Apartment 9G New York 10023
Dr. Chhaya Shastri	Non Independent, Non-Executive Director	01536140	201-202, Dev Aarti Building Narayan Pathare Marg Sitla Devi Temple Road Mahim (West) Mumbai 400 016
Cyrus Driver	Independent, Non-Executive Director	00680802	Flat 2103, Tower 2 Wing E, Ashok Gardens GD Ambedkar Marg, Sewri Mumbai 400 015
Drushti Desai	Independent, Non-Executive Director	00294249	3rd Floor, Merchant Chamber 41 New Marine Lines Mumbai 400 020

Name	Designation	DIN	Address
Yatin Samant	Independent, Non-Executive Director	01088817	RF 908, Purva Riviera Marathahalli Bengaluru 560 037
Uday Lajmi	Independent, Non-Executive Director	03529980	A-604, Green Park Raheja Estate, Kulunwadi Borivali(East) Mumbai 400 066
Andrey Purushottam	Alternate Director to David Danziger	01758749	Flat No. 3202, Tower II Planet Godrej, Keshavrao Khadye Marg, Near Saat Rashta Mahalaxmi, Mumbai 400 011

For further details, please see the section "Our Management" on page 126.

Company Secretary and Compliance Officer

Ashwin M. Patel is our Company Secretary and the Compliance Officer. His contact details are as follows:

MT Educare Limited
220, 2nd Floor, "Flying Colors"
Pandit Din Dayal Upadhyay Marg
L.B.S. Cross Road
Mulund (West)
Mumbai 400 080
Tel: (91 22) 2593 7700
Fax: (91 22) 2593 7799
Email: info@mteducare.com

Investors can contact the Compliance Officer, the BRLM or the Registrar to the Issue in case of any pre- or post-Issue related problems, such as non-receipt of letters of Allotment, credit of Allotted shares in the respective beneficiary account and refund orders.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the bank branch or collection centre where the application was submitted.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to the relevant SCSB and the Syndicate Member with whom the ASBA Bid cum Application Form was submitted, giving full details such as name, address of applicant, application number, number of Equity Shares applied for, amount paid on application and designated branch or the collection centre of the SCSB where the ASBA Bid cum Application Form was submitted by the ASBA Bidder or the address of the centre of the Syndicate where the ASBA Bid cum Application Form was submitted by the ASBA Bidder.

Book Running Lead Manager

Enam Securities Private Limited
801/ 802, Dalamal Towers
Nariman Point
Mumbai 400 021
Tel: (91 22) 6638 1800
Fax: (91 22) 2284 6824
Email: mteducare.ipo@enam.com
Investor Grievance Email: complaints@enam.com
Website: www.enam.com
Contact Person: Sonal Sinha

SEBI Registration Number: INM000006856

Syndicate Members

[●]

Legal Advisers to the Issue

Amarchand & Mangaldas & Suresh A. Shroff & Co.
Peninsula Chambers
Peninsula Corporate Park
Ganpatrao Kadam Marg, Lower Parel
Mumbai 400 013
Tel: (91 22) 2496 4455
Fax: (91 22) 2496 3666

Auditors

Shaparia & Mehta, Chartered Accountants
1/74, Krishna Kunj, R.A. Kidwai Road
King's Circle, Matunga (Central Railway)
Mumbai 400 019
Tel: (91 22) 2409 8906
Fax: (91 22) 2409 8905
Email: sm.ca@vsnl.com

Registrar to the Issue

Link Intime India Private Limited
C-13, Pannalal Silk Mill Compound
L.B.S Marg
Bhandup (West)
Mumbai 400 078
Tel: (91 22) 2596 0320
Fax: (91 22) 2596 0329
Email: mtel.ipo@linkintime.com
Investor Grievance Email: mtel.ipo@linkintime.com
Website: www.linkintime.co.in
Contact Person: Sanjog Sug
SEBI Registration Number: INR000004058

Bankers to the Issue and Escrow Collection Banks

[●]

Self Certified Syndicate Banks

The list of banks that have been notified by SEBI to act as SCSBs for the ASBA process is provided on the website of SEBI at www.sebi.gov.in. For details of the Designated Branches of the SCSBs which shall collect ASBA Bid cum Application Forms, please refer to the above-mentioned link.

Bankers to our Company

Citibank NA
4th Floor, Fort House, Unit No.1
224, Dr. D. N. Road
Fort
Mumbai 400 001
Tel: (91 22) 4029 6452
Fax: (91 22) 2653 2108
Email: rakesh.kothari@citi.com
Website:www.citibank.com

Axis Bank Limited
Shop No.1, New Commercial Wing
Vikas Paradise, LBS Marg
Mulund (West)
Mumbai 400 080
Tel:(91 22) 2590 3689 / 90
Fax:(91 22) 2590 3688
Email:lbsmarg.operationshead@axisbank.com
Website:www.axisbank.com

The Shamrao Vithal Co-operative Bank Limited
SVC Tower, Nehru Road
Vakola, Santacruz (East)
Mumbai 400 055
Tel:(91 22) 66999999 / 794
Fax:(91 22) 66999748
Email:pendsedj@svcbank.com
Website:svcbank.com

Credit Rating

As this is an offer of Equity Shares, credit rating agency is not required.

IPO Grading Agency

This Issue has been graded by [●] as [●], indicating [●]. The rationale furnished by the grading agency for its grading will be updated at the time of filing the Red Herring Prospectus with the RoC.

Monitoring Agency

There is no requirement to appoint a monitoring agency for the Issue, as the Fresh Issue is for an amount less than Rs. 50,000 lakhs.

Appraising Agency

There are no projects that are being appraised.

Trustees

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

Experts

Our Company has obtained consent from the Statutory Auditors, Shaparia & Mehta, Chartered Accountants to include its name as an expert in this Draft Red Herring Prospectus in relation to the report of the auditors dated June 2, 2011 and statement of tax benefits dated June 2, 2011 in the form and context in which it appears in this Draft Red Herring Prospectus.

Our Company has obtained certificates dated May 27, 2011 from Simon & Samuel, Architects and Interior Designers, in relation to the objects of the Issue. Simon & Samuel, Architects and Interior Designers have given its written consent to be named as an expert to our Company in relation to the estimated costs for the objects of the Issue and such consent has not been withdrawn up to the time of delivery of the Prospectus.

Except the report of the Auditors dated June 2, 2011 and the statement of tax benefits dated June 2, 2011 provided by Shaparia & Mehta, Chartered Acccountants, the certificates dated May 27, 2011 provided by Simon & Samuel, Architects and Interior Designers and the report of [●] in respect of the IPO grading of this Issue annexed herewith to this Draft Red Herring Prospectus, our Company has not obtained any expert opinions.

Responsibilities of the BRLM

The following table sets forth the various activities for which the BRLM shall be responsible for in this Issue:

	Activity
1.	Capital structuring with relative components and formalities etc.
2.	Due diligence of Company's operations/ management/ business plans/ legal etc. Drafting and design of Draft Red Herring Prospectus and of statutory advertisement including memorandum containing salient features of the Prospectus. The BRLM 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 including co-ordination with Auditors for preparation of financials and drafting and approving all statutory advertisements.
3.	Drafting and approval of all publicity material other than statutory advertisement including corporate advertisement, brochure etc.
4.	Appointment of other intermediaries viz., Registrar(s), Printers, Escrow Collection Banks, Advertising Agency, IPO Grading Agency
5.	Preparation of roadshow presentation and FAQs
6.	Institutional marketing strategy (International and Domestic)
8.	Retail/ HNI marketing strategy: • Finalise centers for holding conference for brokers etc; • Finalise media, marketing & PR Strategy; and • Follow up on distribution of publicity and issue materials including form, prospectus and deciding on the quantum of the Issue material • Finalise bidding centers
9.	Pricing, managing the book and coordination with Stock Exchanges
10.	The post bidding activities including management of escrow accounts, co-ordinate non-institutional and institutional allocation, intimation of allocation and dispatch of refunds to bidders, etc. The Post Issue activities for the Issue will involve essential follow up steps, which include the finalisation of basis of allotment, dispatch of refunds, demat and delivery of shares, finalisation of listing and trading of instruments with the various agencies connected with the work such as the Registrar(s) to the Issue and Escrow Collection Banks.

If any of these activities are handled by other intermediaries, the BRLM shall be responsible for ensuring that these agencies fulfil their functions and enable them to discharge these responsibilities through suitable agreements with our Company.

Book Building Process

The book building, in the context of the Issue, refers to the process of collection of Bids on the basis of the Red Herring Prospectus within the Price Band, which will be decided by our Company, in consultation with the BRLM, and advertised at least two days prior to the Bid/Issue Opening Date. The Issue Price is finalised after the Bid/Issue Closing Date. The principal parties involved in the Book Building Process are:

- our Company;
- Selling Shareholder;
- the BRLM;
- the Syndicate Members who are intermediaries registered with SEBI or registered as brokers with BSE/NSE and eligible to act as Underwriters. The Syndicate Members are appointed by the BRLM;

- the SCSBs;
- the Registrar to the Issue; and
- the Escrow Collection Bank.

The Issue is being made through the 100% Book Building Process wherein at least 50% of the Issue shall be Allotted on a proportionate basis to QIB Bidders. 5% of the QIB Portion (excluding Anchor Investor 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 QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 15% of the Issue shall be allocated on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue shall be allocated on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. If at least 50% of the Issue cannot be allocated to QIBs, then the entire application money shall be refunded forthwith. Under-subscription if any, in any category, except in the QIB category, would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company, in consultation with BRLM and the Designated Stock Exchange.

In accordance with the SEBI Regulations, QIBs Bidding in the QIB Portion are not allowed to withdraw their Bid(s) after the Bid/Issue Closing Date. For further details, please see the section "Terms of the Issue" on page 238.

Our Company will comply with the SEBI Regulations and any other ancillary directions issued by SEBI for this Issue. In this regard, our Company has appointed the BRLM to manage the Issue and procure subscriptions to the Issue.

The process of Book Building under the SEBI Regulations is subject to change from time to time and the investors are advised to make their own judgment about investment through this process prior to making a Bid or application in the Issue.

Illustration of Book Building and Price Discovery Process

Investors should note that this example is solely for illustrative purposes and is not specific to the Issue and excludes Anchor Investors; it also excludes bidding by Anchor Investors or under the ASBA process.

Bidders can bid at any price within the price band. For instance, assume a price band of Rs. 20 to Rs. 24 per share, issue size of 3,000 equity shares and receipt of five bids from bidders, details of which are shown in the table below. A graphical representation of the consolidated demand and price would be made available at the bidding centres during the bidding period. The illustrative book given below shows the demand for the shares of the issuer company at various prices and is collated from bids received from various investors.

Bid Quantity	Bid Amount (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 the book running lead manager, will finalise the issue price at or below such cut-off price, *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.

Steps to be taken by the Bidders for Bidding:

1. Check eligibility for making a Bid (please see the section "Issue Procedure – Who Can Bid?" on page 246);

2. Ensure that you have an active demat account and the demat account details are correctly mentioned in the Bid cum Application Form;

3. Except for Bids on behalf of the Central or State Governments and the officials appointed by the courts, for Bids of all values, ensure that you have mentioned your PAN (please see the section "Issue Procedure – Permanent Account Number" on page 264):

4. Ensure that the Bid cum Application Form or ASBA Bid cum Application Form is duly completed as per instructions given in this Draft Red Herring Prospectus and in the Bid cum Application Form or ASBA Bid cum Application Form;

5. Ensure the correctness of your demographic details given in the Bid cum Application Form or the ASBA Bid cum Application Form, with the details recorded with your Depository Participants;

6. Bids by QIBs and Non Institutional Bidders will have to be submitted only through the ASBA process; and

7. Bids by ASBA Bidders will have to be admitted to 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 the ASBA Bid cum Application Form is not rejected.

Underwriting Agreement

After the determination of the Issue Price and allocation of Equity Shares, but prior to the filing of the Prospectus with the RoC, our Company and the Selling Shareholder will enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through the Issue. It is proposed that pursuant to the terms of the Underwriting Agreement, the BRLM shall be responsible for bringing in the amount devolved in the event that the Syndicate Members do not fulfil their underwriting obligations. The Underwriting Agreement is dated [●]. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters are several and are subject to certain conditions specified therein.

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

This portion has been intentionally left blank and will be filled in before filing of the Prospectus with the RoC.

Name and Address of the Underwriters	Indicated Number of Equity Shares to be Underwritten	Amount Underwritten (Rs. In lakhs)
[●]	[●]	[●]

The above-mentioned underwriting commitments are indicative and will be finalised after pricing of the Issue and actual allocation.

In the opinion of the Board of Directors (based on certificates provided by the Underwriters), the resources of the above mentioned Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The abovementioned Underwriters are registered with SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchange(s). Our Board of Directors, at its meeting held on [●], has accepted and entered into the Underwriting Agreement on behalf of our Company.

Allocation among the underwriters may not necessarily be in proportion to their underwriting commitment.

Notwithstanding the above table, the BRLM and the Syndicate Members shall be responsible for ensuring payment with respect to Equity Shares allocated to investors procured by them. In the event of any default in payment, the respective Underwriter, in addition to other obligations defined in the Underwriting Agreement, will also be required to procure/subscribe to Equity Shares to the extent of the defaulted amount.

CAPITAL STRUCTURE

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

(In Rs., except share data)

		Aggregate Value at Face Value	Aggregate Value at Issue Price
A	**AUTHORISED SHARE CAPITAL**		
	4,20,00,000 Equity Shares	42,00,00,000	
	Total	42,00,00,000	
B	**ISSUED, SUBSCRIBED AND PAID-UP CAPITAL BEFORE THE ISSUE**		
	3,51,72,872 Equity Shares	35,17,28,720	
C	**PRESENT ISSUE IN TERMS OF THIS DRAFT RED HERRING PROSPECTUS**		
	[●] Equity Shares	[●]	[●]
	of which		
	Fresh Issue of [●] Equity Share aggregating to Rs. 3,500 lakhs(1)	[●]	[●]
	Offer for Sale of up to 80,00,000 Equity Shares aggregating up to Rs. [●] lakhs(2)	[●]	[●]
E	**ISSUE TO THE PUBLIC**		
	QIB Portion	[●]	[●]
	Non-Institutional Portion	[●]	[●]
	Retail Portion	[●]	[●]
E	**SHARE PREMIUM ACCOUNT**		
	Before the Issue	36,57,400.56	
	After the Issue	[●]	
F	**PAID-UP CAPITAL AFTER THE ISSUE**		
	[●] Equity Shares of Rs. 10 each	[●]	

1. *The Fresh Issue has been authorized by the Board of Directors and the Shareholders, pursuant to their resolutions dated June 2, 2011 and June 11, 2011, respectively.*

2. *The Offer for Sale has been authorized by the Selling Shareholder by a resolution dated June 9, 2011 of the board of directors of the Selling Shareholder. The Equity Shares to be offered in the Offer for Sale have been held for a period of at least one year prior to the date of filing of this Draft Red Herring Prospectus and hence are eligible for being offered for sale in the Issue.*

Changes in the Authorised Capital

(1) The initial authorised share capital of Rs. 1,00,00,000 divided into 10,00,000 Equity Shares was increased to Rs. 35,00,00,000 divided into 20,00,000 Equity Shares and 3,30,00,000 Compulsorily Convertible Preference Shares pursuant to a resolution of the Shareholders dated August 29, 2007.

(2) The authorised share capital of Rs. 35,00,00,000 divided into 20,00,000 Equity Shares and 3,30,00,000 Compulsorily Convertible Preference Shares was reclassified to Rs. 35,00,00,000 divided into 20,00,000 Equity Shares and 3,30,00,000 unclassified shares of Rs. 10 each pursuant to a resolution of the Shareholders dated March 12, 2009.

(3) The authorised share capital of Rs. 35,00,00,000 divided into 20,00,000 Equity Shares and 3,30,00,000 unclassified shares of Rs.10 each was reclassified to Rs. 35,00,00,000 divided into 3,50,00,000 Equity Shares pursuant to a resolution of the Shareholders dated April 6, 2010.

(4) The authorised share capital of Rs. 35,00,00,000 divided into 3,50,00,000 Equity Shares was increased to Rs. 42,00,00,000 divided into 4,20,00,000 Equity Shares pursuant to a resolution of the Shareholders dated April 13, 2011.

Notes to the Capital Structure

1. **Share Capital History of our Company**

(a) The history of the equity share capital and share premium account of our Company is detailed in the following table:

Date of Allotment	No. of Equity Shares Allotted	Face Value (Rs.)	Issue Price (Rs.)	Consideration	Cumulative No. of Equity Shares	Cumulative paid-up Equity Capital (Rs.)	Cumulative Share Premium (Rs.)
August 21, 2006	10,000	10	10	Cash	10,000	1,00,000	-
October 28, 2006	26,100	10	10	Cash	36,100	3,61,000	-
December 11, 2006	60,000	10	10	Cash	96,100	9,61,000	-
March 15, 2007	3,900	10	10	Cash	100,000	10,00,000	-
July 30, 2007	20,396	10	10	Cash	1,20,396	12,03,960	-
July 30, 2007	2,144(1)	10	9,000	Cash	1,22,540	12,25,400	1,92,74,560(2)
February 27, 2009	66(3)	10	9,000	Cash	1,22,606	12,26,060	5,93,340
March 12, 2009	50,884(4)	10	6,446.05	Cash	1,73,490	17,34,900	32,80,85,090
June 8, 2009	867,450	10	-	Bonus issue in the ratio 5:1	10,40,940	1,04,09,400	31,94,10,590
April 7, 2010	33,310,080	10	-	Bonus issue in the ratio 32:1	3,43,51,020	34,35,10,200	Nil
June 11, 2011	6,80,966 (5)	10	10	Cash	3,50,31,986	35,03,19,860	Nil
June 11, 2011	1,40,886(6)	10	10	Cash	3,51,72,872	35,17,28,720	36,57,400.56(7)

1. *2,144 Equity Shares allotted to various individuals namely, Mukesh P. Chedda, Maniben P. Chedda, Ritesh P. Chedda, Rupali Patel jointly with Prashant Patel, Pradip N. Shah jointly with Rakesh N. Shah, Sheetal S. Vora jointly with Shitanshu B. Vora, Manisha R. Chedda, J. Maru jointly with Leena D. Maru, L.J. Maru jointly with J.J. Maru, Namita Sanghavi, J.P. Sanghavi jointly with P.C. Sanghavi, Khushal Gandhi, Yogesh H. Chedda, Sameer Thakkar jointly with Krupa Thakkar, Meenakshi K. Maru jointly with Kiran J. Maru and Roopa P. Shah jointly with Pradip N. Shah.*
2. *Out of Rs. 3,04,00,729 standing to the debit of miscellaneous expenditure account in the books of our Company as on March 31, 2008, Rs. 1,92,74,560 was adjusted against the securities premium account as on April 1, 2008, pursuant to the scheme of amalgamation amongst our Company, Mahesh Tutorials Private Limited, Mahesh Tutorials Science Private Limited and Mahesh Tutorials Commerce Private Limited. For further details of the scheme of amalgamation, please see the section "History and Certain Corporate Matters – Summary of Key Agreements" on page 121.*
3. *66 Equity Shares allotted to Yogesh H. Chedda.*
4. *50,884 Equity Shares allotted to Helix Investments Company pursuant to the conversion of 32,800,059 Compulsorily Convertible Preference Shares issued by our Company on November 19, 2007.*
5. *Our Company allotted 6,80,966 Equity Shares to IDBI Trusteeship Services Limited, on behalf of MT Associates Trust in terms of the resolution dated April 13, 2011 passed by the Shareholders approving the allotment of 6,85,264 Equity Shares to MT associates Trust, pursuant to a trust deed dated May 13, 2011. For further details of the allotment to IDBI Trusteeship Services Limited, on behalf of MT Associates Trust, please see the section "Capital Structure – MT Associates Trust" on page 62.*
6. *Our Company allotted 1,40,886 Equity Shares to the employees of our Company pursuant to the exercise of an aggregate of 1,40,886 options granted to them under ESOP 2011 - I. The Shareholders, through a resolution dated April 13, 2011, approved the grant of up to 1,40,887 options to the employees of our Company under ESOP 2011 – I, out of which our Company had granted 1,40,886 options. For further details of ESOP 2011 – I, please see the section "Capital Structure – Employee Stock Option Schemes" on page 63.*
7. *Recognised in accordance with the Guidance Note on Accounting for Employee Share-Based Payments, issued by the ICAI and as prescribed under the SEBI ESOP Guidelines in relation to the equity shares allotted on exercise of options granted under ESOP 2011 - I.*

(b) Our Company had issued 32,800,059 Compulsorily Convertible Preference Shares to Helix Investments Company on November 19, 2007. As of the date of filing this Draft Red Herring Prospectus, there are no outstanding Compulsorily Convertible Preference Shares.

(c) Equity Shares allotted for consideration other than cash

Date of allotment of the Equity Shares	No. of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Consideration
June 8, 2009(1)	867,450	10	-	Bonus issue in the ratio of five Equity Shares for each Equity Share held on the record date
April 7, 2010(2)	33,310,080	10	-	Bonus issue in the ratio of 32 Equity Shares for each Equity Share held on the record date

1. *Bonus Issue was undertaken through the capitalisation of Rs. 86,74,500 from the share premium account.*
2. *Bonus Issue was undertaken through the capitalisation of Rs. 33,31,00,800 partly from our Company's share premium account and partly through the general reserve account.*

2. **History of the Equity Share Capital held by our Promoter**

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

Date of Transaction	Nature of Transaction	No. of Equity Shares	Nature of consideration	Face Value (Rs.)	Issue/ Acquisition Price (Rs.)	Percentage of the pre-Issue Capital (%)	Percentage of the post- Issue Capital (%)
Mahesh R. Shetty							
August 21, 2006	Subscription to the MoA	5,000	Cash	10	10	0.01	[●]
October 28, 2006	Further allotment	26,013	Cash	10	10	0.07	[●]
December 11, 2006	Further allotment	60,000	Cash	10	10	0.17	[●]
February 1, 2007	Transfer	(513)	Cash	10	10	0.00	[●]
March 15, 2007	Further allotment	1,400	Cash	10	10	0.00	[●]
July 30, 2007	Further allotment	2,500	Cash	10	10	0.01	[●]
July 31, 2007	Transfer	600	Cash	10	10	0.00	[●]
June 8, 2009	Bonus issue in the ratio 5:1	4,75,000	-	10	-	1.35	[●]
April 1, 2010	Transfer	(56,155)	Cash	10	10	0.16	[●]
April 7, 2010	Bonus issue in the ratio 32:1	1,64,43,040	-	10	-	46.75	[●]
	Total	**1,69,56,885**				48.21	[●]

All the Equity Shares held by our Promoter were fully paid-up on the respective dates of acquisition of such Equity Shares. None of the Equity Shares held by our Promoter are pledged as of the date of this Draft Red Herring Prospectus.

(b) *Details of Promoter's contribution and Lock-in*:

Date of Transaction and when made fully paid-up	Nature of Transaction	No. of Equity Shares	Face Value (Rs.)	Issue/Acquisition Price per Equity Share (Rs.)	Percentage of post-Issue paid-up capital
Mahesh R. Shetty*					
[●]	[●]	[●]	[●]	[●]	[●]

* *The figures to be provided in this table shall be finalised upon determination of the Issue Price and the number of Equity Shares to be issued in the Fresh Issue, consequent to the Book Building Process.*

All the Equity Shares held by our Promoter as on the date of this Draft Red Herring Prospectus are eligible for minimum Promoter's contribution in terms of the SEBI Regulations.

The minimum Promoter's contribution has been brought to the extent of not less than the specified minimum lot and from the persons defined as Promoter under the SEBI Regulations. Our Promoter's contribution constituting not less than 20% post-Issue capital shall be locked-in for a period of three years from the date of Allotment in the Issue.

The Equity Shares constituting minimum Promoter's contribution in the Issue, which shall be locked-in for a period of three years commencing from the date of Allotment, are eligible in terms of the SEBI Regulations.

(c) *Details of pre-Issue Equity Share capital locked in for one year*:

In addition to the 20% of the post-Issue shareholding of our Company held by our Promoter and locked in for three years as specified above, the entire pre-Issue equity share capital, except the Equity Shares offered in the Offer for Sale will be locked-in for a period of one year from the date of Allotment of the Equity Shares in the Issue.

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

The Equity Shares held by a Promoter may be transferred to another Promoter or an entity belonging to our Promoter Group or to a new promoter or a person in control of our Company, subject to continuation of the lock-in of such Equity Shares in the hands of the transferees for the remaining period and compliance with the Takeover Code, if applicable.

The Equity Shares held by persons other than our Promoter prior to the Issue may be transferred to any other person holding Equity Shares which are locked-in along with the Equity Shares proposed to be transferred, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the Takeover Code, if applicable.

The Equity Shares held by our Promoter which are locked-in for a period of three years from the date of Allotment in the Issue can be pledged with any scheduled commercial bank or public financial institution as collateral security for loans granted by such bank or institution, provided that the loan has been granted by such bank or financial institution for financing one or more of the objects of the Issue and pledge of Equity Shares is one of the terms of sanction of the loan.

The Equity Shares held by our Promoter which are locked-in for a period of one year from the date of Allotment in the Issue can be pledged with any scheduled commercial bank or public financial institution as collateral security for loans granted by such bank or financial institution, provided that the pledge of the Equity Shares is one of the terms of sanction of the loan.

(e) Lock-in of Equity Shares to be issued, if any, to the Anchor Investor

Any Equity Shares Allotted to Anchor Investors as part of the Anchor Investor Portion shall be locked-in for a period of 30 days from the date of Allotment of Equity Shares in the Issue.

3. **Shareholding Pattern of our Company**

(i) The table below presents the shareholding pattern of Equity Shares before the proposed Issue and as adjusted for the Issue:

Category of Shareholders	No. of shareholders	Pre-Issue				Post-Issue*				Shares pledged or otherwise encumbered	
		Total No. of Equity Shares	No. of Equity Shares in dematerialised form	Total Equity Shareholding as a % of total No. of Equity Shares		Total No. of Equity Shares	No. of Equity Shares in dematerialised form	Total Equity Shareholding as a % of total No. of Equity Shares		Number of Equity Shares	As a % of total number of Equity Shares
				As a % of (A+B)	As a % of (A+B+C)			As a % of (A+B)	As a % of (A+B+C)		
(A) Shareholding of Promoter and Promoter Group											
(I) Indian											
Individuals / Hindu Undivided Family	1	1,69,56,885	1,69,56,885	48.21	48.21	1,69,56,885	1,69,56,885	[●]	[●]	0	0.00
Central Government / State Government(s)	0	0	0	0.00	0.00	0	0	0.00	0.00	0	0.00
Bodies Corporate	0	0	0	0.00	0.00	0	0	0.00	0.00	0	0.00
Financial Institutions / Banks	0	0	0	0.00	0.00	0	0	0.00	0.00	0	0.00
Any Other (specify)	0	0	0	0.00	0.00	0	0	0.00	0.00	0	0.00
Sub-Total (A) (1)	**1**	**1,69,56,885**	**1,69,56,885**	**48.21**	**48.21**	**1,69,56,885**	**1,69,56,885**	**[●]**	**[●]**	**0**	**0.00**
(2) Foreign											
Individual (Non-Resident Individuals / Foreign Individuals)	0	0	0	0.00	0.00	0	0	0.00	0.00	0	0.00
Bodies Corporate	0	0	0	0.00	0.00	0	0	0.00	0.00	0	0.00
Institutions	0	0	0	0.00	0.00	0	0	0.00	0.00	0	0.00
Any Other (Specify)	0	0	0	0.00	0.00	0	0	0.00	0.00	0	0.00
Sub-Total (A) (2)	**0**	**0**	**0**	**0.00**	**0.00**	**0**	**0**	**0.00**	**0.00**	**0**	**0.00**
Total Shareholding of Promoter and Promoter Group (A) = (A)(1)+(A)(2)	**1**	**1,69,56,885**	**1,69,56,885**	**48.21**	**48.21**	**1,69,56,885**	**1,69,56,885**	**[●]**	**[●]**	**0**	**0.00**
(B) Public Shareholding											
(1) Institutions											
Mutual Funds / UTI	0	0	0	0.00	0.00	0	0	0.00	0.00	0	0.00

Category of Shareholders	No. of shareholders	Pre-Issue				Post-Issue*				Shares pledged or otherwise encumbered	
		Total No. of Equity Shares	No. of Equity Shares in dematerialised form	Total Equity Shareholding as a % of total No. of Equity Shares		Total No. of Equity Shares	No. of Equity Shares in dematerialised form	Total Equity Shareholding as a % of total No. of Equity Shares		Number of Equity Shares	As a % of total number of Equity Shares
				As a % of (A+B)	As a % of (A+B+C)			As a % of (A+B)	As a % of (A+B+C)		
Financial Institutions / Banks	0	0	0	0.00	0.00	0	0	0.00	0.00	0	0.00
Central Government / State Government(s)	0	0	0	0.00	0.00	0	0	0.00	0.00	0	0.00
Venture Capital Funds	0	0	0	0.00	0.00	0	0	0.00	0.00	0	0.00
Insurance Companies	0	0	0	0.00	0.00	0	0	0.00	0.00	0	0.00
Foreign Institutional Investors	0	0	0	0.00	0.00	0	0	0.00	0.00	0	0.00
Foreign Venture Capital Investors	0	0	0	0.00	0.00	0	0	0.00	0.00	0	0.00
Any Other (Specify) Helix Investments Company	1	1,00,75,032	1,00,75,032	28.64	28.64	1,00,75,032	1,00,75,032	[●]	[●]	0	0.00
Sub-Total (B) (1)	1	1,00,75,032	1,00,75,032	28.64	28.64	1,00,75,032	1,00,75,032	[●]	[●]	0	0.00
(2) Non-Institutions											
Bodies Corporate	1	4,95,000	4,95,000	1.41	1.41	4,95,000	4,95,000	[●]	[●]	0	0.00
Individuals -											
Individual shareholders holding nominal share capital upto Rs.1 lakh	51	39,190	39,190	0.11	0.11	39,190	39,190	[●]	[●]	0	0.00
Individual shareholders holding nominal share capital in excess of Rs.1 lakh	34	69,25,799	69,25,799	19.69	19.69	69,25,799	69,25,799	[●]	[●]	0	0.00
Any Other (IDBI Trusteeship Services Limited(on behalf of MT Associates Trust)	1	6,80,966	6,80,966	1.94	1.94	6,80,966	6,80,966	[●]	[●]	0	0.00

Category of Shareholders	No. of shareholders	Pre-Issue				Post-Issue*				Shares pledged or otherwise encumbered	
		Total No. of Equity Shares	No. of Equity Shares in dematerialised form	Total Equity Shareholding as a % of total No. of Equity Shares		Total No. of Equity Shares	No. of Equity Shares in dematerialised form	Total Equity Shareholding as a % of total No. of Equity Shares		Number of Equity Shares	As a % of total number of Equity Shares
				As a % of (A+B)	As a % of (A+B+C)			As a % of (A+B)	As a % of (A+B+C)		
Sub-Total (B) (2)	87	81,40,955	81,40,955	23.15	23.15	81,40,955	81,40,955	[●]	[●]	0	0.00
Total Public Shareholding (B) = (B)(1)+(B)(2)	88	1,82,15,987	1,82,15,987	51.79	51.79	1,82,15,987	1,82,15,987	[●]	[●]	0	0.00
TOTAL (A)+(B)	89	3,51,72,872	3,51,72,872	100.00	100.00	3,51,72,872	3,51,72,872	[●]	[●]	0	0.00
(C) Shares held by Custodians and against which Depository Receipts have been issued	0	0	0	0.00	0.00	0	0	0.00	0.00	0	0.00
GRAND TOTAL (A)+(B)+(C)	**89**	**3,51,72,872**	**3,51,72,872**	**100.00**	**100.00**	**3,51,72,872**	**3,51,72,872**	[●]	[●]	0	0.00

** Assuming none of the Shareholders participate in the Issue.*

4. The list of top 10 Shareholders and the number of Equity Shares held by them is as under:

(a) As of the date of the Draft Red Herring Prospectus:

Sr. No.	Name of the shareholder	No. of Equity Shares held	Percentage
1.	Mahesh R. Shetty	1,69,56,885	48.21
2.	Helix Investments Company	1,00,75,032	28.64
3.	Dr. Chhaya Shastri	17,17,551	4.88
4.	Aman Agarwal	7,42,500	2.11
5.	Prashant J. Agarwal	7,42,500	2.11
6.	IDBI Trusteeship Services Limited (on behalf of MT Associates Trust)	6,80,966	1.94
7.	Reynold Shirtings Private Limited	4,95,000	1.41
8.	Chandresh Fooria*	4,22,353	1.20
9.	Murali H. Subramanian	3,20,364	0.91
10.	Anish Thakkar*	3,19,967	0.91
	TOTAL	**3,24,73,118**	**92.32**

* *For the details of employee stock options held and the number of Equity Shares entitled to upon conversion of such employee stock options, please see "Capital Structure – Employee Stock Option Plan - Employee Stock Option Scheme 2011 – II - Note 2" on page 66.*

(b) As of 10 days prior to the date of the Draft Red Herring Prospectus:

Sr. No.	Name of the shareholder	No. of Equity Shares held	Percentage

Sr. No.	Name of the shareholder	No. of Equity Shares held	Percentage
1.	Mahesh R. Shetty	1,69,56,885	49.36
2.	Helix Investments Company	1,00,75,032	29.33
3.	Dr. Chhaya Shastri	17,17,551	5.00
4.	Aman Agarwal	7,42,500	2.16
5.	Prashant J. Agarwal	7,42,500	2.16
6.	Reynold Shirtings Private Limited	4,95,000	1.44
7.	Chandresh Fooria*	4,01,742	1.17
8.	Murali H. Subramanian	3,20,364	0.93
9.	Anish Thakkar*	268,884	0.78
10.	Shrenik Kotecha*	2,20,968	0.64
	Vipul Shah	2,20,968	0.64
	Mahtab Khan	2,20,968	0.64
	Sujeet Koyoot*	2,20,968	0.64
TOTAL		**3,26,04,330**	**94.89**

* *For the details of employee stock options held and the number of Equity Shares entitled to upon conversion of such employee stock options, please see "Capital Structure – Employee Stock Option Plan - Employee Stock Option Scheme 2011 – II - Note 2" on page 66.*

(c) As of two years prior to the date of the Draft Red Herring Prospectus:

Sr. No.	Name of the Shareholder	No. of Equity Shares held	Percentage (%)
1.	Mahesh R. Shetty	95,000	54.76
2.	Helix Investments Company	50,884	29.33
3.	Naarayanan Iyer	5,000	2.88
4.	Aman Agarwal	3,750	2.16
5.	Prashant J. Agarwal	3,750	2.16
6.	Reynold Shirtings Private Limited	2,500	1.44
7.	Chandresh Fooria*	2,029	1.17
8.	Anish Thakkar*	1,618	0.93
9.	Murali H. Subramanian	1,618	0.93
10.	Shrenik Kotecha*	1,116	0.64
	Vipul Shah	1,116	0.64
	Mahtab Khan	1,116	0.64
	Sujeet Koyoot*	1,116	0.64
	TOTAL	**1,70,613**	**98.32**

* *For the details of employee stock options held and the number of Equity Shares entitled to upon conversion of such employee stock options, please see "Capital Structure – Employee Stock Option Plan - Employee Stock Option Scheme 2011 – II - Note 2" on page 66.*

5. The table below sets forth the details of the Equity Shares issued by our Company at a price which may be lower than the Issue Price during a period of one year preceding the date of this Draft Red Herring Prospectus:

Date of Allotment	Name of the Allottee	No. of Equity Shares	Face Value	Issue Price	Reason
June 11, 2011	IDBI Trusteeship Services Limited (on behalf of MT Associates	6,80,966	10	10	Allotment of Equity Shares to the MT Associate Trust to be transferred to the Trust beneficiaries. For further details, please see "MT Associates Trust" on page 62

Date of Allotment	Name of the Allottee	No. of Equity Shares	Face Value	Issue Price	Reason
	Trust)				below.
June 11, 2011	Employees of our Company**	1,40,886	10	10	Allotment of Equity Shares to the employees of our Company pursuant to exercise of options granted under ESOP 2011 – I. For further details, please see “Employee Stock Option Plan” on page 63 below.

* *Neither the MT Associates Trust, the Trust Beneficiaries nor IDBI Trusteeship Services Limited (trustee of the MT Associates Trust) form part of our Promoter Group.*

** *None of the employees of our Company form part of our Promoter Group.*

6. **MT Associates Trust**

The MT Associates Trust (the “Associate Trust”) is an independent irrevocable trust established by a trust deed dated May 13, 2011 (“Trust Deed”) for the benefit of certain persons associated with our Company through a subsisting valid contract of engagement for their services in their capacity as (i) faculty members across various coaching centers and courses, both full-time and part time; (ii) persons who structure and organize various courses offered by our Company; (iii) persons who manage various coaching centers and/or (iv) provide administrative assistance in relation to the business of our Company (the “Trust Beneficiaries”). The Trust Beneficiaries do not include our Promoter, any members of Promoter Group or the permanent employees of our Company.

The settlor of the Associate Trust is Mahesh R. Shetty, our Promoter (the “Settlor”), who has established the Associate Trust with an initial corpus of Rs. 1,00,000 and the trustee of the Associate Trust is IDBI Trusteeship Services Limited (the “Trustee”). Pursuant to the Trust Deed, our Company has, on June 11, 2011, allotted 6,80,966 Equity Shares, constituting 1.94% of the post-Issue paid up capital of our Company, at a consideration of Rs. 10 per Equity Share to the Associate Trust (“Trust Shares”). The Trust Shares shall be held by the Associate Trust, in the name of the Trustee, in trust for and on behalf of the Trust Beneficiaries. Our Promoter, as the Settlor, has granted an unsecured and interest free loan of Rs. 69,00,000 to the Associate Trust which has been utilized by the Associate Trust for the purpose of subscription to the Trust Shares. The Settlor shall also grant Rs. 1,00,000 annually towards the expenses of the Associate Trust, including, *inter alia*, service fees to be paid to the Trustee. The Associate Trust shall not accept contributions from any person other than the Settlor, unless such person is approved by the Settlor. However, the Associate Trust may, for the benefit of the Beneficiaries, avail loans from banking companies, non-banking financial companies or any other financial institution, subject to applicable law.

The management and operation of the Associate Trust shall be vested exclusively in the Trustee who shall act in accordance with the terms of the Trust Deed. The Trustee has appointed two employees of our Company as the administrators to render administrative and managerial services to the Associate Trust and for ensuring compliance of the Associate Trust and its activities with applicable law.

Our Company shall, from time to time, identify the Trust Beneficiaries who are entitled to receive Trust Shares. The Trust Beneficiaries identified by our Company and communicated to the Trustee by our Board of Directors, shall be provided a grant letter by the Trustee, containing the details of the number of Trust Shares to which such Trust Beneficiary is entitled and the manner in which such Trust Shares will be transferred to such Trust Beneficiary. The Trust Shares shall be transferred to the Trust Beneficiaries at a price of Rs. 10 per Trust Share, in tranches, as mentioned in the grant letter provided to each Trust Beneficiary. The Trust Shares shall not be transferrable by the Associate Trust during a period of one year from the date of Allotment of Equity Shares in the Issue.

The initial term of the Associate Trust is nine years from the date of the Trust Deed unless terminated earlier in accordance with the terms of the Trust Deed. The term may be extended by two years subject to the consent of the Trust Beneficiaries. No subscription or transfer of Equity Shares shall be made by the Associate Trust upon the expiry of the initial term of the Associate Trust, except with the consent of the Trust Beneficiaries. Upon termination or winding up, the Trust Shares held by the Trustee, shall be sold at the discretion of the Trustee, in consultation with the administrator, and the proceeds of such sale shall be distributed amongst the Trust Beneficiaries *pro rata* to the number of Trust Shares they are entitled to, as on the date of termination or winding up, as the case may be.

None of the Trust Beneficiaries shall be given Trust Shares, in any one year, that constitute more than 1% of the issued capital of our Company at the time of the transfer. Further, none of the Trust Beneficiaries shall receive Trust Shares, in any one year, amounting to 5% or more of the aggregate number of Trust Shares transferred by the Associate Trust to the Trust Beneficiaries in that year.

7. **Employee Stock Option Plan ("ESOP")**

The employee stock options of our Company presently operate under two different employee stock options schemes for the employees of our Company, namely ESOP 2011 – I and ESOP 2011 – II. ESOP 2011 – I is not in compliance with the provisions of the SEBI ESOP Guidelines, as our Company, being an unlisted Company, is not required to comply with the provisions thereof. There are no outstanding options under ESOP 2011 – I and our Company does not intend to make any further grant of options under the ESOP 2011 – I. ESOP 2011 – II is in compliance with the SEBI ESOP Guidelines. The details of the ESOP schemes of our Company are as follows:

1. Employee Stock Option Scheme 2011 - I ("ESOP 2011 - I")

Our Company instituted ESOP 2011 - I on April 8, 2011, pursuant to Board and Shareholders' resolutions dated April 8, 2011 and April 13, 2011, respectively. The objective of ESOP 2011 - I was to reward the employees for their past association and performance as well as to motivate them to contribute to the growth and profitability of our Company.

The Shareholders of our Company in their meeting held on April 13, 2010 had approved the grant of 1,40,887 options convertible into 1,40,887 Equity Shares of face value Rs. 10 each, pursuant to which our Company granted 1,40,886 options convertible into 1,40,886 Equity Shares of face value Rs. 10 each, which represents 0.40% of the pre-Issue paid-up equity capital of our Company. The additional one option was annulled in the meeting of our Board of Directors held on June 2, 2011. The options granted under ESOP 2011 – I have been exercised and converted into 1,40,886 Equity Shares. The following table sets forth the particulars of the options granted under ESOP 2011 - I as of the date of filing of this Draft Red Herring Prospectus:

Particulars	Details
Options granted	1,40,886
The pricing formula	Under ESOP 2011 – I, Equity Shares pursuant to exercise of the options were issued at face value, i.e., Rs. 10
Exercise price of options	Rs. 10
Total options vested	1,40,886
Options exercised	1,40,886
Total number of Equity Shares that would arise as a result of full exercise of options already granted	1,40,886
Options forfeited/lapsed/cancelled	Nil
Variation in terms of options	Nil
Money realised by exercise of options	Rs. 14,08,860
Options outstanding (in force)	Nil
Person wise details of options granted to	
(i) Directors and key management employees	Please see Note 1 below
(ii) Any other employee who received a grant in any one year of options amounting to 5% or more of the options granted during the year	Please see Note 2 below
(iii) Identified employees who are granted options, during any one year equal to exceeding 1% of the issued capital (excluding outstanding	Nil

Particulars	Details
warrants and conversions) of our Company at the time of grant	
Fully diluted EPS on a pre-Issue basis on exercise of options calculated in accordance with Accounting Standard (AS) 20 'Earning Per Share'	NA
Difference between employee compensation cost using the intrinsic value method and the employee compensation cost that shall have been recognised if the Company had used fair value of options and impact of this difference on profits and EPS of the Company	NA. Our Company has used the fair value of options for the purpose of recognizing employee compensation cost.
Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock	NA
Description of the method and significant assumptions used during the year to estimate the fair values of options, including weighted-average information, namely, risk-free interest rate, expected life, expected volatility, expected dividends and the price of the underlying share in market at the time of grant of the option	Our Company has adopted Black Scholes method to estimate the fair value of options with the following assumptions: (i) Risk-free interest rate: 8.3%; (ii) Expected Life: 0.15 years; (iii) Expected volatility - 33% (Based on historical prices of the peer companies); (iv) Expected dividends: Nil (v) Price of underlying share in market at the time of grant of the option: NA
Vesting schedule	The options vested immediately on the grant of the options
Lock-in	NA*
Impact on profits of the last three years	Nil
Intention of the holders of equity shares allotted on exercise of options to sell their shares within three months after the listing of Equity Shares pursuant to the Issue	Nil
Intention to sell equity shares arising out of the exercise of shares granted under ESOP 2011 - I within three months after the listing of equity shares by directors, senior managerial personnel and employees amounting to more than 1% of the issued capital (excluding outstanding warrants and conversions)	Nil

* *The Equity Shares allotted to the employees pursuant to conversion of the options granted to them under ESOP 2011 – I will be subject to a lock-in of one year from the date of Allotment in the Issue, in accordance with the SEBI Regulations.*

Note 1: Details regarding options granted to our Directors and key management personnel are set forth below under ESOP 2011 - I:

Name of director/ key management personnel	Total No. of options granted	No. of options exercised	Total No. of options outstanding	Total No. of Equity Shares held
Anish Thakkar	87,383	87,383	Nil	3,19,967
Chandresh Fooria	20,611	20,611	Nil	4,22,353
Shrenik Kotecha	10,117	10,117	Nil	2,31,085
Sujeet Koyoot	10,117	10,117	Nil	2,31,085
Anup Gandhi	7,000	7,000	Nil	7,000
Ashwin M. Patel	2,500	2,500	Nil	2,500

Note 2: Employees who received a grant in any one year of options amounting to 5% or more of the options granted during the year under ESOP 2011 – I:

Name of Employee	No. of options granted
Anish Thakkar	87,383
Chandresh Fooria	20,611
Shrenik Kotecha	10,117
Sujeet Koyoot	10,117

2. Employee Stock Option Scheme 2011 - II ("ESOP 2011 - II")

Our Company instituted the ESOP 2011 - II on April 8, 2011, pursuant to Board and Shareholders' resolutions dated April 8, 2011 and April 13, 2011, respectively. The objective of ESOP 2011 - II was to reward the employees for their past association and performance as well as to motivate them to contribute to the growth and profitability of our Company.

Our Company has granted 2,72,912 options convertible into 2,72,912 Equity Shares of face value Rs. 10 each under ESOP 2011 - II, which represents 0.78% of the pre-Issue paid-up equity capital of our Company. Our Companny does not intend to make further grant of options under ESOP 2011 – II. The following table sets forth the particulars of the options granted under ESOP 2011 - II as of the date of filing of this Draft Red Herring Prospectus:

Particulars	Details
Options granted	2,72,912
The pricing formula	Under ESOP 2011 – II, Equity Shares pursuant to exercise of the options were issued at face value, i.e., Rs. 10
Exercise price of options	Rs. 10
Total options vested	Nil
Options exercised	Nil
Total number of Equity Shares that would arise as a result of full exercise of options already granted	2,72,912
Options forfeited/lapsed/cancelled	Nil
Variation in terms of options	Nil
Money realised by exercise of options	Nil
Options outstanding (in force)	2,72,912
Person wise details of options granted to	
(i) Directors and key management employees	Please see Note 1 below
(ii) Any other employee who received a grant in any one year of options amounting to 5% or more of the options granted during the year	Please see Note 2 below
(iii) Identified employees who are granted options, during any one year equal to exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of our Company at the time of grant	Nil
Fully diluted EPS on a pre-Issue basis on exercise of options calculated in accordance with Accounting Standard (AS) 20 'Earning Per Share'	NA
Difference between employee compensation cost using the intrinsic value method and the employee compensation cost that shall have been recognised if the Company had used fair value of options and impact of this difference on profits and EPS of the Company	NA. Our Company has used the fair value of options for the purpose of recognizing employee compensation cost.
Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock	NA
Description of the method and significant assumptions used during the year to estimate the fair values of options, including weighted-average	Our Company has adopted Black Scholes method to estimate the fair

Particulars	Details
information, namely, risk-free interest rate, expected life, expected volatility, expected dividends and the price of the underlying share in market at the time of grant of the option	value of options with the following assumptions: (i) Risk-free interest rate: 8.3%; (ii) Expected Life: 1.91 years (weighted average of various vesting periods); (iii) Expected volatility - 33% (Based on historical prices of the peer companies); (iv) Expected dividends: Nil (v) Price of underlying share in market at the time of grant of the option: NA
Vesting schedule	Please see Note 3 below
Lock-in	NA
Impact on profits of the last three years	Nil
Intention of the holders of equity shares allotted on exercise of options to sell their shares within three months after the listing of Equity Shares pursuant to the Issue	NA
Intention to sell equity shares arising out of the exercise of shares granted under ESOP 2011 - II within three months after the listing of equity shares by directors, senior managerial personnel and employees amounting to more than 1% of the issued capital (excluding outstanding warrants and conversions)	Nil

Note 1: Details regarding options granted to our Directors and key management personnel are set forth below under ESOP 2011 - II:

Name of director/ key management personnel	Total No. of options granted	No. of options exercised	Total No. of options outstanding	Total No. of Equity Shares held
Anish Thakkar	1,20,672	Nil	1,20,672	3,19,967
Chandresh Fooria	48,091	Nil	48,091	4,22,353
Shrenik Kotecha	23,607	Nil	23,607	2,31,085
Sujeet Koyoot	23,607	Nil	23,607	2,31,085
Anup Gandhi	20,998	Nil	20,998	7,000
Ashwin M. Patel	7,500	Nil	7,500	2,500

Note 2: Employees who received a grant in any one year of options amounting to 5% or more of the options granted during the year under ESOP 2011 – II:

Name of Employee	No. of options granted
Anish Thakkar	1,20,672
Chandresh Fooria	48,091
Shrenik Kotecha	23,607
Sujeet Koyoot	23,607
Anup Gandhi	20,998

Note 3: Vesting schedule of the options granted under ESOP 2011 – II:

Date of vesting	Percentage of options granted under ESOP 2011 – II (%)		
	Category – I*	Category – II*	Other Employees
September 30, 2012 or the date of expiry of one year from the date of listing of Equity Shares, whichever is later	50.00	33.33	22.22
April 30, 2013 or the date of expiry of one year from the date of listing of Equity Shares, whichever is later	50.00	33.33	33.33
April 30, 2014 or the date of expiry of one year from the date of listing of Equity Shares, whichever is later	Nil	33.34	44.45

* *Category – I and Category – II consist of key management personnel of our Company.*

8. Our Company, our Directors and the BRLM have not entered into any buy-back and/or standby arrangements for purchase of Equity Shares from any person.

9. Our Promoter Group, our Directors and the immediate relatives of our Directors have not purchased or sold any Equity Shares during a period of six months preceding the date of filing of this Draft Red Herring Prospectus with SEBI.

10. Our Company has not issued any Equity Shares out of revaluation reserves.

11. Our Company has not issued any Equity Shares pursuant to any scheme approved under the Sections 391-394 of the Companies Act.

12. Neither the BRLM nor any associates of the BRLM hold any Equity Shares in our Company.

13. An oversubscription to the extent of 10% of the Issue can be retained for the purposes of rounding off to the nearer multiple of minimum allotment lot.

14. All Equity Shares will be fully paid up at the time of Allotment failing which no Allotment shall be made.

15. Other than the 2,72,912 options granted under ESOP 2011 - II convertible into 2,72,912 Equity Shares there are no outstanding warrants, options or rights to convert debentures, loans or other instruments convertible into the Equity Shares.

16. Mahesh R. Shetty, our Promoter, who is also the settlor of the MT Associate Trust, has provided an unsecured and interest free loan of Rs. 69,00,000 to MT Associates Trust through a letter dated May 28, 2011 for the purpose of subscribing to 6,80,966 Equity Shares of the Company. For further details, please see the section "Capital Structure – MT Associate Trust" on page 62. Except as stated, our Promoter Group, our Directors or the relatives of our Directors have not financed the purchase by any other person of securities of our Company during the six months preceding the date of filing of this Draft Red Herring Prospectus.

17. There will be no further issue of Equity Shares, whether by way of issue of bonus shares, preferential allotment, 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. Our Company presently does not intend or propose to alter the capital structure for a period of six months from the Bid/Issue Opening Date, by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares) whether on a preferential basis or issue of bonus or rights or further public issue of specified securities or qualified institutions placement or otherwise. However, if our Company enters into acquisitions, joint ventures or other arrangements, our Company may, subject to necessary approvals, consider raising additional capital to fund such activity or use Equity Shares as currency for acquisitions or participation in such joint ventures.

19. Our Company shall Allot at least 50% of the Issue to QIBs on a proportionate basis. 5% of the QIB Portion (excluding Anchor Investor Portion) shall be available for allocation to Mutual Funds only and the remaining QIB Portion shall be available for allocation to the QIB Bidders including Mutual Funds subject to valid Bids being received at or above the Issue Price. Further, not less than 15% of the Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue will be available for allocation to Retail Individual Bidders, subject to valid Bids being received from them at or above the Issue Price. Under-subscription, if any, in any category, except in the QIB category, would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company in consultation with the BRLM and the Designated Stock Exchange.

20. 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.

OBJECTS OF THE ISSUE

The Issue consists of the Fresh Issue by our Company and the Offer for Sale by the Selling Shareholder.

Offer for Sale

Our Company will not receive any proceeds from the Offer for Sale by the Selling Shareholder.

Fresh Issue

The proceeds of the Issue, after deducting the proceeds of the Offer for Sale and Issue related expenses (the "**Net Proceeds**"), are estimated to be approximately Rs. [●] lakhs.

The Net Proceeds are proposed to be utilised by our Company for the following objects:

(a) Part financing the cost of construction of a PUC campus in Karnataka, which includes the cost of acquisition of land;

(b) Establishing new Coaching Centres at 20 locations; and

(c) General corporate purposes.

The main objects clause and objects incidental and ancillary to the main objects set out in our Memorandum of Association enable us to undertake our existing activities and the activities for which the funds are being raised through this Fresh Issue. Further, we confirm that the activities undertaken by our Company until now have been in accordance with the objects clause of our Memorandum of Association.

The details of the Net Proceeds are summarized in the table below:

(Rs.in Lakhs)

	Amount
Gross Proceeds from the Issue	[●]
(Less) Issue related Expenses[(1) (2)]	[●]
(Less) Offer for Sale portion	[●]
Net Proceeds[(1)]	[●]

(1) *To be finalised upon determination of the Issue Price.*
(2) *Only the proportionate Issue-related expenses to be incurred by our Company.*

Utilisation of Net Proceeds

1. The Net Proceeds will be utilised in accordance with the table set forth below:

(Rs. in Lakhs)

Sr. No.	**Expenditure items**	**Total estimated expenditure**	**Amount deployed as on May 31, 2011**[(1)]	**Balance amount**	**Amount proposed to be financed from internal accruals**	**Amount proposed to be financed from Net Proceeds**
1.	Part financing the cost of construction of a PUC campus in Karnataka, which includes the cost of acquisition of land	2,884.15	50.00	2,834.15	834.15	2,000
2.	Establishing new Coaching Centres at20 locations	531.63[(2)]	Nil	531.63	31.63	500

Sr. No.	Expenditure items	Total estimated expenditure	Amount deployed as on May 31, 2011[(1)]	Balance amount	Amount proposed to be financed from internal accruals	Amount proposed to be financed from Net Proceeds
3.	General corporate purposes	[●]	-	-	Nil	[●]
	Total	[●]	50.00	[●]	[●]	[●]

(1) *Amounts deployed by our Company as on May 31, 2011 have been funded from internal accruals as certified by Shaparia & Mehta, Chartered Accountants, through their certificate dated June 15, 2011.*

(2) *Estimated cost does not include expenses towards the payment of security deposit for the premises, which will be funded by our Company from its internal accruals.*

The amount, if any, deployed by our Company out of internal accruals, towards the aforementioned objects, subsequent to the date of filing of the Draft Red Herring Prospectus and prior to the receipt of Net Proceeds, shall be reimbursed to our Company from the Net Proceeds of the Issue.

The fund requirements for the objects of the Issue are based on internal management estimates and have not been appraised by any bank or financial institution. Our Company may have to revise its expenditure and fund requirements due to external factors, which may not be within the control of our management. This may entail rescheduling or revising the planned expenditure and funding requirements, including the the expenditure for a particular purpose at the discretion of our management. Please see "Risk Factors – We will have considerable discretion as to the use of the Net Proceeds from this Issue and it is not subject to monitoring by any independent agency" on page xxii.

In case of any variation in the actual utilisation of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in this Issue.

In case of a shortfall in raising requisite capital from the Net Proceeds towards meeting the objects stated above, our Company may explore a range of options including utilising its internal accruals and obtaining debt from lenders.

2. The following table details the schedule of utilisation of the Net Proceeds:

(Rs. In Lakhs)

Sr. No.	Particulars	Estimated schedule of deployment of Net Proceeds			
		Fiscal 2012	Fiscal 2013	Fiscal 2014	Total
1.	Part financing the cost of construction of a PUC campus in Karnataka, which includes the cost of acquisition of land	1,319.26	484.71	196.03	2,000
2.	Establishing new Coaching Centres at 20 locations	211.62	288.38	-	500
3.	General corporate purposes	[●]	[●]	[●]	[●]
	Total	**[●]**	**[●]**	**[●]**	**[●]**

In the event that the estimated utilisation of the Net Proceeds in a Fiscal is not completely met, the same shall be utilised in the next Fiscal.

Details of the Objects of the Fresh Issue

1. Part financing the cost of construction of a PUC campus in Karnataka, which includes the cost of acquisition of land

Our Company proposes to acquire land and construct a PUC campus at Mangalore in Karnataka. The PUC campus would comprise of classrooms and other facilities, such as a library, an auditorium, a playground and administrative offices.

Our Company is proposing to enter into a management services agreement with MT Educare Charitable Trust pursuant to which our Company will provide certain management services to MT Educare Charitable Trust. As part of the infrastructure management, advisory and support services to be provided by our Company to MT Educare Charitable Trust under this management services agreement, our Company is proposing enter into to lease arrangements with the Trust in order to lease the land and PUC campus thereon, to the Trust for a period of 30 years for conducting the operations of the PUC and has entered into a memorandum of understanding dated May 14, 2011 in this regard. For further details in relation to the proposed management services agreement, please see the section "Business" on page 101, and for the details of the memorandum of understanding between our Company and MT Educare Charitable Trust, please see the section "History and Certain Corporate Matters – Summary of Key Agreements" on page 121.

The total estimated cost for the construction of the PUC campus is Rs. 2,884.15 lakhs. Our Company proposes to utilize Rs. 2,000 lakhs from the Net Proceeds towards the cost of construction of the PUC campus, including the acquisition of the land for the same. The break-down of the estimated costs are set forth below:

(Rs. in Lakhs)

Particulars	Total Cost[(1)]	Amount deployed as on May 31, 2011[(2)]	Amount to be funded from internal accruals	Amount to be funded from the Net Proceeds	Expected date of completion[(3)]
Land	471.28[(4)]	50.00	Nil	421.28	August 2011
Building and civil works	1,716.33	Nil	834.15	882.18	March 2014
Furniture and fixtures	226.80	Nil	Nil	226.80	March 2014
Equipment	414.74	Nil	Nil	414.74	March 2014
Miscellaneous Expenses[(5)]	55.00	Nil	Nil	55.00	NA
Total	**2,884.15**	**50.00**	**834.15**	**2,000**	**-**

(1) *Estimates based on the certificate dated May 27, 2011 from Simon & Samuel, Architects and Interior Designers.*
(2) *Amounts deployed by our Company as on May 31, 2011 have been funded from internal accruals as certified by Shaparia & Mehta, Chartered Accountants, through their certificate dated June 15, 2011.*
(3) *Proposed lease to MT Educare Charitable Trust is not subject to completion of the entire PUC campus. Our Company will lease portions of the PUC campus to MT Educare Charitable Trust as and when the construction of such portion is completed.*
(4) *Includes only the cost of acquisition of the portion of the land admeasuring 0.75 acres proposed to be utilized for constructing the PUC campus and the proportionate applicable stamp duty on such portion of land.*
(5) *Includes cost for meeting any contingencies including increase in cost of equipments, construction materials etc.*

a) Land

The total land requirement for the PUC campus at Mangalore is estimated to be 0.75 acres. Our Company has entered into a memorandum of understanding dated May 14, 2011 with Rohan Monteiro for the purchase of land admeasuring 1.50 acres, bearing survey numbers 11-6, 11-9 (part), 4-10 (part), and 4-5A (part), situated at Bangrakulur Village, Mangalore, Karnataka ("Identified Land"). Our Company proposes to construct the PUC campus by utilizing 0.75 acres out of the Identified Land. The total cost of acquisition of the Identified Land is Rs. 942.55 lakhs, including applicable stamp duty and accordingly, the cost of acquisition of the portion of the land proposed to be utilized for constructing the PUC campus is Rs. 471.28 lakhs. The remaining Rs. 471.28 lakhs is proposed to be funded by our Company from its internal accruals.

Our Company is in the process of executing the sale deed for the purchase of the Identified Land. Rohan Monteiro, the owner of the Identified Land is not related to our Promoter, Directors, Promoter Group or Group Companies and has acquired the Identified Land pursuant to registered sale deeds dated September 21, 2007, December 23, 2010 and March 16, 2011. A partition suit was initiated before the I Additional Civil Judge (Junior Division), Dakshina Kannada, Mangalore by Somappa Deviga in relation to a portion of the Identified Land. For further details, please see "Risk Factors – Upon completion of the proposed acquisition of property in Mangalore, our Company may not hold, or may not be able to prove that it holds, good title to the property acquired by our Company" on page xiv. We undertake to obtain the approvals required in relation to the Identified Land, if any, prior to the acquisition of the same.

b) Building and civil works

Our Company estimates an expenditure of approximately Rs. 1,716.33 lakhs, towards costs for construction of the building and civil works. These estimates are based on the certificate dated May 27, 2011 received from Simon &

Samuel, Architects and Interior Designers. These costs would primarily comprise of costs incurred towards civil works and other construction costs including costs incurred for plumbing, interior work, electrical and wood works and road, municipal charges, architect fees and other basic infrastructure.

c) Equipment

Our Company estimates an expenditure of approximately Rs. 414.74 lakhs towards purchasing equipment required for the PUC campus, which would primarily comprise of air conditioners, computers, projectors, fire alarms, generator sets and transformers. The cost estimates of equipment are based on the certificate dated May 27, 2011 received from Simon & Samuel, Architects and Interior Designers.

d) Furniture and fixtures

Our Company estimates an expenditure of approximately Rs. 226.80 lakhs towards purchasing furniture and fixtures required for the PUC campus. The cost of furniture will include furniture for classrooms, administrative offices and auditorium. The estimated expenditure also includes the cost for lights and accessories. The cost estimates of furniture and fixtures are based on the certificate dated May 27, 2011 received from Simon & Samuel, Architects and Interior Designers.

2. Establishing new Coaching Centres at 20 locations

Our Company proposes to utilize Rs. 500 lakhs from the Net Proceeds to fund the establishing of new Coaching Centres at 20 locations across Mumbai and Pune. Out of the 20 locations where the new Coaching Centres are proposed to be established, our Company has identified eight locations ("Identified Locations") and is in the process of identifying the remaining 12 locations. The new Coaching Centres will be operated by our Company on premises which will be acquired on lease or through leave and license arrangements. As on the date of this Draft Red Herring Prospectus, our Company has not entered into any lease or leave and license arrangements for premises at any of the Identified Locations to operate the new Coaching Centres.

All the Identified Locations are in Mumbai. The details of the Identified Locations and the expected time of commencement of operations of the new Coaching Centres at the Identified Locations are set forth in the table below:

Sr. No	Identified Location*	Expected time for commencement of operations	Area (sq. ft.)
1.	Khadakpada, Kalyan	December 2011	1,500
2.	Chandivali, Andheri	December 2011	1,200
3.	Ashoknagar, Kandivali	December 2011	1,200
4.	Yoginagar, Borivali	April 2012	1,000
5.	Kurla	April 2012	1,000
6.	Sanpada	April 2012	1,000
7.	Bandra	December 2011	1,500
8.	Matunga	October 2011	1,500

* *The Identified Locations may be subject to change due to various factors outside our Company's control, including non availability of suitable properties on commercially acceptable terms or at all.*

The size of our Coaching Centres generally varies between 1,000 sq. ft and 1,500 sq. ft. The following table sets forth the breakdown of the estimated costs for setting up a new Coaching Centre at a location:

(Rs. in Lakhs)

Particulars	Estimated cost for coaching centre of area 1,000 sq. ft. (1) (2)	Estimated cost for coaching centre of area 1,200 sq. ft. (1) (2)	Estimated cost for coaching centre of area 1,500 sq. ft. (1) (2)
Civil and interior works	6.55	7.80	9.82
Electrical work	2.52	2.88	3.78
Furniture	5.03	6.13	7.55

Particulars	Estimated cost for coaching centre of area 1,000 sq. ft. (1) (2)	Estimated cost for coaching centre of area 1,200 sq. ft. (1) (2)	Estimated cost for coaching centre of area 1,500 sq. ft. (1) (2)
Equipment	6.92	8.10	10.38
Miscellaneous expenses(3)	0.42	0.50	0.63
Total	**21.44**	**25.41**	**32.16**

(1) *Estimated cost does not include the expense towards payment of security deposit for the premises, which will be funded by our Company from its internal accruals.*
(2) *Estimates based on the certificate dated May 27, 2011 from Simon & Samuel, Architects and Interior Designers.*
(5) *Includes cost for meeting any contingencies including increase in cost of equipments, materials etc.*

The following table sets forth the total estimated cost for setting up new Coaching Centres and the area wise details of the locations where our Company intends to establish new Coaching Centres:

Area (sq. ft.)	No. of Locations	Total Cost (In. Rs. Lakhs)
1,000	6	128.64
1,200	7	177.87
1,500	7	225.12
Total	**20**	**531.63**

a) Civil and interior works

The total expenditure estimated to be incurred towards civil and interior works is approximately Rs. 162.64 lakhs. The cost for civil and interior works will include, *inter alia*, the cost for partitions, painting, false ceiling, sanitary works, flooring and tiling. The cost estimates of civil and interior works are based on the certificate dated May 27, 2011 received from Simon & Samuel, Architects and Interior Designers.

b) Electrical work

The total expenditure estimated to be incurred towards electrical work required for the new Coaching Centres is approximately Rs. 61.74 lakhs. The cost of electrical work will include the cost of electrical equipment such as lights, switches etc and the cost of fixing various electrical equipments. The cost estimates of electrical work are based on the certificate dated May 27, 2011 received from Simon & Samuel, Architects and Interior Designers.

c) Furniture

The total expenditure estimated to be incurred towards purchasing furniture required for the new Coaching Centres is approximately Rs. 125.94 lakhs. The cost of furniture will include furniture for classrooms, office rooms and library such as wall panelling, chairs, tables, doors and storages. The cost estimates of furniture are based on the certificate dated May 27, 2011 received from Simon & Samuel, Architects and Interior Designers.

d) Equipment

The total expenditure estimated to be incurred towards equipment for the new Coaching Centres is approximately Rs. 170.88 lakhs. Equipment for the new coaching centers would include computers, printers, air conditioners and security systems. The cost estimates of equipment are based on the certificate dated May 27, 2011 received from Simon & Samuel, Architects and Interior Designers.

No part of the Net Proceeds shall be utilised towards meeting the working capital requirements.

3. General Corporate Purposes

Our Company intends to deploy the balance Net Proceeds aggregating Rs. [•] lakhs for General Corporate Purposes, including but not restricted to, capital expenditure for the various Coaching Centres operated by our Company, strategic initiatives, meeting exigencies, brand building exercises or any other purposes as approved by our Board.

Means of Finance

The stated objects of funding the construction of the PUC campus in Karnataka and funding the establishment of new Coaching Centres at 20 locations are proposed to be financed from the Net Proceeds and existing identifiable internal accruals. Thus, our Company is in compliance with the SEBI Regulations for firm arrangement of finance through verifiable means towards 75% of the stated means of finance, excluding the amount to be raised through the proposed Fresh Issue and existing identifiable internal accruals.

Bridge Financing Facilities

Our Company has not raised any bridge loans from any bank or financial institution as on the date of this Draft Red Herring Prospectus, which are proposed to be repaid from the proceeds of this Fresh Issue. However, depending on business requirements, our Company may consider raising bridge financing facilities, pending receipt of the Net Proceeds.

Interim use of Net Proceeds

Our Company, in accordance with the policies established by its Board, will have flexibility in deploying the Net Proceeds. Pending utilization for the purposes described above, our Company intends to temporarily invest the funds from the Fresh Issue in interest bearing liquid instruments including deposits with banks and investments in mutual funds and other financial products and investment grade interest bearing securities as may be approved by our Board.

Issue Expenses

The Issue related expenses consist of underwriting fees, selling commission, fees payable to the BRLM to the Issue, legal counsel, Bankers to the Issue including processing fee to the SCSBs for processing ASBA Bid cum Application Forms procured by the Syndicate Members and submitted to the SCSBs, Escrow Bankers and Registrars to the Issue, printing and stationery expenses, advertising and marketing expenses and all other incidental and miscellaneous expenses for listing the Equity Shares on the Stock Exchanges. Our Company intends to use approximately Rs. [●] lakhs towards these expenses for the Issue. Other than listing fees and non-statutory advertisement and marketing expenses, which will be paid by our Company, all expenses with respect to the Issue will be shared between the Selling Shareholder and our Company in proportion to the Equity Shares contributed to the Issue. The break-up for the Issue expenses is as follows:

Activity	Expense* (Rs. In Lakhs)	Expense* (% of total expenses)	Expense* (% of Issue Size)
Book Running Lead Manager	[●]	[●]	[●]
Registrar to the Issue	[●]	[●]	[●]
Advisors	[●]	[●]	[●]
Bankers to the Issue	[●]	[●]	[●]
Underwriting commission, brokerage and selling commission	[●]	[●]	[●]
IPO Grading Expenses	[●]	[●]	[●]
Printing and Distribution	[●]	[●]	[●]
Advertising and Marketing	[●]	[●]	[●]
Others, if any (specify)	[●]	[●]	[●]
Total estimated Issue expenses	[●]	[●]	[●]

** Will be completed after finalisation of the Issue Price.*

Monitoring of Utilization of Funds

The Board will monitor the utilization of the Net Proceeds. Our Company will disclose the utilization of the Net

Proceeds under a separate head along with details, for all such Net Proceeds that have not been utilized. Our Company will indicate investments, if any, of unutilized Net Proceeds in the Balance Sheet of our Company for the relevant Fiscals subsequent to the Issue.

Pursuant to Clause 49 of the Listing Agreement, our Company shall on a quarterly basis disclose to the Audit Committee, the uses and applications of the Net Proceeds. On an annual basis, our 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 Net Proceeds have been utilised in full. The statement will be certified by our statutory auditors. In addition, the report submitted by the monitoring agency will be placed before the Audit Committee of our Company, so as to enable the Audit Committee to make appropriate recommendations to the Board.

Our Company shall, in terms of Clause 43A of the Listing Agreement, be required to inform material deviations in the utilisation of Net Proceeds to the Stock Exchanges and shall also be required to simultaneously make the material deviations / adverse comments of the Audit Committee / monitoring agency public through advertisements in newspapers.

No part of the Net Proceeds will be paid by us as consideration to the Promoter, the Directors, key management personnel or Group Companies of our Company, except in the normal course of business and in compliance with applicable law.

BASIS FOR ISSUE PRICE

The Issue Price will be determined by our Company in consultation with the BRLM on the basis of assessment of market demand for the equity shares though the book-building process and on the basis of the following qualitative and quantitative factors for the Equity Shares. The face value of the Equity Shares is Rs. 10 each and the Issue Price is [●] times the face value at the lower end of the Price Band and [●] times the face value at the higher end of the Price Band.

Qualitative Factors

We believe the following business strengths allow us to successfully compete in the industry:

1. Well recognised brand and experience in the business of education support and coaching;
2. Organised and diversified player in the education support and coaching services sector;
3. Large pool of faculty members;
4. Corporatised structure and experienced management team;
5. Result oriented methods of coaching.

For a detailed discussion on the qualitative factors, which form the basis for computing the price, please see the sections "Business –Competitive Strengths" and "Risk Factors" on pages 102 and xi respectively.

Quantitative factors

Information presented in this section is derived from our Company's restated financial statements prepared in accordance with Indian GAAP, Companies Act and the SEBI Regulations. Some of the quantitative factors, which form the basis for computing the price, are as follows:

1. Basic Earnings Per Share (EPS) & Diluted Earnings Per Share (EPS)

Financial Period	Basic EPS (Rs.)	Diluted EPS (Rs.)	Weight Standalone
Fiscal 2008	(0.85)	(0.85)	1
Fiscal 2009	0.76	0.76	2
Fiscal 2010	1.52	1.52	3
Weighted average	**0.87**	**0.87**	
Period ended December 31, 2010*	2.80	2.80	

* *Not annulized*

Notes:

a. The figures disclosed above are based on the restated summary statements of our Company.
b. The face value of each Equity Share is Rs. 10.
c. Earnings Per Share has been calculated in accordance with Accounting Standard 20 - Earnings Per Share issued by ICAI.
d. The above statement should be read with Significant Accounting Policies and the Notes to the Restated Summary Statements as appearing in Annexure V and VA.

2. Price Earning (P/ E) Ratio in relation to the Issue Price of Rs. [●] per Equity Share of Rs. 10 each

Sr. No	Particulars	P/E
1.	P/E ratio on the Basic EPS for the year ended March 31, 2010 at the Floor Price	[●]
2.	P/E ratio on the Diluted EPS for the year ended March 31, 2010 at the Floor Price	[●]
3.	P/E ratio on the Basic EPS for the year ended March 31, 2010 at the Cap Price	[●]
4.	P/E ratio on the Diluted EPS for the year ended March 31, 2010 at the Cap Price	[●]

Peer Group P/ E*

Particulars	P/ E Ratio
Highest	23.3
Lowest	13.5
Average	18.05

Source: Capital Markets Magazine- Volume XXVI/07 dated May 30 – June 12, 2011 (Industry- Computers – Education, Miscellaneous)

* *Peer Group includes Everonn Education Limited, Educomp Solutions Limited, NIIT, Career Point Infosystems Limited*

3. *Return on Net Worth (RONW)**

Financial Period	Standalone (%)	Weight Standalone
Fiscal 2008	-	1
Fiscal 2009	7.32	2
Fiscal 2010	12.72	3
Weighted average	8.80	
Period ended December 31, 2010	18.97	

* *Restated PAT/Net Worth, as restated*

4. *Minimum Return on Net Worth after Issue to maintain Pre-Issue EPS for Fiscal 2010:*

a. Based on Basic EPS (Based on restated financial statements)

- **At the Floor Price –** [●]
- **At the Cap Price –** [●]

b. Based on Diluted EPS (Based on restated financial statements)

- **At the Floor Price –** [●]
- **At the Cap Price –** [●]

5. *Net Asset Value per Equity Share*

Sr. No	Period	(Rs.)
1.	Fiscal 2008	-
2.	Fiscal 2009	2,065.19
3.	Fiscal 2010	395.18
4.	NAV after the Issue	[●]
5.	Issue Price*	[●]

* *Issue Price will be determined on conclusion of the Book Building Process.*

6. *Comparison of Accounting Ratios with Industry Peers**

Sr. No.	Name of the company	Standalone/ Consolidated	Face Value (Rs. per Share)	EPS (Rs.)	P/ E Ratio	RoNW (%)	Book Value per Share (Rs.)
1.	MT Educare Limited	Standalone**	10	1.52	[●]	12.72	395.18
Peer Group*							
2.	Everonn Education Limited	Standalone	10	38.3	13.9	18.4	276.3
3.	Educomp Solutions Limited	Standalone	2	21.8	13.5	26.9	128.2
4.	NIIT	Standalone	2	2.3	23.3	8	25.2
5.	Career Point Infosystems Limited	Standalone	10	15.1	21.5	20.2	150.7

* *The EPS, RoNW and Book Value Per Share figures for the peer group are based on the latest audited results (standalone) for the year ended March 31, 2011 for Everonn Education Limited, NIIT and Career Point Infosystems Limited and for the year ended March 31, 2010 for Educomp Solutions Limited and P/E is computed based on the market price as on May 23, 2011 and EPS for the year ended March 31, 2011 for Everonn Education Limited, NIIT and Career Point Infosystems Limited and for the year ended March 31, 2010*

for Educomp Solutions Limited as reported in Capital Markets, Volume XXVI/07 dated May 30 – June 12, 2011 (Industry – Computers − Education , Miscellaneous).

** *Based on restated financial statements of our Company for Fiscal 2010.*

*** *Source: Capital Markets- Volume XXVI/07 dated May 30 – June 12, 2011 (Industry – Computers − Education, Miscellaneous)- for the year ended March 31, 2011 for Everonn Education Limited, NIIT and Career Point Infosystems Limited and for the year ended March 31, 2010 for Educomp Solutions Limited;*

The peer group above has been determined on the basis of listed public companies comparable in size to our Company or whose business portfolio is comparable with that of our business.

For further details and to have a more informed view, please review the entire Draft Red Herring Prospectus including in particular the sections "Risk Factors", "Business" and "Financial Statements" on page xi, 101 and 152. The face value of the Equity Shares is Rs. 10 each and the Issue price will be [●] times the face value of Equity Shares. The Issue Price of Rs. [●] has been determined by us, in consultation BRLM on the basis of the demand from investors for the Equity Shares through the Book-Building Process and is justified in view of the above qualitative and quantitative factors.

STATEMENT OF TAX BENEFITS

MT Educare Limited
220, 2nd Floor, “Flying Colors”
Pandit Din Dayal Upadhyay Marg
Off. L. B.S Road, Mulund (West), Mumbai 400 080

Dear Sirs,

Re: Possible Tax Benefits available under the existing tax laws to the Company and the Shareholders on Initial Public Offering (the “IPO”) of Equity Shares as per SEBI Regulations.

As desired by you, we enclose herewith Annexure giving the details of the possible Tax Benefit available to MT Educare Limited (“the Company”) and its Shareholders under the current direct 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 and their interpretations. Hence the ability of the Company or its Shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on business imperatives it faces in the future, it may or may not choose to fulfill.

The benefits discussed in the enclosed Annexure are not exhaustive nor are they conclusive. This statement is only intended to provide general information and to guide the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue and we are absolved of any liability to the shareholder or placing reliance upon the contents of this material.

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

- The Company or its Shareholders will continue to obtain these benefits in future; or
- The conditions prescribed for availing the benefit have been / would be met with;
- The revenue authorities / courts will concur with the views expressed herein.

Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to up-date the views of such changes.

The contents of this annexure are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company and the interpretation of current tax laws.

While all reasonable care has been taken in the preparation of this opinion, we accept no responsibility for any errors or omissions therein or for any loss sustained by any person who relies on it. This report is intended solely for information and for the inclusion in the Offer Document in connection with the proposed Issue of Equity Shares of the Company as per SEBI Regulations and is not to be used, referred to or distributed for any other purpose without our prior written consent.

Thanking you,

Yours faithfully,

For Shaparia & Mehta, Chartered Accountants
Firm Regn No: 112350W
Jayavanti Shah
Partner
Membership No. 043710

Mumbai
Date: June 2, 2011

ANNEXURE TO STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS

SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS:

There are no special tax benefits available to the Company and shareholders.

GENERAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS:

As per the existing provisions of the Income Tax Act, 1961 and other laws as applicable for the time being in force, the following Tax Benefits and deductions are and inter alia, will be available to MT Educare Private Limited (The Company) and its Shareholders. These benefits are available after fulfilling certain conditions as required in the respective acts.

To the Company

1. Being a resident company, world income is taxable in India.

2. Computation of income under the head Business and Profession is subject to **sections 28 to 44DB** of Chapter IVD of the Income Tax Act. Some of the specific provisions are spelt out below:

    - In case of sale of depreciable assets, the excess of Sale Proceeds over the Written down value will be treated as Short Term Capital Gains **u/s 50** of the Income Tax Act, 1961.

    - Subject to compliance of certain conditions laid down in **Section 32** of the Income Tax Act, 1961, the Company will be entitled to a deduction for depreciation in respect of tangible assets and intangible assets being in the nature of know-how, patents, copyrights, trademarks, licenses, franchises or any other business or commercial rights of similar nature acquired on or after 1st day of April, 1998 at the rates prescribed under the Income Tax Rules, 1962;

    - The Company will be entitled to amortise preliminary expenditure, being expenditure in connection with the issue, for public subscription, of shares in or debentures of the company, being underwriting commission, brokerage and charges for drafting, typing, printing and advertisement of the prospectus under **section 35D(2)(c)(iv)** of the Income Tax Act, 1961, subject to the limit specified in **Section 35D(3)** over 5 years.

    - The Company will be entitled to claim expenditure incurred in respect of voluntary retirement scheme under **section 35DDA**of the Income Tax Act, 1961 whereby one-fifth of the amount so paid shall be deducted in computing the profits and gains of the business for that previous year, and the balance shall be deducted in equal installments for each of the four immediately succeeding previous years.

3. Carry forward of business loss (**section 72** of the Income Tax Act, 1961) Unabsorbed business losses, if any, for any year can be carried forward and set off against business profits for subsequent years (up to 8 years).

4. Under **section 10(2A)** of the Income Tax Act, 1961, any share of profit of the Company in the total Income of the Firm in which the Company is a partner is exempt from tax. But remuneration and interest received there from will be taxed under the head "Business and Profession".

5. Dividend income from shares or units of mutual funds specified under **section 10(23D)** of the Income Tax Act, 1961is exempt from income tax in accordance with and subject to the provisions of **section 10(34)** read with **Section 115-O** or **section 10(35),** respectively, of the Income Tax Act, 1961. As per the provisions of **Section14A r.w.r. 8D**of the Income Tax Act, 1961 no deduction is allowed in respect of any expenditure incurred in relation to such dividend income to be computed in accordance with the provisions

contained therein. Also, **Section 94(7)** of the Income Tax Act, 1961 provides that losses arising from the sale/transfer of shares or units purchased within a period of three months prior to the record date and sold/transferred within three months or nine months respectively after such date, will be disallowed to the extent dividend income on such shares or units are claimed as tax exempt.

6. Capital assets may be categorized into short term capital assets and long term capital assets based on the period of holding. Shares in a company, listed securities or units (specified assets) will be considered as long term capital assets if they are held for a period exceeding 12 months. Consequently, capital gains arising on sale of specified assets, held for more than 12 months are considered as long term capital gains. Capital gains arising on sale of specified assets held for 12 months or less are considered as short term capital gains.

7. Under **section 10(38)** of the Income Tax Act, 1961 the Long-Term Capital Gains arising on transfer of equity share in a company or units of an equity oriented fund which are chargeable to Securities Transaction Tax, are exempt from tax in the hands of the Company. However, with effect from 1st April 2007 i.e. for the Assessment Year2007-2008 onwards such Long Term Capital Gain shall be taken into account in computing the book profit and income tax payable under **section 115JB** of the Income Tax Act, 1961.

8. Section 48 of the IT Act, which prescribes the mode of computation of capital gains, provides for deduction of cost of acquisition / improvement and expenses incurred in connection with the transfer of a capital asset, from the sale consideration to arrive at the amount of capital gains. (other than Securities Transaction Tax). However, in respect of long term capital gains, 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 a cost inflation index as prescribed from time to time. The indexation benefit is not available for bonds or debentures except capital indexed bonds and in case of depreciable assets.

9. As per the provisions of **Section 112(1)(b)** of the Income Tax Act, 1961, other Long-Term Capital Gains arising to the company are subject to tax at the rate of 20% (plus applicable surcharge, education cess and secondary & higher education cess). However, as per the Proviso to that section, the Long-Term Capital Gains resulting from transfer of listed securities or units not covered by **section 10(36) and 10(38)** of the Income Tax Act, 1961, are subject to tax at the rate of 20% on Long-Term Capital Gains worked out after considering indexation benefit (plus applicable surcharge, education cess and secondary & higher education cess), which would be restricted to 10% of Long-Term Capital Gains worked out without considering indexation benefit (plus applicable surcharge, education cess and secondary & higher education cess).

10. As per the provisions of **section 111A** of the Income Tax Act, 1961. Short-Term Capital Gains arising to the Company from transfer of Equity Shares in any other Company through a recognized Stock Exchange or from sale of units of any equity-oriented mutual fund are subject to tax at the rate of 15% (plus applicable surcharge, education cess and secondary & higher education cess), if such a transaction is subjected to Securities Transaction Tax.

11. In accordance with and subject to the conditions specified in **Section54EC** of the Income Tax Act, 1961 the Company would be entitled to exemption from tax on Long-Term Capital Gain (not covered by **Section 10(36)** and **Section 10(38**) of the Income Tax Act, 1961 if such capital gain is invested in any of the long-term specified assets (herein-after referred to as the “new asset”) to the extent and in the manner prescribed in the said section. For investment made on or after 1st day of April 2007, the exemption would be restricted to the amount which does not exceed Rupees Fifty Lacs during the financial year. If the new asset is transferred or converted into money at any time within a period of three years from the date of its acquisition, the amount of Capital Gains for which exemption is availed earlier would become chargeable to tax as Long-Term Capital Gains in the year in which such new asset is transferred or converted into money. If only a portion of capital gain is so invested, the exemption is available proportionately. The bonds presently specified within this section are bonds redeemable after 3 years issued by National Highway Authority of India (NHAI) and Rural Electrification Corporation Ltd (REC). Investment in bonds should be made within 6 months from date of transfer.

12. In terms of **section 88E** of the Act, the securities transaction tax paid by the shareholder in respect of the taxable securities transactions entered into in the course of his business would be eligible for rebate from the amount of income-tax on the income chargeable under the head “Profit and gains of business or profession” arising from taxable securities transactions. Such rebate is to be allowed from the amount of income tax in respect of such transactions calculated by applying average rate of income tax on such income. As such, no deduction will be allowed in computing the income chargeable to tax as capital gains, such amount paid on account of securities transaction tax.

13. The corporate tax rate shall be 30% (plus applicable surcharge, education cess and secondary & higher education cess). Surcharge @ 10% shall be levied if the Net taxable total income exceeds Rupees One Crore.

14. As provided under **section 115JB** of the Income Tax Act, 1961, the Company is liable to pay income tax at the rate of 18% (plus applicable surcharge, education cess and secondary & higher education cess on the Book Profit as per the provisions of **section 115JB**) if the total tax payable as computed under the Income Tax Act, 1961 is less than 18% of its Book Profit as computed under the said section.

15. Under **Section 115JAA (1A)** credit shall be allowed of any MAT paid under **Section 115JB** of the Income Tax Act, 1961. Credit eligible for carry forward is the difference between MAT paid and the tax computed as per the normal provisions of the Income Tax Act, 1961. However no interest shall be payable on the tax credit under this sub-section. Such MAT credit shall be available for set-off up to7 years w.e.f 1st day of April, 2010 succeeding the year in which the MAT credit initially arose. Credit can be set off only in the year in which tax is payable under the normal provisions.

16. Under **section 24(a)** of the Income Tax Act, 1961, the Company is eligible for deduction of thirty percent of the annual value of the property (i.e. actual rent received or receivable on the property or any part of the property which is let out).

17. Under **section 24(b)** of the Income Tax Act, 1961 where the property has been acquired, constructed, repaired, renewed or reconstructed with borrowed capital, the amount of interest payable on such capital shall be allowed as a deduction in computing the income from house property. In respect of property acquired or constructed with borrowed capital, the amount of interest payable for the period prior to the year in which the property has been acquired constructed shall be allowed as deduction in computing the income from house property in five equal installments beginning with the year of acquisition or construction.

18. In respect of rent received from lease premises, the rent received will be assessable under head "Income from House Property" and not under head "Income from Business and Profession” u/s 22.

To the Shareholders of the Company

Resident Members:

1. Dividend income of shareholders is exempt from income tax under **section 10(34)** read with **Section 115-O** of the Income Tax Act, 1961. As per the provisions of **Section 14A** of the Income Tax Act, 1961, no deduction is allowed in respect of any expenditure incurred in relation to such dividend income to be computed in accordance with the provisions contained therein. Also, **Section 94(7)** of the Income Tax Act, 1961 provides that losses arising from the sale/transfer of shares purchased up to three months prior to the record date and sold or transferred within three months after such date, will be disallowed to the extent dividend income on such shares are claimed as tax exempt by the shareholders.

2. As per section 2(29A) read with section 2(42A) of the IT Act, shares held in a company are treated as long term capital asset if the same are held by the assessee for a period of more than twelve months immediately preceding the date of its transfer. Accordingly, the benefits enumerated below in respect of long term capital assets would be available if the shares are held for more than twelve months.

3. Any income arising from the transfer of a long term capital asset (i.e. capital asset held for the period of 12 months or more) being an Equity Share in a company or a unit of an equity oriented fund is exempt **u/s 10(38)**, where the transaction of sale of such equity share or unit is entered through recognized Stock Exchange on or after 1st day of October, 2004.

4. Under section 48 of the IT Act, if the Company's shares are sold after being held for not less than twelve months, the gains (in case not covered under section 10(38) of the IT Act), if any, will be treated as long term capital gains and the gains shall be calculated by deducting from the gross consideration, the indexed cost of acquisition/ improvement. The indexed cost of acquisition/ improvement means an amount which bears to the cost of acquisition/ improvement the same proportion as cost inflation index for the year in which the asset is transferred, bears to the cost inflation index for the first year in which the asset was held/ for the year in which the improvement to the asset took place.

5. Under **section 36(xv)** of the Income Tax Act, 1961, the securities transaction tax paid by the shareholder in respect of the taxable securities transactions entered into in the course of his business would be eligible for deduction from income chargeable under the head "Profit and gains of business or profession" arising from taxable securities transactions.

6. Under **section 111A** of the Income Tax Act, 1961 capital gains arising to a shareholder from transfer of short terms capital assets, being an equity share in the company or unit of an equity oriented Mutual fund, entered into in a recognized stock exchange in India will be subject to tax at the rate of 15% (plus applicable surcharge, education cess and secondary & higher education cess. If the transaction is not routed via stock exchange and Securities Transaction Tax is not paid, then the capital gains will be taxable as per the slab rates existing for the financial year.

7. Under **Section 112** of the Income Tax Act, 1961and other relevant provisions of the Income Tax Act, 1961 long term capital gains (not covered under **section 10(38)** of the Income Tax Act, 1961arising on transfer of shares in the Company, if shares are held for a period exceeding 12 months, shall be taxed at a rate of 20% (plus applicable surcharge, education cess and secondary & higher education cess after indexation as provided in the second proviso to **Section 48** or at 10% (plus applicable surcharge, education cess and secondary & higher education cess) (without indexation), at the option of the Shareholders.

8. Under **section 54EC** of the Income Tax Act, 1961 and subject to the conditions and to the extent specified therein, long term capital gain in case not covered under **section 10(38)** of the Income Tax Act, 1961 arising on the transfer of shares of the Company will be exempt from capital gains tax if the capital gain are invested within a period of 6 months after the date of such transfer for a period of at least 3 years in bonds issued by -

   - National Highway Authority of India constituted under Section 3 of The National Highway Authority of India Act, 1988;

   - Rural Electrification Corporation Limited, the Company formed and registered under the Companies Act, 1956;

   - If only part of the capital gain is so reinvested, the exemption shall be proportionately reduced. The amount so exempted shall be chargeable to tax subsequently, if the specified assets are transferred or converted within three years from the date of their acquisition. For Investment made on or after 1st day of April 2007, the exemption would be restricted to the amount which does not exceed Rupees Fifty Lacs during the financial year.

9. Under **Section 54F** of the Income Tax Act, 1961and subject to the conditions and to the extent specified therein, long term capital gains in cases not covered under **section 10(38)** of the Income Tax Act, 1961 arising to an individual or Hindu Undivided Family (HUF) on transfer of shares of the Company will be exempt from capital gains tax subject to other conditions, if the net sales consideration from such shares are used for purchase of residential house property within a period of one year before or two year after the date

on which the transfer took place or for construction of residential house property within a period of three years after the date of transfer.

10. Under the IT Act, in cases where the shares in the Company becomes the property of a shareholder under a scheme of amalgamation cost of shares in the amalgamated company is cost of shares in amalgamating company prior to amalgamation. While calculating holding period, the period for which the shares were held by the shareholder in the amalgamating company is also to be included ie holding period includes period for which shares were held in amalgamating as well as amalgamated company by the shareholder.

11. In case of demerger, the cost of acquisition of the shares in the resulting company shall be the amount which bears to the cost of acquisition of shares held by the shareholder in the demerged company the same proportion as the net book value of the assets transferred in a demerger bears to the net worth of the demerged company immediately before such demerger.The cost of acquisition of the original shares held by the shareholder in the demerged company shall be deemed to have been reduced by the amount as so arrived at above. While calculating holding period of shares of the resulting company, the period for which the shares were held by the shareholder in the demerged company is also to be included ie holding period includes period for which shares were held in demerged as well as resulting company by the shareholder.

12. As per provisions of section 72 of the IT Act, the shareholder is entitled to carry forward business losses that cannot be set off against permitted sources of income in the relevant assessment year, for a period of 8 consecutive assessment years immediately succeeding the assessment year when the losses were first computed, and set off such losses against income chargeable under the head “Profits and gains from business or profession” in such assessment year. The set off is permissible even if the business in which the loss was sustained is not carried on in the year of set off. However, under section 73 of the IT Act, if the shareholder being a company is deemed to be carrying out speculation business, the losses incurred on such business would be permitted to be carried forward and set off only against profits and gains of another speculative business, for a period of 4 consecutive assessment years immediately succeeding the assessment year when the losses were first computed. In this regard, a company would be deemed to be carrying an speculation business where any part of the business of the company (other than a company whose gross total income consists mainly of income which is chargeable under the heads ‘Interest on securities’, ‘Income from house property’, ‘Capital gains’ and ‘Income from other sources’ or a company, the principal business of which is the business of banking or the granting of loans and advances) consists in the purchase and sale of shares of other companies, to the extent to which the business consists of the purchase and sale of such shares.

13. As per **section 74** of the Income Tax Act, 1961, short term capital loss suffered during the year is allowed to be set-off against short-term as well as long term capital gain of the said year. Balance loss, if any, could be carry forward for eight years for claiming set-off against subsequent years short-term as well as long-term capital gains. 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. Dividend paid to The New Pension System (NPS) Trust shall be exempt from dividend distribution tax under **Section 115-O**. All purchases and sales of derivatives by the NPS Trust will be exempt from Securities Transaction Tax as per amended **section 197A** the NPS Trust shall receive all income with any tax deduction at source.

15. Gift of shares of the company from other than by a relative (relative as defined **u/s 56(2)**} exceeding Rs 50,000 is taxable in the hand of donee being individual or HUF is taxable as income from other sources under clause vii of sub **section 2** of **section 56** of the Income Tax Act,1961 with effect from 1st day of October,2009.

Non Resident Indians/Members other than FIIs and Foreign Venture Capital Investors:

1. Dividend income of shareholders is exempt from income tax under section 10(34) read with Section 115-O of the Income Tax Act, 1961.As per the provisions of Section 14A of the Income Tax Act, 1961, no

deduction is allowed in respect of any expenditure incurred in relation to such dividend income to be computed in accordance with the provisions contained therein. Also, Section 94(7) of the Income Tax Act, 1961 provides that losses arising from the sale/transfer of shares purchased up to three months prior to the record date and sold or transferred within three months after such date, will be disallowed to the extent dividend income on such shares are claimed as tax exempt by the shareholders.

2. Any income arising from the transfer of a long term capital asset (i.e. capital asset held for the period of 12 months or more) being an Equity Share in a company or a unit of an equity oriented fund is exempt **u/s 10(38),** where the transaction of sale of such equity share or units entered through recognized Stock Exchange on or after 1st day of October, 2004.

3. Tax on income from investment and Long Term Capital Gains (other than those exempt **u/s 10(38):**

A non-resident Indian (i.e. an individual being a citizen of India or person of Indian Origin) has an option to be governed by the provisions of Chapter XIIA of the Income Tax Act, 1961 viz. "Special Provisions Relating to certain incomes of Non-Residents".

- Under **section 115E** of the Income Tax Act, 1961, where shares in the company are subscribed for in convertible Foreign Exchange by a non-resident Indian, capital gains arising to the non resident on transfer of shares held for a period exceeding 12 months shall (in cases not covered under **section 10(38)** of the Income Tax Act, 1961 be concessionally taxed at a flat rate of 10% (plus applicable surcharge, education cess and secondary & higher education cess) without indexation benefit but with protection against foreign exchange fluctuation under the first proviso to **section 48** of the Income Tax Act, 1961.

- Capital gain on transfer of Foreign Exchange Assets, not to be charged in certain cases.

  Under provisions of **section 115F** of the Income Tax Act, 1961, long term capital gains (not covered under **section 10(38)** of the Income Tax Act, 1961) arising to a non-resident Indian from the transfer of shares of the company subscribed to in convertible Foreign Exchange shall be exempt from income tax if the net consideration is reinvested in specified assets within six months of the date of transfer. If only part of the net consideration is so reinvested, the exemption shall be proportionately reduced. The amount so exempted shall be chargeable to tax subsequently, if the specified assets are transferred or converted within three years from the date of their acquisition

- Return of income not to be filed in certain cases:

  Under provisions of section 115-G of the Income Tax Act, 1961, it shall not be necessary for a non-resident Indian to furnish his return of income if his only source of income is investment income or long term capital gains or both arising out of assets acquired, purchased or subscribed in convertible foreign exchange and tax deductible at source has been deducted there from.

- Under **section 115-H** of the Income Tax Act, 1961, where the Non-Resident Indian becomes assessable as a resident in India, he may furnish a declaration in writing to the Assessing Officer, along with his return of income for that year under **section 139** of the Act to the effect that the provisions of the Chapter XIIA shall continue to apply to him in relation to certain specified investment income derived from the specified assets for that year and subsequent assessment years until such assets are converted into money.

- Under **section 115-I** of the Income Tax Act, 1961, a non-resident Indian may elect not to be governed by the provisions of Chapter XII-A for any assessment year by furnishing his return of income under **section139 of** the Income Tax Act, 1961declaring therein that the provisions of this Chapter shall not apply to him for that assessment year and if he does so the provisions of this Chapter shall not apply to him, instead the other provisions of the Income Tax Act, 1961 shall apply. The normal provisions of the Act applicable to resident shareholders would then apply to the non resident shareholder subject to certain restrictions.

- If the non-residents choses to follow the normal provisions of the Act, then as per Section 48 of the Act, capital gains arising on transfer of shares shall be computed by converting the sales procceds, cost and expenditure on transfer into the same foreign currency which was initially utilized for purchase of shares and the capital gains shall then be reconverted into Indian currency. No indexation benefit is available to the non-resident and the above provisions will apply to every capital gains arising on reinvestment thereafter.

4. As per **section 90(2)**of the Income Tax Act, 1961, the provisions of the Income Tax Act, 1961would prevail over the provisions of the tax treaty to the extent they are more beneficial to the Non Resident shareholder. Thus a non-resident shareholder can opt to be governed by the beneficial provisions of an applicable tax treaty or Tax Information Exchange Agreement

5. Under **section 36(xv)** of the Income Tax Act, 1961, the securities transaction tax paid by the shareholder in respect of the taxable securities transactions entered into in the course of his business would be eligible for deduction from income chargeable under the head "Profit and gains of business or profession" arising from taxable securities transactions.

Benefits available to mutual funds

1. As per the provisions of **Section 10(23D)** of the IT Act, Mutual Funds registered under the Securities and Exchange Board of India or Mutual Funds set up by Public Sector Banks or Public Financial Institutions or authorized by the Reserve Bank of India and subject to the conditions specified therein, would be eligible for exemption from income tax on their income.

Foreign Institutional Investors (FIIs)

1. By virtue of **section 10(34)**the Income Tax Act, 1961, income earned by way of dividend income from another domestic company referred to in **section 115-O** of the Income Tax Act, 1961, are exempt from tax in the hands of the institutional investor.

2. In terms of **section 10(38)** of the Income Tax Act, 1961, any Long Term Capital Gains arising to an investor from transfer of long-term capital asset being an equity shares in a company would not be liable to tax in the hands of the investor if the following conditions are satisfied:

   - The transaction of sale of such equity shares is entered into on or after 1st October 2004.

   - The transaction is chargeable to such securities transaction tax.

3. The income realized by FIIs on sale of shares in the company by way of short-term capital gains referred to in **Section 111A** of the Income Tax Act, 1961 would be taxed at the rate of 15% (plus applicable surcharge, educational cess & secondary & higher education cess on income tax) as per **section 115AD** of the Income Tax Act, 1961.

4. The income by way of short term capital gains (not referred to in **section 111A** or long term capital gains (not covered under **section 10(38)** of the Income Tax Act, 1961 realized by FIIs on sale of shares in the company would be taxed at the following rates as per **section 115 AD** of the Income Tax Act, 1961.

   - Short term capital gains - 30% (plus applicable surcharge, education cess & secondary & higher education cess on income tax)

   - Long term capital gains - 10% (without cost indexation) plus applicable surcharge , education cess and secondary & higher education cess on income tax)

(Shares held in a company would be considered as a long-term capital asset provided they are held for a period exceeding 12 months).

5. Under **section 54EC** of the Income Tax Act, 1961 and subject to the conditions and to the extent specified therein, long term capital gain (in case not covered under **section10(38)** of the Income Tax Act, 1961 arising on the transfer of shares of the Company will be exempt from capital gains tax if the capital gain are invested within a period of 6 months after the date of such transfer for a period of at least 3 years in bonds issued by -

   - National Highway Authority of India constituted under Section 3 of The National Highway Authority of India Act, 1988;
   - Rural Electrification Corporation Limited, the Company formed and registered under the Companies Act, 1956;
   - If only part of the capital gain is so reinvested, the exemption shall be proportionately reduced. The amount so exempted shall be chargeable to tax subsequently, if the specified assets are transferred or converted within three years from the date of their acquisition. For Investment made on or after the 1st April 2007, the exemption would be restricted to the amount, which does not exceed Rupees Fifty Lacs during the financial year.

6. As per **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 gain of the said year. Balance loss, if any, could be carry forward for eight years for claiming set-off against subsequent years short-term as well as long-term capital gains. 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.

7. As per **section 90(2)** if the Income Tax Act, 1961, the provisions of the Income Tax Act, 1961 would prevail over the provisions of the tax treaty to the extent they are more beneficial to the Non Resident shareholder. Thus a non-resident shareholder can opt to be governed by the beneficial provisions of an applicable tax treaty or Tax Information Exchange Agreement (TIEA).

Venture Capital Companies/Funds

1. In terms of **section 10(23FB)** of the Income Tax Act, 1961, income ofVenture Capital company which has been granted a certificate of registration under the Securities and Exchange Board of India Act , 1992 and notified as such in official Gazette; and

2. Venture Capital Fund, operating under a registered trust deed or a venture capital scheme made by Unit trust of India, which has been granted a certificate of registration under the Securities and Exchange Board of India Act , 1992 and fulfilling such conditions as may be notified in the official Gazette, set up for raising funds for investment in a Venture Capital Undertaking (domestic company whose shares are not listed on a recognized stock exchange) , is exempt from income tax,

3. As per **section 90(2)** if the Income Tax Act, 1961, the provisions of the Income Tax Act, 1961would prevail over the provisions of the tax treaty to the extent they are more beneficial to the Non Resident shareholder. Thus a non-resident shareholder can opt to be governed by the beneficial provisions of an applicable tax treaty or Tax Information Exchange Agreement (TIEA)

Wealth Tax Act, 1957

1. Shares of the Company held by the shareholder will not be treated as an asset within the meaning of **section 2(ea)** of Wealth-tax Act, hence Wealth-tax Act 1957 will not be applicable.

Notes:

1. All the above benefits are as per the current tax laws as amended by the Finance Act (No.2), 2009 However benefits proposed by Direct Taxes Code Bill, 2009 (which becomes law only in 2011, if passed in the Parliament) have not been considered.

2. We hereby give our consent to include our above referred opinion regarding the tax benefits available to the Company and to its shareholders in the offer document which the Company intends to submit to the Securities and Exchange Board of India, Mumbai.

3. 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 Agreements (DTAA), if any, between India and the country in which the non-resident has fiscal domicile.

4. Our views expressed herein are based on the facts and assumptions indicated above. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes.

5. The stated benefit will be available only to the sole/first named holder in case the shares are held by Joint holders.

6. In view of the individual nature of tax consequence, each investor is advised to consult his/her own tax adviser with respect to specific tax consequences of his/her participation in this issue and we are absolved of any liability to the shareholder for placing reliance upon the contents of this material.

The possible Tax benefits listed above are not exhaustive and 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. All reasonable care has been taken in the preparation of this opinion.

SECTION IV: ABOUT OUR COMPANY

INDUSTRY OVERVIEW

The information in this section has been extracted from the websites of and publicly available documents from various sources. The data may have been re-classified by us for the purpose of presentation. Neither we nor any other person connected with the Issue has independently verified the information provided in this section. Industry sources and publications, referred to in this section, generally state that the information contained therein has been obtained from sources generally believed to be reliable but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured, and, accordingly, investment decisions should not be based on such information.

*The CRISIL Research Industry Report on State Coaching Industry–Maharashtra, Karnataka, Tamil Nadu & Gujarat, April 2011 cited in this section was commissioned by and prepared by CRISIL Research, an independent agency, for our Company ("**Source: CRISIL Research Report, State Coaching Industry, April 2011**")for analyzing the coaching sector in Maharashtra, Karnataka, Tamil Nadu and Gujarat.*

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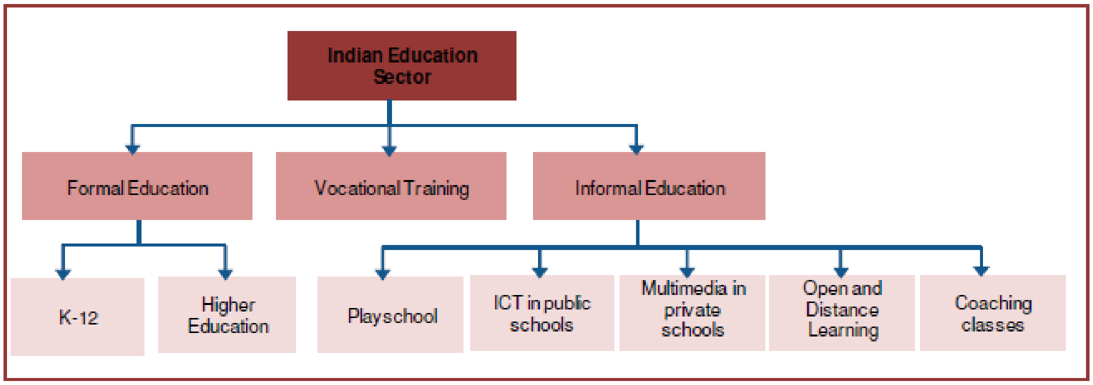
Prospective investors are advised not to unduly rely on the CRISIL Research Industry Report when making their investment decision. The CRISIL Research Industry Report contains estimates of market conditions based on samples. This information should not be viewed as a basis for investment and references to CRISIL Research Industry Report should not be considered CRISIL's opinion as to the value of any security or the advisability of investing in us.

I. Overview of the Indian Education System

India is a nation of young people. Out of a population of above 1.1 billion, 672 million people are in the age-group of 15 to 59 years, which is usually treated as the "working age population". It is predicted that India will see a sharp decline in the dependency ratio over the next 30 years, which will constitute a major 'demographic dividend' for India. In the year 2001, 11% of population of the country was in age group of 18 years to 24 years which is expected to rise to 12% by the end of Eleventh Five Year Plan. This young population should be considered as an invaluable asset which if equipped with knowledge and skills, can contribute effectively to the development of the national as well as the global economy. (*Source: Report to the People on Education- 2009-10- MHRD- July 2010*)

The education system in India comprises of formal, vocation anal informal education. All levels of formal education are heavily regulated by the Ministry of Human Resource Development, Government of India (MHRD). Informal education is unregulated.

Structure of India's education sector

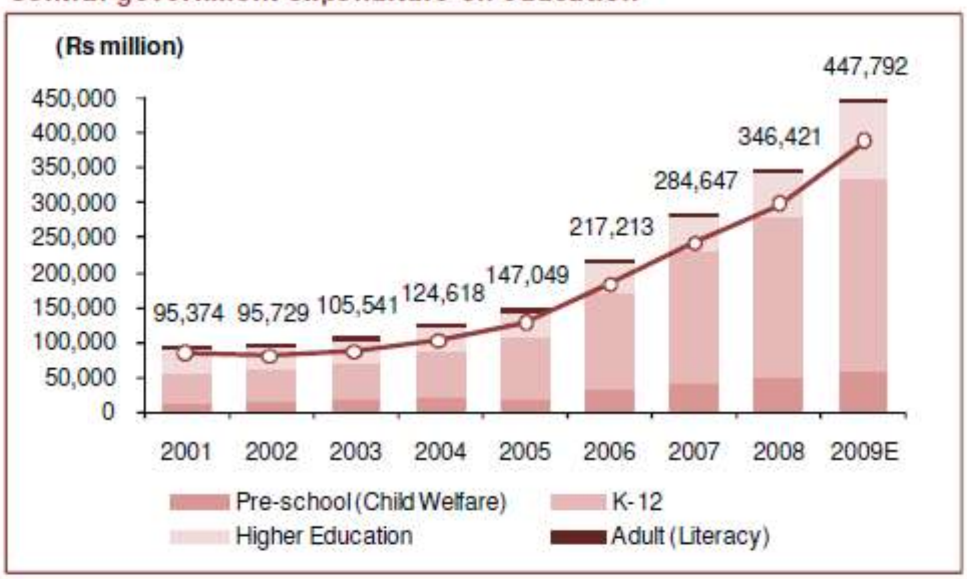


Note: ICT refers to Information Communication and Technology

(*Source: CRISIL Research Report, State Coaching Industry, April 2011*)

Over the last decade, with growing focus on literacy and primary education, the Government of India has increased its outlay on education at a CAGR of approximately 20%. From 2004–05 onwards, allocations have accelerated, recording a CAGR of approximately 30%. (*Source: CRISIL Research Report*, *State Coaching Industry, April 2011*)

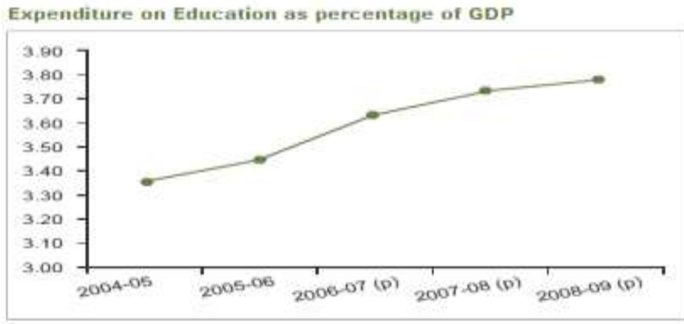
Central government expenditure on education



Source: Planning Commission

In the Eleventh Five Year Plan, the Government of India has earmarked Rs. 2,700 billion for the education segment. Elementary education (*i.e.*, class I–VIII) will account for 50% of this spend, while secondary and higher education will account for 20% and 30%, respectively. Over the years, the Government of India has been making dedicated efforts to promote literacy and elementary education, resulting in highest spend on this segment. Allocation of funds for the K-12 segment grew at a CAGR of 22 % from Rs. 27 billion in 1999 to Rs. 218 billion in 2009. Government expenditure on secondary school education grew at a CAGR of 18% from Rs. 9.9 billion in 1999 to Rs. 56 billion in 2009. (*Source: CRISIL Research Report, State Coaching Industry, April 2011*)

Education in the union budget and the budget of the states/union territories (revenue and capital together) accounted for 6.18% and 16.22% respectively in 2008-09 (BE). As a percentage of GDP, the education budget (all departments) has increased from 3.36% in 2004-05 to 3.78(p) % in 2008-09. (*Source: Report to the People on Education- 2009-10- MHRD- July 2010*)



Source: Report to the People on Education- 2009-10- MHRD- July 2010)

However, the infrastructural issues emanating from the shortage of quality educational institutions and poor quality of teaching in the formal education system continue to persist. Considering the importance given to examination scores in the Indian education system and the increasing competition to get admission into a limited number of premium institutes, students have been looking for alternative solutions. This has increased the significance of supplementary teaching or private coaching industry. (*Source: CRISIL Research Report, State Coaching Industry, April 2011*)

II. 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 international boards. These schools are either run by government agencies or by the private sector. The number of primary schools in the country increased from 6.64 lakhs in 2001-02 to 7.7 lakhs in 2005-06. In the same period, the number of upper primary schools increased at a faster rate from 2.2 lakhs to 2.9 lakhs. (*Source: National Knowledge Commission Report 2006 – 2009- Government of India*)

Given below is the segment wise data on K-12 education in India: (*Source: National Knowledge Commission Report 2006 – 2009- Government of India*)

Segment	No of Schools in 2005-06 (*In million*)	Enrollment** (*In million*)	Teachers ** (*In million*)
Primary (Class I- V)	0.77	136.22	2.35
Upper primary (Class- VI-VIII)	0.29	56.78	1.77
Secondary/Senior Secondary (Class IX, X, XI, XII)	0.16	44.16	2.10
Total	**1.22**	**237.16**	**6.22**

*** as on September 2007 (Source: MHRD Annual Report 2009-10)*

Initiatives by the Government of India in K-12 education

The increasing thrust on education by the Government of India is reflected through its various initiatives and legislative measures such as Right to Education Act, 2010, Sarva Shiksha Abhiyan, Mid-Day Meal Scheme and National Literacy Mission. The Right to Education Act came into force from April 2010 with an aim to provide every child in the age group of six to 14 years with at least eight years of elementary education. This has led to higher enrolments in elementary education. (*Source: CRISIL Research Report, State Coaching Industry, April 2011*)

The Government of India has also launched a centrally sponsored scheme called 'Rashtriya Madhyamik Shiksha

Abhiyan (RMSA) in March 2009 with the objective of making good quality secondary education (age group 14 to 18 years) available, accessible and affordable to all young persons, irrespective of gender, socioeconomic condition, disability, geographical and other barriers.

The broad targets of the RMSA scheme are:

- To improve the enrolment ratio for IXth and Xth standard to 75% within five years (the figure was 52.26% in 2005-06); and

- To provide facilities for estimated additional enrolment of 32.20 lakhs by 2011-12 through-

    - Strengthening of about 44,000 existing secondary schools;
    - Opening of 11,188 new secondary schools (including upgradation of higher primary schools) ;
    - Appointment of 1.79 lakhs additional teachers; and
    - Construction of 80,500 lakhs additional classrooms.

To improve the quality of secondary education throughout the country, another scheme called 'Model schools' was launched in 2008-09 to set up 6,000 schools, in as many blocks, to serve as bench marks of excellence for secondary education. Further, to improve enrolment and retention for girls in secondary schools, a 'Girls Hostel Scheme' has been launched. This scheme aims to establish and run one hostel of 100 bed capacity in each of the 3,500 educationally backward blocks. *(Source: Report to the People on Education- 2009-10- MHRD- July 2010)*

Higher Education

The higher education segment consists of graduation (targeting students between 18 years to 21 years) and post graduation courses (targeting students aged 22 years and above), offered after completion of K12 education. The Government of India is responsible for most important policies relating to higher education in the country. It provides grants to University Grants Commission (UGC) and establishes central universities in the country. The Government of India is also responsible for the declaration of education institutions as 'Deemed to be University' on the recommendation of the UGC. (*Source: Website of Department of Higher Education*)

While the global average of gross enrolment ratio (GER) for higher education is approximately 26.7%, the average for the developed countries is approximately 57.7% and that of the developing countries is approximately 13%. India's enrolment ratio in higher education, which was 12.4% (as per 2006-07) needs to be raised to a significant level in a time bound manner to 15% by the end of 2012 and to 21% by the end of 2017. Access to higher education in terms of the available number of seats in universities is simply not adequate in relation to the current demand. (*Source: Report to the People on Education- 2009-10- MHRD- July 2010)*

At present there are 504 universities and university-level institutions - 243 state universities, 53 state private universities, 40 central universities, 130 institutions deemed to be universities, 33 institutions of national importance established under the central legislations and five institutions established under various state legislations. There are 25,951 colleges including approximately 2,565 women's colleges. At the beginning of academic year 2009-10, the total number of students enrolled in universities and colleges has been reported at 136.42 lakhs. There are 66 academic staff colleges engaged in faculty training. (*Source: Report to the People on Education- 2009-10- MHRD- July 2010)*

III. Informal Education:

Informal education includes coaching classes for competitive examinations and for sub sectors of formal education, pre-schools and vocational training. This form of education is not governed by any regulatory authority and has seen participation from several private players. It is a fragmented market.

Overview: Indian Coaching Industry

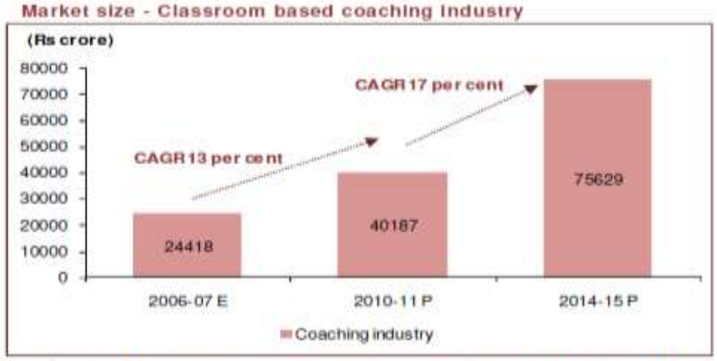
The Indian coaching industry has progressed from the days of lessons being imparted to a few students in a small room to the current environment, where organised players impart supplementary teaching to a large number of students through sophisticated technology and classrooms. The market is expected to grow from Rs. 40,187 crore in 2010-11 to Rs. 75,629 crore in 2014-15. (*Source: CRISIL Research Report, State Coaching Industry, April 2011*)

Several factors are expected to drive the coaching industry. These include:

1. Rising disposable income;
2. Increasing household spend on education;
3. Infrastructural bottlenecks for formal education;
4. Increasing private sector participation; and
5. Growth in addressable market.

Apart from these growth factors, since the coaching industry is a low capital intensive industry, it has attracted high entrepreneurial interest. As a result, the coaching industry in India is estimated to grow at a CAGR of 17% between 2010-11 and 2014-15 as against 13% growth during the last four year period. (*Source: CRISIL Research Report, State Coaching Industry, April 2011*)

Market size - Classroom based coaching industry



Note: Coaching market includes curriculum based coaching (K-12 and graduation) and test based coaching (graduation and post graduation).

Source: CRISIL Research

IV. Growth Drivers in the Informal Education Sector

i. Increasing disposable income

The Indian economy's average growth rate in the period of the Tenth Five Year Plan (2002-03 to 2006-07) was about 7%, which was the highest growth rate achieved in any plan period. The Eleventh Five Year Plan (2007–08 to 2011–12) aims at an average growth rate of 9% per annum. On the back of strong economic growth, average household income in India has increased and affordability levels have improved considerably. This transition of households from lower income to higher income bracket will provide an impetus to spend on education by private households especially on coaching. By 2012-13, of a total of 69 million households in urban areas, nearly 52 million are expected to belong to the Rs. 1 lakh to Rs. 5 lakhs income bracket as compared to 21 million in 2001-02. During the same period, in rural areas, nearly 50 million households are expected to be in the addressable income bracket as compared to 16 million in 2001-02. (*Source: CRISIL Research Report, State Coaching Industry, April 2011*)

ii. Household spend on education

The National Accounts Statistics (NAS) presents estimates on 'private final consumption expenditure in the domestic market' on education in current prices and also in constant prices. They are also available as a proportion of the total private final consumption expenditure. The 'private final consumption expenditure' on education is regarded as the household expenditure on education.

According to the latest estimates, household expenditure on education in India is sizeable at Rs.62.7 thousand crore in 2007-08. The magnitude of household expenditure may be contrasted with the government expenditure on education, which was Rs.159 thousand crore (in 2007-08 budget estimates). In other words, household expenditure constitutes nearly 30% of the total (household plus government) expenditure on education in the country in 2007-08. The household expenditure on education formed 1.4% of GDP in 2007-08 and 2.6% of the total household expenditure on all items of consumption. As a proportion of the total household expenditure, the share of education increased from 0.6% in 1950-51 to 2.6% in 2007-08. Apart from regular tuition fee, this expenditure has also accelerated as a result of increased emphasis on coaching (including private tuition classes).

From the above data, it is clear that (a) household expenditure on education is sizeable, and (b) it is increasing rapidly over the years. Some people view the rapid increase as a rapid increase in 'willingness to pay for education,' while some feel that it reflects the 'compulsion' the households feel to spend on education, as the government expenditure on education is considered inadequate. (*Source: Household Expenditure on Education and Implications for Redefining the Poverty Line in India- Planning Commission*)

Structural changes such as urbanisation and the growing trend of nuclear families, increasing number of households with both parents working and high emphasis on education by parents is also expected to drive growth in the supplementary education market. Across the country, especially in urban areas, these factors are leading to a large part of the household monthly income being spent on securing quality education. These factors also increase the dependence of parents on supplementary education, especially coaching, for educational guidance and supervision. (*Source: CRISIL Research Report, State Coaching Industry, April 2011*)

iii. Infrastructural bottlenecks for formal education

Although government spend on setting up educational institutions and other infrastructure has increased over the years, Indian education systems still faces the paucity of educational infrastructure. Apart from inadequate infrastructure, the quality of educational institutions in the country also leaves a lot to be desired. This has resulted in a growing competition among students to get into premier schools/ colleges, leading to an increased dependence on coaching. (*Source: CRISIL Research Report, State Coaching Industry, April 2011*)

iv. Increased private sector participation

Due to factors listed above and given that the coaching industry has low capital intensity, it has attracted high entrepreneurial interest. At the same time, the industry has observed increased investor interest as it is non-regulated, generates attractive returns and is immune to economic downturns. (*Source: CRISIL Research Report, State Coaching Industry, April 2011*)

v. Increasing Addressable Market

The coaching industry operates in parallel to the formal education system in India. The increase in enrolments across key segments like secondary education, higher secondary education, professional examinations like chartered accountancy and competitive examinations have provided the addressable market for the coaching industry.

Senior and higher secondary examinations - For the year 2011, 13,25,936 students appeared for the higher secondary examinations conducted by Maharashtra State Board of Secondary And Higher Education. For the year 2009, 15,94,673 students appeared for the senior secondary examinations conducted by Maharashtra State Board of Secondary and Higher Education. (*Source: Website of Maharashtra State Board of Secondary and Higher Secondary Education)*

For the year 2011, 10,61,566 students appeared for the examinations conducted for students of Xth standard and 7,69,929 students appeared for the examinations conducted for students of XIIth standard by the CBSE. (*Source: Website of Central Board of Secondary Education)*

In 2009-10 alone, the enrolments across the state boards stood at 1.60 crores and 1.02 crores for high school and higher secondary respectively at a pan-India level. (*Source: CRISIL Research Report, State Coaching Industry, April 2011*)

Competitive Examinations - Competitive entrance examination is a screening process for providing education in various engineering, medical, business administration, computer applications and accountancy. There are various education companies that provide coaching to the students who aspire to get admission in such fields. Given below is the overview of some of the competitive entrance examinations:

1. **Indian Institute of Technology- Joint Entrance Examination** – A total of 4,68,240 students appeared for the joint entrance examination (JEE-2011) conducted by seven of the Indian Institute of Technology on April 10, 2011 for admissions to various courses in the fifteen Indian Institute of Technology, Institute of Technology (Banaras Hindu University) and Indian School of Mines, Dhanbad. Of these, 82,585 students appeared from the IIT Bombay zone. (*Source: Website of JEE, IIT Delhi*)

2. **All India Engineering Entrance Examination -** The ninth All India Engineering Entrance Examination (AIEEE) was held on April 25, 2010. 10,65,100 candidates appeared, out of 11,18,148 candidates registered, for the examination at 1,623 centres located in 86 cities. Approximately, 26,816 seats for graduate degrees such as bachelor of engineering or bachelor of technology and 936 seats for bachelor of architecture or bachelor of planning in various institutions, namely National Institutes of Technology, Indian Institutes of Technology, deemed universities, technical institutions, Delhi Technological University, Delhi and other government funded institutions were offered through this examination (*Source: Website of AIEEE*)

3. **All India Pre Medical/Pre-Dental Test -** The preliminary and final examinations for the All India Pre Medical/Pre-Dental Test (AIPMT), 2009 was held on April 5, 2009 and May 10, 2009, respectively, at different centres located in the state capitals and union territories. 1,35,617 candidates appeared for the examination. 13,022 candidates qualified in preliminary examination and combined merit and wait list contained 4,263 candidates. (*Source: MHRD*)

4. **Chartered Accountancy -** The CPT is an entry level lest for chartered accountancy course. The integrated professional competence course with an upgraded syllabus has replaced the professional competence course effective from December 10, 2008. The last leg of the chartered accountancy is final course. (*Source: Website of ICAI*) According to Institute of Chartered Accountants of India, the number of students registered in 2009-2010 for CPT examination were 5,74,259, the PCC examinations were 120,195, the IPCC were 100,151 and the Final examination were 80,077 (*Source: Annual Report 2009-2010- ICAI*).

5. **Common Entrance Examinations, Maharashtra** – For the year 2010, 2,82,096 students appeared for the common entrance test conducted by the Maharashtra Directorate Of Medical Education and Research for obtaining admission into engineering, medical and pharmacy courses across the state and of these, 1,76,632 students has appeared for the common entrance test conducted for the medical course (*Source: Maharashtra Directorate Of Medical Education and Research*). Further, 92, 166 students appeared for the common entrance exam conducted by Maharashtra Directorate of Technical Education for obtaining admission in business administration courses.

Challenges faced by coaching industry (*Source: CRISIL Research Report, State Coaching Industry, April 2011*)

While the opportunity is certainly huge, individual players of the coaching industry face the following key challenges:

- Scalability
- Credibility and brand building
- Retention of faculty
- Product differentiation through content development
- Handling quality issues in franchisee operations

V. Maharashtra State Education Profile (*Source: CRISIL Research Report, State Coaching Industry, April 2011*)

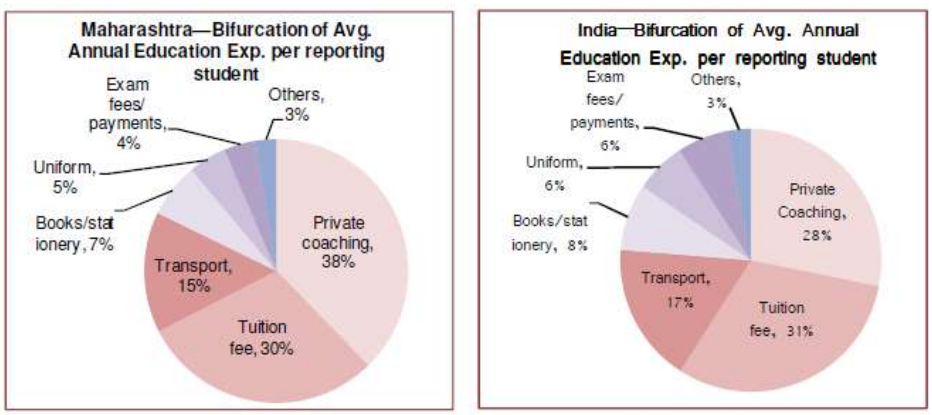
Maharashtra is the second largest state in the country in terms of population and accounts for 9.3% of India’s total population. The rising emphasis on education in the state has boosted literacy rates from 76.5% in 2001 to 82.9% in 2011.

The state's expenditure on education has increased at a CAGR of 18.2% to Rs. 23,464 crore in 2009-10 from Rs. 10,184 crore in 2004-05. Maharashtra spends approximately 2.6% of its gross state domestic product on the education sector *vis-a-vis* the country's average of 2.8%. In terms of the share of education in the aggregate expenditure incurred by the state, Maharashtra ranks highest with 19.1% of the total expenditure being routed towards the Education sector in 2009-10 as compared to all India average of 15.4%. (*Source: CRISIL Research Report, State Coaching Industry, April 2011*)

Maharashtra accounts for 10.4% of India's total enrolments in IXth and Xth standard and 11.9% of XIth and XIIth standard, second highest in the country after Uttar Pradesh. While enrolments in IXth and Xth standard have increased at a CAGR of 1 % to reach 2.9 million in 2007-08 from 2.8 million in 2002-03, enrolments in XIth and XIIth standard have increased at 3.5 % to reach 1.9 million from 1.6 million for the same period. In the higher education segment, enrolments for courses in bachelor of arts have declined to 3,14,000 in 2005-06 from 4,42,000 in 2001-02, enrolments for courses in bachelor of commerce have marginally declined to 2,55,000 in 2005-06 from 2,60,000 in 2001-02 and enrolments for bachelor's degree in sciences have marginally increased to 1,09,000 in 2005-06 from 1,06,000 in 2001-02.

In Maharashtra, coaching has emerged as a parallel education system. Students opt for coaching as early as in primary and upper primary levels (Ist to VIIIth standard), which is largely dominated by the semi-organised market that comprises of private tutors and small tutorial classes. On the other hand, organised players dominate the segments in the secondary level and above.

In Maharashtra, school students who attend coaching/private tuitions spend more on coaching than an average student does on all items including school fees, transport, books, stationery, and uniform (as per findings of the NSSO 2007-08 report on "Participation and Expenditure on Education in India"). Students pursuing general education (*i.e.* K-12 and general higher education courses) in Maharashtra spend approximately 38% of their total annual education expenditure on private coaching, which is higher than the country's private coaching share of 28% in total annual education expenditure.



Note: The above results are based on NSSO 2007-08 report on "Participation and Expenditure in India" based on a sample of 445960 persons, from 63318 rural households and 37263 urban households across the country

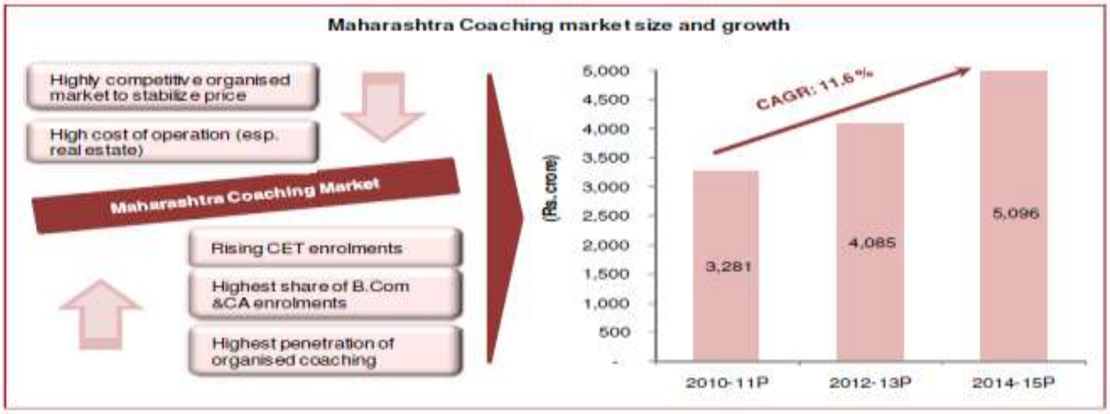
(Source: NSSO)

Maharashtra's coaching industry to touch Rs. 5,096 crore in 2014-15

The state's coaching industry comprising secondary (IXth and Xth standard), higher secondary (XIth standard, XIIth standard and CET), higher education (bachelor's degree in arts, science or commerce), and chartered accountancy (including CPT, CA IPCC and CA Final) is expected to grow at 11.6% CAGR and reach Rs. 5,096 crore in 2014-15 from an estimated Rs. 3,281 crore in 2010-11. The market will primarily be driven by following factors:

- Rising CET enrolments in the state
- Growth in fee charged for supplementary coaching.

- The state has the highest share of bachelor of commerce and chartered accountancy enrolments resulting in a high student base for coaching. Maharashtra accounts for approximately 17% of enrolments in the bachelor's degree in commerce in India and 70% enrolments of chartered accountancy in the western region.
- Maharashtra boasts of the highest penetration levels of organised players which will further provide an impetus to the coaching industry



(*Source: CRISIL Research Report, State Coaching Industry, April 2011*)

The secondary and higher secondary education segment would continue to dominate the coaching industry with over 90% share, while chartered accountancy and higher education would account for the remaining market.

The coaching industry at the secondary education level is expected to grow at a four year CAGR of approximately 8.4% to Rs. 1,689 crore in 2014-15 from Rs. 1,222 crore 2010-11. The higher secondary coaching market size is almost twice at around Rs. 1,818 crore in 2010-11. The coaching industry for higher education (including bachelor's degree in arts, science or commerce) is expected to grow at a CAGR of 9.4% to Rs. 239 crore in 2014-15 from Rs. 167 crore in 2010-11. The coaching industry for chartered accountancy (including CPT, CP IPCC, and CA Final) is expected to grow at a CAGR of 17 % to Rs. 139 crore in 2014-15 from Rs. 74 crore in 2010-11.

The share of higher secondary is expected to increase to 64% in 2014-15 from 60% in 2010-11 on account of higher growth in enrolments, increase in average fee and growing penetration of coaching due to greater competition to enter into professional courses post XIIth standard. High growth rate in the chartered accountancy coaching market would primarily be driven by increase in average annual fee over the next four years and improving pass percentage in the state.

The growth in secondary education coaching in Maharashtra would be driven by the following factors:

- Rising penetration of coaching especially organised coaching at IXth and Xth standard in order to prepare students for their board examination and establish a strong base for competitive examinations.
- Rising enrolments coupled with improved gross enrolment ratio (GER).

However, unorganised private tuition and local coaching classes operating at intra-city level largely cater to this segment. The presence of only a few large players having scalability at a state level reduces the overall average fee charged at the secondary level.

VI. Karnataka State Education Profile (*Source: CRISIL Research Report, State Coaching Industry, April 2011*)

Karnataka, the eighth largest state in the country in terms of population, has added 8.2 million people during the last decade (2001-11) to reach 61.1 million. On the education front, there is a 9% increase in literacy, to 75.6% in 2011 from 66.6% in 2001. The state's expenditure on education has increased at a CAGR of 15.4% to Rs. 8,935.2 crore in 2009-10 from Rs. 4,357.9 crore in 2004-05. Karnataka spends approximately 2.6% of its gross state domestic product (GSDP) on education sector *vis-a-vis* the country's average of 2.8%. Karnataka spent 14.9% of the total expenditure on education sector in 2009-10 as compared to all India average of 15.4%.

Karnataka accounts for 5.5% of India's total enrolments in IX^{th} and X^{th} standard and 6.1% of XI^{th} and XII^{th} standard (sixth highest in the country). While enrolments in IX^{th} and X^{th} standard have increased at a CAGR of 4.2% to 1.5 million in 2007-08 from 1.2 million in 2002-03, enrolments in XI^{th} and XII^{th} standard have increased at a CAGR of 17.2% to 0.9 million in 2007-08 from 0.4 million in 2002-03. In the higher education segment, total enrolments have increased at a CAGR of 15.4% to 952,000 in 2005-06 from 537,000 in 2001-02.

In Karnataka, coaching is primarily present at secondary and higher secondary levels and is dominated by small unorganised players or professors/teachers doubling up as tutors. Organised players have a low penetration in this market. Organised coaching is dominant in entrance examination preparation (for courses such as business administration, engineering and other professional and technical courses) and chartered accountancy courses.

Higher secondary coaching has the highest share of organised market. This can be attributed to increased stress by students on board examinations and qualifying competitive examinations especially CET. There is also a high inclination of parents to pay for coaching for combined course of Board and CET examination as they have an equal weightage to seek admission in premier engineering and medical colleges.

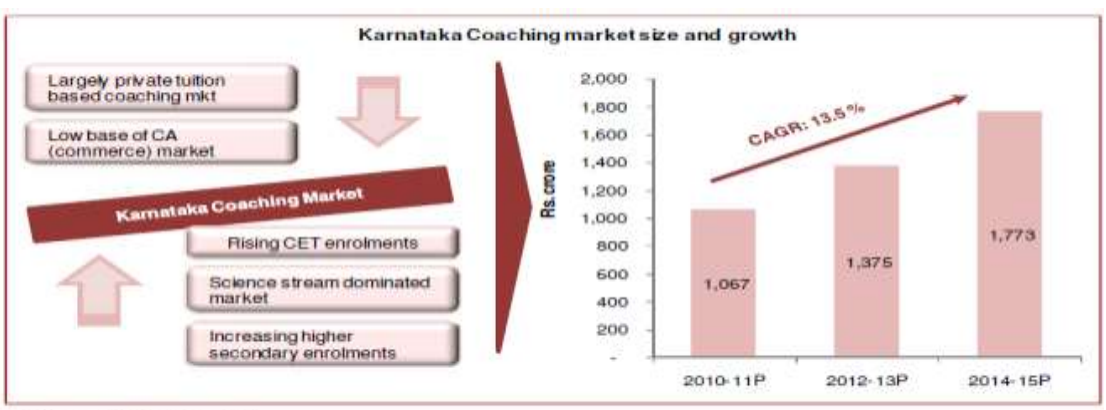
Students pursuing general education (*i.e.*, K-12 and general higher education courses) in Karnataka state spend approximately 30% of their total annual education expenditure on private coaching, marginally higher than the country's private coaching share of 28% in total annual education expenditure.

Karnataka coaching industry to reach Rs. 1,773 crore in 2014-15

The coaching industry in Karnataka, comprising of secondary (IX^{th} and X^{th} standard), higher secondary (XI^{th} standard, XII^{th} standard and CET), higher education (bachelor's degree in arts, science or commerce), and chartered accountancy (including CPT, CA IPCC and CA Final), is projected to reach Rs. 1,773 crore in 2014-15 growing at a CAGR of 13.5% from an estimated Rs. 1,067 crore in 2010-11.

The market will primarily be driven by following factors:

- Rising CET enrolments in the state
- Growth in fee for supplementary coaching.
- Reduction in the number of drop outs from secondary to higher secondary level has resulted in greater higher secondary enrolments.
- Karnataka's coaching market is dominated by the science stream, which accounts for more than 50% of the enrolments in the higher secondary education. Moreover, an increase in enrolments in science will boost the coaching industry as there is a high degree of penetration of organised players in this segment.



Source: CRISIL Research

In terms of the various segments, secondary and higher secondary education would continue to dominate the coaching industry with over 95% share, while CA and higher education would account for the remaining market.

The coaching industry at secondary education level is expected to grow at a four year CAGR of 11% to Rs. 527 crore in 2014-15 from Rs. 347 crore in 2010-11 on account of fall in drop-out rates and rising enrolments in secondary level education. The coaching market size for the higher secondary education segment is expected to increase at a CAGR of 14.8% to Rs. 1,168 crore in 2014-15 from Rs. 671 crore in 2010-11. The coaching industry for higher education (including bachelor's degree in arts, science or commerce) is expected to grow at a CAGR of 10.1% to Rs. 54 crore in 2014-15 from Rs. 37 crore in 2010-11. The coaching industry for chartered accountancy (including CPT, CA IPCC, and CA Final) is expected to grow at a CAGR of 17.9% to Rs. 24 crore in 2014-15 from Rs. 13 crore in 2010-11.

The share of higher secondary is expected to increase to 66% in 2014-15 from 63% in 2010-11 on account of higher growth in enrolments (coupled with reduced drop out-rates), increase in average fee, and increasing penetration of coaching due to higher competition to enter into professional courses post XIIth standard.

VII. Tamil Nadu State Education Profile (*Source: CRISIL Research Report, State Coaching Industry, April 2011*)

Tamil Nadu, accounts for approximately 5.9% of India's total population in 2011 and has witnessed a population increase of 9.7 million during the last decade (2001-11) to reach 72.1 million in 2011. The increasing emphasis in Tamil Nadu on education has resulted in the literacy rates to increase from 73.5% in 2001 to 80.3% in 2011. The expenditure on education by the State Government has increased at a CAGR of 18.2% from Rs. 4,597 crore in 2004-05 to Rs. 10,615 crore in 2009-10. Tamil Nadu spends approximately 2.8% of its gross state domestic product (GSDP) on education sector vis-a-vis the country's average of 2.8%. Tamil Nadu spent 15.1% of the total expenditure on education sector in 2009-10 as compared to all India average of 15.4%.

Tamil Nadu accounts for 7.3% of India's total enrolments in IXth and Xth standard and 7.9% of XIth and XIIth standard, third highest in the country after Uttar Pradesh and Maharashtra. While enrolments in IXth and Xth standard have increased at a CAGR of 4.2% to 2.0 million in 2007-08 from 1.7 million in 2002-03, enrolments in XIth and XIIth standard have increased at a CAGR of 6.3% to 1.3 million in 2007-08 from 0.9 million in 2002-03.

In Tamil Nadu, although coaching is present across educational levels, it is largely dominated by the unorganised segment. Organised coaching is primarily prevalent in chartered accountancy. Private coaching and tutoring is undertaken by the teachers and professors of the formal education system at their residence on a large scale. The teacher plays an important role in attracting students to these private tuitions. The students attend private coaching for two to five subjects from these teachers for which fees varies widely. Tamil Nadu coaching market is characterized by dominant science stream and rising higher secondary enrolments.

Tamil Nadu coaching industry to reach Rs. 2,715 crore in 2014-15

The coaching industry in Tamil Nadu, comprising of secondary (IXth and Xth standard), higher secondary (XIth standard, XIIth standard and CET), higher education (bachelor's degree in arts, science or commerce), and chartered accountancy (including CPT, CA IPCC and CA Final) is expected to grow at 11.7% CAGR and reach Rs. 2,715 crore in 2014-15 from an estimated Rs. 1,743 crore in 2010-11.

In terms of the various segments, secondary and higher secondary education would continue to dominate the coaching industry with over 95% share while chartered accountancy and higher education would account for the remaining market.

Coaching industry at secondary education level is expected to grow at a four year CAGR of 12% -13% to Rs. 1,080 crore in 2014-15 from Rs. 672 crore in 2010-11. The higher secondary coaching market size is expected to reach Rs. 1,502 crore in 2014-15. The coaching industry for higher education (including bachelor's degree in arts, science or commerce) is expected to grow at a CAGR of 9% to Rs. 100 crore in 2014-15 from Rs. 71 crore in 2010-11. The chartered accountancy coaching industry (including CPT, CA IPCC, and CA Final) is expected to grow at a CAGR of 18.1% to Rs. 33 crore in 2014-15 from Rs. 17 crore in 2010-11.

VIII. Gujarat State Education Profile (*Source: CRISIL Research Report, State Coaching Industry, April 2011*)

Gujarat is the tenth largest state in the country in terms of population. Its population increased by 19.2% during the last decade (2001-11) to reach 60.4 million in 2011. On the education front, literacy rates have increased by 10 % to 79.3% in 2011 from 69.1% in 2001. The expenditure by the State Government on education has increased at a CAGR of 13.7% to Rs. 7,597 crore in 2009-10 from Rs. 3,990.1 crore in 2004-05. The State Government spends approximately 1.8% of its gross state domestic product (GSDP) on the education sector *vis-a-vis* India's average of 2.8%. Gujarat spent 13.4% of the total expenditure on education sector in 2009-10 as compared to all India average of 15.4%.

Gujarat accounts for 4.6% of India's total enrolments in IXth and Xth standard and 3.9% of XIth and XIIth standard (eighth highest in the country). While enrolments in IXth and Xth standard have increased at a CAGR of 3.4% to 1.3 million in 2007-08 from 1.1 million in 2002-03, enrolments in XIth and XIIth standard have marginally increased at a CAGR of 0.1% to 6,25,000 in 2007-08 from 6,23,000 in 2002-03. In the higher education segment, total enrolments have increased at a CAGR of 6.2% from 4,92,000 in 2001-02 to 6,64,000 in 2005-06.

The coaching industry in Gujarat is dominated by private tuition centres and teachers/professors taking classes after school. Very few organised players operate in the market. The students pursuing general education (i.e., K-12 and general higher education courses) in Gujarat state spend approximately 41% of their total annual education expenditure on private coaching, which is much higher than the country's private coaching share of 28% in total annual education expenditure.

Gujarat coaching industry is expected to reach Rs. 854 crore in 2014-15

The coaching industry in Gujarat, comprising of secondary (IXth and Xth standard), higher secondary (XIth standard, XIIth standard and CET), higher education (bachelor's degree in arts, science or commerce), and chartered accountancy (including CPT, CA IPCC and CA Final) is expected to grow at 9.3% CAGR and projected to reach Rs.854 crore in 2014-15 from an estimated Rs. 599 crore in 2010-11. The market will primarily be driven by rising CET enrolments in the state and the relatively higher market for chartered accountancy coaching and commerce coaching (commerce course constitutes 28%-29% at higher secondary education level).

In terms of the various segments, secondary and higher secondary education would continue to dominate the coaching industry with over 85% share, while CA and higher education would account for the remaining market.

The coaching industry at secondary education level is expected to grow at a four year CAGR of 9.1% to Rs. 383 crore in 2014-15 from Rs. 270 crore in 2010-11. The coaching industry for higher education level (including bachelor's degree in arts, science or commerce) is expected to grow at a CAGR of 10.6% to Rs. 74 crore in 2014-15 from Rs. 50 crore in 2010-11. The coaching industry for chartered accountancy (including CPT, CA IPCC and CA Final) is expected to grow at a CAGR of 16.7% to Rs. 36 crore in 2014-15 from Rs. 19 crore in 2010-11.

BUSINESS

Overview

We are an education support and coaching services provider for students in the secondary and higher secondary school and for students pursuing graduation degree in commerce, preparing for various competitive examinations and undertaking chartered accountancy examinations. Our Company has operations across the states of Maharashtra, Tamil Nadu, Karnataka and Gujarat, through 190 Coaching Centres in 106 locations, as on May 15, 2011. Of these, our Company operates 28 Coaching Centres in eight locations in Maharashtra in cities such as Nashik, Aurangabad and Nagpur, through franchisee arrangements. Our Company is one of the leading coaching services providers in Maharashtra, with primary operations in Mumbai with 138 Coaching Centres in 85 locations as on May 15, 2011. We also provide coaching for competitive examinations for admissions to universities offering masters in business administration degrees through our subsidiary, CPLPL, which operates in four locations in Mumbai. Additionally, we have recently started operations at six locations in New Delhi and Gurgaon under the brand '*Study Mate – Powered by MT Educare*' through HT Learning Centres Limited ("HTLCL"), which is a joint venture of our wholly owned subsidiary, MTESPL with HT Education Limited. Our Company, through its Dubai branch, MT Management Solution, also provides management consultancy services to a coaching center in Dubai which includes providing coaching and administrative support services for secondary and higher secondary school curriculum of various education boards.

We provide results focused education support and coaching services. The main sections of students to whom our Company offers services are as follows:

(iv) ***School Section***: The School Section consists of IXth and Xth standard students for (i) state board examinations conducted by the state education boards of Maharashtra, Gujarat and Karnataka; (ii) board examinations conducted by the CBSE; and (iii) board examinations conducted by ICSE;

(v) ***Science Section***: The Science Section consists of XIth and XIIth standard students in science and for engineering and medical CETs conducted by the Maharashtra and Karnataka State Governments; and

(vi) ***Commerce Section***: The Commerce Section consists of (i) XIth and XIIth standard students in commerce and CPT conducted by ICAI; (ii) undergraduate students pursuing their bachelor's degree in commerce; and (iii) CA IPCC and CA Final examinations conducted by ICAI.

The number of 'Students Serviced' *i.e.,* the number of students from whom revenue has been recognised, in whole or part, based on the distinct Courses availed by them during the relevant Fiscal, in the Coaching Centres operated by our Company, in the last three Fiscal years is as below:

Services	**Fiscal**		
	2011	**2010**	**2009**
School Section	29,249	27,324	24,803
Science Section	11,527	11,240	9,289
Commerce Section	17,695	14,163	10,225
Total	**58,471**	**52,727**	**44,317**

In addition to the above, the number of Students Serviced through the 28 Coaching Centres operated through franchisee arrangements, which commenced operations in Fiscal 2011, is as below:

Services	**Fiscal 2011**
School Section	595
Science Section	877
Commerce Section	-
Total	**1,472**

Our Promoter, Mahesh R. Shetty, has over 27 years of experience in the coaching sector. He started the business of providing coaching services to students in School Section in 1988 under the brand of '*Mahesh Tutorials*'. For further details, please see the section 'History and Certain Corporate Matters' on page 120. He provides vision, leadership and strategic guidance to our Company. We believe that the experience of our Promoter and our presence and concentration in Mumbai contributes significantly towards our brand equity.

As of May 15, 2011, our Company has 701 faculty members across all our Coaching Centres. Additionally, since April, 2011 we have engaged 56 faculty members as 'resident' faculty members for our students in the School Section to focus on providing personal attention to resolve doubts of such students in small groups, in addition to the regular classroom coaching. We follow a systematic approach in selecting and training faculty members for the services we offer in order to ensure the quality and performance of the students who attend our Courses. We operate through a 'faculty empowerment' model, wherein our faculty members are provided a role in the business and rewarded for their contribution in the growth. In addition to their academic growth as faculty members, we also entrust our faculty members with the opportunity to grow within the organization by taking up administrative and business development roles for different Coaching Centres, which, we believe has helped us in retaining our faculty members.

For the nine months ended December 31, 2010, our total income and net profit, as restated, were Rs. 8,568.30 lakhs and Rs. 963.09 lakhs. For the year ended March 31, 2010, our total income and net profit, as restated, were Rs. 8,579.16 lakhs and Rs. 523.31 lakhs, which represent 14.14% and 99.51% increase, respectively as compared to the year ended March 31, 2009.

For details of the number of students who appear for the various examinations for which coaching is provided by our Company, please see the section 'Industry Overview' on page 89.

Competitive Strengths

We believe the following are our core competitive strengths:

Well recognised brand and experience in the business of education support and coaching

We have established ourselves as an education support and coaching services provider and have been able to achieve a competitive position in Maharashtra, with primary operations in Mumbai with 138 Coaching Centres in 85 locations as on May 15, 2011. We operate in the states of Maharashtra, Tamil Nadu, Karnataka and Gujarat, through 190 Coaching Centres in 106 locations as on May 15, 2011, out of which 28 Coaching Centres in eight locations are currently operated through franchisee arrangements. Our wholly owned subsidiary, MTESPL, has entered into a joint venture agreement with HT Education Limited to set up HTLCL to provide classroom based (non digital) coaching services under the brand "*Study Mate – Powered by MT Educare*" in northern and eastern states of India. HTLCL has recently started providing coaching services at six locations in New Delhi and Gurgaon for secondary and higher secondary students appearing for examinations under the CBSE curriculum.

Our Promoter, Mahesh R. Shetty, who is also our Chairman and Managing Director has been associated with providing coaching services under the brand '*Mahesh Tutorials*' since 1988 and has over 27 years of experience in this sector. We believe that we have benefited from the experience and the reputation of our Promoter in establishing and further growing our business. We believe that our brand is well-recognised amongst our students. We have been able to deepen our brand recognition and improve our brand recall through continuous marketing and advertising campaigns undertaken by us. We believe our brand recognition has been instrumental in increasing the number of Students Serviced, which has grown from 44,317 students in Fiscal 2009 to 58,471 in Fiscal 2011. Additionally, our Company had 1,472 Student Serviced through 28 Coaching Centres in eight locations operated through the franchisee arrangements in Fiscal 2011. We provide coaching services to students at various academic levels and we believe that our experience helps us in gaining a better and deeper understanding of student requirements.

We also benefit from a proven track record of high student performances over the years. For the academic year 2010, we had 2,686 students who secured 90% and above in the Xth standard examination conducted by Maharashtra State Board of Secondary and Higher Secondary Education out of 13,394 of our Students Serviced to appear for these examinations. 15 of our students secured ranks in the top 50 successful candidates in the CA IPCC and nine of our students secured ranks in the top 50 successful candidates in the CA Final examinations held in May 2010. We have been able to attain the confidence of the parents and students in receiving services from us, which is evident from the number of Students Serviced.

Organised and diversified player in the education support and coaching services sector

Our Company is one of the leading coaching services provider in Maharashtra, with primary operations in Mumbai with 138 Coaching Centres in 85 locations as on May 15, 2011. We believe that our knowledge of the Mumbai market and the Maharashtra education system, including the various examinations and syllabi, assists us in developing appropriate teaching methodologies to address the changing student requirements. We also believe that Mumbai's position as the commercial capital of India, new and increasing employment avenues, together with the demographics of the Mumbai population, with a high-income and an expanding segment of young population, provide a substantial market for our services and for further expansion. We believe that our concentration and network of Coaching Centres across Mumbai acts as a barrier for new players to compete with us.

We are expanding in the rest of Maharashtra and in Tamil Nadu, Gujarat and Karnataka, where we currently operate 52 Coaching Centres, with eight locations being operated through franchisee arrangements in Nashik, Aurangabad, Nagpur, Kolhapur, Sangli, Nashik Road, Ahmednagar and Jalgaon. For further details, please see "Business – Franchisee Arrangements". We provide coaching for competitive examination for admissions to universities offering masters in business administration degrees through our subsidiary, CPLPL, which operates in four locations. Additionally, we have recently started operations at six locations in New Delhi and Gurgaon under the brand '*Study Mate – Powered by MT Educare*' through HT Learning Centres Limited, which is a joint venture of our wholly owned subsidiary, MTESPL with HT Education Limited. Our Company, through its Dubai branch, MT Management Solution, also provides management consultancy services to a coaching center in Dubai which includes providing coaching and administrative support services for secondary and higher secondary school curriculum of various education boards.

Further, we provide coaching services across academic levels, starting from School Section which consists of IXth and Xth standard , Science Section and Commerce Sections for XIth and XIIth standard including competitive examinations such as CET conducted by state governments and CPT conducted by ICAI. We also coach undergraduate students pursuing their bachelor's degree in commerce and students preparing for various chartered accountancy examinations. Commencing June 2011, we propose to offer University, Vocational and Affiliated ("UVA") programme, to students pursuing graduation degree in commerce. UVA will include coaching for the graduation degree curriculum and for competitive examinations for admissions to universities providing masters in business administration degrees along with three supplementary vocational programmes, namely, skill enhancement and employment/entrepreneurial development programmes, life enrichment and advancement programmes and transforming through outbound and behavioural education programmes. Further, as a new initiative, we will also start providing coaching services to students enrolled in classes below IXth standard, which will be primarily through the internet, with limited classroom interaction. We also plan to launch curriculum delivery for our coaching services for chartered accountancy through very small aperture terminal ("VSAT") technology, which shall enable our faculty members to coach students across locations from our VSAT studio in Mumbai. Our Company also undertakes projects for vocational training, grade enhancement programme and teacher training with certain entities associated with the Government of India and the State Governments.

We believe that the diversified nature of our business with our presence in various states and varied range of Courses has enabled us to be involved across the academic life of our students. This has also helped us to be more competitive as compared to the unorganized players, who are usually area specific and localised, with their services restricted to a few specific subjects.

Large pool of faculty members

With 701 faculty members as on May 15, 2011, our Company has access to a large number of qualified and experienced faculty members, who contribute significantly to our success and growth. Our Company's faculty members are typically graduates in science, commerce and arts subjects. Of these, 266 faculty members are post-graduates or professionals such as chartered accountants and company secretary or who have obtained educational degrees such as such as bachelor of education and have an average teaching experience of over six years.

Our Company conducts continuous training programmes including refresher guidance programmes for our faculty members throughout the year on teaching subjects as well as personality development, attitude development and soft skills such as presentation and communication skills, leadership skills and time management. These training sessions also involve training on teaching methodologies, teaching skills and communication skills in order to equip our faculty members to adapt and reciprocate to students' changing needs in the competitive environment and changing examination trends, academic syllabus and increasing career options. Our faculty training sessions help us in attaining and maintaining quality across our faculty team thereby enabling us to maintain a large pool of faculty members which in turn gives us an advantage over other tutorial service providers who rely on one or a few renowned teachers.

Further, our Company operates through a 'faculty empowerment' model, wherein our Company's faculty members are provided a role in the business and rewarded for their contribution in the growth. In addition to academic growth for the faculty members through training sessions, we also entrust our faculty members with the opportunity to grow within the organization by taking up administrative and business development roles, such as centre coordinators, centre heads and zonal heads, on the basis of their experience and association with our Company. Some of our faculty members also participate in the 'steering committees' which focus on operations and admissions of the students in our Courses and liaise between the management and the centre heads or centre co-ordinators. We believe that the broadening of the scope of work provides greater job satisfaction and increased remuneration thereby aiding us in retaining our faculty members. Further, an independent trust, the MT Associate Trust, settled by our Promoter, has been set up, to which our Company has issued 6,80,966 Equity Shares for the exclusive purpose of transfer of these Equity Shares to our faculty members on the recommendations of our Company. We believe that this initiative will increase the sense of ownership of the faculty members towards our Company.

Further, the large pool of 701 faculty members enables us to allocate multiple faculty members for each subject, thereby preventing dependence on any one or a few faculty members and ensure minimal disruptions in our operations for a particular subject due to absence of faculty members for illness or other reasons. Our large pool of faculty members has enabled us to plan for contingencies and deliver quality at all times.

Corporatised structure and experienced management team

The coaching services sector is highly fragmented and unorganised and we believe that we benefit from having a corporatised set-up and an experienced management team. We believe that our incorporation as a company has increased our visibility amongst governments and international educational institutions and in receiving opportunities for entering into tie-ups. It has also assisted us in raising capital from Helix Investments Company ("Helix"), a private equity investor. Helix invested in our Company in August 2007 subscribing to 3,28,00,059 Compulsorily Convertible Preference Shares for a subscription consideration of a Rs. 32,80,00,590 (equivalent of USD 8 million), through which, upon conversion into 50,884 Equity Shares in March, 2009, Helix held 29.33% of the shareholding of our Company. We have also granted equity shares of our Company to our key management personnel under employee stock option scheme ESOP 2011 – I and ESOP 2011 – II. Further, through an independent trust settled by our Promoter, our faculty members shall receive Equity Shares on the recommendations of our Company. For further details, please see the section "Capital Structure" on page 54.

Our senior management has extensive experience in the education sector with an average experience of 17 years. Mahesh R. Shetty, our Promoter, who is also the Chairman and Managing Director of our Company, has over 27 years of experience in the coaching services sector. Most of our senior management have been associated with our business and the Promoter for a number of years. We believe that this longstanding association of our senior management and the Promoter with our business facilitates efficient and successful management of our operations. We also believe that our senior management is an apt combination of education sector experience and professional experience drawn from different industries. We leverage the deep understanding and the experience of our senior management in successfully managing our operations and services which has facilitated the growth of our business.

Result oriented methods of coaching

We have, over a period of time developed scientific coaching methods and system of imparting conceptual knowledge which we believe is capable of aiding our students to perform better in examinations. We focus on training our students by enhancing their conceptual knowledge base, enabling them to improve their accuracy levels and speed. We aim at achieving a holistic development of our students and along with academics, we include activities for personality developments, time and stress management and improving communication and presentation skills. We believe these will provide a competitive advantage to our students over their peers. We conduct regular parents and students counselling sessions which we believe help the students in handling the pressure created by examinations. We have also developed an in-house system to constantly monitor the progress of the students and to identify their special requirements and to administer content delivery based on regular feedback from students. With the help of our in-house developed system, we continuously administer faculty allocation and conduct constant reviews and improvement.

We use technology to supplement coaching. For instance, we use audio visual technology in classes and quizzes in game formats, which we believe, enhance sensory learning and contribute to greater retention. As a new initiative, we will start providing coaching to students enrolled in classes below IXth standard through the internet. Further, we plan to launch curriculum delivery for our coaching services through VSAT technology, which shall enable our faculty members to coach students across locations from our VSAT studio in Mumbai.

We undertake constant monitoring of our services through our ‘steering committees’ where each member of the steering committee supervises a zone containing approximately six to seven centres and is responsible for content generation, faculty selection and faculty training for the respective centres. Our Company conducts training sessions for the members of the steering committee in relation to management programmes which brings out the various strengths and weaknesses of the individuals and helps them improve their capabilities.

We undertake training of our faculty members through a specialised department called ‘Aakar, Centre of Excellence’ (“Aakar”) where we train our faculty in teaching methodologies, content development, classroom delivery and evaluation methods. Aakar also provides comprehensive teaching materials for conceptual and analytical areas by continuously reassessing and updating the Courses. Aakar also develops test series and assessments designed to map students’ performance and identify areas of improvement for remedial or intensive coaching. The evaluation process involves working with learning management systems that reflects the effectiveness of study skills and techniques taught in the classroom. This training is conducted for all of our faculty members and also includes guest lectures.

Growth Strategies

Our aim is to strengthen our position as an organised and diversified education support and coaching services provider and strengthen our brand recognition by continuing to pursue the following growth strategies:

Expansion of network of centres

We intend to expand our presence in our existing markets, viz. Maharashtra, Tamil Nadu, Gujarat and Karnataka, by increasing the number of our Coaching Centres. We plan to leverage our brand recognition and experience in the markets to service the increasing demand for our coaching services. We propose to open new Coaching Centres at 20 locations across Mumbai and Pune over the next two years. Of these 20 locations we have identified eight locations and are in the process of identifying the remaining 12 locations. For further details, please see the section “Objects of the Issue” on page 69.

Use of technology to extend our reach

We intend to launch technology enabled coaching services at our Coaching Centres through Courses based on virtual classroom environment with the help of VSAT technology which shall enable our faculty members to coach students across locations from our VSAT studio. We intend to launch such coaching services with VSAT enabled chartered accountancy courses. Our VSAT studio, located at Mumbai at the corporate office of our Company, is almost completed and shall be enabled with equipments to provide high definition video and audio and a power backup to ensure high-quality uninterrupted service.

Commencing June 2011, we also intend to offer online hybrid coaching services to the students enrolled in classes below IXth standard wherein coaching shall be provided primarily through the internet, with limited classroom interaction. The students shall be connected by a two way communication system through a web-camera enabling a face to face interaction with the faculty member. We believe this shall maximize the impact of the learning techniques employed and also help in efficient utilization of the classroom space.

Introduction of new Courses

We intend to offer new Courses such as test preparation Courses for various entrance examinations such as the 'Indian Institute of Technology – Joint Entrance Examination' and the 'Common Aptitude Test' ("CAT") and 'Management Aptitude Test' ("MAT") for competitive examinations for admissions to universities providing masters in business administration degrees. With effect from February, 2011, we acquired 51% shareholding in CPLPL, which is engaged in the business of providing coaching services for CAT, MAT and other entrance examinations for admission to colleges offering bachelor of business administration and bachelor of management studies. For further details, please see the section "History and Certain Corporate Matters" on page 120.

We also intend to offer coaching services for the CFP examinations conducted by the Financial Planning Standard Board. In this regard, we have entered into an agreement dated May 15, 2011 with the Financial Planning Standard Board of India for providing education and training on financial planning in India.

Starting June 2012, we also plan to introduce coaching for the examinations conducted by Institute of Company Secretaries in India and Institute of Cost and Work Accountants in India in relation to the foundation examinations conducted by these institutes respectively.

Additionally, we also intend to launch certain new supplementary vocational programmes in the form of certificate courses under the University, Vocational and Affiliated ("UVA") programme in June 2011. These include a) skill enhancement and employment/entrepreneurial development programme, b) life enrichment and advancement programme and c) transforming through outbound and behavioural education programme. These programmes will be offered to students pursuing graduation degree in commerce and will be provided as part of combined coaching for the graduation degree curriculum and for competitive examinations for admissions to universities providing masters in business administration.

Additionally, we also intend to extend our existing faculty training courses, Aakar, to teachers across schools, colleges and tutorial service providers who are not our faculty members. Such services of Aakar will be aimed at providing training for teachers on curriculum delivery skills, study techniques and soft skills such as time management, communication skills, presentation skills and team work. We believe that this programme will be a brand enhancement and marketing tool for us to attract faculty members.

In order to formulate strategies for further growth, including for any expansions domestically or internationally, we have entered into an advisory services agreement with Prosynapse Consultants India Private Limited ("Prosynapse") wherein Prosynapse, through Dr. Chhaya Shastri, has agreed to provide certain advisory services to our Company including, inter alia, providing strategies for future growth and conceiving and implementing marketing strategies and sales promotion exercises. For further details of the advisory services agreement, please see the section "History and Certain Corporate Matters – Summary of Key Agreements – Other Agreements" on page 123.

Expansion through alliances

We intend to expand into new markets in India and internationally. We intend to expand into tier II and tier III cities in Maharashtra and Tamil Nadu in India primarily through franchise arrangements, wherein we enter into agreements with third party franchisees to conduct and operate Coaching Centres under revenue sharing arrangements. For further details on franchise arrangements, please see "Franchise Arrangements" on page 113. Further, we, through our wholly owned subsidiary, MTESPL, have set up a joint venture, HTLCL with HT Education Limited to propose to offer classroom based (non digital) coaching services in the northern and eastern states of India. HTLCL currently operates at six locations in New Delhi and Gurgaon for secondary and higher secondary students appearing for examinations under the CBSE curriculum. For further details of the joint venture, please see the section "History and Certain Corporate Matters" on page 120.

We intend to explore opportunities to expand our operations to international markets by setting up Coaching Centres in such markets. Our Company, through its Dubai branch, MT Management Solution, also provides management consultancy services to a coaching center in Dubai which includes providing coaching and administrative support services for secondary and higher secondary school curriculum of various education boards.

Where suitable opportunities arise, we intend to acquire or partner with companies or entities that we believe will enhance our business, revenues and profitability. We may execute strategic acquisitions to expand our coaching services. In certain markets, we may enter into joint ventures with local partners, in accordance with requirements of local laws. We have recently acquired 51% interest in Chitale's Personalised Learning Private Limited and have in the past acquired the businesses of various tutorial service providers as part of our business expansion. We intend to explore opportunities to acquire other companies or entities that provide coaching services in Courses or jurisdictions which we do not cater to presently. This will enable us to further diversify our services and expand our business.

Managing pre-university junior colleges in Karnataka

MT Educare Charitable Trust (the "Trust"), an independent public charitable trust settled by our Promoter, Mahesh R. Shetty, operates pre-university colleges ("PUCs") in Mangalore and Udupi, in Karnataka.

Our Company intends to provide management and consultancy services to the PUCs operated by the Trust. The scope of management and consultancy services shall include advice on structuring of the PUCs' courses/curriculum and classes, assistance and consultancy services with respect to recruitment of teachers for the PUCs, training of the PUCs' teachers, providing techniques based on usage of technology, management of tests/examinations conducted by the PUCs, advising on and assisting in marketing activities of the PUCs, infrastructure management/advisory and support services (including designing of classrooms and laboratories of the PUCs and facilitating optimum utilisation by the PUCs of the available infrastructure) and other administrative and information technology related services. Our Company may provide all or any of these services to the PUCs.

In relation to the PUC at Mangalore, our Company is proposing to enter into a management services agreement with the Trust and is in discussions in relation to the same. As part of the infrastructure management/advisory and support services to be provided by our Company to the Trust under this agreement, our Company is proposing to enter into lease arrangements with the Trust in order to lease land and the building to the Trust for a period of 30 years for conducting the operations of the PUC and has entered into a memorandum of understanding in this regard. For further details, see sections "History and Certain Corporate Matters" and "Objects of the Issue" on pages 120 and 69. The details of the proposed management services agreement and the lease arrangements will be updated in the Red Herring Prospectus.

The Company intends to continue to provide management and consultancy services, including infrastructure, management/advisory and support services to the PUCs operated by the Trust in the future.

Our Network

We operate 190 Coaching Centres in 106 locations in Maharashtra, Tamil Nadu, Karnataka and Gujarat as on May 15, 2011.

The following table sets forth the details of our Coaching Centres operated by our Company and through franchisee as on May 15, 2011:

Regions of operation	Locations	Coaching Centre			
		School (*Syllabi wise*)	**Science**	**Commerce**	**Grand**

		Maharashtra State Board of Secondary and Higher Secondary Education- English Medium	Maharashtra State Board of Secondary and Higher Secondary Education- Marathi Medium	Gujarat Secondary and Higher Secondary Education Board	Karnataka Secondary Education Examination Board	ICSE	CBSE	XI, XII and CET	XI, XII and CPT, Graduate Courses, CA IPCC, CA Final	Total
Mumbai, Maharashtra	85	51	11	-	-	8	11	26	31	138
Rest of Maharashtra	11	11	4	-	-	1	8	11	-	35
Karnataka	5	-	-	-	5	-	-	5	-	10
Gujarat	2	-	-	2	-	-	-	-	2	4
Tamil Nadu	3	-	-	-	-	-	-	-	3	3
Grand Total	**106**	**62**	**15**	**2**	**5**	**9**	**19**	**42**	**36**	**190**

For the purposes of this Draft Red Herring Prospectus, 'Coaching Centre' means a unit where coaching services are provided by our Company for a particular stream. Each centre is headed by a centre coordinator or a centre head. More than one coaching centre may exist at the same location.

The above table includes 28 Coaching Centres across eight locations, i.e. Nashik, Aurangabad, Nagpur, Kolhapur, Sangli, Nashik Road, Ahmednagar and Jalgaon which are operated through franchisee arrangements. For further details, please see the section "Business – Franchisee Arrangements" on page 113.

We started our operations in Mumbai and as on May 15, 2011, operate through 138 Coaching Centres in 85 locations in Mumbai. The following map indicates our concentration in Mumbai and its suburbs:

Our products and services

School Section

Our Company is one of the leading education support and coaching services providers in the School Section in Maharashtra, with primary operations in Mumbai. We also offer coaching services to the School Section in Karnataka and Gujarat.

For the nine months period ended December 31, 2010 and the year ended March 31, 2010, the School Section accounted for 48.17% and 49.28%, respectively of our income.

During Fiscal 2011, we had 29,249 Student Serviced in the School Section. As of May 15, 2011, we offered coaching services to the School Section through 92 Company operated Coaching Centres.

We offer coaching in all subjects prescribed by the relevant education boards in India for our School Section in order to contribute to the aggregate score of each student, which is critical for admissions to junior colleges in India. For the students appearing for the examinations conducted by state education boards of Maharashtra and Gujarat, we offer education support and coaching services in English medium and other regional mediums such as Marathi.

Science Section

In the Science Section, we offer education support and coaching services to the XIth and XIIth standard students in the science stream. Along with the coaching services for the XIth and XIIth standard we also offer test preparation for the CET conducted by the Maharashtra and Karnataka State Governments. The students' performance in these examinations determines their admission into the graduate colleges for engineering and medicine.

For the nine months period ended December 31, 2010 and the year ended March 31, 2010, the Science Section accounted for 24.94% and 24.89%, respectively of our income.

During Fiscal 2011, we had 11,527 Students Serviced in the Science Section. As of May 15, 2011, we offered coaching services to the Science Section through 34 Company operated Coaching Centres.

Commerce Section

For the Commerce Section, we offer education support and coaching services to the XIth and XIIth standard students in the commerce stream. We also offer test preparation for (i) CPT conducted by ICAI; (ii) cost and work accountants foundation examination conducted by the Institute of Cost and Work Accountants in India; and (iii) company secretary foundation examination conducted by the Institute of Company Secretaries of India. As a part of our Commerce Section, we also provide education support and coaching services in subjects such as accountancy, tax, economics, mathematics, law commerce and audit. Further, we provide coaching services for CA IPCC and CA Final examinations conducted by ICAI. These services are offered in different batches based on the timing of the examinations conducted by ICAI.

Our Company offers coaching services for all segments of Commerce Section in Maharashtra. In Karnataka, we offer all coaching services in the Commerce Section except for CPT, CA IPCC and CA Final examinations. In Chennai, Tamil Nadu, we provide coaching services only for CPT, CA IPCC and CA Final examinations.

For the nine months period ended December 31, 2010 and the year ended March 31, 2010, the Commerce Section accounted for 20.85% and 20.94%, respectively of our income.

During Fiscal 2011, we had 17,695 Student Serviced in the Commerce Section. As of May 15, 2011, we offered coaching services to the Commerce Section through 36 Company operated Coaching Centres.

Others

Our wholly owned subsidiary, MTESPL, has entered into a joint venture agreement with HT Education Limited to set up HTLCL to provide classroom based (non digital) coaching services under the brand "*Study Mate – Powered by MT Educare*" in northern and eastern states of India. HTLCL has recently started providing coaching services at six locations in New Delhi and Gurgaon for secondary and higher secondary students appearing for examinations under the CBSE curriculum. For the Fiscal 2011, HTLCL had serviced 430 students.

Further, we provide coaching for competitive examinations for admissions to universities offering masters in business administration degrees through our subsidiary, CPLPL, which operates in four locations in Mumbai. As on May 15, 2011, CPLPL has 626 students enrolled with it.

Our Company, through its Dubai branch, MT Management Solution, has entered into an agreement dated April 1, 2010 ("Dubai Agreement") with Wisdom Educational Institute, Dubai ("Wisdom") to provide management consultancy services to a coaching center operated by Wisdom in Dubai. These services include providing coaching and administrative support services for secondary and higher secondary school curriculum of various education boards. The term of the Dubai Agreement is two years and expires on March 31, 2012. Our Company, through MT Management Solution, will receive a lump-sum professional fee for two years and a monthly professional fee which will be a percentage of the revenues generated through the coaching services provided, after deduction of the annual rent and expenses incurred by Wisdom for the operations of the centre.

We have also entered into a memorandum of understanding with the Annamalai University, Tamil Nadu ("Annamalai") pursuant to which we propose to offer coaching services in certain courses offered by Annamalai by way of conducting classroom coaching at specific intervals and providing study materials.

Additionally, our Company has entered into a business tie-up agreement with an individual for conducting coaching services for the CFP Course. This individual will be responsible for content development and implementation of the academic processes for the CFP Course along with teaching, training of selected teachers for their respective subjects and development of business plan for the Course. The term of the agreement for the CFP Course is 38 months from February 1, 2011. The compensation payable for the services includes payment as a faculty member and payment for other services provided determined on the basis of a profit or loss sharing arrangement.

Further, our Company provides coaching services to the students of the pre-university colleges operated by the MT Educare Charitable Trust (the "Trust") such as the pre-university colleges operated by the Trust at Mangalore in Karnataka and proposes to provide such services to the pre-university college to be set up by the Trust at Udipi in Karnataka.

Our Company also undertakes projects for vocational training, grade enhancement programme and teacher training with certain entities associated with the Government of India and the State Government. In 2008, we participated in the 'Free coaching and allied scheme for the candidate belonging to minority communities' by the Ministry of Minority Affairs, Government of India and provided coaching services to 1,000 students across Maharashtra, Karnataka and Gujarat. We are also selected under various schemes for education and training established by the Government of India. We have been selected by State Governments of Maharashtra, Gujarat, and Tamil Nadu for the 'Coaching Scheme for Ministry of Tribal Affairs' for five years as indicated under the terms of the scheme and have received work orders for the year 2010-11. Additionally, we have been selected for the 'Free Coaching Scheme' in Gujarat and Tamil Nadu under the Ministry of Minority Affairs, Government of India. Further, the Government of Karnataka (Department of Minority Affairs) has selected our Company for training job oriented courses to the beneficiaries of minority community in the Karnataka. We believe that these projects increase our credibility and visibility on a national level.

Our Company operates pre-schools with day care facilities under the brand 'Global Champs' and provides day care, playgroup, nursery, junior and senior kindergarten services for children in the age group of six months to 10 years. Presently, there are six Global Champs centres operated by our Company in Mumbai and Pune.

Future expansions

Technology enabled programmes

We are in the process of launching technology enabled education Courses based on virtual classroom environment with the help of VSAT technology, which provides three way interactivity between the faculty members, the students and other centres enabling discussions similar to those in classrooms. We intend to launch these services with VSAT enables chartered accountancy Courses. The VSAT studio, located in Mumbai, at the corporate office of our Company, is in the final stages of completion and shall be enabled with equipments to provide high definition video and audio and a power backup to ensure high-quality uninterrupted service.

Commencing June 2011, we also intend to offer online hybrid coaching services to the students of below IXth standard wherein coaching will be provided primarily through the internet, with some classroom coaching as well. The students shall be connected by a two way communication system through a web-camera enabling a face to face interaction with the faculty. We believe this will maximize the impact of the learning techniques employed and also result in efficient utilization of the classroom space.

New Courses

Commencing June 2011, we propose to offer University, Vocational and Affiliated ("UVA") programme, to students pursuing graduation degree in commerce. The students will be enrolled for the three years, while pursuing their graduation degree. Under UVA, the students shall be provided coaching for their undergraduate curriculum for the bachelor's degree in commerce and for preparing for the competitive examinations for admissions to universities offering masters in business administration degrees. In addition, UVA shall also offer three supplementary vocational programmes as below:

i. 'skill enhancement and employment/entrepreneurial development' programme for vocational skill building where the students may opt for being trained for financial planning, banking and finance, debt recovery, business process outsourcing, sales, marketing and retail, with opportunities for placement;

ii. 'life enrichment and advancement' programme for mentoring and counselling of students in personal, social and cognitive aspects of the youth; and

iii. 'transforming through outbound and behavioural education' programme for developing team building and leadership skills through experiential learning.

The students undertaking UVA will be assisted in finding paid internships with various employers.

We also intend to offer coaching services for the CFP examinations conducted by the Financial Planning Standard Board. In this regard, we have entered into an agreement dated May 15, 2011 with the Financial Planning Standard Board of India for providing education and training on financial planning in India.

Starting June 2012, we also plan to introduce coaching for the examinations conducted by Institute of Company Secretaries in India and Institute of Cost and Work Accountants in India in relation to the foundation examinations conducted by these institutes respectively.

Course delivery process

Course delivery

Our Course delivery is based on the concept of experimental learning, which we believe makes complex concepts easily comprehensible. At our Coaching Centres, especially for the School Section, classroom teaching is supplemented with the use of audio-visual technology, animation and graphics across various subjects. We believe that the use of such supplements induce greater retention in students. Our faculty members have been trained to deliver the Courses based on an interactive teaching method which ensures communication between the students and the faculty while teaching. We ensure that our classrooms provide an environment which is conducive for learning and continuously endeavour to improve the quality of the ambience provided to our students.

Study material

We provide study materials to our students to improve the value and effectiveness of our services. Our study materials are prepared by faculty heads of the respective subjects along with other members of the faculty, using reference material to ensure that theory and concept of various subjects are addressed in an efficient and simple manner. With an aim to simplify the learning process, the contents of the study material are provided in the form of questions and corresponding answers. Our study materials also include significant points and summaries of each portion, pictures and illustrations and question papers from previous board examinations to help the students easily understand and memorize the subjects. To equip the students to face various competitive examinations, we provide multiple choice questions in our study materials. We believe our well planned and structured study materials enable us to deliver our services in an effective manner. The study material for our CFP Course shall be provided by a faculty member pursuant to a business tie up agreement.

Tests and examinations

A series of tests and examinations are conducted for each Course at our Coaching Centres to evaluate our students and to prepare them to face the various board and other competitive examinations. Question papers for the examinations of various Courses are prepared in accordance with the examination patterns prescribed by the respective boards governing such Courses. We provide our students with a printed model answer paper after each examination, along with the marking scheme which resolves their doubts on various questions asked for the examinations. For our School Section, we also conduct mock board examinations in a manner similar to which the various board examinations are conducted, in order to offer a realistic experience to our students, which we believe, will help in boosting their confidence to face the board examinations. We conduct test series in accordance with a time table prepared at the beginning of each Course to cover each portion of the subjects. For our Science and Commerce Sections, we conduct regular test series to familiarize the students with various sets of questions and to equip them to face different entrance examinations.

Monitoring and reviewing

Our faculty members make constant efforts to reach out to each of the students and pay close attention to their needs by helping them in their day-to-day academics. Student monitoring at our Coaching Centres is based on factors such as attendance and test performance of the students. Attendance of students in the classes is supervised through an automated swipe card system wherein the attendance is registered on a computer. Any absence of a student for an extended period is communicated to the parents, which helps in checking students from absenting themselves from classes without the knowledge of the parents. We also conduct regular parent-teacher meetings to discuss the academic performance of the students and to highlight the areas of concern. A monthly attendance report of the students is provided to the parents at such meetings. The extent of attention required by a student is assessed based on the performance of the students in the tests conducted and parents are advised on the areas of focus for the parents including the aptitude of the student for a particular career. Based on their performance, students are categorized into different groups and each group of students is provided with customized training and attention to address the specific areas of concern and to improve their performance.

In addition to this, our faculty members undergo training in coaching and mentoring students. The faculty members mentor our students to enhance their capabilities by identifying patterns in the performances of the students, concentrating on the strengths and weakness of students based on internal performance indicators and enabling a positive approach to examinations. Our performance indicators are based on the results from the internal tests conducted at regular intervals and on the basis of these performance indicators our students are provided additional remedial coaching. Our faculty members provide counselling services to our students to build the right mindset towards studies, addressing pressure and stress levels and enabling a suitable physical and mental environment.

Additional services

In order to supplement and improve the effectiveness of our services, we provide our students with a number of value adding services, including:

- *Career Counselling:* Seminars and exhibitions conducted every year for students in the School Section and their parents to introduce them to the various career opportunities and Courses available. Information regarding the institutions offering various degrees is also provided to the students.

- *Symphony:* Special programmes for the students which include a mix of music, yoga and diet controlling techniques. This programme is aimed at helping the students to reduce stress, enhance memory and improve communication skills.

- *Hum Se Puchho (24 hour examination helpline):* A 24 hour examination helpline for our students in IXth, Xth, XIth and XIIth standard and other students in these standards who are not serviced by us, to solve their doubts during the examinations. This facility is provided during the final examinations and the students can call anytime to get their doubts and queries solved by the faculty members for the relevant subjects.

- *Counselling Sessions:* Counselling sessions conducted with the parents and students to facilitate communication between the faculty members, students and parents on the students' requirements and for better performance.

In addition to the above, we also provide facilities such as doubt solving through e-mails, test series on mobile phones which contain series of questions arranged in the form of a game. We also have faculty members at our Coaching Centres, who have been allocated the duty of solving students' doubts after the classes.

Franchise Arrangements

We operate 28 Coaching Centres in eight locations through franchisee arrangements, wherein we enter into agreements (the "**Franchisee Agreement**") with third party franchisees (the "**Franchisee**"), to conduct and operate Coaching Centres under the "Mahesh Tutorials" brand in accordance with the standard operating guidelines issued by us. Typically, the term of a Franchisee Agreement is three years, which may be renewed as mutually agreed between our Company and the Franchisee. Further, the Franchisee and our Company are locked in during the entire term of the Franchisee Agreement. However, our Company has the right to terminate the Franchisee Agreement in case of non performance by the Franchisee in terms of the agreement. In terms of the Franchise Agreement, the Franchisee is given the right to use the teaching methodology, reference notes, contents and the study and test materials provided by our Company and to use our brand to operate a Coaching Centre in the specified location. The Franchisee is responsible for setting up the infrastructure of the Coaching Centre, including, acquisition of the premises for the Coaching Centre, furnishing of the Coaching Centre and obtaining requisite approvals, licenses and certificates. In terms of the Franchisee Agreement, we are entitled to a share in the revenue generated by the Coaching Centre or a fixed sum, whichever is higher. Typically, our share is higher of 20% of the revenue of the year or a minimum guaranteed amount in accordance with the Franchisee Agreement. The Franchisee cannot undertake similar business that will compete with our Company's business during the term of the Franchisee Agreement and for a year after the termination of the arrangement. Further, the Franchisee is not entitled to transfer the business of the particular Coaching Centre to third parties unless it has given our Company an opportunity to acquire the Coaching Centre.

We intend to pursue franchisee arrangements for expansion of our business, particularly in Maharashtra, excluding Mumbai and Pune.

Marketing and student enrolments

From time to time, we undertake various marketing and advertisement campaigns to increase our brand awareness and to attract more students to our Coaching Centres. We advertise our brand and services through different media including print, radio and other outdoor media. We also market through various promotional materials such as handbills, flyers and brochures. Further, we conduct seminars for parents and students to enhance our brand awareness and to introduce them to the features of our services. Additionally, we conduct a 24 hour examination helpline for the students to solve their doubts. This facility is available to all students irrespective of whether such students are enrolled with us or not. As part of our endeavour to maintain our relationships with our students, we conduct events such as farewell functions for our Xth standard students and award functions for the top scoring students in each Course. We believe that we benefit from our relationship with our alumni, as we receive enquiries for fresh enrolments through references made by them.

We have recently launched a social media platform, ‘Career Clicks’ for our students on the social networking website; www.facebook.com, as an independent brand page. The ‘Career Clicks’ page includes psychometric test and career counselling (*Career Guru*), quizzes (*Hot Seat*), games (*Agent X*), voting on current issues, identifying talent of the month and introducing new students. This enables us to connect with the existing and potential students, allow better interactivity with multiple participants, generate interest and brand recall and assess impact on students. We believe that this platform will enhance our reach and enable us to receive feedback on our services.

Upon receiving enquiries from parents for enrolment, our counsellors explain various features of our services such as courses, functioning, teaching methodology, fee structure, previous results and location of our Coaching Centres. We train our counsellors to improve their skills to make effective presentations which we believe is important to convert enquiries into enrolments. Our counsellors collect details of the student and the parents at the initial enquiry session and carries out follow up activities thereafter to convert such enquiries into enrolments.

Faculty

As of May 15, 2011, our Company had 701 faculty members, with 266 of our faculty members holding post graduate degrees or other professional qualifications.

We recruit our faculty members through campus recruitment from selected colleges and from among our ex-students who wish to associate with us. We also attract faculty members through advertisements and other networking activities. The recruitment process involves multi level scrutiny, including (i) personal interviews by the subject heads and the human resource department; (ii) demo-lectures evaluated by faculty members; and (iii) training workshops followed by another round of demo lectures implementing the methodology taught at the workshop. Each candidate has to clear each scrutiny level to proceed to the next level and is required to successfully complete the training workshop. Upon successful completion of the training workshop, which includes training on the teaching methodologies followed by us and other important skill sets, a candidate is offered the post of a faculty member.

Our faculty members are associated with us on contractual arrangements for a fixed term. Typically, the term of a faculty agreement is three years which may be renewed as mutually agreed between us and the respective faculty member. The faculty members are paid contractual fees calculated on the number of lectures as agreed in the respective faculty agreement and on an hourly basis for any extra classes undertaken by such faculty members. Majority of our faculty members are restricted from providing coaching services other than through our Company during the course of their association with our Company.

Our faculty members have the relevant experience to guide and teach our students for the various Courses. Further, we conduct regular training sessions for our faculty members on teaching methodologies and teaching skills in order to equip them to adapt and reciprocate to students’ changing needs and changing examination trends as well as academic syllabus. We believe that the quality of our faculty is critical to our success and accordingly strive to maintain a large pool of faculty with consistent quality.

The table below sets forth the number of the faculty members for our Courses as on May 15, 2011:

Services	**Number of faculty members**			
	Maharashtra	**Karnataka**	**Gujarat**	**Tamil Nadu**
School Section	356	15	13	-
Science Section	112	54	4	-
Commerce Section	123	-	13	11
Total	**591**	**69**	**30**	**11**

Additionally, since April, 2011 we have engaged 56 faculty members to specifically focus on providing personal attention to resolve doubts of the students in small groups (the “Resident Faculty”). The Resident Faculty does not undertake regular classroom coaching and is only required to resolve specific queries of the students after the classroom coaching. The students can either voluntarily reach out to the Resident Faculty or based on the performance of the students in the tests conducted and the internal evaluation system, certain students may be referred to the Resident Faculty by the evaluating faculty member or the parents. The Resident Faculty members are associated with us on contractual arrangements for a fixed term and are paid fixed remuneration fees.

Our Company has entered into three core faculty agreements ("Core Faculty Agreements") with three of our faculty members for conducting and managing classes for the Commerce Section at three locations in Chennai, Tamil Nadu. The term of these Core Faculty Agreements is five years from November, 2009 with a three year lock-in period for both parties. These faculty members are responsible for conducting coaching at and administratively managing the respective Coaching Centre, training faculty members, centre administration and marketing for the respective Coaching Centres. In terms of the Core Faculty Agreements, these faculty members shall be paid a fixed component payable each month and a variable component to be determined on the basis of the profit or loss incurred by the respective Coaching Centre.

Competition

The education support and coaching services market is highly competitive while being unorganized and fragmented. This market is not governed directly by any regulations or any governmental authority. The players in the informal education market are mostly small and unrecognized. We face competition from both organized and unorganized players in the market and more specifically from different players for different sections to which we offer our services.

Our key competitor in the School Section is Sinhal Classes in Maharashtra which provides coaching services to the ICSE students. Our key competitors in the Science Section and Commerce Section for students in XIth and XIIth standard include Karla Shukla Classes and Brilliance Tutorials which provide services to the students in the science stream. We face competition in the Commerce Section, specifically for chartered accountancy coaching services, from JK Shah Classes in Maharashtra, Gurukripa and Prime Academy in Chennai.

Competition is based on the quality of services, brand equity, performance of students, location of centres, the types of Courses and the fee structure. We believe that we are able to compete effectively in the market with the pool of faculty, diversity in the Courses, brand recognition, wide network of Coaching Centres and effective Course delivery process. We continuously endeavour to increase the number of Courses and to further diversify into different areas in the industry.

Insurance

We are subject to risks related to terrorist attacks, riots, fire, earthquake, flood and other *force majeure* events. We maintain standard fire and special perils policies for our corporate offices and various leased premises where we operate our Coaching Centres. We generally maintain and renew insurance policies covering our assets and operations at levels that we believe to be appropriate. We also maintain office package policies to cover the risks such as burglary and breakdown of office equipments and other electronic equipments. Additionally, we have a money insurance policy to insure our cash in transit. We also maintain a key man insurance policy for our Chairman and Managing Director, Mahesh R. Shetty.

Intellectual Property

We have registered the logo as a trademark under Class 41 which deals with education, providing of training, entertainment, sporting and cultural activities with the Registrar of Trademark, Mumbai. We conduct our operations and centres under the brand *"Mahesh Tutorials"* and have applied for the registration of this trademark. We also conduct our business under trademarks such as "*Study Mate – powered by MT Educare*", "*MT Edu Solutions*", "*Hum Se Puchho*", "*Mahesh Tutorials School Section – the academic parents of your child!*", "*Mahesh Tutorials Commerce - Discover the new DIMENSION of Commerce*", "*Mahesh Tutorials Sciences – Don't just learn…UNDERSTAND!*", "*Scholars' Coaching Centre*", "*global champs – preschool; with day-care*" "*INK – Interactive Network Knowledge*" and "*TAT – Technology Aided Teaching*" .

Amongst the above-mentioned trademarks, we have obtained registrations for "*MT Edu Solutions*", "*TAT – Technology Aided Teaching*" and *"Hum Se Puchho"*. We have applied for the registration of the remaining trademarks.

Further, we have made an application dated April 30, 2011 for obtaining the copyright for the content used for our study material in relation to 'Technology Aided Teaching' for the syllabi of IXth and Xth standards under Maharashtra State Board of Secondary and Higher Secondary Education.

Employees

Our Company had 871 employees as of May 15, 2011. Our employees primarily consist of non-teaching staff who administer our academic operations such as co-ordinating classrooms and database and organising counselling sessions and meetings with parents along with technology, service and business operations. Our business operations include monitoring day today functioning of the Coaching Centres, ensuring the availability of facilities and support services and Coaching Centre specific marketing. These are driven primarily by our employees. Our employees are not unionised and are not affiliated with any union.

Property

We own the premises on which our Registered Office is situated in Mumbai, Maharashtra.

All the properties on which our Coaching Centres are operated are held by us through leave and license arrangements. The average term of each leave and license arrangement is three years, which can be renewed at the end of the term. Most of our leave and license agreements have a lock-in provision for the term of the leave and license.

Additionally, under the terms of the memorandum of understanding dated June 9, 2011 (the "Oxford MoU") with Oxford School Organisation ("Oxford School"), our Company shall offer coaching services for the curriculum for the second year of the pre-university college and for science related competitive examinations (the "PUC Coaching Services") using the premises and infrastructure of Oxford pre-university college. Our Company is required to pay a percentage of the revenue accrued by it for the respective Fiscal year pursuant to the PUC Coaching Services. Additionally, from the Fiscal 2013-14, our Company is required to compensate Oxford School to the extent of at least 100 students of the first year pre-university college from the revenues generated through the coaching fee in addition to the revenues payable for coaching services offered to the second year pre-university college students. The arrangement under the Oxford MoU is for a period of 10 years, which is extendable by another 10 years pursuant to mutual understanding of Oxford School and our Company.

Our Company has entered into a memorandum of understanding dated May 14, 2011 (the "Land MoU") with Rohan Monteiro (the "Seller") for the purchase of property situated at Bangrakulur and Derebail Village of Mangalore admeasuring 1.5 acres (the "Property"). The Property shall be purchased for an aggregate consideration of Rs. 8,70,00,000 of which our Company has paid a sum of Rs. 1,00,00,000 towards advance consideration. One of the conditions precedent for the purchase is that the Seller shall evidence a clear and marketable title to the Property failing which the Land MoU may be terminated by our Company at its sole discretion. All conditions precedent to be satisfied by the Seller as mentioned in the Land MoU shall be satisfied within a period of 60 days from May 14, 2011. Our Company proposes to lease out a portion of the Property admeasuring 0.75 acres to the MT Educare Charitable Trust for the construction of a pre-university college (the "Mangalore PUC"). For further details, see please see the section 'Objects of the Issue' on page 69. Additionally, our Company intends to use the remaining property admeasuring 0.75 acres to provide hostel services to the students enrolled with it for the coaching services to be provided at the Mangalore PUC.

Corporate social responsibility

As part of our corporate social responsibility initiatives, we participate in various social development, through Global Education Trust, activities by partnering with various non-governmental organizations such as Aasara and its various projects such as Child Line, Ehsaas, Amcha Ghar, Ashray and Balkalyan Nagri and undertake activities in the areas of education, health, social responsibility and awareness. We also provide academic fees and school uniforms to poor children from schools across Mumbai such as Bhaktivedanta Swami Mission School.

Material Agreements

For details of the material agreements entered into by our Company, please see the section 'History and Certain Corporate Matters' on page 120.

REGULATIONS AND POLICIES

The following description is a summary of certain sector specific laws and regulations in India, which are applicable to our Company and our Subsidiaries. The information detailed in this chapter has been obtained from publications available in the public domain. The regulations set out below may not be exhaustive, and are only intended to provide general information to the investors and are neither designed nor intended to substitute for professional legal advice.

Our Company is engaged in the business of providing education support and coaching services.

State Laws

Maharashtra

The Maharashtra Educational Institutions (Prevention of Capitation Fee) Act, 1987 (the "Act")

The Act is a state legislation brought into force to prevent commercialization of education by prohibition of capitation fee at the time of admission of a student to an institution as well as promotion to a higher class. The Act is applicable to all schools (including kindergarten, pre-primary, balwadi and nursery schools), a college or any other institution whether managed by the state government, local authority, a university or under private management and includes educational institution established and administered by any minority, and imparting education and training exclusively or as one of the various activities, whether technical, professional vocational or otherwise.

The Act prohibits the management of an educational institution from collecting any capitation fee. Further, the state government has been authorized to regulate the tuition fee or any other fee that may be received by any educational institution and to direct an enquiry into affairs of the management of the institution in case of any violation. The violation of the Act attracts a punishment of imprisonment for a term which shall not be less than one year but which may extend to three years and with fine which may extend to Rs. 5,000.

Intellectual Property Laws

The Trade Marks Act, 1999

The Trade Marks Act, 1999 ("Trademarks Act") governs the statutory protection of trademarks in India. In India, trademarks enjoy protection under both statutory and common law. Indian trademarks law permits the registration of trademarks for goods and services. Certification trademarks and collective marks are also registrable under the Trademarks Act. An application for trademark registration may be made by any person claiming to be the proprietor of a trademark and can be made on the basis of either current use or intention to use a trademark in the future. The registration of certain types of trademarks is absolutely prohibited, including trademarks that are not distinctive and which indicate the kind or quality of the goods.

Applications for a trademark registration may be made for in one or more international classes. Once granted, trademark registration is valid for 10 years unless cancelled. If not renewed after 10 years, the mark lapses and the registration for such mark has to be obtained afresh.

While both registered and unregistered trademarks are protected under Indian law, the registration of trademarks offers significant advantages to the registered owner, particularly with respect to proving infringement. Registered trademarks may be protected by means of an action for infringement, whereas unregistered trademarks may only be protected by means of the common law remedy of passing off. In case of the latter, the plaintiff must, prior to proving passing off, first prove that he is the owner of the trademark concerned. In contrast, the owner of a registered trademark is *prima facie* regarded as the owner of the mark by virtue of the registration obtained

Copyright Act

The Copyright Act, 1957, as amended (the "Copyright Act") governs copyright protection in India. Under the Copyright Act, a copyright may subsist in original literary, dramatic, musical or artistic works, cinematograph films, and sound recordings. Following the issuance of the International Copyright Order, 1999, subject to certain exceptions, the provisions of the Copyright Act apply to nationals of all member states of the World Trade Organisation. While copyright registration is not a prerequisite for acquiring or enforcing a copyright, registration creates a presumption favouring the ownership of the copyright by the registered owner. Copyright registration may expedite infringement proceedings and reduce delay caused due to evidentiary considerations. Once registered, the copyright protection of a work lasts for 60 years.

The remedies available in the event of infringement of copyright under the Copyright Act include civil proceedings for damages, account of profits, injunction and the delivery of the infringing copies to the copyright owner. The Copyright Act also provides for criminal remedies, including imprisonment of the accused and the imposition of fines and seizures of infringing copies.

Shops and Establishments legislations in various states

The provisions of various Shops and Establishments legislations, as applicable, regulate the conditions of work and employment in shops and commercial establishments and generally prescribe obligations in respect of *inter alia* registration, opening and closing hours, daily and weekly working hours, holidays, leave, health and safety measures and wages for overtime work.

Laws relating to employment

We are also subject to various legislations governing employment including, *inter alia*:

- The Minimum Wages Act, 1948;
- The Payment of Bonus Act, 1965;
- The Payment of Wages Act, 1936;
- The Payment of Gratuity Act, 1972; and
- The Employees Provident Funds and Miscellaneous Provisions Act, 1952

HISTORY AND CERTAIN CORPORATE MATTERS

Brief History of our Company

Our Company was incorporated as MT Educare Private Limited on August 19, 2006 at Mumbai as a private limited company under the Companies Act. Consequent upon the conversion of our Company to a public limited company, the name of our Company was changed to MT Educare Limited and a fresh certificate of incorporation dated May 18, 2011 was issued by the Registrar of Companies, Maharashtra.

Our Company started its business operations in March 2007, by providing coaching services to IXth and Xth standard students preparing for the examinations conducted under the CBSE curriculum and conducting training classes in spoken English for persons working with various companies.

From 1988 till 2007, the business of providing coaching services in the School Section and Science Section was operated through various partnership firms established by our Promoter, Mahesh R. Shetty. The business of providing coaching services in the Commerce Section was commenced in 2003 and was operated through partnership firms till 2007. In 2007, the partnership firms providing coaching services in the Science Section and School Section were converted into two companies under the Companies Act and the business of the partnership firm which provided coaching services in the Commerce Section was taken over by a third company. In March 2009, the three companies which operated the business of providing coaching services in the School Section, Science Section and the Commerce Section, were amalgamated into our Company pursuant to a scheme of amalgamation approved by the High Court of Bombay on August 5, 2009. For further details of the scheme of amalgamation please see the section "History and Corporate Structure – Summary of Key Agreements – Key Agreements" on page 121.

Our Company has 89 members as of the date of filing of this Draft Red Herring Prospectus.

Changes in Registered Office

The details of changes in the registered office are set forth below:

Date of the Resolution	Details of the address of Registered Office	Reasons for change
February 1, 2009	The registered office of our Company was changed from 317, 3rd Floor, Corporate Centre, Nirmal Lifestyles, LBS Marg, Mulund (West) Mumbai 400 080 to 220, 2nd Floor, "Flying Colors", Pandit Din Dayal Upadhyay Marg, L.B.S. Cross Road, Mulund (West), Mumbai 400 080	The registered office was shifted from leased premises to premises owned by our Company

The Main Objects of Company

The main object contained in the Memorandum of Association of our Company is as follows:

To establish, purchase, maintain, develop and run coaching classes, training centres, schools, bureaus, websites, research laboratories and other academic institutions for imparting primary, secondary and higher level education through instructions, tuitions, coaching and training, in all disciplines of arts, science, commerce, engineering, medicine, para-medical, management, computers and information technology in and outside India by mode of oral, written, correspondence, teleconferencing and online courses and to develop, publish, maintain and sell test-papers, educational books, magazines, periodicals, newsletters, journals and softwares.

The main object as contained in the Memorandum of Association enable our Company to carry on the business presently carried out as well as business proposed to be carried out and the activities proposed to be undertaken pursuant to the objects of the Issue.

Amendments to the Memorandum of Association

Date of shareholders' resolution	Nature of Amendment
August 29, 2007	The authorised share capital of Rs. 1,00,00,000 divided into 10,00,000 Equity Shares was increased to Rs. 35,00,00,000 divided into 20,00,000 Equity Shares and 3,30,00,000 Compulsorily Convertible Preference Shares
March 12, 2009	The authorised share capital of Rs. 35,00,00,000 divided into 20,00,000 Equity Shares and 33,000,000 Compulsorily Convertible Preference Shares was reclassified to Rs. 35,00,00,000 divided into 20,00,000 Equity Shares and 3,30,00,000 unclassified shares of Rs. 10 each
April 6, 2010.	The authorised share capital of Rs. 350,000,000 divided into 2,000,000 Equity Shares and 33,000,000 unclassified shares of Rs.10 each was reclassified to Rs. 350,000,000 divided into 35,000,000 Equity Shares
April 13, 2011	The authorised share capital of Rs. 350,000,000 divided into 35,000,000 Equity Shares was increased to Rs. 420,000,000 divided into 42,000,000 Equity Shares

Major events of our Company

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

Calendar Year	Event
2007	• Investments by Helix Investments Company by subscription to 3,28,00,059 Compulsorily Convertible Preference Shares for a subscription consideration of a Rs. 32,80,00,590 (equivalent of USD 8 million) • Centres opened in Karnataka
2008	• Centres opened in Gujarat and Tamil Nadu • Acquisition of Scholar's Learning Centre
2009	• Amalgamation of Mahesh Tutorials Private Limited, Mahesh Tutorials Commerce Private Limited and Mahesh Tutorials Science Private Limited into our Company • Launch of Technology Aided Training methodology
2011	• Acquisition of Chitale's Personalised Learning Private Limited • Acquisition of equity shares of MTESPL making MTESPL a wholly owned Subsidiary

Summary of key agreements

A. Key Agreements

The scheme of amalgamation (the "Scheme") amongst our Company, Mahesh Tutorials Private Limited ("MTPL"), Mahesh Tutorials Science Private Limited ("MTSPL") and Mahesh Tutorials Commerce Private Limited ("MTSPL").

The Scheme was approved by the High Court of Bombay on August 5, 2009, thereby granting its approval to the amalgamation of MTPL, MTSPL and MTCPL (collectively "Merged Subsidiaries") with our Company. The purpose of the merger was the effective and centralized management of our Company's business. The Scheme was approved with effect from April 1, 2008 (the "Appointed Date").

The Scheme provided for the transfer and vesting of the "undertaking" (as described below) in our Company. "Undertaking" means the entire business and all properties, debts, liabilities and obligations of the Merged Subsidiaries as on the Appointed Date. Since the Merged Subsidiaries were wholly owned subsidiaries of our Company prior to amalgamation, there was no change to the capital structure of our Company consequent to the amalgamation.

Set forth below are certain key features of the merger:

Date of operation of Scheme: While the Scheme became operational on the Appointed Date, it became effective from the date of the certified copy of the order of the High Court, Bombay sanctioning the Scheme being filed with the Registrar of Companies, Mumbai ("Effective Date") i.e. September 1, 2009.

Transfer and vesting of Undertaking: With effect from the Effective Date, the Undertaking was transferred and vested in our Company. All permits liabilities, debts, duties and obligations were transferred to our Company.

Contracts, deeds, bonds and other instruments: All the contracts, deeds, bonds and other instruments to which the Merged Subsidiaries were a party or were deriving benefits from and which were subsisting immediately before the Effective Date continued to be in full force and effect against or in favour of our Company.

Legal Proceedings: All suits, appeals and other proceedings, pending on or after the Effective Date, by or against the Merged Subsidiaries, were continued and enforced by or against our Company.

Employee: All staff, workmen and employees of the Merged Subsidiaries immediately preceding the Effective Date were transferred to our Company on terms and conditions not less favourable than subsisting with reference to the Merged Subsidiaries.

Accounting Treatment: The amalgamation has been accounted for under the "pooling of interests" method as prescribed by Accounting Standard - 14, 'Accounting for Amalgamation' issued by ICAI. Pursuant to the Scheme, the balance standing to the debit of miscellaneous expenditure account in the books of our Company as on March 31, 2008 was first adjusted against the securities premium account standing in the books of our Company as on March 31, 2008 and the balance, was adjusted against the amount credited to general reserve account.

Dissolution of the Merged Subsidiaries: Upon the Scheme being effective the Merged Subsidiaries were dissolved without winding up.

B. Shareholders' Agreements

Shareholders and share subscription agreement between our Company, our Promoter, Naarayanan Iyer and Helix Investments Company.

Our Company has entered into a shareholders' and share subscription agreement dated August 17, 2007 with our Promoter, Naarayanan Iyer and Helix Investments Company ("Helix") to regulate the terms and conditions of their relationship regarding investment by Helix in our Company and the rights and obligations of the parties ("Helix SHA"). Pursuant to the Helix SHA, Helix subscribed to 32,800,059 Compulsorily Convertible Preference Shares ("CCPS"). In terms of the Helix SHA, Helix has the right to appoint one director on the Board of our Company and our Promoter and Naarayanan Iyer collectively shall have the right to appoint two directors on the Board of our Company. Subsequent to the conversion of the CCPS, Helix will be entitled to nominate directors on the Board of our Company, in proportion to their shareholding until they hold at least 10% of the paid up capital of our Company. Further, as long as Helix holds at least 10% of the equity share capital of our Company, Helix shall have affirmative voting rights on certain reserved matters including, *inter alia*, (i) effecting any changes our Company's capital structure, (ii) undertaking any merger, consolidation or amalgamation etc.; (iii) amending the articles of association or memorandum of association of our Company; (iv) effecting changes to our Company's name or its registered offices; and (v) taking any steps for listing of our Company's shares.

Under the Helix SHA, Helix has a pre-emptive right of subscription, in proportion to its shareholding, to any additional securities, convertible or otherwise issued by our Company on the terms offered to others. The parties to the Helix SHA have a right to first refusal, whereby, any party proposing to transfer or sell their respective shareholding in our Company shall be obliged to offer the same to the other non transferring parties of the Helix SHA. In terms of the SHA, our Promoter and Naarayanan Iyer shall not collectively transfer more than 20% of their shareholding in our Company for a period of five years or until the initial public offer of our Company. In the event that our Company does not undertake an initial public offering within five years of the date of Helix SHA, Helix will have the right to offer the equity shares held by them to our Promoter and Naarayanan Iyer at a fair market value determined in accordance with the Helix SHA. Helix SHA may be terminated (i) by way of mutual agreement of the parties; (ii) by way of notice by any party upon the commission of any material breach of the terms of the Helix

SHA by any other party; and (iii) upon Helix ceasing to own at least 10% of the equity share capital of our Company.

Pursuant to an amendment agreement dated April 8, 2011, the Helix SHA was amended to the effect that the Helix SHA would terminate upon the allotment of Equity Shares by our Company pursuant to the Issue and prior to the listing of the Equity Shares issued to the Allotees.

C. Other Agreements

1. Acquisition Agreement between our Company, Chitale's Personalised Learning Private Limited, Parag Chitale, Reshma Chitale and Sanjaya Singh Misra

Our Company has entered into an acquisition agreement (the "Acquisition Agreement") with Parag Chitale, Reshma Chitale and Sanjaya Singh Misra on January 22, 2011 for the acquisition of CPLPL which is engaged in the business of conducting coaching classes for students appearing for MBA entrance exams. According to the terms of the Acquisition Agreement, our Company shall acquire 51% of the fully paid up share capital of CPLPL by subscribing to 41,633 equity shares at price of Rs. 288.23 per share aggregating to Rs. 12,000,000. Pursuant to conditions precedent laid down in the Acquisition Agreement, the MBA test preparation business operated by Chitale's Personalised Learning Centre, a proprietorship firm of Parag Chitale, has been transferred from to CPLPL with effect from June 30, 2010. With effect from February 1, 2011, CPLPL is a subsidiary of our Company.

In the event CPLPL requires additional capital for its operations, the additional capital will be provided by our Company at any time within four years subsequent to the closing date i.e., February 1, 2011, without diluting the shareholding of Parag Chitale, Reshma Chitale and Sanjaya Singh Misra in CPLPL subject to a maximum of Rs. 60,00,000. All further infusion will be made by all shareholders on a proportionate basis.

Pursuant to the Acquisition Agreement, Parag Chitale shall be employed by Chitale's Personalised Learning Private Limited on terms mutually agreed by both parties for a fixed term expiring in 2015. Further, any transfer of the shares of CPLPL held by the parties is subject to the put option, call option, drag along and tag along rights granted to the parties under the agreement which can be exercised subsequent to 2015. Parag Chitale, Reshma Chitale and Sanjaya Singh Misra shall not engage in the business of CPLPL without the prior written consent of our Company, for as long as they are the shareholders of CPLPL and for two years thereafter.

2. Joint venture agreement between HT Education Limited and MT Education Services Private Limited

Our Subsidiary, MT Education Services Private Limited ("MTESPL") has entered into a joint venture agreement dated January 21, 2010 ("JVA") with HT Education Limited, to set up a joint venture, HT Learning Centres Limited ("HTLCL"), to conduct the business of delivering provide classroom based (non digital) coaching services in various states in the northern and eastern parts of India, as mentioned in the JVA. The principal place of business of HTLCL shall be New Delhi. Our Company and HT Media Limited have executed the JVA as confirming parties.

In terms of the JVA, HT Education Limited holds 67% of the share capital of HTLCL and MTESPL holds the remaining 33%. Pursuant to the JVA, MTESPL has invested an amount of Rs. 1,75,00,000 in HTLCL. MTESPL has agreed to provide HTLCL with our Company's academic content, classroom delivery methods, examination techniques, assessments and evaluations, processes, systems and knowhow. MTESPL will also provide adequate training to the personnel of HTLCL in line with the education content provided. HT Education Limited will provide media promotions to HTLCL through suitable media such as newspapers, radio spots, internet and sms marketing. Our Company and HT Media Limited, as confirming parties, have agreed that in the event of MTESPL or HT Education Limited failing to fulfil its obligations under the JVA, our Company will ensure compliance of such obligations by MTESPL and HT Media Limited will ensure compliance of the obligations by HT Education Limited. Further, our Company has agreed to the use by HTLCL, of the various brands and trademarks owned by our Company.

Under the JVA, MTESPL and HT Education Limited have agreed that until such time that they hold shares in HTLCL, MTESPL and HT Education Limited will not directly or indirectly compete with the business of HTLCL of providing classroom based (non digital) coaching services, in the territory where it operates. This restriction is not applicable to online or digital services such as online or digital assessment tests, digital tutorials and any other digital and online content which do not form part of the business of HTLCL. The JVA shall automatically terminate upon (i) neither party holding shares in HTLCL; or (ii) a resolution being passed to wind up HTLCL; or (iii) upon HTLCL being listed on any stock exchange.

3. Memorandum of understanding between our Company and Rohan Monteiro

Our Company has entered into a memorandum of understanding dated May 14, 2011 with Rohan Monteiro (the "Land MoU), wherein our Company has agreed to purchase the land owned by Rohan Monteiro, measuring 1.50 acres and bearing survey numbers 11-6, 11-9 (part), 4-10 (part), and 4-5A (part), situated at Bangrakulur Village, Mangalore, Karnataka ("Identified Land"). The sale of land as envisaged under the Land MoU is subject to certain conditions including, *inter alia* (i) single site approval being obtained by Rohan Monteiro from the relevant authorities; (ii) conversion of land use of the Identified Land by Rohan Monteiro to enable construction of a college campus thereon; (iii) remittance of property tax for 2011-2012 by Rohan Monteiro. Pursuant to the Land MoU, Rohan Monteiro has agreed to indemnify our Company from and against all actions, suits, claims demands, costs or other liabilities suffered or incurred by our Company as a result of (i) breach of any covenant of the Land MoU by Rohan Monteiro; or (ii) defect in Rohan Monteiro's title to the Identified Land. Rohan Monteiro has agreed to execute the sale deed in relation to the sale of the Identified Land to our Company and to register the sale deed upon payment of the full consideration by our Company.

4. Memorandum of understanding between our Company and MT Educare Charitable Trust

Our Company has entered into a memorandum of understanding dated May 14, 2011 with MT Educare Charitable Trust ("Lease MoU") for the lease of a portion of land admeasuring 0.75 acres bearing survey numbers 11-6, 11-9 and 4-10 situated at Bangrakulur village, Mangalore, Karnataka ("Lease Land") for a period of 30 years. The Lease Land is a portion of the land admeasuring 1.50 acres situated at Bangrakulur village, Mangalore, Karnataka, proposed to be acquired by our Company pursuant to a memorandum of understanding dated May 14, 2011 with Rohan Monteiro. In terms of the Lease MoU, our Company has also agreed (i) to contruct a college building in line with the requirements of Karnataka Pre University Board on the Lease Land; and (ii) to lease the college building to MT Educare Charitable Trust for period of 30 years along with the Lease Land. Under the Lease MoU, our Company and MT Educare Charitable Trust have agreed that the terms and conditions of the lease shall be finalised and agreed in the lease deed proposed to be executed between our Company and MT Educare Charitable Trust in relation to the lease of the college building and the Lease Land. For further details, please see the section "Business – Growth Strategies" on page 105.

5. Advisory services agreement between our Company and Prosynapse Consultants India Private Limited

Our Company has entered into an advisory services agreement dated February 25, 2011 ("Advisory Services Agreement") with Prosynapse Consultants India Private Limited ("Prosynapse") wherein Prosynapse, through Dr. Chhaya Shastri, has agreed to provide certain advisory services including, *inter alia*, (i) providing strategies for future growth; and (ii) conceiving and implementing marketing strategies and sales promotion exercises. Our Company had, on March 1, 2007, entered into a letter agreement with Prosynapse pursuant to which Prosynapse provided certain advisory services to our Company ("Letter Agreement"). The terms of the Letter Agreement has been superseded by the Advisory Services Agreement. In terms of the Advisory Services Agreement, our Company has agreed to pay Prosynapse, an advisory fee of Rs. 76,00,000 for the advisory services rendered during Fiscal 2012 and an advisory fee as decided by our Company and Prosynapse from Fiscal 2013. Further, as consideration to the services provided by Prosynapse pursuant to the Letter Agreement in relation to the launch and execution of the operations of the Dubai branch of our Company, our Company will pay to Prosynapse, 10% of the post tax net profit generated from such Dubai operations, as recorded by our Company in its audited financials less the charge on account of corporate overheads, as applicable. The term of the Advisory Services Agreement is for five years from April 1, 2011 and our Company and Prosynapse may renew the Advisory Services Agreement at the end of the initial term. In terms of the Advisory Services Agreement, Prosynapse shall not, during the term of the Advisory Services Agreement and for a period of one year thereafter, directly or indirectly, carry out any business in competition with the business of our Company. Our Company is in the process of filing an application under Section 297 of the Companies Act, as this is a contract in which one of our Director are interested.

Financial and Strategic Partners

Our Company does not have any financial or strategic partners.

Competition

For details of the competition faced by our Company, please see the section "Business – Competition" on page 115.

OUR MANAGEMENT

Board of Directors

Our Company is required to have not less than three Directors and not more than 12 Directors, in terms of its Articles of Association. Our Company currently has eight Directors.

The following table sets forth details regarding the Board of Directors of our Company as of the date of filing the Draft Red Herring Prospectus:

Name, Father's Name, Designation, Term, DIN, Occupation, Nationality and Address	Age (in years)	Other Directorships/Partnerships/Trusteeships
Mahesh R. Shetty ***Father's name***: Kalathur Raghu Shetty ***Designation***: Chairman and Managing Director ***Term**:* Five years from July 18, 2007 ***DIN**:* 01526975 ***Occupation**:* Business ***Nationality**:* Indian ***Address***: 1301, 13th Floor, "Kalinga" Nirmal Nagar Mulund Link Road Mulund (West) Mumbai 400 080	46	*Other Directorships* • MT Education Services Private Limited; • Prithviraj Shares and Securities Private Limited; • Neptune Developers Limited; • Neptune Ventures and Developers Private Limited. *Partnerships* • Mahesh Tutorials Chembur; • Mahesh Tutorials Mulund; • Neptune Developers; • Neptune Constructions. *Trusteeships* • Global Education Trust
Naarayanan Iyer ***Father's name***: Balasubramanian Iyer ***Designation***: Non Independent, Non Executive Director ***Term:*** Liable to retire by rotation ***DIN:*** 00295246 ***Occupation**:* Business ***Nationality:*** Indian ***Address:*** Flat No.3C, Mayflower Grandeur Laxmi Mill Compound Behind Airtel Office Avinashi Road Coimbatore 641 037	44	*Other Directorships* Nil *Partnerships* • Mahesh Tutorials Chembur; • Mahesh Tutorials Mulund. *Trusteeships* Nil
David Danziger	45	*Other Directorships*

Name, Father's Name, Designation, Term, DIN, Occupation, Nationality and Address	Age (in years)	Other Directorships/Partnerships/Trusteeships
Father's name: Michael Danziger ***Designation***: Non Independent, Non Executive Director ***Term:*** Not liable to retire by rotation ***DIN:*** 01728112 ***Occupation:*** Business ***Nationality:*** American ***Address:*** 115 Central Park West Apartment 9G New York 10023		• Learning Mate Solutions Private Limited; • Hi-Rel Electronics Private Limited; • Griffin Land and Nurseries, Inc.; • Helix Investments Management Company; • Helix Investments Company; • Helix Investments II. *Partnerships* • Culbro/Bloomingdale Properties India Fund; • Culbro Resource Partners. *Trusteeships* Nil *Others* • Culbro, LLC (managing member); • Culbro India Investments, LLC (managing member)
Dr. Chhaya Shastri ***Father's name***: Narayan Shankar Pathare ***Designation***: Non Independent, Non Executive Director ***Term:*** Liable to retire by rotation ***DIN:*** 01536140 ***Occupation:*** Business ***Nationality:*** Indian ***Address:*** 201-202, Dev Aarti Building Narayan Pathare Marg Sitladevi Temple Road Mahim (West) Mumbai 400 016	45	*Other Directorships:* • Prosynapse Consultants India Private Limited; • MT Education Services Private Limited; • HT Learning Centres Limited. *Partnerships:* Nil *Trusteeships:* Nil
Cyrus Driver ***Father's name:*** Dinshaw Driver ***Designation***: Independent, Non Executive Director ***Term:*** Liable to retire by rotation	34	*Other Directorships* • Goodlife Integrated Fitness Solutions Private Limited. *Partnerships* Nil

Name, Father's Name, Designation, Term, DIN, Occupation, Nationality and Address	Age (in years)	Other Directorships/Partnerships/Trusteeships
DIN: 00680802 ***Occupation:*** Financial Advisor ***Nationality:*** Indian ***Address:*** Flat 2103, Tower 2 Wing E, Ashok Gardens GD Ambedkar Marg, Sewri Mumbai 400 015		*Trusteeships* Nil
Drushti Desai ***Father's name*****:** Bansi S. Mehta ***Designation***: Independent, Non Executive Director ***Term:*** Liable to retire by rotation ***DIN:*** 00294249 ***Occupation:*** Business ***Nationality:*** Indian ***Address:*** 3rd Floor, Merchant Chambers 41 New Marine Lines Mumbai 400 020	38	*Other Directorships* • MPIL Corporation Limited; • Kruti Finance and Holdings Private Limited. *Partnerships* • Bansi S. Mehta & Co; • B. S. Mehta & Co; • B.M.S. Associates. *Trusteeships* Nil
Yatin Samant ***Father's name*****:** Chandrakant D. Samant ***Designation***: Independent, Non Executive Director ***Term:*** Liable to retire by rotation ***DIN:*** 01088817 ***Occupation:*** Business ***Nationality:*** Indian ***Address:*** RF 908, Purva Riviera Marathahalli Bengaluru 560 037	49	*Other Directorships* Nil *Partnerships* Nil *Trusteeships* Nil
Uday Lajmi	51	*Other Directorships*

Name, Father's Name, Designation, Term, DIN, Occupation, Nationality and Address	Age (in years)	Other Directorships/Partnerships/Trusteeships
Father's name*:** Raghuvir Lajmi ***Designation: Independent, Non Executive Director ***Term:*** Liable to retire by rotation ***DIN:*** 03529980 ***Occupation:*** Business ***Nationality:*** Indian ***Address*:** A-604, Green Park Raheja Estate, Kulunwadi Borivali(East) Mumbai 400 066		Nil *Partnerships* Nil *Trusteeships* Nil
Andrey Purushottam ***Father's name*:** Shrivatsa Puroshottam ***Designation***: Alternate Director to David Danzinger ***Term:*** Not liable to retire by rotation ***DIN:*** 01758749 ***Occupation:*** Business ***Nationality:*** Indian ***Address*:** Flat No. 3202, Tower II Planet Godrej, Keshavrao Khadye Marg Near Saat Rashta, Mahalaxmi, Mumbai 400 011	50	*Other Directorships* • Hi-Rel Electronics Private Limited; • Learning Mate Solutions Private Limited. *Partnerships* Nil *Trusteeships* Nil

Relationship between our Directors

None of our Directors are related to each other.

Brief Biographies

Mahesh R. Shetty, aged 46 years, is the Chairman and Managing Director of our Company. He is also the Promoter of our Company. He holds a bachelor's degree in science and education from the University of Mumbai. He has over 27 years of experience in the coaching sector. He was awarded the 'Pride of the Nation Award' by the All India Achievers Association in 2008.

Naarayanan Iyer, aged 43 years, is a Non Independent, Non Executive Director of our Company. He has been associated with our Company since its incorporation. He holds a bachelor's degree in mechanical engineering from the University of Madras. He has 23 years of experience in the education sector. He is also a partner of Mahesh Tutorials Chembur.

David Danziger, aged 45 years, is a Non Independent, Non Executive Director of our Company. He was appointed as a Director of our Company on August 29, 2007. He holds a bachelor's degree in history from Harvard College, USA and a master's degree in business administration from Harvard Business School, USA. He has an experience of 20 years in the field of business and management. He is a director of Helix Investments Company. He was earlier associated with General Cigar Company as the head of sales and marketing, with Shearson Lehman Hutton as a member of its principal investment group and with the Bureau of Bridges, Department of Transportation, New York City as a deputy director.

Dr. Chhaya Shastri, aged 45, is a Non Independent, Non Executive Director of our Company. She was appointed as a Director of our Company on April 8, 2011. She holds a bachelor's degree in dental surgery and a bachelor's degree in laws (general) from the University of Mumbai. She has also completed a one year programme in business management from the Indian Institute of Management, Calcutta. She has over 15 years of experience in various sectors such as media, healthcare, constructions and manufacturing. She joined our business in 2005 in the capacity of an advisor on behalf of Prosynapse Consultants India Private Limited, pursuant to a retainership arrangment. She has played a major role in establishing the corporate entity and expansion plans of our Company.

Cyrus Driver, aged 34 years, is an Independent, Non Executive Director of our Company. He was appointed as a Director of our Company on April 8, 2011. He holds a bachelor's degree in engineering from the Indian Institute of Technology, Mumbai and a post graduate diploma in management from the Indian Institute of Management, Ahmedabad. He has 11 years of experience in private equity investing. He is the founder of the health food service "Calorie Care". He is presently the Managing Director – Investments with Arka Capital Advisors India Private Limited.

Drushti Desai, aged 38 years, is an Independent, Non Executive Director of our Company. She was appointed as a Director of our Company on April 8, 2011. She holds a bachelor's degree in commerce from Sydenham College of Commerce and Economics, Mumbai. She is also a fellow chartered accountant of ICAI. She has 14 years of experience in the field chartered accountancy and taxation. She is a partner of Bansi S. Mehta & Co., B. S. Mehta & Co., and BSM Associates, Chartered Accountants.

Yatin Samant, aged 49 years, is an Independent, Non Executive Director of our Company. He was appointed as a Director of our Company on April 8, 2011. He holds a bachelor's degree in engineering from Veermata Jijabai Institute of Technology, Mumbai and a master's degree in management studies from Jamnalal Bajaj Institute of Management Sciences, Mumbai. He has over 26 years of varied experience in sales, marketing, business development and general management across industries. He presently, works as a business consultant and also conducts developmental workshops for working executives and teachers at various management institutes in Bangalore.

Uday Lajmi, aged 51 years, is an Independent, Non Executive Director of our Company. He was appointed as a Director of our Company on April 8, 2011. He holds a master's degree in marketing management from the University of Mumbai and a doctorate degree in physical chemistry from the Institute of Technology Mumbai. He has over 20 years of experience in various capacities in industry and academics. He is presently, the dean - management education & assistant vice president (training & development) with Reliance Infrastructure Limited. He was in the past, associated with Reliance Industries Limited, Hindustan Dorr-Oliver Limited. He was also associated with various educational institutions such as the Welingkar Institute of Management Development and Research, Mumbai, Narsee Monjee Institute of Management Studies, Dr. D.Y. Patil Institute of Management Studies, Mumbai and Thakur Institute of Management Studies and Research, Mumbai.

Andrey Purushottam, aged 50 years, is an Alternate Director to David Danziger. He was appointed as an Alternate Director of the Company on April 8, 2011. He holds a bachelor's degree in chemical engineering from the Indian Institute of Technology, Delhi and post graduate diploma in management from the Indian Institute of Management, Ahmedabad. He has over 24 years of experience in the field of marketing, business strategy, advertising and media. He is presently associated with Helix Investments Advisors India Private Limited as an executive director. He was in the past associated with Mahindra Gujarat Tractors Limited as the chief executive officer, with Starcom India as the managing director and Asiacontent.com as its managing director. He was also associated with Hindustan Unilever Limited, Lowe Lintas India and the Mahindra group.

Confirmations

None of our Directors is or was a director of any listed company during the last five years preceding the date of filing of the Draft Red Herring Prospectus, whose shares have been or were suspended from being traded on the BSE or the NSE, during the term of their directorship in such company.

None of our Directors is or was a director of any listed company which has been or was delisted from any recognised stock exchange in India during the term of their directorship in such company.

Arrangement or understanding with major shareholders, cutomers, suppliers or others

David Danziger was appointed as a Director and Andrey Purushottam was appointed as an alternate Director to David Danziger, pursuant to a shareholders and share subscription agreement dated August 17, 2007 entered into between our Company, our Promoter, Naarayanan Iyer and Helix Investments Company. For further details of the shareholders and share subscription agreement, please see the section "History and Certain Corporate Matters – Summary of Key Agreements – Shareholders' Agreements" on page 122.

Except as stated above, there is no arrangement or understanding with major shareholders, cutomers, suppliers or others, pursuant to which any of the Directors was appointed on the Board of Directors of our Company:

Service agreements with our Directors

Our Company has entered into an employment agreement dated July 18, 2007 with Mahesh R. Shetty appointing him as the Chairman and Managing Director of our Company for a period of five years expiring on July 17, 2012. By the terms of the employment agreement, Mahesh R. Shetty is responsible to the Board of our Company and shall devote the whole working time and attention exclusively to his duties to our Company. He is entitled to a remuneration of Rs. 53,60,000 per annum. In the event of termination of the agreement, Mahesh R. Shetty shall not compete or engage in the business of our Company for a period of two years from the termination of the agreement. Pursuant to the resolution passed by the Shareholders at the EGM dated June 11, 2011, Mahesh R. Shetty is entitled to a remuneration of Rs.7,50,000 per month with effect from April 1, 2011. The remuneration proposed to be paid to Mahesh Shetty is in excess of 5% of the net profits of our Company for the Fiscal 2010. However, our Company has not applied for an approval from the Central Government in this regard, in reliance on the Press Note (No. 4/2011) dated February 8, 2011 issued by the Ministry of Corporate Affairs. Our Company will obtain an approval from the Central Government in relation to the remuneration paid to Mahesh Shetty after listing of the Equity Shares.

Our Company has entered into employment agreement dated July 18, 2007 with Naarayanan Iyer appointing him as an Executive Director of our Company for a period of five years expiring on July 17, 2012. Pursuant to a resolution dated November 4, 2008 passed by our Board of Directors, Naarayanan Iyer is not entitled to any remuneration from our Company with effect from December 1, 2008. He is entitled to a project based professional fees from our Company on a quarterly basis. Pursuant to a resolution passed by our Board of Directors on June 2, 2011, our Company amended the employment agreement dated July 18, 2007 by way of a supplementary agreement dated June 11, 2011 between our Company and Naarayanan Iyer. Pursuant to the supplementary agreement dated June 11, 2011 designation of Naarayanan Iyer was changed to Non-Executive Director, liable to retire by rotation.

Payment or benefit to Directors/ officers of our Company

The sitting fees/other remuneration paid to our Directors for Fiscal 2011 are as follows:

1. Remuneration to executive Directors:

The aggregate value of salary and perquisites paid for Fiscal 2011 to the executive Directors are set forth in the table below:

Name of the Director	Salary (Rs. in lakhs)
Mahesh R. Shetty	53.60

2. Remuneration to non-executive Directors:

Our Company does not pay any sitting fees or other remuneration to the non- executive Directors of our Company.

Our Company has paid Rs. 45,00,000 to Prosynapse Consultants India Private Limited ("Prosynapse") as a consideration to the advisory services provided by Prosynapse, through Dr. Chhaya Shastri, to our Company during Fiscal 2011. Further our Company would pay an amount of Rs. 6,79,523 for Fiscal 2011 (provisional subject to audit) to Prosynapse on account of the services provided by Prosynapse in relation to the launch and execution of the operations of the Dubai branch of our Company. For further details of the advisory services agreement between our Company and Prosynapse, please see the section "History and Certain Corporate Matters – Summary of Key Agreements – Other Agreements" on page 123.

Except as stated in this section "Our Management" on page 126, no amount or benefit has been paid within the two preceding years or is intended to be paid or given to any of our Company's officers including our Directors and key management personnel. None of the beneficiaries of loans, advances and sundry debtors are related to our Directors of our Company. Further, except statutory benefits upon termination of their employment in our Company or retirement, no officer of our Company, including our Directors and the key management personnel, are entitled to any benefits upon termination of employment.

No loans have been availed by our Directors or the key management personnel from our Company.

Shareholding of Directors

The shareholding of our Directors as of the date of filing this Draft Red Herring Prospectus is set forth below:

Name of Director	Number of Equity Shares held
Mahesh R. Shetty	1,69,56,885
Naarayanan Iyer	1,98,000
David Danziger	Nil
Dr. Chhaya Shastri	17,17,551
Cyrus Driver	Nil
Drushti Desai	Nil
Yatin Samant	Nil
Uday Lajmi	Nil
Andrey Purushottam	Nil

Borrowing Powers of Board

In accordance with the Article of Association, the Board may, from time 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 and generally raise or borrow or secure the payment of any sum or sums of money for the purpose of our Company. Provided however, where the money to be borrowed together with the money already borrowed (apart from temporary loan obtained from our Company's bankers in the ordinary course of business) exceeds the aggregate of the paid up capital of our 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 our Company in a General Meeting.

Corporate Governance

The provisions of the Listing Agreement to be entered into with the Stock Exchanges with respect to corporate governance will be applicable to our Company immediately upon the listing of the Equity Shares with the Stock Exchanges. Our Company believes that it is in compliance with the requirements of the applicable regulations, including the Listing Agreement with the Stock Exchanges and the SEBI Regulations, in respect of corporate governance including constitution of the Board and committees thereof. The corporate governance framework is based on an effective independent Board, separation of the Board's supervisory role from the executive management team and constitution of the Board Committees, as required under law.

Our Company's Board of Directors has been constituted in compliance with the Companies Act and Listing Agreement with Stock Exchanges and in accordance with best practices relating to corporate governance. The Board functions either as a full board or through various committees constituted to oversee specific operational areas. Our Company's executive management provides the Board with detailed reports on its performance periodically.

Currently the Board has eight Directors and the Chairman of the Board is an executive Director. In compliance with the requirements of Clause 49 of the Listing Agreement, our Company has two executive Directors and six non-executive Directors, including four independent Directors, on the Board.

Committees of the Board

Audit Committee

The members of the Audit Committee are:

1. Drushti Desai, *Chairman*;
2. Uday Lajmi; and
3. Dr. Chhaya Shastri.

The Audit Committee was constituted by a meeting of the Board held on June 2, 2011. The scope and function of the Audit Committee is in accordance with Section 292A of the Companies Act and Clause 49 of the Listing Agreement and its terms of reference include the following:

(a) Overseeing our financial reporting process and the disclosure of our financial information to ensure that the financial statement is correct, sufficient and credible;

(b) 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;

(c) Approval of payment to statutory auditors for any other services rendered by them;

(d) Reviewing with the management the half yearly and annual financial statements before submission to the Board;

(e) Reviewing with the management, external and internal auditors, the adequacy of internal control systems;

(f) Reviewing the adequacy of internal audit function, reporting structure, coverage and frequency of internal audit;

(g) Discussing with internal auditors regarding any significant findings and follow up thereon;

(h) 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;

(i) Discussing with external auditors before the audit commences, nature and scope of the audit, as well as have post audit discussion to ascertain any area of concern;

(j) Reviewing our financial and risk management policies;

(k) Looking into the reason for substantial defaults in payments to depositors, debenture holders, shareholders and creditors;

(l) Reviewing the functioning of the whistle blowing mechanism, in case the same is formulated;

(m) Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for the purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency, monitoring the utilisation of proceeds of public or rights issue and making appropriate recommendations to the board to take up steps in this matter; and

(n) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The powers of the audit committee shall include the power to:

a. Investigate any activity within its terms of reference;

b. Seek information from any employee;

c. Obtain outside legal or other professional advice;

d. Secure attendance of outsiders with relevant expertise, if it considers necessary.

The Audit Committee shall mandatorily review the following information:

a. Management discussion and analysis of financial condition and results of operations;

b. Statement of significant related party transactions (as defined by the audit committee), submitted by management;

c. Management letters / letters of internal control weaknesses issued by the statutory auditors;

d. Internal audit reports relating to internal control weaknesses; and

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

The Audit Committee is required to meet at least four times in a year under Clause 49 of the Listing Agreement.

Remuneration Committee

The members of the Remuneration Committee are:

1. Cyrus Driver, *Chairman*;
2. Yatin Samant; and
3. Uday Lajmi.

The Remuneration Committee was constituted by a meeting of the Board held on June 2, 2011. The terms of reference of the Remuneration Committee include the following:

a. To review the remuneration of whole time / Managing Director, including annual increment and commission after reviewing their performance;

b. Review the remuneration policy followed by our Company, taking into consideration the performance of senior executiveson certain prescribed parameters; and

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

Shareholders' and Investors' Grievances Committee

The members of the Shareholders' and Investors' Grievances Committee are:

1. Yatin Samant, *Chairman*;
2. Drushti Desai; and
3. Dr. Chhaya Shastri.

The Shareholders' and Investors' Grievances Committee was constituted by the Board at their meeting held on June 2, 2011. This Committee is responsible for the redressal of shareholders' grievances. The terms of reference of the Shareholders and Investors Grievance Committee of our Company include the following:

a. To approve share transfer and transmissions;

b. To approve splitting of share certificates, consolidation of share certificates and related matters including issue of fresh share certificates in lieu of the split / consolidated certificates;

c. Issue of duplicate share certificates in lieu of lost, mutilated and destroyed certificates;

d. Matter relating to dematerialization of shares and securities; and

e. Investor relation and redressal of shareholders grievances in general and relating to non receipt of dividend, interest, non-receipt of annual report etc. in particular.

Employee Stock Options Scheme

For details please see the section "Capital Structure" on page 54.

Interest of Directors

All of our Directors may be deemed to be interested to the extent of fees payable to them for attending meetings of the Board of Directors or a committee thereof as well as to the extent of other remuneration and reimbursement of expenses payable to them under the Articles, and to the extent of remuneration paid to them for services rendered as an officer or employee of our Company.

Our Directors may also be regarded as interested in the Equity Shares, if any, held by them or that may be subscribed by or allotted to the companies, firms and trusts, in which they are interested as directors, members, partners, trustees and promoters, pursuant to this Issue. All of 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.

Our Directors have no interest in any property acquired or proposed to be acquired by our Company within two years from the date of this Draft Red Herring Prospectus. Our Directors have no interest in any transaction in acquisition of land, construction of building and supply of machinery by our Company. Our Company has entered into leave and license agreements with Mahesh Tutorials Chembur and Mahesh Tutorials Mulund, our Group Companies for certain locations in Maharashtra where our Company operates some of its Coaching Centres. Pursuant to these leave and license agreements, our Company pays an aggregate of Rs. 4,75,100 per month to Mahesh Tutorials Chembur and Rs. 1,98,270 per month to Mahesh Tutorials Mulund as license fees. Two of our Directors, Mahesh Shetty and Naarayanan Iyer, who are also partners of Mahesh Tutorials Chembur and Mahesh Tutorials Mulund, are interested to the extent of the license fees paid by our Company to Mahesh Tutorials Chembur and Mahesh Tutorials Mulund pursuant to the above-mentioned leave and license agreements.

Further, our Company has entered into a leave and license agreement with our Director, Mahesh Shetty in relation to a location at Ambernath, Maharashtra, which is under the joint ownership of Mahesh Shetty and Dinesh Singh, to operate Coaching Centres. Our Company pays a license fee of Rs. 1,01,430 per month in this regard to Mahesh Shetty and Dinesh Singh.

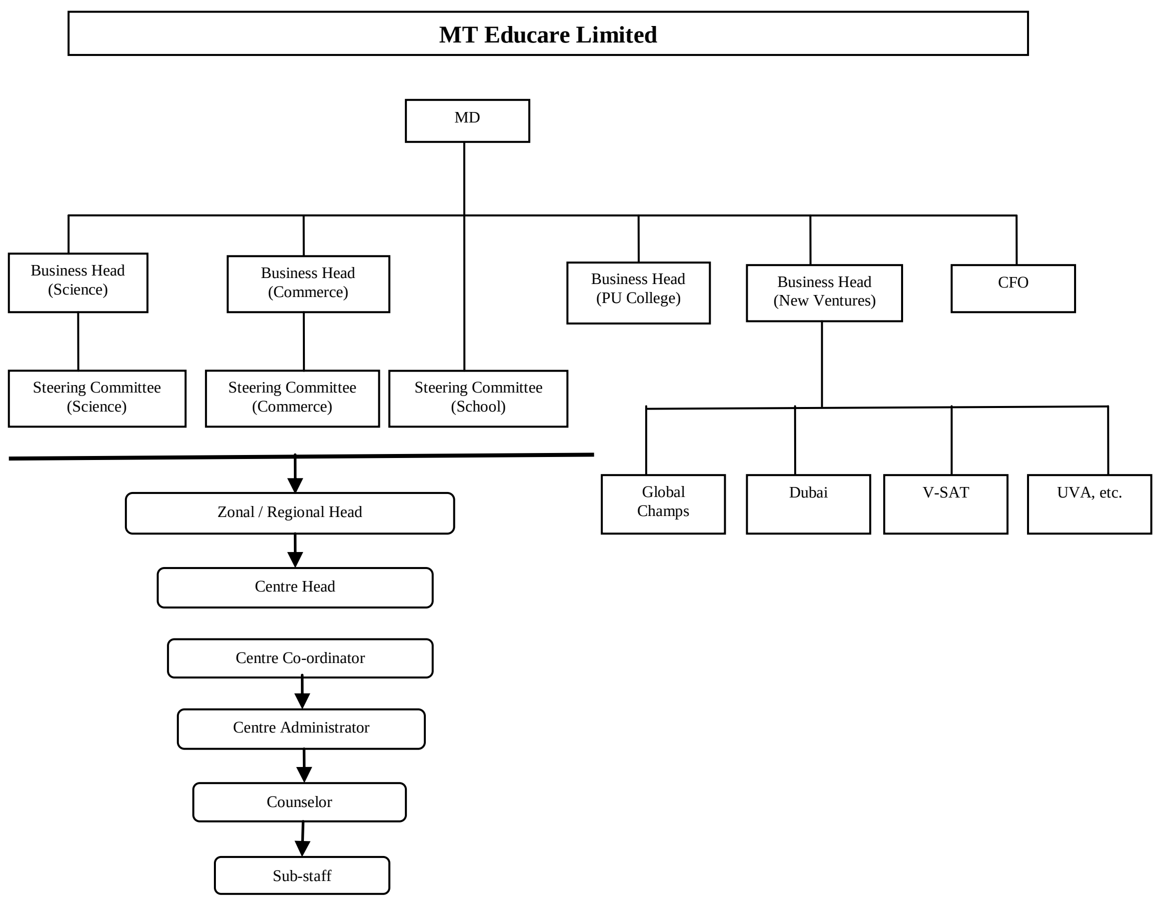
Our Company has entered into an advisory services agreement dated February 25, 2011 with Prosynapse Consultants India Private Limited, a company in which one of our Directors, Dr. Chhaya Shastri is a director and shareholder ("Prosynapse"), pursuant to which Prosynapse has agreed to provide certain advisory services to our Company, through Dr. Chhaya Shastri, in relation to the business of our Company. For further details of the advisory services agreement, please see the section "History and Certain Corporate Matters – Summary of Key Agreements – Other Agreements" on page 123.

Except as stated in the section "Related Party Transactions" on page 150 and described herein to the extent of shareholding in our Company, if any, our Directors do not have any other interest in the business of our Company.

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

Name	Date of Appointment/ Change/ Cessation	Reason
Cyrus Driver	December 23, 2010	Resignation as alternate director to David Danziger
Dr. Chhaya Shastri	April 8, 2011	Appointment
Drushti Desai	April 8, 2011	Appointment
Yatin Samant	April 8, 2011	Appointment
Cyrus Driver	April 8, 2011	Appointment
Andrey Purushottam	April 8, 2011	Appointment as alternate director to David Danziger
Uday Lajmi	June 2, 2011	Appointment

Management Organisation Chart



Key Management Personnel

The details of the key management personnel as of the date of this Draft Red Herring Prospectus are as follows:

Anish Thakkar, aged 39 years, is the business head of the Commerce Section of our Company. He is a member of the ICAI**.** He has been associated with our Company since its incorporation. He joined Mahesh Tutorials Commerce, a partnership firm established by our Promoter, in 2003. He has over 16 years of experience in the field of teaching and administration. Prior to joining Mahesh Tutorials Commerce, he served as senior partner in 'Thakkars – Eskay's' and was the sole proprietor of Thakkar's Academy. The gross compensation paid to him during the last Fiscal was Rs. 42,40,000.

Chandresh Fooria, aged 39 years, is the business head of the Science Section of our Company. He has been associated with our Company since its incorporation. He joined Mahesh Tutorials Science, a partnership firm established by our Promoter, as a visiting faculty in 1993 and became a partner in 1999. He holds a bachelor's degree in engineering (instrumentation) from the Swami Vivekananda College of Engineering, Mumbai. He has over 18 years of experience in the field of teaching and administration. Prior to joining Mahesh Tutorials Science, he was associated with CB's Classes, Mumbai. The gross compensation paid to him during the last Fiscal was Rs. 50,70,000.

Murali H. Subramanian, aged 38 years, is the business head for our Company's operations in Pune. He has been associated with our Company since incorporation. He joined Mahesh Tutorials Ghatkopar, a partnership firm established by our Promoter, in 1997. He holds a bachelor's degree in engineering (electronics) from Mumbai University. He has been associated with the business since 1988. He has over 14 years of experience in the field of teaching and administration. The gross compensation paid to him during the last Fiscal was Rs. 30,70,000.

Shrenik Kotecha, aged 27 years, is the head of the department dealing with new ventures and government projects. He has a bachelor's degree in commerce from the University of Mumbai and master's degrees in commerce, economics and philosophy from the University of Mumbai, University of Pune and Annamalai University, respectively. He has been associated with our Company since its incorporation. He joined Mahesh Tutorials Commerce, a partnership firm established by our Promoter, in 2003. He has over 11 years of experience in the field of teaching and administration. Prior to joining Mahesh Tutorials Commerce, he was associated with Thakkar's – Eskay's as partner. The gross compensation paid to him during the last Fiscal was Rs. 30,00,000.

Sujeet Koyoot, aged 37 years, is the business head for our Company's operations in Karnataka. He holds bachelor's degrees in science and education and a post graduate degree in science (electronics) from University of Mumbai. He has been associated with our Company since its incorporation. He joined the partnership firms established by our Promoter, as a faculty in 1998 and became a partner of the firm Mahesh Tutorials in 2003. He has over 13 years of experience in the field of teaching and administration. Prior to joining the partnership firms established by our Promoter, he was associated with Students Academy, Mumbai. The gross compensation paid to him during the last Fiscal was Rs. 23,00,000.

Vipul Shah, aged 37 years, is the business head for our Company's operations in Gujarat and is responsible for marketing. He holds a master's degree in marketing management and a bachelor's degree in computer engineering from the University of Mumbai. He has been associated with our Company since its incorporation. He joined Mahesh Tutorials Andheri, a partnership firm established by our Promoter, in 2000. He has over 14 years of experience in the field of marketing teaching and administration. The gross compensation paid to him during the last Fiscal was Rs. 23,00,000.

Anup Gandhi, aged 35 years, is the Chief Financial Officer of our Company. He is a member of the Institute of Chartered Accountants of India**.** He joined our Company on April 9, 2009. He has over 14 years of experience in financial strategy planning, management information reporting, treasury management, corporate finance, internal and external audit. Prior to joining our Company, he was associated with the Murjani group. The gross compensation paid to him during the last Fiscal was Rs. 32,77,500.

Ashwin M. Patel, aged 40 years, is the Company Secretary and Compliance Officer of our Company. He is a member of the Institute of Company Secretaries in India and holds a bachelor's degree in law from Mumbai

University. He joined our Company on September 22, 2008. He has over 19 years of experience in managing secretarial, legal and investment banking activities. Prior to joining our Company, he was associated with SPA Merchant Bankers Limited. The gross compensation paid to him during the last Fiscal was Rs. 13,22,260.

None of the key management personnel are related to each other.

All the key management personnel are permanent employees of our Company.

Employment agreements

Our Company has entered into separate employment agreements with its key management personnel, except Anup Gandhi and Ashwin M. Patel, appointing them as employees of our Company for a period of five years from the date of the agreement. The key management personnel shall be paid remuneration in accordance with the terms of the employment agreement. In the event of termination of the agreement, the key management personnel shall not compete or engage in the business of our Company for a period of two years from the termination of the agreement. Our Company has also entered into separate shareholders agreements with its key management personnel, except Anup Gandhi and Ashwin M. Patel, pursuant to which such key management personnel have been issued Equity Shares in accordance with the terms of the respective shareholders agreements. In terms of these shareholders' agreements, there is a transfer restriction on the Equity Shares held by the key management personnel till the date of listing of the Equity Shares on the Stock Exchanges. For the details of the shareholding of key management personnel, please see "Our Management - Shareholding of key management personnel" below.

Shareholding of key management personnel

The shareholding of the key management personnel as of the date of filing this Draft Red Herring Prospectus is set forth below:

Name of key management personnel	Number of Equity Shares held
Anish Thakkar	3,19,967*
Chandresh Fooria	4,22,353*
Murali H. Subramanian	3,20,364
Shrenik Kotecha	2,31,085*
Sujeet Koyoot	2,31,085*
Vipul Shah	2,20,968
Anup Gandhi	7,000*
Ashwin M. Patel	2,500*

* *For the details of employee stock options held and the number of Equity Shares entitled to upon conversion of such employee stock options, please see "Capital Structure – Employee Stock Option Plan - Employee Stock Option Scheme 2011 – II - Note 2" on page 66.*

Bonus or profit sharing plan of the key management personnel

Our Company does not have a performance linked bonus or a profit sharing plan for the key management personnel.

Interests of key management personnel

The key management personnel of our Company do not have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment, reimbursement of expenses incurred by them during the ordinary course of business and the employee stock options held, if any.

Except as disclosed, none of the key management personnel have been paid any consideration of any nature from our Company, other than their remuneration.

There are no arrangements or understanding with major shareholders, customers etc. pursuant to which any of the key managerial personnel have been appointed as a member of the senior management.

Changes in the key management personnel

The changes in the key management personnel in the last three years are as follows:

Name	Designation	Date of change	Reason for change
Ashwin M. Patel	Company Secretary	September 22, 2008	Appointment
Anup Gandhi	Chief Financial Officer	April 9, 2009	Appointment

Payment or Benefit to officers of our Company

Except as stated otherwise in this Draft Red Herring Prospectus, no non-salary amount or benefit has been paid or given or is intended to be paid or given to any of our Company's employees including the key management personnel and our Directors.

OUR SUBSIDIARIES

Our Company has two Subsidiaries. Unless otherwise specified, all information in this section is as of the date of this Draft Red Herring Prospectus.

1. Chitale's Personalised Learning Private Limited ("CPLPL")

Corporate Information

CPLPL was incorporated under the Companies Act on November 19, 2009, in Mumbai. CPLPL is involved in the business of providing coaching services for competitive examinations for admissions to universities offering masters in business administration degrees.

Our Company acquired 41,633 equity shares of Rs. 10 each of CPLPL constituting 51% of the paid up capital of CPLPL, for an aggregate consideration of Rs. 12,000,000 pursuant an acquisition agreement dated January 22, 2011. The acquisition of 41,633 equity shares of CPLPL was financed from the internal accruals of our Company. For further details of the acquisition agreement, please see the section "History and Certain Corporate Matters – Summary of Key Agreements – Other Agreements" on page 123.

Capital Structure and Shareholding Pattern

The authorised share capital of CPLPL is Rs. 2,400,000 divided into 240,000 equity shares of face value Rs. 10 each and the paid up capital is Rs. 816,330 divided into 81,633 equity shares of face value of Rs. 10 each**.**

The shareholding pattern of CPLPL is as follows:

S. No	Name of the Shareholder	No. of Equity Shares	Percentage of total equity holding (%)
1.	Parag Chitale	38,750	47.47
2.	Reshma Chitale	1,250	1.53
3.	MT Educare Limited	41,633	51.00
	Total	**81,633**	**100.00**

CPLPL has not made any public or rights issue in the last three years and has not become a sick company under the meaning of SICA and is not under winding up.

Interest in our Company

CPLPL does not have any interest in our Company's business.

2. MT Education Services Private Limited ("MTESPL")

Corporate Information

MTESPL was incorporated under the Companies Act on January 18, 2010, in Mumbai. The main object of MTESPL is to establish, purchase, maintain, develop and run coaching classes, training centres, school, bureaus, website, research laboratories and other academic institutions for imparting education to primary, secondary and higher secondary students. MTESPL is presently engaged in the business of providing coaching and other supplementary education services to primary, secondary and higher secondary students through HTLCL, a joint venture with HT Education Limited. For further details of the joint venture, please see the section, "History and Certain Corporate Matters – Summary of Key Agreements – Other Agreements" on page 123.

Our Company acquired 8,200 equity shares of Rs. 10 each of MTESPL constituting 82% of the paid up capital of MTESPL, for an aggregate consideration of Rs. 1,00,556 on April 7, 2011. The acquisition of 8,200 equity shares of

MTESPL was financed from the internal accruals of our Company. Consequent to this acquisition, MTESPL has become a wholly owned subsidiary of our Company.

Capital Structure and Shareholding Pattern

The authorised share capital of MTESPL is Rs. 1,00,000 divided into 10,000 equity shares of face value Rs. 10 each and the paid up capital is Rs. 1,00,000 divided into 10,000 equity shares of face value of Rs. 10 each**.**

The shareholding pattern of MTESPL is as follows:

S. No	Name of the Shareholder	No. of Equity Shares	Percentage of total equity holding (%)
1.	MT Educare Limited	9,999	99.99
2.	MT Educare Limited jointly with Mahesh Shetty (Nominee Shareholder)	1	0.01
	Total	**10,000**	**100**

MTESPL has not made any public or rights issue since its incorporation and has not become a sick company under the meaning of SICA and is not under winding up.

Interest in our Company

Except as stated below, MTESPL does not have any other interest in our Company’s business:

Our Company has agreed to provide academic content, classroom delivery methods, examination techniques, assessments and evaluations, processes, systems and knowhow to HTLCL pursuant to the terms of a joint venture agreement January 21, 2010 between HT Education Limited and MTESPL. For further details, please see the section “History and Certain Corporate Matters – Summary of Key Agreements – Other Agreements” on page 123.

PROMOTER, PROMOTER GROUP AND GROUP COMPANIES

PROMOTER

Our Promoter is Mahesh R. Shetty.

Mahesh R. Shetty, aged 46 years, is the Chairman and Managing Director of our Company. He is a resident Indian national. For further details, please see the section "Our Management" on page 126.

Mahesh R. Shetty's driving license number and voter identification card number are MHO3 20080096985 and NNX2660256, respectively. His passport number is Z1781469.

Our Company confirms that the permanent account number, bank account numbers and passport number of Mahesh R. Shetty shall be submitted to the Stock Exchanges at the time of filing the Draft Red Herring Prospectus with them.

Interests of Promoter and Common Pursuits

Our Promoter is interested in our Company to the extent of his shareholding. For details on the shareholding of our Promoter in our Company, please see the section "Capital Structure" on page 54.

Further, our Promoter who is also a Director may be deemed to be interested to the extent of fees, if any, payable to him for attending meetings of the Board or a Committee thereof as well as to the extent of other remuneration, reimbursement of expenses payable to him. For further details please see the section "Our Management" on page 126.

Further, our Promoter is also a director on the boards, or is a member, or is a partner, of certain Promoter Group and Group entities and may be deemed to be interested to the extent of the payments made by our Company, if any, to these Promoter Group and Group entities. For the payments that are made by our Company to certain Promoter Group entities, please see the section "Related Party Transactions" on page 150.

Our Company has not entered into any contract, agreements or arrangements during the preceding two years from the date of this Draft Red Herring Prospectus in which our Promoter is directly or indirectly interested and no payments have been made to our Promoter in respect of the contracts, agreements or arrangements which are proposed to be made with our Promoter including the properties purchased by our Company other than in the normal course of business. Our Company has entered into a leave and license agreement with our Director, Mahesh Shetty in relation to a location at Ambernath, Maharashtra, which is under the joint ownership of Mahesh Shetty and Dinesh Singh, to operate Coaching Centres. Our Company pays a license fee of Rs. 1,01,430 per month in this regard to Mahesh Shetty and Dinesh Singh.

Payment of benefits to our Promoter

Except as stated in the section "Related Party Transactions" on page 150, there has been no payment of benefits to our Promoter during the two years preceding the filing of this Draft Red Herring Prospectus.

Confirmations

Our Promoter, our Promoter Group entities and our Group Companies have not been debarred from accessing the capital market under any order or direction passed by SEBI or any other regulatory or governmental authority. None of our Promoters was or also is a promoter, director or person in control of any other company which is debarred from accessing the capital market under any order or directions made by the SEBI.

Further, neither our Promoter, the relatives of our Promoter (as defined under the Companies Act) nor our Group

Companies, have been declared a wilful defaulter by the RBI or any other government authority and there are no violations of securities laws committed by our Promoter in the past and no proceedings for violation of securities laws are pending against him.

Change in the management and control of the Issuer

There has not been any change in the management and control of our Company.

PROMOTER GROUP

In addition to our Promoter named above, the following individuals and entities form a part of our Promoter Group:

1. **Natural persons who are part of our Promoter Group**

   The natural persons who are part of our Promoter Group (due to their relationship with our Promoter), other than our Promoter, are as follows:

Name	Relationship with Promoter
Kalathur R. Shetty	Father
Lalitha R. Shetty	Mother
Roopa M. Shetty	Wife
Prithviraj M. Shetty	Son
Pramila Vishwanath Shetty	Sister
Narayan Poappa Shetty	Father of the spouse
Girija Narayan Shetty	Mother of the spouse
Jyoti Vasu Shetty	Sister of the spouse
Aarti Sudhir Shetty	Sister of the spouse
Nirmala Narayan Shetty	Sister of the spouse

2. **Corporate entities forming part of our Promoter Group**

   Companies:

   (i) Prithviraj Shares and Securities Private Limited.

   Partnerships:

   (i) Mahesh Tutorials Chembur;
   (ii) Mahesh Tutorials Mulund; and
   (iii) Neptune Constructions.

   Proprietorships:

   (i) Nirmal Herbal, Powai;
   (ii) Aarti Info solutions;
   (iii) SS Services; and
   (iv) Prompt Enterprises.

GROUP COMPANIES

Our Group Companies are as follows:

1. Prithviraj Shares and Securities Private Limited;
2. Neptune Developers Limited; and

3. Neptune Ventures and Developers Private Limited.

Partnerships firms forming part of our Group Companies

1. Mahesh Tutorials, Chembur;
2. Mahesh Tutorials, Mulund;
3. Neptune Developers; and
4. Neptune Constructions.

Trusts Forming Part of Group Companies

1. Global Education Trust; and
2. Neptune Foundation.

Details of the top five Group Companies:

The top five Group Companies, on the basis of turnover, are as follows:

1. Neptune Ventures and Developers Private Limited

Corporate Information

Neptune Ventures and Developers Private Limited was incorporated under the Companies Act on January 15, 2009 in Mumbai. Neptune Ventures and Developers Private Limited is engaged in the business of builders, developers, infrastructural development contractors, designers, architects, decorators, consultants, estate agents and property dealers.

Interest of our Promoter

Our Promoter holds 250 equity shares of Rs. 10 each, aggregating to 0.005% of the issued and paid up equity share capital of this company. Our Promoter also holds 125 optionally convertible preference shares of Rs. 100 each, aggregating to 0.003% of the preference share capital of this company.

Financial Performance

The operating results of Neptune Ventures and Developers Private Limited for the last two fiscal years are as follows:

(Rs. in lakhs, except share data)

Sr. No.	Particulars	For the year ended	
		March 31, 2010	March 31, 2009
1	Equity Capital	500.00	10.0
2	Reserves (excluding revaluation reserves) and surplus	0.00	0.00
3	Income (excluding inventory)	10,710.63	1.09
4	Profit After Tax	121.92	(304.27)
5	Earning Per Share (Basic) (face value Rs. 10) (in Rs.)	4.01	(304.28)
6	Earning Per Share (Diluted) (face value Rs. 10) (in Rs.)	4.01	(304.28)
7	Net asset value per share (in Rs.)	6.35	(294)

Financial results for Fiscal 2008 have not been provided because Neptune Ventures and Developers Private Limitedwas incorporated on January 15, 2009.

2. Neptune Developers Limited

Corporate Information

Neptune Developers Limited was incorporated under the Companies Act on July 15, 2004 as Neptune Developers Private Limited, in Mumbai. The name was changed to Neptune Developers Limited on November 12, 2009. Neptune Developers Limited is engaged in the business of real estate development.

Interest of our Promoter

Our Promoter holds 6,635,629 equity shares of Rs. 10 each, aggregating to 5.75% of the issued and paid up equity share capital of our Company.

Financial Performance

The operating results of Neptune Developers Limited for the last three fiscal years are as follows:

(Rs. in lakhs, except share data)

Sr. No.	Particulars	For the year ended		
		March 31, 2010	**March 31, 2009**	**March 31, 2008**
1	Equity Capital	11,544.07	1,473.84	1,267.50
2	Share Application Money	0.00	644.00	4,438.00
3	Reserves (excluding revaluation reserves) and surplus	26,851.60	20,500.15	851.10
4	Income (excluding inventory)	1,802.59	1,591.85	1,269.74
5	Profit After Tax	527.74	916.20	(26.49)
6	Earning Per Share (Basic) (face value Rs. 10) (in Rs.)	0.49	1.32*	(0.21)
7	Earning Per Share (Diluted) (face value Rs. 10) (in Rs.)	0.49	0.89*	(0.21)
8	Net asset value per share (in Rs.)	33.26	21.85	50.27

* *EPS adjusted for the previous year 2008-2009.*

3. Neptune Constructions

Corporate Information

Neptune Constructions was formed as a partnership firm on January 13, 2004. Neptune Constructions was registered on September 16, 2004 under the Indian Partnership Act, 1932 with the registration number BA88506. Neptune Constructions is presently engaged in the business of builders, developers, infrastructural development contractors, designers, architects, decorators, consultants, estate agents and property dealers in India or abroad.

Interest of our Promoter

The profit / (loss) sharing ratio of our Promoter in Neptune Constructions is 10%.

Financial Performance

The operating results of Neptune Constructions for the last three fiscal years are as follows:

(Rs. in lakhs, except share data)

Particulars	For the year ended		
	March 31, 2010	March 31, 2009	March 31, 2008
Partner's Capital Account	380.27	537.56	486.43
Income/ Sales	3.93	44.00	2,901.00
Profit / (Loss) after tax	122.57	86.58	247.37

4. Global Education Trust

Corporate Information

Global Education Trust is a trust formed by a deed dated May 13, 2003 in the name of Mahesh Tutorials Charitable Trust. Its name was changed to Global Education Trust on February 24, 2010. Global Education Trust is a charitable trust registered under the Indian Trusts Act, 1882 with the registration number E-21482 (Mumbai). Global Education Trust was formed for public charitable purposes including, education, medical relief and relief to the poor and advancement of any other objects or purpose of general public utility.

Interest of our Promoter:

Our Promoter is a founder member and a trustee of Global Education Trust.

Financial Performance

The operating results of Global Education Trust for the last three fiscal years are as follows:

(Rs. in lakhs, except per share data)

Particulars	For the period year ended		
	March 31, 2010	March 31, 2009	March 31, 2008
Trust Fund / Corpus	0.88	0.88	0.88
Income	15.53	15.63	0.03
Profit / (Loss) after tax	2.66	(0.22)	(0.63)

5. Mahesh Tutorials, Chembur

Corporate Information

Mahesh Tutorials, Chembur was formed as a partnership firm on September 9, 1992. Mahesh Tutorials, Chembur was registered on January 5, 1993 under the Indian Partnership Act, 1932 with the registration number BA-55988. Mahesh Tutorials, Chembur is presently engaged in the business of letting out the property owned by it on lease or leave and license basis.

Interest of our Promoter:

The profit / (loss) sharing ratio of our Promoter in Mahesh Tutorials, Chembur is 27.5%.

Financial Performance

The operating results of Mahesh Tutorials Chembur for the last three fiscals are as follows:

(Rs. in lakhs, except share data)

Particulars	For the year ended		
	March 31, 2010	March 31, 2009	March 31, 2008
Partner's Capital Account	(2.63)	201.89	172.30

Income/ Sales	71.92	50.53	37.34
Profit / (Loss) after tax	68.60	41.51	25.44

Group Companies with negative networth, under winding up or which have become a sick industrial company

None of the entities forming part of Group Companies is a sick company under the meaning of SICA and none of them are under winding up. Further, none of our Group Companies has a negative networth.

Details of other Group Companies

1. Prithviraj Shares and Securities Private Limited

Corporate Information

Prithviraj Shares and Securities Private Limited was incorporated under the Companies Act on April 24, 2008, in Mumbai. Prithviraj Shares and Securities Private Limited is engaged in the business of purchase, sale, subscription, acquisition, undertaking, underwriting, holding, auctioning, conversion and trade in all kinds of shares, securities in India or abroad.

Interest of our Promoter:

Our Promoter holds 9,800 equity shares of face value Rs. 10 each, aggregating to 98% of the issued and paid up equity share capital of this company.

2. Mahesh Tutorials Mulund

Corporate Information

Mahesh Tutorials, Mulund was formed as a partnership firm on October 21, 1989. Mahesh Tutorials, Mulund is not registered as a partnership firm under the Indian Partnership Act, 1932. Mahesh Tutorials, Mulund is presently engaged in the business of letting out the property owned by it on lease or leave and license basis.

Interest of our Promoter

The profit / (loss) sharing ratio of our Promoter in Mahesh Tutorials, Mulund is 25%.

3. Neptune Developers

Corporate Information

Neptune Developers was formed as a partnership firm on April 1, 2004. Neptune Developers is not registered as a partnership firm under the Indian Partnership Act, 1932. Neptune Developers is presently engaged in the business of construction of building, development of properties, dealing in real estate or such other business.

Interest of our Promoter

The profit / (loss) sharing ratio of our Promoter in Neptune Developers is 3%.

4. Neptune Foundation

Corporate Information

Neptune Foundation is a trust formed by a deed dated April 17, 2009. Neptune Foundation is a charitable trust registered with the Charity Commissioner, Mumbai under the Bombay Public Trust Act, 1950, with the registration number E – 26706 (Mumbai). Neptune Foundation was formed for charitable activities like awarding scholarships, promotion of the welfare of orphans and poor children, providing endowments to hospitals, maternity homes, sanitorium etc.

Interest of Promoters

Our Promoter is a founder member and trustee of the trust.

Nature and Extent of Interest of Group Companies

(a) In the promotion of our Company

None of our Group Companies have any interest in the promotion of our Company.

(b) In the properties acquired or proposed to be acquired by our Company in the past two years before filing the Draft Red Herring Prospectus with SEBI

None of our Group Companies have any interest in the properties acquired or proposed to be acquired by our Company in the past two years before filing the Draft Red Herring Prospectus with SEBI.

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

Our Company has purchased the office premises situated at No. 220, 2nd Floor, "Flying Colors", Pandit Din Dayal Upadhyay Marg, L.B.S. Cross Road, Mulund (West), Mumbai 400 080 from Neptune Constructions, one of our Group Companies, for a consideration of Rs. 6,41,37,000, pursuant to a sale deed dated January 21, 2009.

Except as stated above, none of our Group Companies have any interest in the transactions for acquisition of land, construction of building and supply of machinery of our Company

Common Pursuits amongst our Group Companies and Associate Companies with our Company

There are no common pursuits amongst our Group Companies with our Company.

Related Business Transactions within our Group Companies and Significance on the Financial Performance of our Company

For details please see the section "Related Party Transactions" on page 150.

Sale/Purchase between Group Companies, Subsidiaries and Associate Companies

For details please see the section "Related Party Transactions" on page 150.

Business Interest of Group Companies and Associate Companies in our Company

Our Company has entered into leave and license agreements with Mahesh Tutorials Chembur and Mahesh Tutorials Mulund, our Group Companies for certain locations in Maharashtra where our Company operates some of its Coaching Centres.

Except as stated above, none of our Group Companies and associate companies has any business interest in our Company.

Previous capital issue during the previous three years by listed Subsidiaries, Group Companies and associates of our Company

None of our Group Companies, associates and Subsidiaries of our Company have undertaken any capital issuances in the past.

Promise vis-à-vis objects – Public/ Rights Issue of our Company and/ or listed Group Companies, Subsidiaries and associates of our Company

Our Company has not undertaken any previous public or rights issue. None of our Group Companies, associates and Subsidiaries are listed on any stock exchange.

Companies with which our Promoter has disassociated in the last three years

Our Promoter has disassociated from MT Educare Charitable Trust since May 6, 2011, pursuant to him ceasing to be the trustee of MT Educare Charitable Trust. He continues to be the settlor of MT Educare Charitable Trust.

RELATED PARTY TRANSACTIONS

For details of the related party transactions, please see the sections "Financial Statements –Statement of Related Party Transactions, As Restated" on page 195.

DIVIDEND POLICY

The declaration and payment of dividend, if any, will be recommended by the Board of Directors and approved by the shareholders of our Company at their discretion, subject to the provision of the Articles and the Companies Act. The dividend, if any, will depend on a number of factors, including but not limited to, the earnings, general financial conditions, capital requirements and surplus, contractual restrictions, applicable Indian legal restrictions and overall financial position of our Company and other factors considered relevant by the Board. The Board may, from time to time, pay interim dividend. Our Company has no stated dividend policy and has not declared any dividends since its incorporation.

SECTION V: FINANCIAL INFORMATION

FINANCIAL STATEMENTS

Auditors report as required by Part II of Schedule II of the Companies Act, 1956

To,
The Board of Directors,
MT Educare Limited,
220, 2nd Floor, “Flying Colors”,
Pandit Din Dayal Upadhyay Marg,
Off. L.B.S. Cross Road,
Mulund (West),
Mumbai 400 080

Dear Sirs,

We have examined the financial information of MT Educare Limited (the “Company”) annexed to this report for the purpose of inclusion in the Draft Red Herring Prospectus (the “DRHP”).

This financial information has been prepared by the management and approved by the Board of Directors of the Company for the purpose of disclosure in the Offer Document being issued by the Company in connection with the Initial Public Offering (“IPO”). This financial information has been prepared in accordance with the requirements of:

i) Paragraph B (1) of Part II of Schedule II to the Companies Act, 1956 (the “Act”);

ii) The Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations 2009 (the “Regulations) issued by the Securities and Exchange Board of India (“SEBI”).

We have examined such financial information taking into consideration;

i) The Guidance Note on the Reports in Company Prospectus issued by the Institute of Chartered Accountants of India (“ICAI”); and

ii) The terms of our letter of engagement with the Company requesting us to carry out work in connection with the Offer Document being issued by the Company for its proposed issue.

1. Financial Information as per Audited Financial Statements:

We have examined the attached “Summary Statement of Assets and Liabilities, As Restated” of the Company as at March 31, 2007, 2008, 2009, 2010 and nine months ended December 31 2010, (Annexure I) and the attached “Summary Statement of Profits and Losses, As Restated” for the years ended March 31, 2007, 2008, 2009, 2010 and nine months ended December 31, 2010 (Annexure II), and “ Summary Statement of Cash Flow, As Restated” for the years ended March 31, 2007, 2008, 2009, 2010 and nine months ended December 31, 2010 (Annexure III) together referred to as “Restated Summary Statements”. The Restated Summary Statements, including the adjustments and regroupings which are more fully described in the note on adjustments appearing in Annexure IV to this report have been extracted from the Audited Financial Statements of the Company as at and for the years ended March 31, 2007, 2008, 2009, 2010 and nine months ended December31, 2010.

2. Based on our examination of these restated summary statements, we state that:

a) The Restated Summary Statements have to be read in conjunction with the Statement of Significant Accounting Policies (Annexure V) and Notes to Accounts (Annexure VA) to this report;

b) The Summary Statement of Profits and Losses, as Restated have been arrived at after making such adjustments and regroupings as, in our opinion, are appropriate and more fully described in the notes appearing in (Annexure VA) to this report;

c) The impact of changes in accounting policies adopted by the Company as at December 31, 2010 have been adjusted with retrospective effect in the attached Restated Summary Statements wherever applicable;

d) Material amounts relating to previous years have been adjusted in the attached Restated Summary Statements;

e) There are no extraordinary items which need to be disclosed separately in the attached Restated Summary Statements; and

f) There are no qualifications in auditors report.

3. Other Financial Information:

We have examined the following financial information in respect of the years ended March 31, 2007, 2008, 2009, 2010 and nine months ended December 31, 2010 of the Company, proposed to be included in the DRHP, as approved by the Board of Directors and annexed to this report:

i. Statement on Adjustments to Audited Financial Statements (Annexure IV)

ii. Significant Accounting Policies (Annexure V);

iii. Notes forming part of Financial Information, As Restated (AnnexureVA);

iv. Statement of Secured Loans, As Restated (Annexure VI);

v. Statement of Unsecured Loans, As Restated (Annexure VIA);

vi. Statement of Loans & Advances, As Restated (Annexure VII);

vii. Statement of Sundry Debtors, As Restated (Annexure VIII);

viii. Statement of Investments, As Restated (Annexure IX);

ix. Statements of Other Income, As Restated (Annexure X);

x. Statement of Direct Expenses, As Restated (Annexure XA);

xi. Statement of Share Capital, As Restated (Annexure XI);

xii. Statement of Cash and Bank Balances, As Restated (Annexure XII);

xiii. Statement of Current Liabilities and Provisions, As Restated (Annexure XIII);

xiv. Statement of Contingent Liabilities, As Restated (Annexure XIV);

xv. Statement of Accounting Ratios, As Restated (Annexure XV);

xvi. Statement of Tax Shelters (Annexure XVI);

xvii. Statement of Capitalisation (Annexure XVII); and

xviii. Statement of Related Party Transactions, As Restated (Annexure XVIII).

4. In our opinion, the “Financial Information as per Audited Financial Statements” and “Other Financial Information” mentioned above for the years ended March 31, 2007, 2008, 2009, 2010 and nine months ended December 31, 2010 have been prepared in accordance with Part II of the Companies Act and the SEBI Regulations.

5. This report should not be in any way construed as a re-issuance or re-dating of any of the previous audit reports issued by us nor should it be construed as a new opinion on any of the Financial Statements referred to therein.

6. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

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

For Shaparia & Mehta
Chartered Accountants
Firm Registration Number: 112350W

Jayavanti Shah
Partner
Membership No. 043710
Place: Mumbai
Date: June 2, 2011

Annexure I: Summary Statement of Assets and Liabilities, As Restated

(Rs. in lakhs)

	Particulars	As at December 31, 2010	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008	As at March 31, 2007
A	**FIXED ASSETS**					
	Gross Block	5,151.24	4,740.75	4,213.72	365.51	43.12
	Less: Accumulated Depreciation	1,989.98	1,583.77	962.15	53.87	2.45
	Net Block	3,161.26	3,156.98	3,251.57	311.64	40.67
	Less: Revaluation Reserve	-	-	-	-	-
	Net Block after adjustment for Revaluation Reserve	3,161.26	3,156.98	3,251.57	311.64	40.67
	Intangible Assets	291.19	138.64	38.34	0.06	0.06
	Capital Work In Progress	18.07	307.02	271.52	204.50	17.91
	(A)	**3,470.52**	**3,602.64**	**3,561.43**	**516.20**	**58.64**
B	**INVESTMENTS**	2,034.14	1,884.30	878.35	1,386.69	-
	(B)	**2,034.14**	**1,884.30**	**878.35**	**1,386.69**	**-**
C	**CURRENT ASSETS, LOANS AND ADVANCES**					
	Sundry Debtors	616.22	119.46	147.95	373.40	-
	Cash and Bank Balances	1,916.41	1,188.03	1,330.54	539.09	456.78
	Loans and Advances	2,435.15	1,872.15	2,076.47	576.83	157.45
	(C)	**4,967.78**	**3,179.64**	**3,554.96**	**1,489.32**	**614.23**
D	**LIABILITES AND PROVISIONS**					
	Secured Loans	-	-	-	63.22	167.38
	Unsecured Loans	-	-	500.00	10.18	506.64
	Current Liabilities and Provisions	5,618.01	4,769.87	3,955.85	170.33	37.41
	(D)	**5,618.01**	**4,769.87**	**4,455.85**	**243.73**	**711.43**
E	**DEFERRED TAX (LIABILITY)/ ASSET(E)**	**222.27**	**216.88**	**44.01**	**1.85**	**(0.91)**
F	**NET WORTH (A+B+C-D+E)**	**5,076.70**	**4,113.59**	**3,582.90**	**3,150.33**	**(39.47)**
G	**REPRESENTED BY**					
	Share Capital	3,435.10	104.09	17.35	3,292.26	10.00
	Share Application Money	-	-	-	5.94	-
	Reserves and Surplus	1,641.60	4,009.50	3,565.55	192.75	-
	Less: Revaluation Reserve	-	-	-	-	-
	Reserves and Surplus after Revaluation Reserve	1,641.60	4,009.50	3,565.55	192.75	-
	Miscellaneous Expenditure					

Particulars		As at December 31, 2010	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008	As at March 31, 2007
	(to the extent not written off or adjusted)	-	-	-	(340.62)	(49.47)
	NET WORTH (G)	**5,076.70**	**4,113.59**	**3,582.90**	**3,150.33**	**(39.47)**

Notes:

1. The above should be read with Significant Accounting Policies and Notes to Accounts, as restated appearing in Annexure V and VA.
2. Detailed break-up of Capital work-in-progress has been given in the Notes to Accounts (Annexure VA)
3. Detailed break-up of Intangible Assets has been given in the Notes to Accounts (Annexure VA)
4. Miscellaneous Expenditure solely comprises of debit balance of Profit & Loss Account amounting to Rs.340.62 lakhs in Financial year 2007-08 and Rs.49.47 lakhs in Financial year 2006-07
5. The Company was incorporated on August 19, 2006 and hence the restated financials statements of Financial year 2006-07 are for the period August 19, 2006 - March 31, 2007
6. Pursuant to the Scheme of Arrangement between the Company, Mahesh Tutorials Private Limited (MTPL), Mahesh Tutorials Commerce Private Limited (MTCPL) and Mahesh Tutorials Science Private Limited (MTSPL) and their respective shareholders, duly approved by all the share holders / creditors and subsequently sanctioned by the Hon'ble High Court of Judicature at Bombay vide its order dated August 5, 2009, certified true copy of which was filed with the Office of the Registrar of Companies, Mumbai, Maharashtra on September 1, 2009 ('Effective date') , all the assets and liabilities of erstwhile MTPL, MTCPL, MTSPL stand transferred to and vested with the Company effective from April 1, 2008 ('Appointed date'). The Scheme has accordingly, been given effect to in these adjusted financial statements. The amalgamation has been accounted for under the "pooling of interests" method as prescribed by Accounting Standard - 14, 'Accounting for Amalgamations' issued by the Institute of Chartered Accountants of India.
7. As a result of the Amalgamation of MTPL, MTSPL and MTCPL with the Company, as mentioned in Point 6 above, the financial statements of Financial year 2008-09 are not comparable with Financial year 2007-08

Annexure II: Summary Statement of Profits and Losses, As Restated

(Rs. in lakhs)

	Particulars	For the Period Ended December 31, 2010	For the Year Ended March 31, 2010	For the Year Ended March 31, 2009	For the Year Ended March 31, 2008	For the Year Ended March 31, 2007
A	**INCOME**					
	Fees Received	8,256.75	8,275.51	7,071.15	454.62	7.02
	Government Grants	126.86	49.04	200.40	-	-
	Total Operating Income	**8,383.61**	**8,324.55**	**7,271.55**	**454.62**	**7.02**
	Other Income	184.69	254.61	244.99	131.57	3.36
	Total Income	**8,568.30**	**8,579.16**	**7,516.54**	**586.19**	**10.38**
B	**EXPENDITURE**					
	Direct Expenses	4,179.12	4,555.82	4,048.06	188.67	15.56
	Personnel Expenses	1,009.70	1,103.75	1,042.14	142.56	7.53
	Administrative Expenses	689.14	785.80	686.28	395.31	13.22
	Selling Expenses	565.87	586.09	660.01	65.87	14.56
	Finance Expenses	9.13	20.74	44.26	33.37	5.48
	Depreciation	621.95	789.22	719.91	51.42	2.45
	Total Expenditure	**7,074.91**	**7,841.42**	**7,200.66**	**877.20**	**58.80**
	Net Profit/(Loss) Before Tax and Extraordinary Items (A	**1,493.39**	**737.74**	**315.88**	**(291.01)**	**(48.42)**
	Taxation	(535.69)	(387.30)	(104.00)	-	-
	Provision for Deferred Tax	5.39	172.87	78.96	2.76	(0.91)
	Provision for Fringe Benefit Tax	-	-	(28.50)	(2.90)	(0.14)
	Add/Less: Short/Excess Provision for tax	-	-	(0.04)	-	-
	Net Profit/(Loss) after Tax, before Extraordinary Items	**963.09**	**523.31**	**262.30**	**(291.15)**	**(49.47)**
	Less : Extraordinary Items	-	-	-	-	-
	Net Profit After Extraordinary Items As Restated	**963.09**	**523.31**	**262.30**	**(291.15)**	**(49.47)**
	Profit and Loss account, beginning of the year	-	-	-	(49.47)	-
	Balance available for appropriations, as restated	963.09	523.31	262.30	(340.62)	(49.47)
	Transfer to General Reserve	-	-	-	-	-

Particulars		For the Period Ended December 31, 2010	For the Year Ended March 31, 2010	For the Year Ended March 31, 2009	For the Year Ended March 31, 2008	For the Year Ended March 31, 2007
	Dividend	-	-	-	-	-
	Tax on Dividend	-	-	-	-	-
	Balance carried forward to summary statement of Assets and Liabilities, as restated	**963.09**	**523.31**	**262.30**	**(340.62)**	**(49.47)**

Notes:

1. The above should be read with Significant Accounting Policies and Notes to Accounts, as restated appearing in Annexure V and VA.
2. The Company was incorporated on August 19, 2006 and hence the restated financials statements of Financial year 2006-07 are for the period August 19, 2006 to March 31, 2007
3. Pursuant to the Scheme of Arrangement between the Company, Mahesh Tutorials Private Limited (MTPL), Mahesh Tutorials Commerce Private Limited (MTCPL) and Mahesh Tutorials Science Private Limited (MTSPL) and their respective shareholders, duly approved by all the share holders / creditors and subsequently sanctioned by the Hon’ble High Court of Judicature at Bombay vide its order dated August 5, 2009, certified true copy of which was filed with the Office of the Registrar of Companies, Mumbai, Maharashtra on September 1, 2009 (‘Effective date’) , all the assets and liabilities of erstwhile MTPL, MTCPL, MTSPL stand transferred to and vested with the Company effective from April 1, 2008 (‘Appointed date’). The Scheme has accordingly, been given effect to in these adjusted financial statements. The amalgamation has been accounted for under the "pooling of interests" method as prescribed by Accounting Standard - 14, 'Accounting for Amalgamations' issued by the Institute of Chartered Accountants of India.
4. The above statement should be read with Annexure IV - Statement on Adjustment to Audited Financial Statements

Annexure III: Summary Statement of Cash Flow, As Restated

(Rs. in lakhs)

Particulars	For the Period Ended December 31, 2010	For the Year Ended March 31, 2010	For the Year Ended March 31, 2009	For the Year Ended March 31, 2008	For the Year Ended March 31, 2007
Cash Flows From Operating Activities					
Net Profit after taxation, and extraordinary items	**963.09**	**523.31**	**262.30**	**(291.15)**	**(49.47)**
Adjustment for:					
Depreciation	621.95	789.22	719.91	51.42	2.45
Deferred Tax	(5.39)	(172.87)	(78.96)	(2.76)	0.91
Fringe Benefit Tax	-	-	28.50	2.90	0.14
Income Tax	535.69	387.30	104.00	-	-
Preliminary expenses written off	-	-	-	4.96	1.75
Interest Received / Dividend Received	(140.94)	(214.52)	(206.35)	(72.17)	(3.33)
Income from Capital Gains	(7.53)	(8.31)	-	-	-
Arbitrage Income	-	-	(0.04)	(59.00)	-
Amount written off	2.13	-	-	-	-
Profit on sale of Fixed Assets	-	-	(10.58)	-	-
Loss on sale of Fixed Assets	68.11	134.85	69.19	-	-
Provision for Diminution of Current Investment	0.17	-	-	-	-
Finance Expenses	-	8.22	5.08	29.06	5.42
Extraordinary Item	-	-	-	-	-
Operating profit before working capital changes, Taxation and Extraordinary Item	**2,037.28**	**1,447.20**	**893.05**	**(336.74)**	**(42.13)**
(Increase)/Decrease in Sundry debtors	(496.76)	28.49	762.53	(373.40)	-
(Increase)/Decrease in Other current assets	-	-	-	-	-
(Increase)/Decrease in Loans and advances	(73.09)	547.00	(132.67)	(416.50)	(157.39)
Increase/(Decrease) in Current liabilities	312.45	434.11	(102.00)	130.02	37.27
Cash generated from operations before Taxation and Extraordinary Item	**1,779.88**	**2,456.80**	**1,420.91**	**(996.62)**	**(162.25)**
Income tax paid	(492.04)	(342.68)	(67.95)	(2.88)	(0.06)
Preliminary expenses	-	-	-	(4.96)	(1.75)
Extraordinary Item	-	-	-	-	-
Net Cash from operating activities	**1,287.84**	**2,114.12**	**1,352.96**	**(1,004.46)**	**(164.06)**

Particulars	For the Period Ended December 31, 2010	For the Year Ended March 31, 2010	For the Year Ended March 31, 2009	For the Year Ended March 31, 2008	For the Year Ended March 31, 2007
Cash flow from Investing activities					
Purchase of Fixed assets (including Capital WIP)	(559.67)	(965.74)	(2,261.05)	(508.98)	(61.08)
Sale of Fixed Assets (including Capital WIP)	1.73	0.45	20.54	-	-
Purchase of Investments	(4,634.32)	(5,742.14)	(7,202.64)	(5,584.42)	-
Sale of Investment	4,491.86	4,744.50	7,965.04	4,256.73	-
Interest Received / Dividend Received	140.94	214.52	206.35	72.17	3.33
Net Cash from investing activities	**(559.46)**	**(1,748.41)**	**(1,271.76)**	**(1,764.50)**	**(57.75)**
Cash Flow From Financing Activities					
Proceeds from issue of share capital	-	-	-	3,282.26	10.00
Share Premium	-	-	-	192.75	-
Share Application Money	-	-	-	5.94	-
Refund of Share Application Money	-	-	-	-	-
Net increase in Long term borrowings	-	(500.00)	191.71	(600.62)	674.01
Finance Expenses	-	(8.22)	(5.08)	(29.06)	(5.42)
Net Cash from financing activities	-	**(508.22)**	**186.63**	**2,851.27**	**678.59**
Net increase in cash and cash equivalents (	**728.38**	**(142.51)**	**267.83**	**82.31**	**456.78**
Cash and cash equivalents at beginning of period	1,188.03	1,330.54	539.09	456.78	-
Cash and cash equivalents acquired during Amalgamation	-	-	523.62	-	-
Cash and cash equivalents at the end of period	**1,916.41**	**1,188.03**	**1,330.54**	**539.09**	**456.78**

Notes:

1. Cash and Cash Equivalents comprises of:
   a) Cash on Hand
   b) Balance with Scheduled Banks
      − On Current Account
      − On Deposit Account
2. The cash flows Statements have been prepared under indirect method as set out in Accounting Standard -3 on Cash Flow Statement as issued by ICAI.
3. Pursuant to the Scheme of Arrangement between the Company, Mahesh Tutorials Private Limited (MTPL), Mahesh Tutorials Commerce Private Limited (MTCPL) and Mahesh Tutorials Science Private Limited (MTSPL) and their respective shareholders, duly approved by all the share holders / creditors and subsequently sanctioned by the Hon'ble High Court of Judicature at Bombay vide its order dated August 5, 2009, certified

true copy of which was filed with the Office of the Registrar of Companies, Mumbai, Maharashtra on September 1, 2009 (‘Effective date’) , all the assets and liabilities of erstwhile MTPL, MTCPL, MTSPL stand transferred to and vested with the Company effective from April 1, 2008 (‘Appointed date’). The Scheme has accordingly, been given effect to in these adjusted financial statements. The amalgamation has been accounted for under the "pooling of interests" method as prescribed by Accounting Standard - 14, 'Accounting for Amalgamations' issued by the Institute of Chartered Accountants of India. No effect pertaining to the assets and liabilities taken over on amalgamation has been given in the Cash Flow Statement as it does not impact the cash flow of the Company.

Annexure IV: Statement on Adjustments to Audited Financial Statements

(Rs. in lakhs)

Particulars	For the Period ended December 31, 2010	For the Year ended March 31, 2010	For the Year ended March 31, 2009	For the Year ended March 31, 2008	For the Year ended March 31, 2007
Profit/(loss) after Tax as per audited statement of account	962.94	475.32	272.84	(254.35)	(49.65)
Add/(Less):					
<u>1) Impact on Changes in accounting policies</u>					
a) Revenue Recognition	-	-	-	0.91	(0.91)
b) Capitalisation of Rent during construction period	-	-	-	10.29	3.04
c) Depreciation on item no (b)	(0.34)	(1.94)	(2.74)	(2.63)	(0.13)
d) Closure of Branches where rent was capitalized	-	(4.56)	-	-	-
Add/(Less):					
<u>2) Impact on material adjustment and prior period items</u>					
a) Provision for leave encashment	-	47.95	(41.68)	-	-
b) Leave Encashment Written Back	-	-	(6.28)	-	-
c) Writing off Preliminary Expenses	-	-	-	1.75	(1.75)
d) Change in Deferred Tax	0.49	6.54	40.16	(47.12)	(0.07)
Restated profit/(loss) after tax	**963.09**	**523.31**	**262.30**	**(291.15)**	**(49.47)**

Note:

1. The above should be read with Significant Accounting Policies and Notes to Accounts, as restated appearing in Annexure V and VA.

Annexure V: Significant Accounting Policies

BACKGROUND:

1. The Company was originally incorporated as 'MT Educare Private Limited' under the Companies Act, 1956 on August 19, 2006. The Company was subsequently converted to a public company on May 18, 2011,pursuant to a shareholders resolution dated April 13, 2011 and its name was changed to 'MT Educare Limited'. The Company is engaged in the business of conducting commercial training, coaching/ tutorial classes and activities incidental and ancillary thereto.

2. The Summary Statement of Restated Assets and Liabilities of the Company as at December 31, 2010 and March 31, 2010, 2009, 2008 and 2007 and the Summary Statement of Restated Profits and Losses and also the Summary Statement of Restated Cash Flows for the nine months ended December 31, 2010, years ended March 31, 2010, 2009, 2008 and for the period August 19, 2006 to March 31, 2007 (collectively referred to as "Restated Summary Statements") have been prepared specifically for inclusion in the offer document to be filed by the Company with the Securities and Exchange Board of India ("SEBI") in connection with its proposed Initial Public Offering.

These Restated Summary Statements have been prepared to comply in all material respects with the requirements of Schedule II to the Companies Act, 1956 (the "Act") and the Securities and Exchange Board of India ("SEBI").

BASIS OF PREPARATION:

1. Basis of Accounting

The financial statements have been prepared under the historical cost convention on an accrual basis and comply with the Accounting Standard (AS) notified by the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956. The accounting policies have been consistently applied by the Company and except for the changes in accounting policy discussed herein below in detail, are consistent with those used in the previous year.

The Company follows Mercantile System of accounting and recognizes income and expenditure on accrual basis.

2. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of financial statement and the result of operations during the reporting period end. Although these estimates are made on reasonable and prudent basis based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

3. Fixed Assets and Capital Work In progress

Fixed assets are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises of the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Rent paid for the period beginning/commencing from taking over vacant possession of the premises and ending with the date of completion of project/improvements or for a period of 3 months, whichever is earlier, is capitalized under leasehold improvements.

Capital work in progress are assets not ready for the intended use as at the Balance Sheet date and include assets at new centres which have not commenced operations till December 31, 2010.

In case of centers closed down or relocated during the year, Written Down Value (WDV) of leasehold improvements / fixtures as on the date on which the centre is closed down / relocated have been fully written off.

4. Intangible assets

An intangible asset is recognized, where it is probable that future economic benefits attributable to the asset will flow to the enterprise and where the cost can be reliably ascertained.

Intangible asset are stated at cost of acquisition less accumulated amortization. Amortization on the intangible assets is provided on pro-rata basis on Straight Line method based on management's estimate of useful life of the assets; i.e. over a period of 3 years on goodwill, non-compete fees and Technology Aided Training (TAT) and over a period of 5 years on SAP – Software.

Expenses incurred on in-house development of courseware and products are shown as Capital Work in Progress till the time they have been put to use. They shall be capitalized either individually or as a knowledge bank in the form of Multimedia Software TAT. Their technical feasibility and ability to generate future economic benefits is established in accordance with the requirements of Accounting Standard 26, "Intangible Assets" issued by the ICAI.

5. Depreciation

Depreciation on all assets is provided on Written Down Value method and at the rates and in the manner specified in Schedule XIV of the Companies Act, 1956.

Individual item(s) costing less than Rs. 5,000 and not forming part of a cluster of assets (chairs, benches etc.) are written off at the rate of 100%.

Depreciation on assets acquired/sold during the year is provided on pro-rata basis with reference to the date of installation/ put to use/date of entry in the books or disposal.

Depreciation on leasehold improvements is provided at the rates applicable to furniture & fixtures and in the manner specified in Schedule XIV of the Companies Act, 1956.

6. Impairment of Assets

All assets other than inventories, investments and deferred tax asset, are reviewed for impairment, wherever events or changes in circumstances indicate that the carrying amount may not be recoverable. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount.

7. Lease Rent

Operating Leases

Leases where the Lessor effectively retains substantially all risks and benefits of ownership of the leased premises during the lease term are classified as operating leases. Operating lease payments are recognized as an expense in the Profit & Loss account on a monthly accrual basis as per agreements, except in case of newly rented premises where the rent paid for the period beginning/ commencing from taking over vacant possession of premises and ending with date of completion of the improvements / project or rent paid for 3 months, whichever is earlier, is capitalized and added to the cost of leasehold improvements.

8. Investment

Long term investments are valued at cost with an appropriate provision for permanent diminution in value, if any.

Investment that is readily realizable and is intended to be held for not more than one year is valued at lower of cost or realizable value.

9. Revenue Recognition

Revenue is recognized to the extent that it is probable that economic benefits will flow to the Company and revenue can be reliably ascertained.

Revenue from fees received is recognized equally over the period of service rendered (course duration). At the time of admission, fees received from students are booked at gross amount and shown as 'advance fees'. Discounts and concessions are accounted for separately in a similar manner.

The Company has adopted Income Approach to recognize Government Grants. As per AS 12 on Government Grants issued by ICAI, government grants should be recognized in the Profit and Loss statement on a systematic and rational basis over the periods necessary to match them with the related costs.

Interest is recognized using the time-proportion method.

Dividend income is recognized when the Company's right to receive dividend is established.

10. Employee Benefits

A. Provident fund

As per the Employees Provident Funds and Miscellaneous Provision Act, 1952 employees of the Company are entitled to receive benefits under the provident fund & family pension fund which is a defined contribution plan. These contributions are made to the fund administered and managed by Government of India. The Company's contribution to the schemes is recognized as expense in the profit and loss account during the period in which the employee renders the related services. The Company has no other obligation to the plans beyond its monthly compensations.

B. Gratuity

The Company provides for gratuity obligations through a defined benefit retirement plan (the "Gratuity Plan") covering all employees. The Company makes annual contributions to Life Insurance Corporation of India (LIC) for the Employees' Group Gratuity-cum-Life Assurance Scheme in respect of all qualifying employees. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and tenure of employment in accordance with the Payment of Gratuity Act, 1972. The present value of the obligation under such defined benefit plan is determined based on the actuarial valuation at year end, using the Projected Unit Credit Method. Actuarial gains and losses are recognized in full in the Profit and Loss Account for the period in which they occur.

The part of contribution which is towards life insurance is charged to Profit & Loss Account of the year in which it becomes payable.

C. Leave Entitlement

The Company provides Leave Encashment benefits to its employees only in the event of their resignation, based on their accumulated leave balances in accordance with the provisions of "The Bombay Shops and Establishment Act, 1948". As per the policy of the Company, an employee can accumulate a maximum of 39 days leave over a period of 2 years, after which the leave would lapse. Accordingly, leave encashment has been provided based on the last drawn monthly salary of employees in service as at December 31, 2010.

11. Provision for Current and Deferred Taxation

Current period tax is ascertained and accounted at the amount expected to be paid to Income tax authorities in accordance with the provisions of Income Tax Act, 1961.

Deferred tax is recognized, subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are not recognized on unabsorbed depreciation and carry forward losses unless there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

12. Bad debts

The management reviews on a periodical basis the outstanding sundry debtors with a view to determining whether the debts are good, bad, or doubtful. After taking into consideration all the relevant aspects including the financial condition of the students, the management determines whether the debt assets are bad wholly or in part. On the basis of such review and in pursuance of other prudent financial considerations, the business head determines the extent of bad debts. These established bad debts during the year are directly written off. Provision is made for the debts which seem to be doubtful.

13. Provisions, contingent liabilities and contingent assets

A provision is recognized when there is a present obligation as a result of a past event; it is probable that an outflow of resources will be required to fulfill the obligation and in respect of which reliable estimate can be made. Provision is not discounted to its present value and is determined based on best estimate required to fulfill the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the best current estimate. Contingent liabilities are not recognized but are discussed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements.

14. Earning Per Share

Basic earning per share is calculated by dividing the Net Profit / (Loss) after tax for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average numbers of equity shares outstanding during the period are adjusted for events of bonus issue. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

15. Cash and Cash Equivalents

Cash and cash equivalents in the Balance Sheet comprise of cash at bank, fixed deposits and cash in hand.

16. Government Grants

The Company has adopted Income Approach to recognize Government Grants. As per AS 12 on

Government Grants issued by ICAI, government grants should be recognized in the profit and loss statement on a systematic and rational basis over the periods necessary to match them with the related costs.

The expenses incurred in relation to the Scheme are debited to Profit & Loss Account. An appropriate amount in respect of such grant, recognizing the amount of grant over the period of service rendered, is credited to income for the year even though the actual amount of such benefits may finally be settled and received after the end of the relevant accounting period.

17. Foreign Currency Transactions

For the current financial year accounts of the branch are consolidated by integral system of branch accounting. Foreign currency transactions are accounted at rates prevailing on the date of transactions. Monetary items denominated in foreign currency are restated at the exchange rate prevailing on the last day of the accounting year. Gain / (Loss) arising out of transaction/conversion is taken to the Profit & Loss Account.

18. Segment Reporting

The Company's business activities fall within a single segment viz. conducting commercial training, coaching, tutorial classes and activities incidental and ancillary thereon. In case of geographical (secondary) segment, since segment assets and segment revenue do not exceed 10% of total business, segment reporting is not required.

Annexure-VA

Notes forming part of Financial Information, As Restated:

1. a) Issue of Equity Shares:

During the Financial year 2006-07, the Company has issued 90,000 Equity Shares of Rs.10 each fully paid up at par.

During the Financial year 2007-08, the Company has issued 20,396 Equity Shares of Rs.10 each fully paid up at par and 2,144 Equity Shares of Rs.10 each fully paid up at a premium of Rs.8, 990 per share.

During the Financial year 2008-09, the Company has issued 66 Equity Shares of Rs.10 each fully paid up at a premium of Rs.8,990 per share.

b) Issue of Compulsory Convertible Preference Shares:

During the Financial year 2007-08, the Company has issued 3,28,00,059 Compulsory Convertible Preference Shares of Rs.10 each fully paid up at par.

c) Issue of Bonus Shares:

During the Financial year 2009-10, the Company has declared a bonus of 5 shares for every share held. Accordingly 8,67,450 Equity Shares of Rs.10.00 each as fully paid-up were allotted as Bonus Shares to existing shareholders by capitalizing the Securities Premium Account.

During the nine months period ended December 31, 2010, the Company has declared a bonus of 32 shares for every one share held. Accordingly 3,33,10,080 Equity Shares of Rs.10 each as fully paid-up were allotted as Bonus Shares to existing shareholders by capitalizing the Securities Premium Account and General Reserves.

2. During the Financial year 2008-09, the Company has converted 3,28,00,059 Compulsory Convertible Preference Shares into 50,884 Equity Shares of Rs.10 each fully paid up at a premium of Rs.6,436.05 per share.

3. Pursuant to the Scheme of Arrangement between the Company, Mahesh Tutorials Private Limited (here in after MTPL), Mahesh Tutorials Commerce Private Limited (here in after MTCPL) and Mahesh Tutorials Science Private Limited (here in after MTSPL) and their respective shareholders, duly approved by all the share holders / creditors and subsequently sanctioned by the Hon'ble High Court of Judicature at Bombay vide its order dated August 5, 2009, certified true copy of which was filed with the Office of the Registrar of Companies, Mumbai, Maharashtra on September 1, 2009 ('Effective date') , all the assets and liabilities of erstwhile MTPL, MTCPL, MTSPL stand transferred to and vested with the Company effective from April 1, 2008 ('Appointed date'). The Scheme has accordingly, been given effect to in these financial statements.

MTPL, MTCPL and MTSPL were engaged in the business of conducting coaching and tutorial classes and activities incidental and ancillary thereto.

In terms of the Scheme, all transactions entered by erstwhile MTPL, MTCPL and MTSPL during the period between the Appointed date for amalgamation and the Effective date would be construed as entered on behalf of the Company and have been accordingly considered in these financial statements.

As on the Appointed date the paid-up share capital of each the Wholly Owned Subsidiaries (WOS) companies was Rs.1.00 Lakh divided into 10,000 Equity shares of Rs.10 each fully paid-up. The entire paid-up share capital of the WOS companies was held by the Company. Pursuant to amalgamation, such shares stand cancelled and no consideration is given in respect of the said shares to the shareholders of WOS companies.

The amalgamation has been accounted for under the "pooling of interests" method as prescribed by Accounting Standard - 14, 'Accounting for Amalgamations' issued by the Institute of Chartered Accountants of India. Accordingly, the assets, liabilities and reserves of erstwhile MTPL, MTCPL and MTSPL as at April 1, 2008 have been taken over at their book values. There were no differences in accounting policies between the companies. The net credit of Rs.188.82 Lakhs made to the Profit & Loss account of the Company for the period, arising on account of amalgamation of erstwhile MTPL, MTSPL & MTCPL has been explained as follows:

(Rs. in Lakhs)

Opening surplus as at April 1, 2008 in Profit & Loss Account of erstwhile MTPL, MTSPL & MTCPL			**Surplus amount credited to the Profit & Loss Account of the Company**
MTPL	**MTCPL**	**MTSPL**	
0.96	74.51	113.35	188.82

4. Franchisee:

The Company has entered into arrangements with franchisees for conducting commercial training, coaching and tutorial classes. As per the agreements entered into with these franchisees, the franchisees are required to pay an upfront fee as brand fees to the Company, which is for a period of 3 years. Monies received by the Company as brand fees are recognized as income over this period of 3 years.

In addition to the above mentioned upfront fees, the franchisees are required to pay commission/royalty at the rates to be calculated as per the agreements entered into with them.

5. Contingent Liabilities:

(Rs. in Lakhs)

Particulars	**Period Ended**	**Year ended**			
	31-Dec-10	**31-Mar-10**	**31-Mar-09**	**31-Mar-08**	**31-Mar-07**
Income Tax liabilities in respect of matters in appeal.	57.48	Nil.	Nil.	Nil.	Nil.
Guarantees issued by Bank on behalf of the Company	1.00	Nil.	Nil.	Nil.	Nil.
Total	**58.48**	**Nil.**	**Nil.**	**Nil.**	**Nil.**

i) The Company has filed an appeal to the Commissioner of Income Tax (Appeal) [CIT (A)] against the demand raised by ACIT-10(3),Mumbai, u/s 143(3) of Income Tax Act, 1961 for Rs. 57.48 Lakhs, for the A.Y 2007-08 vide Assessment Order dated December 24,2009.

ii) The Company has ensured compliance of all the obligations made / undertaken as shareholder of MT Education Services Pvt. Ltd. in its Joint Venture with HT Education Ltd. The quantum of such obligation is not determinable

6. Estimated amount of contracts remaining to be executed on capital account (net of Advance)

(Rs in Lakhs)

Particulars	**Period Ended**	**Year ended**			
	31-Dec-10	**31-Mar-10**	**31-Mar-09**	**31-Mar-08**	**31-Mar-07**
Estimated amount of contracts	60.41	137.36	248.21	Nil	Nil
Total	**60.41**	**137.36**	**248.21**	**NIL**	**NIL**

7. Provision for Bad debt:

(Rs. in Lakhs)

Particulars	Period Ended	Year ended			
	31-Dec-10	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07
Provision for Bad Debt	21.14	15.00	Nil.	Nil	Nil
Total	**21.14**	**15.00**	**NIL**	**NIL**	**NIL**

8. Major components of Deferred Tax Assets and Deferred tax Liabilities:

(Rs. in Lakhs)

Particulars	Period Ended	Year ended			
	31-Dec-10	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07
(A)Deferred Tax Liabilities	0.00	0.00	0.00	4.34	0.91
Difference between book and tax Depreciation					
(B)Deferred Tax Assets					
i) Temporary disallowance under Income Tax Act, 1961	16.58	12.91	0.34	6.19	0.00
ii) Difference between book and tax Depreciation	205.69	203.97	43.67	0.00	0.00
Net Deferred Tax Assets / (Liabilities)	**222.27**	**216.88**	**44.01**	**1.85**	**(0.91)**

9. Managerial Remuneration :

(Rs. in Lakhs)

Particulars	Period Ended	Year ended			
	31-Dec-10	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07
Salary	39.43	53.60	74.04	88.85	Nil.

10. Auditor's Remuneration as charged to Profit and Loss Accounts

(Rs. in Lakhs)

Particulars	Period Ended	Year ended			
	31-Dec-10	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07
a) As Auditor	5.18	6.00	5.50	0.70	0.35
b) As adviser in:					
Taxation matters	5.40	15.20	14.22	0.30	0.15
Company law matters	0.00	0.00	0.00	0.00	0.00
Management services	0.00	0.00	0.00	0.00	0.00
c) Other Services	0.00	0.00	0.00	0.00	0.00
Total	**10.58**	**21.20**	**19.72**	**1.00**	**0.50**

11. Operating Leases :

<u>General description of lease terms:</u>

i) Assets are taken on lease over a period of 2 to 10 years.

ii) Lease rentals are charged on the basis of agreed terms.

The aggregate payments made by the Company during the year towards operating leases are as under:

(Rs. in Lakhs)

Particulars	Period Ended	Year ended			
	31-Dec-10	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07
Rent of Premises	1,207.76	1,512.09	1,381.03	103.97	5.64

In the year 2008-2009 the Company opened its branch in Dubai, under the name of MT Management Solution to impart education to students in the UAE. The Branch had subsequently entered into an agreement with 'Wisdom Educational Institute (WEI), based in Dubai, for providing advisory services to WEI for enabling them to impart education and coaching.

12. Earning in foreign exchange :

Particulars	Period Ended	Year ended			
	31-Dec-10	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07
Professional Fees	360,000 (in AED)	24,268 (in AED)	Nil.	Nil.	Nil.
Total in Rs. Lakhs	**46.15**	**2.96**	**Nil.**	**Nil.**	**Nil.**

13. Expenditure in foreign exchange :

Particulars	Period Ended	Year ended			
	31-Dec-10	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07
Expenses for Dubai Branch	0.00	7,400 (in AED)	40,500 (In AED)	3,999 (In AED)	Nil.
Tour, Traveling and Business Expansion and Promotion.	0.00	5,400 (in USD)	Nil.	Nil.	Nil.
Expenditure on account of Royalty, Know-how, Professional & Consultancy, Fees, Interest and other Matters.	0.00	Nil.	1,000 (In AED)	Nil.	Nil.
Total (Rs. in Lakhs)	**0.00**	**3.52**	**5.75**	**0.46**	**Nil.**

14. Intangible Assets capitalized and written off :

(Rs. in Lakhs)

Particulars	Year ended/ Period Ended				
	31-Dec-10	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07
Opening balance	**138.64**	**38.34**	**0.06**	**0.06**	**0.00**
Goodwill	15.17	10.34	0.00	0.00	0.00
Trademark	0.00	0.00	0.06	0.06	0.00
Multimedia - Software	81.47	0.00	0.00	0.00	0.00
SAP Software	0.00	0.00	0.00	0.00	0.00
Non - Compete	42.00	28.00	0.00	0.00	0.00
Add: Addition during the year	**275.08**	**179.20**	**117.42**	**0.00**	**0.06**
Goodwill	0.00	15.00	75.42	0.00	0.00

Particulars	Year ended/ Period Ended				
	31-Dec-10	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07
Trademark	0.05	0.00	0.00	0.00	0.06
Multimedia - Software	172.45	122.20	0.00	0.00	0.00
SAP Software	71.08	0.00	0.00	0.00	0.00
Non – Compete	31.50	42.00	42.00	0.00	0.00
Less: Amortized during the year	**122.53**	**78.90**	**79.14**	**0.00**	**0.00**
Goodwill	7.62	10.17	65.08	0.00	0.00
Trademark	0.05	0.00	0.06	0.00	0.00
Multimedia - Software	72.70	40.73	0.00	0.00	0.00
SAP Software	10.66	0.00	0.00	0.00	0.00
Non – Compete	31.50	28.00	14.00	0.00	0.00
Closing balance	**291.19**	**138.64**	**38.34**	**0.06**	**0.06**
Goodwill	7.55	15.17	10.34	0.00	0.00
Trademark	0.00	0.00	0.00	0.06	0.06
Multimedia - Software	181.22	81.47	0.00	0.00	0.00
SAP Software	60.42	0.00	0.00	0.00	0.00
Non – Compete	42.00	42.00	28.00	0.00	0.00

During the Financial year 2006-07, the Company has capitalized cost of Trade Mark for Rs.0.06 Lakh.

During the Financial year 2008-09, the Company has capitalized

i) A sum of Rs.5 Lakhs paid to teaching institutions for teaching collaboration in Chennai as per Memorandum of Understanding dated July 25, 2008.

ii) A sum of Rs.10.50 Lakhs paid to Kirnam Raj Coaching Classes by the erstwhile MTCPL.

iii) Non-compete fees of Rs.42.00 Lakhs paid to Visiting Lecturers as per agreement dated April 16, 2008.

The Company has internally generated goodwill of Rs.59.92 Lakhs at the time of conversion of Mahesh Tutorials Commerce into MTCPL. The same has been fully amortised in the financial year 2008-09.

During the Financial year 2009-10, the company has capitalized

i) Rs.15.00 Lakhs paid on account of goodwill for acquisition of Scholars Academy, Mangalore.

ii) Non-compete fees of Rs. 42.00 Lakhs paid to Visiting Lecturers as per agreement dated April 16, 2008.

iii) Further, and amount of Rs. 122.20 Lakhs incurred in the previous year for in house development of multimedia software (TAT) and included in Capital work in progress has been capitalized as Intangible Assets during the year.

During the nine month period ended December 31, 2010, the Company has capitalized

i) Rs.71.08 Lakhs paid on account of SAP software, of which Rs. 60.15 lakhs was included in CWIP in Previous year.

ii) Non-compete fees of Rs. 31.50 Lakhs (for 9 months) paid to Visiting Lecturers as per agreement dated April 16, 2008.

iii) Rs. 155.15 Lakhs incurred in the previous year for in house development of multimedia software (TAT) and included in Capital work in progress.

iv) An amount of Rs.17,30 Lakhs incurred for in house development of multimedia software (TAT) and has been capitalized as Intangible Assets during the period ended December 31,2010.

v) Rs. 0.05 Lakhs towards cost of Trade Mark.

15. Basic and Diluted Earning Per Share ("EPS") computed in accordance with Accounting Standard 20 "Earning Per Share":

Particulars	**Period Ended**	**Year ended**			
	31-Dec-10	**31-Mar-10**	**31-Mar-09**	**31-Mar-08**	**31-Mar-07**
Restated Net profit available to equity shareholders (Rs. In Lakhs)	963.09	523.31	262.30	(291.15)	(49.47)
Weighted average number of equity shares outstanding during the period for Basic EPS	34,351,020	34,351,020	34,302,863	34,292,721	34,212,978
Weighted average number of equity shares outstanding during the period for Dilutive EPS	34,351,020	34,351,020	34,302,863	34,292,721	34,212,978
Total number of equity shares outstanding at the end of the year	34,351,020	10,40,940	1,73,490	1,22,540	1,00,000
Earning Per Share (Basic) (In Rs.)	**2.80**	**1.52**	**0.76**	**(0.85)**	**(0.14)**
Earning Per Share (Diluted) (In Rs.)	**2.80**	**1.52**	**0.76**	**(0.85)**	**(0.14)**

In the Financial year 2007-08, Compulsorily Convertible Preference Shares, being potential Equity Shares have not been included in the calculation of Diluted Earnings Per Share as they are anti-dilutive in nature.

16. The following table sets out the status of the gratuity plan and the amounts recognized in the Company's financial statements as at the Balance Sheet date

Provision for the period ended December 31, 2010 has been made pro-rata, based on the actuarial valuation as on March 31, 2011.

(Rs. in Lakhs)

Sr. No.	**Particulars**	**Year/Period Ended**	
		31-Dec-2010	**31-Mar-2010**
1	Amounts in the Balance Sheet:		
	Liabilities	83.34	24.16
	Assets	15.00	7.51
	Net Liability	68.34	16.65
	Present Value of funded obligation	68.34	16.65
2	Amounts in the Profit & Loss Account:		
	Current Service Cost	55.90	6.61
	Interest Cost	3.87	1.49
	Expected Return on Plan Assets	(0.45)	(0.42)
	Actuarial (gain) / loss for the year	(0.92)	(2.58)
	Total, included in 'employee benefit expense'	58.40	5.10
3	Reconciliation of defined benefit Obligation:		
	Present value of obligations as at the beginning of year	24.16	18.64

Sr. No.	Particulars	Year/Period Ended	
		31-Dec-2010	31-Mar-2010
	Interest Cost	3.87	1.49
	Current Service cost	55.90	6.61
	Actuarial (gain)/ loss on obligations	(0.59)	(2.58)
	(Benefit Paid in the normal course)	0.00	0.00
	Present value of obligations at the end of year	83.34	24.16
4	Reconciliation of plan assets		
	Fair Value of plan assets at the beginning of year	7.51	3.40
	Expected return on plan assets	0.45	0.42
	Contributions	6.71	3.68
	(Benefit Paid in the normal course)	0.00	0.00
	Actuarial Gains/(Losses) on Plan Assets	0.33	0.00
	Fair value of Plan assets at the year end	15.00	7.51
5	Key Assumptions used in accounting for Gratuity Plan		
	Salary Escalation	6%	4 %
	Discount Rate	8%	8 %

Acturial valuation has been done for the first time for the Financial years 2009-10 by Life Insurance Corporation of India.

For the Financial year 2008-09 an amount of Rs. 18.55 Lakhs is provided towards gratuity for the first time based on the calculations given by LIC and has been routed through the balance sheet by debiting the reserves and surplus account.

17. Capital Work in progress (CWIP) consist of:

(Rs. in Lakhs)

Particulars	Period Ended	Year ended			
	31-Dec-10	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07
Furniture and Fixture	5.26	30.88	50.00	158.32	12.85
Plant & Machinery	12.81	60.84	73.31	46.17	5.06
Intangible Assets	0.00	215.30	148.20	0.00	0.00
Total	**18.07**	**307.02**	**271.51**	**204.49**	**17.91**

Intangible Assets (of CIWP) consists of:

(Rs. in Lakhs)

Particulars	Period Ended	Year ended			
	31-Dec-10	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07
Multimedia Software	0.00	155.15	122.20	0.00	0.00
SAP Software	0.00	47.03	2.60	0.00	0.00
SAP System	0.00	13.12	0.00	0.00	0.00
Total	**0.00**	**215.30**	**148.20**	**0.00**	**0.00**

A sum of Rs.21.03 lakhs incurred during the Financial year 2009-10 for implementation of SAP ERP and 13.12 lakhs towards SAP hardware has been shown under CWIP. Gross amount in CWIP towards SAP, as on December 31, 2010 is Rs. 60.15 Lakhs.

A sum of Rs.155.15 Lakhs is incurred during the Financial year 2009-10 for in house development of multimedia software, TAT.

18. The Company operates in one business segment hence the reporting requirements pertaining to Accounting Standard 17 on "Segmental Reporting" are not applicable.

19. There is no amount payable by the company to Micro, Small and Medium Enterprise Suppliers as defined under Section 7 of the Micro, Small and Medium Enterprises Development Act, 2006. Identification of Micro, Small and Medium Enterprise Suppliers is based on management's knowledge of their status.

20. Figures for the previous periods have been regrouped / reclassified wherever necessary.

21. Events occurring after Balance Sheet Date

a. Employee Stock Options

The Company instituted Employee Stock Option Schemes, ESOP 2011 – I and ESOP 2011 - II on April 8, 2011, pursuant to Board and Shareholders' resolutions dated April 8, 2011 and April 13, 2011, respectively. The Company obtained consent from its members for grant of 1,40,887 options convertible into 1,40,887 Equity Shares of face value Rs. 10 each under ESOP – I and 272,912 options convertible into 1,40,887 Equity Shares of face value Rs. 10 each under ESOP – I respectively. The objective of ESOP 2011 – I and ESOP 2011 - II was to reward the employees for their past association and performance as well as to motivate them to contribute to the growth and profitability of our Company.

The Company subsequently granted 1,40,886 options under ESOP 2011 - I and 272,912 options under ESOP 2011 – II respectively and the balance 1 option in ESOP 2011 – I has been annulled in the Board Meeting held on June 2, 2011.

b. MT Associates Trust

The MT Associates Trust (the "Associate Trust") is an independent irrevocable trust established by a trust deed dated May 13, 2011 ("Trust Deed") for the benefit of certain persons associated with the Company through a subsisting valid contract of engagement for their services in their capacity as (i) faculty members across various coaching centers and courses, both full-time and part time; (ii) persons who structure and organize various courses offered by our Company; (iii) persons who manage various coaching centers and/or (iv) provide administrative assistance in relation to the business of our Company (the "Trust Beneficiaries").

Pursuant to Board and Shareholders' resolutions dated April 8, 2011 and April 13, 2011, respectively and the Trust Deed, the Company has on June 2, 2011 allotted 6,80,966 Equity Shares at a consideration of Rs. 10 per Equity Share to the Associate Trust ("Trust Shares"). The Trust Shares shall be held by the Associate Trust, in the name of the Trustee, in trust for and on behalf of the Trust Beneficiaries.

c. Acquisitions

The Company has acquired 51% of the paid-up equity share capital of Chitale's Personalised Learning Private Limited, which is engaged in the business of providing coaching for competitive examinations for admissions to universities offering masters in business administration degrees with effect from February 1, 2011.

The Company was holding 18% of the paid-up share capital of MT Education Services Private Limited. It has subsequently, on April 7, 2011 acquired the balance 82% shares from its existing shareholders, thereby making MTESPL, a 100% subsidiary of the Company.

22. Notes on Restatement Adjustment:

As per SEBI regulations, prior period adjustments in respect of items of income and expenditure have been done retrospectively in arriving at the profit and losses for the years/period to which they relate although the events affecting the income or expense occurred in subsequent years, the details of which are as under.

- **Revenue Recognition**: In the Financial year 2006-07, revenue was recognized on course percentage completion basis. Since Financial year 2007-08, Revenue from fees received is recognized equally over the period of service rendered i.e. course period. Hence, revenue for the Financial year 2006-07 has been adjusted to concur with the current revenue recognition policy of the company. Revenue for the Financial year 2006-07 has been reduced by Rs.0.91 lakh and consequently increased by Rs.0.91 lakh for Financial year 2007-08.

- **Capitalization of Rent**: Since Financial year 2008-09, the Company is following a policy that rent paid for the initial period for newly rented premises till the classes commence operations or 3 months' rent whichever is earlier has been capitalized. Accordingly to concur with the current accounting policy For the Financial year 2006-07 and Financial year 2007-08 an amount of Rs.3.04 lakhs and Rs.10.29 lakhs has been capitalized and the same has been reduced form rent expenses for the years.

- The impact of change in rent from expense to capitalization has affected the depreciation in both the years and in all the subsequent years.

  Impact on depreciation:

  (Rs. in Lakhs)

Particulars	Period or Year ended				
	31-Dec-10	**31-Mar-10**	**31-Mar-09**	**31-Mar-08**	**31-Mar-07**
Depreciation	0.34	1.94	2.74	2.63	0.13

  In the Financial year 2009-10 some branches, out of the branches for which rent has been capitalized, has been closed. An amount of Rs.4.56 Lakhs i.e. Written Down Value (W.D.V) of such branches has been charged to Profit and Loss account.

- **Preliminary Expenditure:** Preliminary Expenditure of Rs.1.75 lakhs has been fully written off in the Financial year 2006-07 in accordance with the accounting policy issued by ICAI in AS-26 to write off such expenses in the year it is incurred. .

  Such preliminary expenditure includes an expenditure of Rs. 1.75 lakhs which as per the new policy should have been written off in the year of its incurrence i.e. Financial year 2006-07. So adjustment of such amount has been done in both year by reducing amount of 'Miscellaneous Expenditure written off' by Rs. 1.75 lakhs in Financial year 2007-08 and charging the same in the Financial year 2006-07.

- **Leave Encashment Written Back**: In the Financial year 2008-09 the Leave policy of the Company had undergone a change wherein as per the new policy no leave encashment would be provided to employees anymore. Subsequently again, since Financial year 2009-10 the leave policy was changed to carry forward of unavailed leave of employees to next financial year. Hence, Provision for Leave Encashment for Rs.47.95 lakhs has been made for the Financial year 2008-09 as per the current accounting policy of the Company. In the same year reversal of excess leave provision of Rs.6.28 lakhs which has been shown as other income has now been reversed and reduced from total leave encashment provision.

  In the Financial year 2009-10 same amount of Rs. 47.95 lakhs has been written back and adjusted with personnel Cost.

- **Deferred tax reworked:** Deferred tax has been re-worked for each of the Financial years as required and the effect given for each year as under :

  (Rs. in Lakhs)

Particulars	Period or Year ended				
	31-Dec-10	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07
Deferred tax	0.49	6.54	40.16	47.12	0.07

Annexure VI: Statement of Secured Loans, As Restated

(Rs. in lakhs)

Particulars	As at December 31, 2010	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008	As at March 31, 2007
Working Capital Loan (O/D)					
SVC BANK	-	-	-	63.22	167.38
(Secured By Pledge of Fixed Deposit of SVC Bank)					
Vehicle Loan	-	-	-	-	-
Total	-	-	-	63.22	167.38

Notes:

1. There are no loans taken by the Company against any security for the Financial Years 2008-09, 2009-10 and for the nine months ended December 31, 2010.
2. The Company had been sanctioned an Overdraft facility of Rs. 405 Lakhs in 2006-07 against pledge of Fixed Deposits aggregating to Rs. 450 Lakhs. The applicable rate of interest was 11% p.a.. This facility was subsequently terminated in 2008-09.

Annexure VIA: Statement of Unsecured Loans, As Restated

(Rs. in lakhs)

Particulars	As at December 31, 2010	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008	As at March 31, 2007
Loans From:					
Promoters	-	-	-	0.43	0.25
Group Companies	-	-	-	-	4.81
Subsidiaries	-	-	-	8.20	-
Others					
Corporate Bodies*	-	-	500.00	-	500.00
Shareholders	-	-	-	1.55	1.58
Total	-	-	**500.00**	**10.18**	**506.64**

Notes:

*1. Loans from others consists of Loan taken from Bombay Rayon Fashion Limited at an interest rate of 9% and 12% per annum in Financial year 06-07 and Financial year 08-09 respectively.

2. Apart from the above, all other loans are interest free loans

Annexure VII: Statement of Loans & Advances, As Restated

(Rs. in lakhs)

Particulars	As at December 31, 2010	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008	As at March 31, 2007
Receivable from Promoter/ Promoter Group Companies:	21.25	24.75	3.50	-	-
Advance Tax and Tax deducted at source	1,207.38	705.80	334.83	59.17	0.81
Advances recoverable in cash or in kind					
to Suppliers	91.18	75.93	208.86	250.69	119.58
to Employees	26.93	22.92	11.52	-	-
to Visiting Faculties	114.64	60.75	4.83	0.22	5.50
to Shareholders	47.00	37.00	37.00	-	-
Deposits	908.61	887.26	937.96	218.72	31.56
Others	18.16	57.74	537.97	48.03	-
Total	**2,435.15**	**1,872.15**	**2,076.47**	**576.83**	**157.45**

Note:

1. Deposits consist of security deposits given for branches or classroom premises.

Annexure VIII: Statement of Sundry Debtors, As Restated

(Rs. in lakhs)

Particulars	As at December 31, 2010	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008	As at March 31, 2007
(Unsecured, considered doubtful)					
−Outstanding for a period less than six months	13.33	4.27	-	-	-
−Outstanding for a period exceeding six months	7.81	10.73	-	-	-
(Unsecured, considered good)					
−Outstanding for a period less than six months (Refer Note Below)	519.19	34.00	147.95	-	-
−Outstanding for a period exceeding six months	97.03	85.46	-	373.40	-
Less: Provision for Doubtful debts	(21.14)	(15.00)	-	-	-
Total	**616.22**	**119.46**	**147.95**	**373.40**	-

Note:

1. There are no receivables due from Promoters/Promoters' Group/Directors/Related Parties.

ANNEXURE - IX - Statement of Investments, As Restated

(Rs. in lakhs)

	Particulars	As at December 31, 2010	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008	As at March 31, 2007
A)	Long Term (At Cost) (Trade)					
	Investment in subsidiaries	-	-	-	3.00	-
	Investment in shares	0.49	0.49	0.31	-	-
	Investment in debentures	125.00	100.00	-	-	-
B)	Current Investments (At Cost or					
	Market Value which ever is lower)					
	Investments in Mutual Funds	1,908.65	1,783.81	878.04	1,383.69	-
	Total	**2,034.14**	**1,884.30**	**878.35**	**1,386.69**	-

Note:

	Particulars	As at December 31, 2010	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008	As at March 31, 2007
A)	Aggregate of Quoted Investments					
	Cost*	1,908.65	1,783.81	878.04	1,383.69	-
	Market Value	1,925.79	1,788.91	884.79	1,385.47	-
	Aggregate of Unquoted Investments					
	Subsidiary – Cost	-	-	-	3.00	-
	Others – Cost	125.49	100.49	0.31	-	-
	Total Cost	**2,034.14**	**1,884.30**	**878.35**	**1,386.69**	-

* On 31.12.2010, Market value of one of the investments was lower than cost by Rs.0.17 lakh which has been adjusted with the cost of the investment.

ANNEXURE - X - Statement of Other Income, As Restated

(Rs. in lakhs)

Particulars		For the Period ended December 31, 2010	For the Year ended March 31, 2010	For the Year ended March 31, 2009	For the Year ended March 31, 2008	For the Year ended March 31, 2007	Related / Incidental to Business Activity
A)	Recurring						
	Interest Income	96.75	165.37	99.78	45.00	3.33	Incidental
B)	Non – Recurring						
	Miscellaneous Income	17.61	28.53	36.56	0.40	0.03	Related
	Profit on sale of investments	7.53	8.31	-	-	-	Incidental
	Dividend	44.19	49.15	106.56	27.17	-	Incidental
	Rent	18.61	3.25	2.05	-	-	Incidental
	Arbitrage Income	-	-	0.04	59.00	-	Incidental
	Total	**184.69**	**254.61**	**244.99**	**131.57**	**3.36**	

Annexure XA: Statement of Direct Expenses, As Restated

(Rs. in lakhs)

Particulars	For the Period ended December 31, 2010	For the Year ended March 31, 2010	For the Year ended March 31, 2009	For the Year ended March 31, 2008	For the Year ended March 31, 2007
Direct Expenses					
Rent	1,248.13	1,597.31	1,462.13	97.43	3.85
Electricity	331.78	355.87	289.34	12.92	0.54
Study Material Expenses	414.71	491.49	451.53	10.13	7.00
Visiting Lecturer Fees	2,184.50	2,111.15	1,845.06	68.19	4.17
Total	**4,179.12**	**4,555.82**	**4,048.06**	**188.67**	**15.56**

Annexure XI: Statement of Share Capital, As Restated

(Rs. in lakhs)

Particulars	As at December 31, 2010	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008	As at March 31, 2007
Authorised					
Equity shares of Rs. 10 each	3,500.00	200.00	200.00	200.00	100.00
Unclassified Shares of Rs. 10 each	-	3,300.00	3,300.00	-	-
Compulsorily Convertible Preference Shares of Rs. 10 each	-	-	-	3,300.00	-
Total	**3,500.00**	**3,500.00**	**3,500.00**	**3,500.00**	**100.00**
Issued, Subscribed and Paid Up Share Capital					
Equity Share Capital					
Equity shares of Rs. 10 each	3,435.10	104.09	17.35	12.25	10.00
Preference Share Capital					
Preference shares of Rs. 10 each	-	-	-	3,280.01	-
Share Application Money	-	-	-	5.94	-
Total	**3,435.10**	**104.09**	**17.35**	**3,298.20**	**10.00**

Notes:

Issue of Equity Shares:

During the Financial year 2006-07, the Company has issued 90,000 Equity Shares of Rs. 10 each fully paid up at par.

During the Financial year 2007-08, the Company has issued 20,396 Equity Shares of Rs. 10 each fully paid up at par and 2,144 Equity Shares of Rs. 10/- each fully paid up at a premium of Rs. 8,990 per share.

During the Financial year 2008-09, the Company has issued 66 Equity Shares of Rs. 10 each fully paid up at a premium of Rs. 8,990 per share.

Issue of Compulsory Convertible Preference Shares:

During the Financial year 2007-08, the Company has issued 3,28,00,059 Compulsory Convertible Preference Shares of Rs.10 each fully paid up at par.

Conversion of Compulsory Convertible Preference Shares in to Equity Shares:

During the Financial year 2008-09, the Company has converted 3,28,00,059 Compulsory Convertible Preference Shares into 50,884 Equity Shares of Rs. 10 each fully paid up at a premium of Rs. 6,436.05 per share.

Issue of Bonus Shares:

During the Financial year 2009-10, the Company has declared a bonus of 5 shares for every share held. Accordingly 8,67,450 Equity Shares of Rs. 10 each as fully paid-up were allotted as Bonus Shares to existing shareholders by capitalizing the Securities Premium.

During the Financial year 2010-11, the Company has declared a bonus of 32 shares for every share held. Accordingly 3,33,10,080 Equity Shares of Rs. 10 each as fully paid-up were allotted as Bonus Shares to existing shareholders by capitalizing the SecuritiesPremium.

Annexure XII: Statement of Cash and Bank Balances, As Restated

(Rs. in lakhs)

Particulars	As at December 31, 2010	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008	As at March 31, 2007
Cash on Hand	9.85	4.88	45.55	0.47	0.07
Balance with Scheduled Banks					
−On Current Account	334.61	40.30	48.34	88.62	6.71
−On Deposit Account	1,571.95	1,142.85	1,236.65	450.00	450.00
Total	**1,916.41**	**1,188.03**	**1,330.54**	**539.09**	**456.78**

Annexure XIII: Statement of Current Liabilities and Provisions, As Restated

(Rs. in lakhs)

Particulars	As at December 31, 2010	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008	As at March 31, 2007
Current Liabilities:					
Sundry Creditors	40.71	82.15	183.25	22.12	16.18
Other Liabilities					
TDS & Service Tax Payable	123.36	49.97	62.37	55.41	3.87
Security Deposits	-	-	-	-	-
Expenses Payable	537.72	90.96	78.35	9.22	3.54
Others	49.58	50.88	47.95	2.44	0.48
Advance Fees	3,539.70	3,756.35	3,225.71	77.24	13.20
Total (A)	**4,291.07**	**4,030.31**	**3,597.63**	**166.43**	**37.27**
Provisions:					
Provisions					
Provision for Income Tax	1,214.03	678.34	291.04	-	-
Provision for Fringe Benefit Tax	44.57	44.57	44.57	3.04	0.14
Provision for Gratuity	68.34	16.65	22.61	0.86	-
Total (B)	**1,326.94**	**739.56**	**358.22**	**3.90**	**0.14**
Total (A + B)	**5,618.01**	**4,769.87**	**3,955.85**	**170.33**	**37.41**

Annexure XIV: Statement of Contingent Liabilities, As Restated

(Rs. in lakhs)

Particulars	As at December 31, 2010	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008	As at March 31, 2007
Corporate Guarantee given by Company					
To Subsidiaries	-	-	-	-	-
To Group Companies	-	-	-	-	-
To Others	-	-	-	-	-
Claims against the Company not acknowledged as debts	57.48	-	-	-	-
Guarantees issued by Banks on behalf of the Company	1.00	-	-	-	-
Total:	**58.48**	**-**	**-**	**-**	**-**

Note:

1. The Company has filed an appeal to the Commissioner of Income Tax (Appeal) [CIT (A)] against the demand raised by ACIT-10(3),Mumbai, u/s 143(3) of Income Tax Act, 1961 for Rs. 57.48 Lakhs, for the A.Y 2007-2008 vide Assessment Order dated December 24, 2009.

Annexure XV: Statement of Accounting Ratios, As Restated

Particulars	December 31, 2010	March 31, 2010	March 31, 2009	March 31, 2008	March 31, 2007
Net Assets as Restated (A) (Rs. in lakhs)	5,076.70	4,113.59	3,582.90	(135.62)	(39.47)
Net Worth as Restated (B) (Rs. in lakhs)	5,076.70	4,113.59	3,582.90	3,150.33	(39.47)
Restated Profit after Tax (C) (Rs. in lakhs)	963.09	523.31	262.30	(291.15)	(49.47)
Weighted Average Number of Equity Shares outstanding during the Year/Period					
For Basic Earnings Per Share (D)	3,43,51,020	3,43,51,020	3,43,02,863	3,42,92,721	3,42,12,978
For Diluted Earnings Per Share (E)	3,43,51,020	3,43,51,020	3,43,02,863	3,42,92,721	3,42,12,978
Earning Per Share (EPS)					
Basic Earnings Per Share F = C/D	2.80	1.52	0.76	(0.85)	(0.14)
Diluted Earnings Per Share G = C/E	2.80	1.52	0.76	(0.85)	(0.14)
Return on Net Worth (%) (H = C/B)	18.97%	12.72%	7.32%	-	-
Number of Equity Shares outstanding at the end of the year/period (I)	3,43,51,020	10,40,940	1,73,490	1,22,540	1,00,000
Net Assets Value per share of Rs. 10 each (J= A/I)	14.78	395.18	2,065.19	-	-

Notes:

1. The Ratios have been calculated as below:

Net Assets = Share holders Equity (This does not include Preference Shares)

Net Worth = Net Worth includes both Equity and Preference Shares and Reserves and Surplus

$$\text{Earning Per Share (Rs)} = \frac{\text{Restated Profit After Tax}}{\text{Weighted Average Number of Equity Shares Outstanding during the Year/Period}}$$

$$\text{Diluted EPS} = \frac{\text{Restated Profit After Tax}}{\text{Weighted Average Number of Dilutive Equity Shares outstanding}}$$

during the Year/Period

Net Asset Value Per Share = $\dfrac{\text{Net Assets as restated}}{\text{Number of Equity Shares outstanding at the end of the Year/Period}}$

Return on Net Worth (%) = $\dfrac{\text{Restated Profit After Tax}}{\text{Net Worth as restated}}$

2. Earnings Per Share has been calculated in accordance with Accounting Standard 20 - Earnings Per Share issued by the Institute of Chartered Accountants of India.

3. In the Financial year 2007-08, Compulsory Convertible Preference Shares, being potential Equity Shares have not been included in the calculation of Diluted Earnings Per Share as they are anti-dilutive.

4. On June 8, 2009, the Company has declared a bonus of 5 shares for every share held. Accordingly 8,67,450 Equity Shares of Rs. 10 each as fully paid-up were allotted as Bonus Shares to existing shareholders.

   On April 7, 2010, the Company has declared a bonus of 32 shares for every share held. Accordingly 3,33,10,080 Equity Shares of Rs.10 each as fully paid-up were allotted as Bonus Shares to existing shareholders.

Annexure XVI: Statement of Tax Shelters

(Rs. in lakhs)

Particulars	For the Period ended December 31, 2010	For the Year ended March 31, 2010	For the Year ended March 31, 2009	For the Year ended March 31, 2008	For the Year ended March 31, 2007
Profit before Prior Period Adjustment, Extra ordinary Items & Tax, as restated	**1,493.39**	**737.74**	**315.88**	**(291.01)**	**(48.42)**
Normal Tax Rate (%)	33.22%	33.99%	33.99%	33.99%	33.66%
MAT Tax Rate (%)	19.93%	17.00%	11.33%	11.33%	11.22%
Tax impact at applicable Tax Rate on restated profits	**496.07**	**250.76**	**107.37**	**-**	**-**
Adjustments					
Permanent Differences					
Donation (Net of 80 G deduction)	11.95	10.49	12.42	0.34	0.15
Loss/(Profit) On Sale Of Assets	68.11	134.85	(10.58)	-	-
Preliminary Expenses Disallowed	-	-	-	27.08	-
Prior Period Income	-	-	-	-	-
Other Expenses Disallowed	11.25	10.03	74.64	3.86	-
Total (A)	**91.31**	**155.37**	**76.48**	**31.28**	**0.15**
Timing Differences					
Difference between Tax & Book Depreciation	13.37	285.45	283.53	10.15	(2.69)
Difference in Amortisation of Preliminary Expenses	(0.33)	(0.33)	(0.33)	-	-
Gratuity Difference	51.69	1.43	(4.06)	0.86	-
Provision for Doubtful Debts	7.82	15.00	-	-	-
Leave Encashment Difference	6.76	(25.64)	41.67	1.13	-
Other Adjustments					
'-Loss of Previous year C/f	-	-	(309.52)	-	-
Other Deduction/Addition	-	-	(16.23)	16.23	-
Expenses u/s 40 (a) (ia)					
Total (B)	**79.31**	**275.91**	**(4.94)**	**28.37**	**(2.69)**
Long Term Capital Gain exempt u/s 10(38) (C)	(7.53)	(11.08)	-	-	-
Dividend Income exempt u/s 10(34) (D)	(44.19)	(49.15)	(106.56)	(27.17)	-
Net Adjustments (A) + (B) +(C) +	**118.90**	**371.05**	**(35.02)**	**32.48**	**(2.54)**

Particulars	For the Period ended December 31, 2010	For the Year ended March 31, 2010	For the Year ended March 31, 2009	For the Year ended March 31, 2008	For the Year ended March 31, 2007
(D) = (E)					
Tax Expense/(Saving) thereon - (E) * Tax Rate	**39.50**	**126.12**	**(11.90)**	**-**	**-**
Total Taxation (F)	**535.57**	**376.88**	**95.46**	**-**	**-**
Tax as per MAT (G)	292.17	120.90	24.33	-	-
Tax Payable higher of (F) or (G)	535.57	376.88	95.46	-	-
Total Tax (without interest)	535.57	376.88	95.46	-	-
Add :- Interest u/s 234 A/B/C	-	10.05	7.78	-	-
Total Tax , as restated	535.57	386.93	103.24	-	-
Tax Changes due to restatement	0.11	0.36	(3.63)	-	-
Tax Provision based on Taxable Income	**535.68**	**387.29**	**99.61**	**-**	**-**

Annexure XVII: Statement of Capitalisation, As Restated

(Rs. in lakhs)

Particulars	Pre-Issue	Post-issue (Note 1)
	As at December 31, 2010	
Borrowings:		
Short term debt	-	
Long term debt	-	
Total Debt	-	
Shareholder's Funds:		
Equity Share Capital	3,435.10	
Reserves and Surplus	1,641.60	
Less: Misc. Expenditure	-	
Total Shareholder's Funds	5,076.70	
Total Debt Equity Ratio	-	

Note:
1. Share Capital and Reserves and Surplus can be ascertained only on conclusion of the book building process

Annexure XVIII: Statement of Related Party Transactions, As Restated
(In compliance with Accounting Standard 18 - Related Party)

A. List of related parties (As identified by the management)

i Subsidiaries where control exist:

Sr. No.	December 31, 2010	March 31, 2010	March 31, 2009	March 31, 2008	March 31, 2007
1.	-	-	-	Mahesh Tutorials Pvt Ltd	-
2.	-	-	-	Mahesh Tutorials Commerce Pvt Ltd	-
3.	-	-	-	Mahesh Tutorials Science Pvt Ltd	-

ii Associates:

Sr. No.	December 31, 2010	March 31, 2010	March 31, 2009	March 31, 2008	March 31, 2007
1	-	-	-	-	-

iii Key Management Personnel

Sr. No.	December 31, 2010	March 31, 2010	March 31, 2009	March 31, 2008	March 31, 2007
1.	Mr. Mahesh Shetty	Mr. Mahesh Shetty	Mr. Mahesh Shetty	Mr. Mahesh Shetty	Mr. Mahesh Shetty
2.	Mr. Narayanan Iyer	Mr. Narayanan Iyer	Mr. Narayanan Iyer	Mr. Narayanan Iyer	Mr. Narayanan Iyer

iv Enterprises over which KMP is able to exercise significant influence

Sr. No.	December 31, 2010	March 31, 2010	March 31, 2009	March 31, 2008	March 31, 2007
1.	M/s. Mahesh Tutorials Chembur	M/s. Mahesh Tutorials Chembur	M/s .Mahesh Tutorials Chembur	M/s. Mahesh Tutorials Chembur	M/s .Mahesh Tutorials Chembur
2.	M/s .Mahesh Tutorials Mulund	M/s. Mahesh Tutorials Mulund	M/s. Mahesh Tutorials Mulund	M/s.Mahesh Tutorials Mulund	M/s. Mahesh Tutorials Mulund
3.	-	-	-	Mahesh Tutorials Private Limited	Mahesh Tutorials Private Limited
4.	-	-	-	M/s. Mahesh Tutorials Commerce	M/s. Mahesh Tutorials Commerce
5.	-	-	-	M/s. Mahesh Tutorials	M/s. Mahesh Tutorials

Sr. No.	December 31, 2010	March 31, 2010	March 31, 2009	March 31, 2008	March 31, 2007
				Science	Science
6.	MT Education Services Pvt. Ltd.	MT Education Services Pvt. Ltd.	-	-	-
7.	MT Educare Charitable Trust	MT Educare Charitable Trust	-	-	-
8.	Neptune Developers Limited	Neptune Developers Limited	Neptune Developers Private Limited	Neptune Developers Private Limited	Neptune Developers Private Limited
9.	Neptune Ventures & Developers Pvt. Ltd.	Neptune Ventures & Developers Pvt. Ltd.	Neptune Ventures & Developers Pvt. Ltd.	-	-
10.	-	-	Neptune Enterprises	Neptune Enterprises	Neptune Enterprises
11.	Neptune Developers	Neptune Developers	Neptune Developers	Neptune Developers	Neptune Developers
12.	Neptune Construction	Neptune Construction	Neptune Construction	Neptune Construction	Neptune Construction
13.	Global Education Trust	Global Education Trust	Global Education Trust	Global Education Trust	Global Education Trust

v. **Relatives of Key Management Personnel:**

Sr. No.	December 31, 2010	March 31, 2010	March 31, 2009	March 31, 2008	March 31, 2007
1.	Mr. Kalathur. R. Shetty	Mr. Kalathur. R. Shetty	Mr. Kalathur. R. Shetty	Mr. Kalathur. R. Shetty	Mr. Kalathur. R. Shetty
2.	Mrs. Lalita Shetty	Mrs. Lalita Shetty	Mrs. Lalita Shetty	Mrs. Lalita Shetty	Mrs. Lalita Shetty
3.	Mrs. Roopa Shetty	Mrs. Roopa Shetty	Mrs. Roopa Shetty	Mrs. Roopa Shetty	Mrs. Roopa Shetty

Annexure XVIII: Statement of Related Party Transactions, As Restated

A. Details of transactions with Related Parties

(Rs. in lakhs)

Related Party	Relationship	Nature of Transactions	Period Ended	Year Ended			
			December 31, 2010	March 31, 2010	March 31, 2009	March 31, 2008	March 31, 2007
Mahesh Tutorials Private Limited	Subsidiary	Rent	-	-	-	2.51	-
Mahesh Tutorials Private Limited	Subsidiary	Training Fees	-	-	-	0.96	-
Mr. Narayanan Iyer	Director	Directors Remuneration	-	-	25.80	39.25	-
Mahesh Shetty	Director	Directors Remuneration	36.18	48.24	48.24	49.60	-
Mahesh Shetty	Director	Rent	3.97	5.29	-	-	-
M/s.Mahesh Tutorials Chembur	Director being Partner	Rent	53.83	71.77	50.38	-	-
M/s.Mahesh Tutorials Mulund	Director being Partner	Rent	17.84	23.79	20.14	-	-
MT Education Services Pvt. Ltd.	Director being Director & Shareholder	Investment in shares	-	0.18	-	-	-
MT Education Services Pvt. Ltd.	Director being Director & Shareholder	Debentures	25.00	100.00	-	-	-
MT Education Services Pvt. Ltd.	Director being Director & Shareholder	Interest on loan	4.71	0.36	-	-	-
MT Educare Charitable Trust	Director being a Trustee	Interest on loan	0.96	0.18	-	-	-
Neptune Ventures & Developers Pvt. Ltd.	Director being a Director & Shareholder	Interest received on loan	4.92	27.01	2.82	-	-
Neptune Ventures & Developers Pvt. Ltd.	Director being a Director & Shareholder	Sponsorship money received netted of from Selling Expenses	-	0.18	10.40	-	-
Neptune Developers Ltd.*	Director being a Director & Shareholder	Advance against Property	-	-	-	-	100.00
Neptune Developers Private Ltd.	Director being a Director & Shareholder	Sponsorship money received netted of from Selling	-	-	5.00	-	-

Related Party	Relationship	Nature of Transactions	Period Ended	Year Ended			
			December 31, 2010	March 31, 2010	March 31, 2009	March 31, 2008	March 31, 2007
		Expenses					
Global Education Trust	Director being a Trustee	Donation given	22.69	13.96	-	-	-

Annexure XVIII: Statement of Related Party Transactions, As Restated

A. Details of Loan transactions with Related Parties

(Rs. in lakhs)

Related Party	Relationship	Nature of Transactions	Op. Balance	Loan Given/taken	Loan Repaid	Closing
Year Ended 31st Mar , 2007						
B Narayanan	Key Management Personnel	Loan Taken by Company	-	1.58	-	1.58
Mahesh Shetty	Key Management Personnel	Loan Taken by Company	-	0.25	-	0.25
Mahesh Tutorials Pvt. Ltd.	Subsidiary	Loan Taken by Company	-	5.25	0.44	4.81
Year Ended 31st Mar , 2008						
B Narayanan	Key Management Personnel	Loan Taken by Company	1.58	0.65	1.82	0.41
Mahesh Shetty	Key Management Personnel	Loan Taken by Company	0.25	0.67	0.49	0.43
Mahesh Tutorials Pvt. Ltd.	Subsidiary	Loan Taken by Company	4.81	392.39	389.00	8.20
K R Shetty	Relative of Key Managerial Personnel	Loan Taken by Company	-	0.27	-	0.27
Lalitha Shetty	Relative of Key Managerial Personnel	Loan Taken by Company	-	0.13	-	0.13
Roopa Shetty	Relative of Key Managerial Personnel	Loan Taken by Company	-	0.20	-	0.20
Mahesh Tutorials Science Pvt. Ltd.	Subsidiary	Loan Given by Company	-	314.00	314.00	-
Year Ended 31st Mar , 2009						
B Narayanan	Key Management Personnel	Loan Taken by Company	3.51	-	3.51	-
K R Shetty	Relative of Key Managerial Personnel	Loan Taken by Company	1.63	-	1.63	-
Lalitha Shetty	Relative of Key Managerial Personnel	Loan Taken by Company	1.35	-	1.35	-
Roopa Shetty	Relative of Key Managerial Personnel	Loan Taken by Company	4.75	-	4.75	-
Mahesh Shetty	Key Management Personnel	Loan Taken by Company	4.17	0.45	4.62	-
Mahesh Tutorials Chembur	Director being Partner	Loan Given by Company	-	3.50	-	3.50
Neptune Ventures & Developers Pvt Ltd	Director being a Director & Shareholder	Loan Given by Company	-	500.00	500.00	-
B Narayanan	Key Management Personnel	Loan Given by Company	4.57	0.20	4.77	-
Year Ended 31st Mar , 2010						
MT Educare Charitable Trust	Director being a Trustee	Loan Given by Company	-	21.25	-	21.25
Neptune Ventures & Developers Pvt Ltd	Director being a Director & Shareholder	Loan Given by Company	-	275.00	275.00	-
Mahesh Tutorials	Director being Partner	Loan Given by	3.50	-	-	3.50

Related Party	Relationship	Nature of Transactions	Op. Balance	Loan Given/taken	Loan Repaid	Closing
Chembur		Company				
Nine Month Ended 31st Dec , 2010						
MT Educare Charitable Trust	Director being a Trustee	Loan Given by Company	21.25	-	-	21.25
Neptune Ventures & Developers Pvt Ltd	Director being a Director & Shareholder	Loan Given by Company	-	500.00	500.00	-
Mahesh Tutorials Chembur	Director being Partner	Loan Given by Company	3.50	-	3.50	-

Notes:

1. Pursuant to the Scheme of Arrangement between the Company, Mahesh Tutorials Private Limited (MTPL), Mahesh Tutorials Commerce Private Limited (MTCPL) and Mahesh Tutorials Science Private Limited (MTSPL) and their respective shareholders, duly approved by all the share holders / creditors and subsequently sanctioned by the Hon'ble High Court of Judicature at Bombay vide its order dated August 5, 2009, certified true copy of which was filed with the Office of the Registrar of Companies, Mumbai, Maharashtra on September 1, 2009 ('Effective date') , all the assets and liabilities of erstwhile MTPL, MTCPL, MTSPL stand transferred to and vested with the Company effective from April 1, 2008 ('Appointed date').
   Hence, opening balance for the Financial Year 2008-09 includes opening balance of MTPL, MTCPL and MTSPL.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION

You should read the following discussion of our Company's financial condition and results of operations in conjunction with the restated audited financial statements including the schedules and notes thereto and the examination reports thereon, which appear on page 152.

This discussion contains forward-looking statements that involve risks and uncertainties. Our Company's actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors, such as the risks set forth in "Risk Factors" and "Forward Looking Statements" on pages xi and x, respectively.

The following discussion of the financial conditions and results of operation is based on, and should be read in conjunction with, the audited standalone financial statements, as restated, as of and for the years ended March 31, 2010, 2009 and 2008 and the nine months ended December 31, 2010. Unless otherwise indicated, references in this discussion and analysis to our Company's results of operations or financial condition for a specified year are to the financial year ended March 31 of such year. In this section, any reference to "we", "us", "our", unless the context otherwise implies, refers to our Company.

Overview

We are an education support and coaching services provider for students in the secondary and higher secondary school and for students pursuing graduation degree in commerce, preparing for various competitive examinations and undertaking chartered accountancy examinations. Our Company has operations across the states of Maharashtra, Tamil Nadu, Karnataka and Gujarat, through 190 Coaching Centres in 106 locations, as on May 15, 2011. Of these, our Company operates 28 Coaching Centres in eight locations in Maharashtra in cities such as Nashik, Aurangabad and Nagpur, through franchisee arrangements. Our Company is one of the leading coaching services providers in Maharashtra, with primary operations in Mumbai with 138 Coaching Centres in 85 locations as on May 15, 2011. We also provide coaching for competitive examinations for admissions to universities offering masters in business administration degrees through our subsidiary, CPLPL, which operates in four locations in Mumbai. Additionally, we have recently started operations at six locations in New Delhi and Gurgaon under the brand '*Study Mate – Powered by MT Educare*' through HT Learning Centres Limited ("HTLCL"), which is a joint venture of our wholly owned subsidiary, MTESPL with HT Education Limited. Our Company, through its Dubai branch, MT Management Solution, also provides management consultancy services to a coaching center in Dubai which includes providing coaching and administrative support services for secondary and higher secondary school curriculum of various education boards.

The number of 'Students Serviced' *i.e.,* the number of students from whom revenue has been recognised, in whole or part, based on the distinct Courses availed by them during the relevant Fiscal, in the Coaching Centres operated by our Company, in the last three Fiscal years is as below:

Services	**Fiscal**		
	2011	**2010**	**2009**
School Section	29,249	27,324	24,803
Science Section	11,527	11,240	9,289
Commerce Section	17,695	14,163	10,225
Total	**58,471**	**52,727**	**44,317**

In addition to the above, the number of Students Serviced through the 28 Coaching Centres operated through franchisee arrangements, which commenced operations in Fiscal 2011, is as below:

Services	**Fiscal 2011**
School Section	595
Science Section	877

Services	Fiscal 2011
Commerce Section	-
Total	**1,472**

For the Fiscals 2007, 2008, 2009, 2010 and the nine months ended December 31, 2010, our Company had aggregate operating income of Rs. 7.02 lakhs, Rs. 454.62 lakhs, Rs. 7,271.55 lakhs, Rs. 8,324.55 lakhs and Rs. 8,383.61 lakhs, respectively. Our Company recorded loss after tax and extraordinary items of Rs. 49.47 lakhs for Fiscals 2007 and Rs. 291.15 lakhs for Fiscal 2008, profit after tax and extraordinary items of Rs. 262.30 lakhs and Rs. 523.31 lakhs for Fiscals 2009 and 2010, respectively and profit after tax and extraordinary items of Rs. 963.09 lakhs for the nine months ended December 31, 2010.

Factors Affecting our Company's Results of Operations

Set forth below is a discussion of some of the important factors affecting the results of operations of our Company:

1. ***Brand Recognition:*** Our Company believes that it has established itself as a quality education support and coaching services provider and has been able to achieve a competitive position in the state of Maharashtra. Our Company believes that its brand has benefitted from, amongst other things, the experience and reputation of our Promoter, marketing and advertising campaigns, our ability to introduce new courses and provide quality services to the Students Serviced, and a track record of good academic performances by our students. Our Company believes that its brand equity has been instrumental in increasing the number of Students Serviced over the years. Any negative impact on our Company's brand equity may result in a decrease in the number of student enrolments, which would have an adverse impact on our results of operations.

2. ***Change in the rate of enrollments and the Students Serviced:*** The growth in the number of enrollments at the Coaching Centres significantly influences our Company's revenue growth. Enrollments impact both the current and future results because in certain cases the students enroll for courses approximately 12 to 18 months prior to the commencement of the course. The rate of increase in enrollments is significantly dependent upon our Company's reputation, the quality and popularity of the services provided by it and its perception amongst students and parents. Moreover, any significant decrease in enrollments would also impact the number of Students Serviced, which would have a material adverse effect on our Company's revenues.

3. ***Fee structure:*** The fee charged for the tutorial services is an important factor considered by students and parents while selecting a tutorial services provider. Due to significant competition in the informal education market, our Company is exposed to pressures on its fee structure. Certain of our Company's competitors have used price reduction as a competitive strategy, especially when faced with a slowdown in new enrollments. Whilst our Company has not reduced its fee due to competitive pressures in the past, in the event that it is required to reduce the fee structure to align it with competitors for retention of enrollments or for any other reasons, our Company's revenue would be adversely impacted.

   In accordance with our Company's accounting policy, the fee paid to our Company for a particular course, is recognised equally over the duration of the course. Consequently, the revenue varies in each quarter based on the commencement and tenure of the courses. The aforestated impact on our revenue is more pronounced in the last quarter of the financial year due to a decrease in the number of coaching hours as a majority of courses conclude prior to examinations, which are typically held during the months of February and March.

4. ***Changes in government policies:*** Our Company's business presently is not specifically regulated either by any national legislations or state legislations. The central or state governments may, however, introduce laws to regulate the education sector or more specifically the tutorial services business in relation to its operations, expansions, fee and other charges. Such regulations may curtail or impose additional obligations on the operations of our Company and may increase the operational costs of our Company.

5. ***Change in examination patterns:*** The syllabi for the secondary, higher secondary and high school services are updated periodically subject to the discretion of the central and state governments. Moreover, the patterns of examinations may be modified by reducing the time period of the examination or altering the nature of questions included in these examinations. In relation to competitive examinations, the formats and difficulty levels may also vary. In case of such alterations or revisions of examination patterns, the course materials, teaching and testing methodologies, and structure of the courses may have to be modified by our Company. Our Company incurs expenditure on an ongoing basis to update its course materials and for the training of its faculty, and in the event of any significant changes to the examination patterns or syllabi, such expenditure may increase significantly.

6. ***Competition:*** The tutorial services sector is highly fragmented and competitive. Our Company not only competes with organized players but also a high percentage of unorganized entities such as individual tutors and small scale institutes. The players in the unorganized sector offer their services at highly competitive rates and are well-established in the local areas. For further details, please see the section "Business - Competition" on page 115.

7. ***Other factors:*** For a discussion of the other factors that affect or may affect the results of operation, cash flows and financial condition of our Company, please see the section "Risk Factors" on page xi.

Critical Accounting Policies

Our Company has identified the accounting policies summarized below as critical to the understanding of its financial condition and results of operations. The preparation of our Company's financial statements requires our Company to make estimates and assumptions, based on, amongst others, industry trends, our Company's experience and upon management's best knowledge of current events and actions, which are subject to an inherent degree of uncertainty. Such estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Whilst our Company believes the estimates and assumptions to be reasonable under the circumstances, there can be no assurance that our Company's estimates and assumptions will prove correct or that the actual results reported in future periods will not differ from the expectations reflected in our Company's accounting treatment of certain items. Any differences between the actual results and the estimates are recognised in the period in which they are determined. In addition, other companies may utilise different accounting policies, which may impact the comparability of our Company's results of operation to those of other companies in similar business. For a full discussion of our Company's significant accounting policies, please see "Financial Statements" on page 152.

1. Basis of Accounting

The financial statements have been prepared under the historical cost convention on an accrual basis and comply with the Accounting Standard (AS) notified by the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act. The accounting policies have been consistently applied by our Company in accordance with generally accepted accounting principles (GAAP) and except for the changes in accounting policy discussed herein below in detail, are consistent with those used in the previous year.

2. Revenue Recognition

Revenue is recognized to the extent that it is probable that economic benefits will flow to our Company and revenue can be reliably ascertained. Revenue from fees received is recognized equally over the period of service rendered (course duration). At the time of admission, fees received from students are booked at gross amount and shown as 'advance fees'. Discounts and concessions are accounted for separately in a similar manner.

Our Company has adopted the Income Approach to recognize government grants. As per AS 12 on government grants issued by ICAI, government grants should be recognized in the profit and loss statement on a systematic and rational basis over the periods necessary to match them with the related costs.

Franchisee fee received is recognized over the period of the franchisee agreement. Commission/ royalty income is recognized as per the franchise agreement. Interest is recognized using the time-proportion method. Dividend income is recognized when our Company's right to receive dividend is established.

3. Lease Rent

Operating Leases

Leases where the lessor effectively retains substantially all risks and benefits of ownership of the leased premises during the lease term are classified as operating leases. Operating lease payments are recognized as an expense in the Profit and Loss account on a monthly accrual basis as per agreements, except in case of newly rented premises where the rent paid for the period beginning/commencing from taking over vacant possession of premises and ending with date of completion of the improvements/project or rent paid for three months, whichever is earlier, is capitalized and added to the cost of leasehold improvements.

4. Fixed Assets and Capital Work in progress

Fixed assets are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises of the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Rent paid for the period beginning/commencing from taking over vacant possession of the premises and ending with the date of completion of project/improvements or for a period of three months, whichever is earlier, is capitalized under leasehold improvements.

Capital work in progress are assets not ready for the intended use as at the Balance Sheet date and include assets at new centres which have not commenced operations till year end.

In case of centers closed down or relocated during the year, the written down value of leasehold improvements/fixtures as on the date on which the centre is closed are fully written off as loss on capital assets.

5. Impairment of Assets

All assets other than inventories, investments and deferred tax asset, are reviewed for impairment, wherever events or changes in circumstances indicate that the carrying amount may not be recoverable. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount.

6. Depreciation

Depreciation on all assets is provided on written down value method and at the rates and in the manner specified in Schedule XIV of the Companies Act. Individual item(s) costing less than Rs. 5,000 and not forming part of a cluster of assets (chairs, benches etc.) are written off at the rate of 100%. Depreciation on assets acquired/sold during the year is provided on pro-rata basis with reference to the date of installation/put to use/date of entry in the books or disposal. Depreciation on leasehold improvements is provided at the rates applicable to furniture and fixtures and in the manner specified in Schedule XIV of the Companies Act.

7. Government Grants

Our Company has adopted the Income Approach to recognize government grants. As per AS 12 on government grants issued by ICAI, government grants should be recognized in the profit and loss statement on a systematic and rational basis over the periods necessary to match them with the related costs.

The expenses incurred in relation to the Scheme are debited to the profit and loss account. An appropriate amount in respect of such grant, recognizing the amount of grant over the period of service rendered, is credited to income for the year even though the actual amount of such benefits may finally be settled and received after the end of the relevant accounting period.

8. Investment

Long term investments are valued at cost with an appropriate provision for permanent diminution in value, if any. Investment that is readily realizable and is intended to be held for not more than one year is valued at lower of cost or realizable value.

9. Employee Benefits

C. Provident fund

As per the Employees Provident Funds and Miscellaneous Provision Act, 1952 employees of our Company are entitled to receive benefits under the provident fund and family pension fund which is a defined contribution plan. These contributions are made to the fund administered and managed by Government of India. Our Company's contribution to the schemes is recognized as expense in the profit and loss account during the period in which the employee renders the related services. Our Company has no other obligation to the plans beyond its monthly compensations.

D. Gratuity

Our Company provides for gratuity obligations through a defined benefit retirement plan (the "Gratuity Plan") covering all employees. Our Company makes annual contributions to the Life Insurance Corporation of India for the Employees' Group Gratuity-cum-Life Assurance Scheme in respect of all qualifying employees. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and tenure of employment in accordance with the Payment of Gratuity Act, 1972. The present value of the obligation under such defined benefit plan is determined based on the actuarial valuation using the Projected Unit Credit Method. Actuarial gains and losses are recognised in full in the profit and loss account for the period in which they occur.

The part of contribution which is towards life insurance is charged to profit and loss account of the year in which it becomes payable.

E. Leave Entitlement

Our Company provides Leave Encashment benefits to its employees only in the event of their resignation, based on their accumulated leave balances in accordance with the provisions of "The Bombay Shops and Establishment Act, 1948". As per the policy of our Company, an employee can accumulate a maximum of 39 days leave over a period of two years, failing which the leave would lapse. Accordingly, leave encashment has been provided based on the last drawn monthly salary of employees in service as at the year end.

10. Provision for Current and Deferred Taxation

Current period tax is ascertained and accounted at the amount expected to be paid to Income tax authorities in accordance with the provisions of Income Tax Act.

Deferred tax is recognized, subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are not recognized on unabsorbed depreciation and carry forward losses unless there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

11. Earning Per Share

Basic earning per share is calculated by dividing the Net Profit/(Loss) after tax for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average numbers of equity shares outstanding during the period are adjusted for events of bonus issue. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

12. Segment Reporting

Our Company's business activities fall within a single segment viz conducting commercial training, coaching, tutorial classes and activities incidental and ancillary thereon. In case of geographical (secondary) segment, since segment assets and segment revenue do not exceed 10% of total business segments, segment reporting is not required.

Recent Changes in Accounting Policies

1. Revenue Recognition.

Until Fiscal 2007, the revenue from fees received was recognized by our Company on a percentage of course completion basis. Beginning from Fiscal 2008, the revenue from fees received is recognized equally over the period of service rendered (course duration). For further details, please see "- Critical Accounting Policies" and "Financial Statements" on pages 203 and 152, respectively.

2. Capitalization of pre-operative rent

Since Fiscal 2009, the rent paid for newly rented premises for the period commencing from acquisition of vacant possession of premises up to the date of completion of the improvements or three months, whichever is earlier, is capitalized and added to the cost of leasehold improvements. For further details, please see "- Critical Accounting Policies" and "Financial Statements" on pages 203 and 152, respectively.

3. Leave Encashment

During Fiscal 2009, the leave policy of our Company underwent a change whereby leave encashment was ceased. Subsequently, since Fiscal 2010 our Company provides leave encashment on resignation based on the leave accumulated in accordance with the provisions of the Bombay Shops and Establishments Act, 1948. For further details, please see "- Critical Accounting Policies" and "Financial Statements" on pages 203 and 152, respectively.

Results of Operations

The following table sets forth select financial data from our Company's profit and loss account for the nine months ended December 31, 2010 and Fiscals 2010, 2009 and 2008, the components of which are also expressed as percentages of total income for such periods.

(Rs. in lakhs)

Particulars	Nine month period ended December 31, 2010	Percentage of Total Income	Fiscal 2010	Percentage of Total Income	Fiscal 2009	Percentage of Total Income	Fiscal 2008	Percentage of Total Income
Income:								
Fees received	8,256.75	96.36%	8,275.51	96.46%	7,071.15	94.07%	454.62	77.56%
Government Grants	126.86	1.48%	49.04	0.57%	200.40	2.67%	-	-
Total Operating Income	*8,383.61*	*97.84%*	*8,324.55*	*97.03%*	*7,271.55*	*96.74%*	*454.62*	*77.56%*
Other income	184.69	2.16%	254.61	2.97%	244.99	3.26%	131.57	22.44%
Total Income	**8,568.30**	**100.00%**	**8,579.16**	**100%**	**7516.54**	**100%**	**586.19**	**100%**
Expenditure:								
Direct Expenses	4,179.12	48.77%	4,555.82	53.10%	4,048.06	53.86%	188.67	32.19%
Personnel Expenses	1,009.70	11.78%	1,103.75	12.87%	1,042.14	13.86%	142.56	24.32%
Administrative Expenses	689.14	8.04%	785.80	9.16%	686.28	9.13%	395.31	67.44%
Selling Expenses	565.87	6.60%	586.09	6.83%	660.01	8.78%	65.87	11.24%
Finance Expenses	9.13	0.11%	20.74	0.24%	44.26	0.59%	33.37	5.69%
Depreciation	621.95	7.26%	789.22	9.20%	719.91	9.58%	51.42	8.77%
Total Expenditure	**7,074.91**	**82.57%**	**7,841.42**	**91.40%**	**7,200.66**	**95.80%**	**877.20**	**149.64%**
Net Profit/(Loss) before Tax and Extraordinary Items	**1,493.39**	**17.43%**	**737.74**	**8.60%**	**315.88**	**4.20%**	**(291.01)**	**(49.64)%**
Taxation:								
Taxation	(535.69)	(6.25)%	(387.30)	(4.51)%	(104.00)	(1.38)%	-	-
Provision for Deferred Tax	5.39	0.06%	172.87	2.01%	78.96	1.05%	2.76	0.47%
Provision for Fringe Benefit Tax	-	-	-	-	(28.50)	(0.38)%	(2.90)	(0.49)%
Short/ Excess Provision for Tax	-	-	-	-	(0.04)	-	-	-
Net Profit/ (Loss) before Extraordinary Items	**963.09**	**11.24%**	**523.31**	**6.10%**	**262.30**	**3.49%**	**(291.15)**	**(49.67)%**
Extraordinary Items	-	-	-	-		-	-	-
Net Profit/(Loss) after Tax	**963.09**	**11.24%**	**523.31**	**6.10%**	**262.30**	**3.49%**	**(291.15)**	**(49.67)%**

Income

Our Company's operating income consists of income from fees received and income from government grants. Our Company's other income includes interest income, miscellaneous income related to the business of our Company, profit on sale of investments, and income from dividends and rents.

Expenditure

Our Company's total income comprises of direct expenses, personnel expenses, administrative expenses, selling expenses, finance expenses and depreciation.

Expenditure owing to direct expenses is primarily attributable to rent, electricity charges, expense incurred on study material and fees paid to Visiting Faculty. Personnel expenses comprise of the salaries paid to the staff and other expenditure incurred on staff welfare activities. Administrative expenses are primarily attributable to general office expenses related to printing, stationery, insurance, travel and professional fees, expenditure incurred on repairs and maintenance of the Coaching Centres and offices. The selling expenses constitute the expenditure incurred by our Company for business promotion, advertisement and marketing. Finance charges consist of bank charges and commissions paid. Depreciation included depreciation of assets, such as buildings, leasehold improvements, fixtures and furniture, and other office equipment, and amortization of intangible assets such as content development and goodwill on acquisition.

Effect of Restatement Adjustments

Our Company's financial statements for the nine months ended December 31, 2010 and Fiscals 2007, 2008, 2009 and 2010 have been restated in accordance with the SEBI Regulations. Accordingly, certain prior period adjustments have been undertaken retrospectively in arriving at profit and loss. For a description of the impact of adjustments to our Company's financial statements on account of such restatement, please see the section "Financial Statements - Notes forming part of Financial Information, As Restated" and "Financial Statements – Statement on Adjustments to Audited Financial Statements" on pages 168 and 162, respectively.

Discussion on our Company's Results of Operations

Nine months ended December 31, 2010

Income: Our Company's total income was Rs. 8,568.30 lakhs for the nine months ended December 31, 2010, which primarily comprised of Rs. 8,256.75 lakhs attributable to income from fee received, Rs. 126.86 lakhs attributable to the grants received from the Government and Rs. 184.69 lakhs attributable to other income.

Our Company's income from fee received and government grants constituted 96.36% and 1.48%, respectively of the total income. Our Company's other income constituted 2.16% of the total income. Other income was attributable to interest income of Rs. 96.75 lakhs, rental income of Rs. 18.61 lakhs, miscellaneous income of Rs. 17.61 lakhs, profit on sale of investments of Rs. 7.53 lakhs and dividend income of Rs. 44.19 lakhs.

Expenditure: Our Company's total expenditure for the nine months period ended December 31, 2010 was Rs. 7,074.91 lakhs, which comprised of direct expenses of Rs. 4,179.12 lakhs, personnel expenses of Rs. 1,009.70 lakhs, administrative expenses of Rs. 689.14 lakhs, selling expense of Rs. 565.87 lakhs, finance expenses of Rs. 9.13 lakhs and depreciation of Rs. 621.95 lakhs. The total expenditure constituted 82.57% of the total income.

Our Company's expenditure owing to direct expenses of Rs. 4,179.12 lakhs was attributable to rent of Rs. 1,248.13 lakhs, electricity charges of Rs. 331.78 lakhs, study material expenses of Rs. 414.71 lakhs and fees paid to Visiting Faculty of Rs. 2,184.50 lakhs.

Provision for taxation: For the nine months ended December 31, 2010, our Company's provision for tax and deferred tax asset was Rs. 535.69 lakhs and Rs. 5.39 lakhs, respectively. Our Company's effective tax rate (which is income tax expense as a percentage of profit before tax) was 35.51% for the nine months period ended December 31, 2010.

Profit after taxes: As a result if the factors set forth above, our Company's net profit amounted to Rs. 963.09 lakhs for the nine months period ended December 31, 2010.

Fiscal 2010 compared to Fiscal 2009

Income: Our Company's total income increased by 14.14%, or Rs. 1,062.62 lakhs, to Rs. 8,579.16 lakhs in Fiscal 2010 from Rs. 7,516.54 lakhs in Fiscal 2009. The increase was primarily attributable to an increase in the income from fees received.

Our Company's income from fee received increased by 17.03%, or Rs. 1,204.36 lakhs, to Rs. 8,275.51 lakhs in Fiscal 2010 from Rs. 7,071.15 lakhs in Fiscal 2009 due to an increase in the number of Students Serviced and increase in the per student revenue due to an increase in our Company's course fees. During Fiscal 2010 Students Serviced increased to 52,659 students from 44,368 students during Fiscal 2009.

Our Company's income from government grants decreased by 75.53%, or Rs. 151.36 lakhs, to Rs. 49.04 lakhs in Fiscal 2010 from Rs. 200.40 lakhs in Fiscal 2009 primarily due to the implementation of the "*Model Code of Conduct for the Guidance of Political Parties and Candidates*" (the "Election Code") by the Election Commission of India for the general and state elections. The Election Code, amongst other things, prohibits the Government from announcing any financial grants in any form or promises thereof during the period commencing from the announcement of election schedule by the Election Commission of India up to the completion of the elections.

Our Company's other income increased by 3.93%, or Rs. 9.62 lakhs, to Rs. 254.61 lakhs in Fiscal 2010 from Rs. 244.99 lakhs in Fiscal 2009. The other income increased primarily due to an increase in the interest income to Rs. 165.37 lakhs in Fiscal 2010 from Rs. 99.78 lakhs in Fiscal 2009.

Expenditure: Our Company's total expenditure increased by 8.90%, or Rs. 640.76 lakhs, to Rs. 7,841.42 lakhs in Fiscal 2010 from Rs. 7,200.66 lakhs in 2009. This was mainly on account of an increase in our Company's direct expenses.

Our Company's direct expenses increased by 12.54%, or Rs. 507.76 lakhs, to Rs. 4,555.82 lakhs in Fiscal 2010 from Rs. 4,048.06 lakhs in Fiscal 2009 primarily due to increase in the fees payable to the visiting faculty and the rent payable for the leased Coaching Centres. The fees payable to the Visiting Faculty increased by 14.42%, or Rs. 266.09 lakhs, to Rs. 2,111.15 lakhs in Fiscal 2010 as compared to Rs. 1,845.06 lakhs in Fiscal 2009 due to an increase in the Coaching Centres operated by our Company to 155 in Fiscal 2010 from 138 in Fiscal 2009 and increase in the number of batches conducted at each Coaching Centre. The increase in rent was primarily attributable to the increase in the number of Coaching Centres operated by our Company.

Our Company's personnel expenses increased by 5.91%, or Rs. 61.61 lakhs, to Rs. 1,103.75 lakhs in Fiscal 2010 from Rs. 1,042.14 lakhs in Fiscal 2009 primarily due to annual increments in the salaries of the employees of our Company.

Our Company's administrative expenses increased by 14.50%, or Rs. 99.52 lakhs, to Rs. 785.80 lakhs in Fiscal 2010 from Rs. 686.28 lakhs in Fiscal 2009. This was primarily due to a loss on sale of immovable assets arising from the relocation of four Coaching Centres and closure of five Coaching Centres operated by our Company, and conversion of four Coaching Centres operated by the Company into franchisee operation. Additionally, general office and miscellaneous expenses increased due to the establishment of 17 additional Coaching Centers operated by our Company.

Our Company's selling expenses decreased by 11.20%, or Rs. 73.92 lakhs, to Rs. 586.09 lakhs in Fiscal 2010 from Rs. 660.01 lakhs in Fiscal 2009 primarily due to changes in our Company's marketing strategy. The changes in marketing strategy resulted in reduced advertising and an increase in direct expenses resulting from an increase in batches and Company operated Coaching Centres.

Our Company's financing expenses decreased by 53.14%, or Rs. 23.52 lakhs, to Rs. 20.74 lakhs in Fiscal 2010 from Rs. 44.26 lakhs in Fiscal 2009 primarily due to cessation of overdraft facility and the repayment of other loans.

Our Company's depreciation expenses increased by 9.63%, or Rs. 69.31 lakhs, to Rs. 789.22 lakhs in Fiscal 2010 from Rs. 719.91 lakhs in Fiscal 2009 primarily due to an increase in the capital expenditure on new Coaching Centres and implementation of technology aided training at the Coaching Centres.

Provision for Tax: The restated provision for income tax increased by 272.26%, or Rs. 283.30 lakhs, to Rs. 387.30 lakhs in Fiscal 2010 from Rs. 104.04 lakhs in Fiscal 2009 primarily due to an increase in the profit before tax. Further, the provision for deferred tax also increased by 118.93%, or Rs. 93.91 lakhs, to Rs. 172.87 lakhs in Fiscal 2010 from Rs. 78.96 lakhs in Fiscal 2009. This was primarily due to an increase in the difference between depreciation in accordance with the Income Tax Act and depreciation in accordance with the Companies Act.

Net Profit/ (Loss) after tax: As a result of the factors set forth above, our Company's net restated profit after tax increased by 99.51%, or Rs. 261.01 lakhs, to Rs. 523.31 lakhs in Fiscal 2010 from Rs. 262.30 lakhs in Fiscal 2009.

Fiscal 2009 compared to Fiscal 2008

Pursuant to a court approved scheme of arrangement Mahesh Tutorials Private Limited, Mahesh Tutorials Commerce Private Limited and Mahesh Tutorials Science Private Limited merged with our Company with effect from April 1, 2008. For further details of the scheme of arrangement, please see the sections "History and Certain Corporate Matters" and "Financial Statements - Notes forming part of Financial Information, As Restated" on pages 120 and 168, respectively. Consequently, the comparison of the financial results of our Company for Fiscal 2009 with those for Fiscal 2008, may not be accurate reflection of the changes in our Company's results of operations over the said periods, and is, therefore, qualified to that extent in entirety.

Income: Our Company's total income increased by 1,182.27%, or Rs. 6,930.35 lakhs, to Rs. 7,516.54 lakhs in Fiscal 2009 from Rs. 586.19 lakhs in Fiscal 2008. The increase was primarily attributable to an increase in total income due to the merger of Mahesh Tutorials Private Limited, Mahesh Tutorials Commerce Private Limited and Mahesh Tutorials Science Private Limited with our Company. Due to the merger the total income of our Company increased by Rs. 6,824.90 lakhs.

Our Company's income from fee received increased by 1,455.40%, or Rs. 6,616.53 lakhs, to Rs. 7,071.15 lakhs in Fiscal 2009 from Rs. 454.62 lakhs in Fiscal 2008 primarily due to fee income, of Rs. 6,730.86 lakhs, attributable to the merged subsidiaries.

Our Company started receiving government grants for the first time in Fiscal 2009 and generated an income of Rs. 200.40 lakhs therefrom.

Our Company's other income increased by 86.21%, or Rs. 113.42 lakhs, to Rs. 244.99 lakhs in Fiscal 2009 from Rs. 131.57 lakhs in Fiscal 2008. The other income increased primarily due to an increase in the interest income to Rs. 99.78 lakhs in Fiscal 2009 from Rs. 45.00 lakhs in Fiscal 2008, miscellaneous income to Rs. 36.56 lakhs in Fiscal 2009 from Rs 0.40 lakhs in Fiscal 2008 primarily due to profit on disposal of assets at the old corporate office of our Company and an increase in dividend income to Rs. 106.56 lakhs in Fiscal 2009 from Rs. 27.17 lakhs in Fiscal 2008.

Expenditure: Our Company's total expenditure increased by 720.87%, or Rs. 6,323.46 lakhs, to Rs. 7,200.66 lakhs in Fiscal 2009 from Rs. 877.20 lakhs in 2008. This increase was mainly attributable to the expenditure, of Rs. 5,759.14 lakhs, incurred by the subsidiaries merged with our Company.

Our Company's direct expenses increased by 2,045.58%, or Rs. 3,859.39 lakhs, to Rs. 4,048.06 lakhs in Fiscal 2009 from Rs. 188.67 lakhs in Fiscal 2008. Out of the aggregate increase of Rs. 3,859.39 lakhs, Rs. 3,283.87 lakhs was attributable to the merger of the subsidiaries with our Company and Rs. 520.00 lakhs was attributable to the expansion of Company's operations including execution of certain government projects and retail training, which resulted in increased rent and visiting faculty costs.

Our Company's personnel expenses increased by 631.02%, or Rs. 899.58 lakhs, to Rs. 1,042.14 lakhs in Fiscal 2009 from Rs. 142.56 lakhs in Fiscal 2008 primarily due to the increase of Rs. 845.65 lakhs attributable to the merger of the subsidiaries with our Company.

Our Company's administrative expenses increased by 73.61%, or Rs. 290.97 lakhs, to Rs. 686.28 lakhs in Fiscal 2009 from Rs. 395.31 lakhs in Fiscal 2008. The increase was mainly due to the merger of the subsidiaries with our Company resulting in an increase of Rs. 515.74 lakhs. Moreover, our Company had incurred a onetime expense of Rs. 199.97 lakhs in Fiscal 2008 due to a fresh issue of Equity Shares.

Our Company's selling expenses increased by 901.99%, or Rs. 594.14 lakhs, to Rs. 660.01 lakhs in Fiscal 2009 from Rs. 65.87 lakhs in Fiscal 2008. Our Company's financing expenses increased by 32.63%, or Rs. 10.89 lakhs, to Rs. 44.26 lakhs in Fiscal 2009 from Rs. 33.37 lakhs in Fiscal 2008. Our Company's depreciation expenses increased by 1,300.06%, or Rs. 668.49 lakhs, to Rs. 719.91 lakhs in Fiscal 2009 from Rs. 51.42 lakhs in Fiscal 2008. These increases were primarily attributable to the merger of the subsidiaries with our Company.

Provision for Tax: The restated provision for income tax increased to Rs. 104.04 lakhs in Fiscal 2009 from Rs. 0.00 lakhs in Fiscal 2008 primarily due to the merger of subsidiaries merged with our Company and the profits earned by the said subsidiaries in Fiscal 2009. Further, the provision for deferred tax also increased by 2,760.87%, or Rs. 76.20 lakhs, to Rs. 78.96 lakhs in Fiscal 2009 from Rs. 2.76 lakhs in Fiscal 2008. This was due to the deferred tax assets of the subsidiaries merged with our Company. The major component of deferred tax assets was the difference between depreciation in accordance with the Income Tax Act and depreciation in accordance with the Companies Act.

Net Profit/ (Loss) after tax: As a result of the factors set forth above, our Company's net restated profit after tax increased to Rs. 262.30 lakhs in Fiscal 2009 from a loss of Rs. 291.15 lakhs in Fiscal 2008.

Liquidity and Capital Resources

Our Company's principal capital requirements are for expansion of its operations by increasing the number of Coaching Centres and commencing operations in new geographical locations. Additionally, our Company acquired Chitale's Personalised Learning Private Limited with effect from February 1, 2011 and may need to support its capital requirements. To fund these costs in the past, our Company has relied primarily on cash flows from operations and, for Fiscal 2008, on equity capital.

Our Company financed its capital requirements during the nine months ended December 31, 2010 and Fiscals 2010, 2009 and 2008 with cash from operations. In addition, our Company financed its capital requirements from equity financing during Fiscal 2008. In the short term, our Company believes that it has sufficient resources available to meet its planned capital requirements. However, its sources of funding could be adversely affected by factors beyond our Company's control. Any decrease in the demand for our Company's services could have an adverse impact on our Company's cash flow from operations and its ability to obtain funds from external sources on acceptable terms, in a timely manner or in sufficient amounts, or at all.

Capital Expenditure

The capital expenditure incurred by our Company primarily consists of expenditure incurred for implementation of technology aided training tools and for upgrading the technological resources, such as computer hardware and software, at the Coaching Centres operated by our Company.

Except as described below, for the Fiscals 2010, 2009 and 2008, and the nine months ended December 31, 2010, our Company neither had any material expenditure on, or divestment of capital investments (including any interests in another corporation), nor any material commitments for capital expenditures. Other than as disclosed in the section "- Material Developments since December 31, 2010", our Company does not have any material capital investment which is being made or divested.

Our Company's capital expenditure was Rs. 559.67 lakhs for the nine months ended December 31, 2010, Rs. 965.74 lakhs for Fiscal 2010, Rs. 2,261.05 lakhs for Fiscal 2009 and Rs. 508.98 lakhs for Fiscal 2008. The capital expenditure was primarily incurred for establishing new Coaching Centres during the nine months ended December 31, 2010; for establishing new Coaching Centres, purchase of computer hardware, content development costs for technology aided training and implementation of enterprise resource planning during Fiscal 2010; acquisition of property for the corporate office of our Company and other ancillary costs related therewith, establishment of new Coaching Centers and expansion/ refurbishment of existing Coaching Centres during Fiscal 2009; and establishment of new Coaching Centres during Fiscal 2008.

Cash Flow Data

The table below summarizes the cash flow of our Company for the periods indicated:

(Rs. in lakhs)

Particulars	Nine months ended December 31, 2010	Fiscal 2010	Fiscal 2009	Fiscal 2008
Net cash generated from / (used in) operating activities	1.287.84	2,114.12	1,352.96	(1,004.46)
Net cash generated from / (used in) investing activities	(559.46)	(1,748.41)	(1,271.76)	(1,764.50)
Net cash generated from / (used in) financing activities	-	(508.22)	186.63	2,851.27
Net cash increase / (decrease) at the end of the period	728.38	(142.51)	267.83	82.31

Cash Flow from Operating Activities

Our Company recorded net cash from operating activities of Rs. 1,287.84 lakhs during the nine months ended December 31, 2010, Rs 2,114.12 lakhs during Fiscal 2010, Rs. 1,352.96 lakhs during Fiscal 2009 and net cash outflow from operating activities of Rs. 1,004.46 lakhs during Fiscal 2008.

Our Company generated cash from operating activities of Rs. 1,287.84 lakhs during the nine months ended December 31, 2010. Net cash from operating activities consisted of net profit after taxation and extraordinary items of Rs. 963.09 lakhs, as adjusted for depreciation of Rs. 621.95 lakhs, deferred tax of Rs. 5.39 lakhs, income tax of Rs. 535.69 lakhs, interest/ dividend received of Rs. 140.94 lakhs, income from capital gains of Rs. 7.53 lakhs, amount written off of Rs. 2.13 lakhs, loss on sale of fixed assets of Rs. 68.11 lakhs and provision for diminution of current investment of Rs. 0.17 lakhs. Changes in working capital primarily consist of increase in sundry debtors of Rs. 496.76 lakhs, increase in loans and advances of Rs. 73.09 lakhs and increase in current liabilities of Rs. 312.45 lakhs. The increase in sundry debtors was on account of the dues pending in relation to the government grants. The increase in loans and advances was due to an increase in statutory advances, and the advances provided to creditors for relocation of Coaching Centers and establishment of new Coaching Centers. The increase in current liabilities was due to an increase in the statutory liabilities and outstanding expenses.

Our Company’s net cash from operating activities increased by 56.26%, or Rs. 761.16 lakhs, to Rs. 2,114.12 lakhs during Fiscal 2010 as compared to Rs. 1,352.96 lakhs during Fiscal 2009. Net cash from operating activities consisted of net profit after taxation and extraordinary items of Rs. 523.31 lakhs, as adjusted for interest/ dividend received of Rs. 214.52 lakhs, income from capital gains of Rs. 8.31 lakhs, finance expenses of Rs. 8.22 lakhs and certain non-cash items including depreciation of Rs. 789.22 lakhs, deferred tax of Rs. 172.87 lakhs, income tax of Rs. 387.30 lakhs and loss on sale of fixed assets of Rs. 134.85 lakhs. Changes in working capital primarily consist of decrease in sundry debtors of Rs. 28.49 lakhs, decrease in loans and advances of Rs. 547.00 lakhs and increase in current liabilities of Rs. 434.11 lakhs. The decrease in sundry debtors was due to efficient debtor management at the Coaching Centres operated by the Company. The decrease in loans and advances was due to the realization of inter-corporate loans aggregating Rs. 500 lakhs, which were granted in Fiscal 2009. The increase in current liabilities was due to the increase, of Rs. 530.64 lakhs, in the advance fees received during Fiscal 2010 as compared with the advance fees received in Fiscal 2009. Advance fees received by our Company increased during Fiscal 2010 due to higher enrollment for future courses.

Our Company generated net cash from operating activities of Rs. 1,352.96 lakhs during Fiscal 2009 as compared to using Rs. 1,004.46 lakhs during Fiscal 2008. Net cash from operating activities consisted of net profit after taxation and extraordinary items of Rs. 262.30 lakhs, as adjusted for interest/ dividend received of Rs. 206.35 lakhs, arbitrage income of Rs. 0.04 lakhs, finance expenses of Rs. 5.08 lakhs and certain non cash items including depreciation of Rs. 719.91 lakhs, deferred tax of Rs. 78.96 lakhs, fringe benefit tax of Rs. 28.50 lakhs, income tax of Rs. 104.00 lakhs, profit on sale of fixed assets of Rs. 10.58 lakhs and loss on sale of fixed assets of Rs. 69.19 lakhs. Changes in working capital primarily consist of decrease in sundry debtors of Rs. 762.53 lakhs, increase in loans and advances of Rs. 132.67 lakhs and decrease in current liabilities of Rs. 102.00 lakhs. The decrease in sundry debtors, increase in loans and advances and the decrease in current liabilities was primarily attributable to the merger of the subsidiaries with our Company during Fiscal 2009.

Net cash used in operating activities amounted to Rs. 1,004.46 lakhs during Fiscal 2008. Net cash from operating activities consisted of net loss after taxation and extraordinary items of Rs. 291.15 lakhs, as adjusted for interest/ dividend received of Rs. 72.17 lakhs, arbitrage income of Rs. 59.00 lakhs, finance expenses of Rs. 29.06 lakhs and certain non cash items including depreciation of Rs. 51.42 lakhs, deferred tax of Rs. 2.76 lakhs, fringe benefit tax of Rs. 2.90 lakhs and preliminary expenses written off of Rs. 4.96 lakhs. Changes in working capital primarily consist of increase in sundry debtors of Rs. 373.40 lakhs, increase in loans and advances of Rs. 416.50 lakhs and increase in current liabilities of Rs. 130.02 lakhs. The increase in sundry debtors, loans and advances and current liabilities was due to the full year of operation of our Company during Fiscal 2008, as our Company had commenced operations in the last quarter of Fiscal 2007.

Cash Flows from Investment Activities

The net cash used in investing activities during the nine months ended December 31, 2010 was Rs. 559.46 lakhs. The outflow during nine months period ended December 31, 2010 primarily consisted of purchase of fixed assets (including capital work-in-progress) of Rs. 559.67 lakhs, purchase of investments of Rs. 4,634.32 lakhs, sale of investments of Rs. 4,491.86 lakhs and interest and dividend received of Rs. 140.94 lakhs.

The net cash used in investing activities during Fiscal 2010 was Rs. 1,748.41 lakhs. The outflow during Fiscal 2010 primarily consisted of purchase of fixed assets (including capital work-in-progress) of Rs. 965.74 lakhs, purchase of investments of Rs. 5,742.14 lakhs, sale of investments of Rs. 4,744.50 lakhs and interest and dividend received of Rs. 214.52 lakhs.

The net cash used in investing activities during Fiscal 2009 was Rs. 1,271.76 lakhs. The outflow during Fiscal 2009 primarily consisted of purchase of fixed assets (including capital work-in-progress) of Rs. 2,261.05 lakhs, purchase of investments of Rs. 7,202.64 lakhs, sale of investments of Rs. 7,965.04 lakhs and interest and dividend received of Rs. 206.35 lakhs.

The net cash used in investing activities during Fiscal 2008 was Rs. 1,764.50 lakhs. The outflow during Fiscal 2009 primarily consisted of purchase of fixed assets (including capital work-in-progress) of Rs. 508.98 lakhs, purchase of investments of Rs. 5,584.42 lakhs, sale of investments of Rs. 4,256.73 lakhs and interest and dividend received of Rs. 72.17 lakhs.

Cash Flows from Financing Activities

Our Company neither generated nor used any net cash from financing activities for the nine months ended December 31, 2010.

The net cash used in financing activities for Fiscal 2010 was Rs. 508.22 lakhs which was attributable to repayment of long-term borrowings.

The net cash generated from financing activities for Fiscal 2009 was Rs. 186.63 lakhs which primarily consisted of increase in long-term borrowings and finance expenses owing to increase in financing charges and interest payable on borrowings.

The net cash generated from financing activities for Fiscal 2008 was Rs. 2,851.27 lakhs which primarily consisted of proceeds from issue of share capital of Rs. 3,282.26 lakhs, receipt of share premium of Rs. 192.75 lakhs, receipt of share application money of Rs. 5.94 lakhs, increase in long term borrowings of Rs. 600.62 lakhs and finance expenses owing of Rs. 29.06 lakhs.

Indebtedness

As at December 31, 2010, our Company did not have any outstanding loans.

Contingent Liabilities of our Company

For details in relation to the contingent liabilities of our Company, please see the section "Financial Statements" on page 152.

Off-Balance Sheet Arrangements

Our Company did not participate in transactions that generate relationships with unconsolidated entities or financial partnerships, such as entities often referred to as structured finance or special purpose entities, which would have been established for the purposes of facilitating off-balance sheet arrangements or other contractually narrow or limited purposes.

Related Party Transactions

Our Company has entered and may, in the future, continue to enter into transactions of a material nature with certain of our Promoters, and Directors and entities controlled by such persons that may have a potential conflict of interest with our interests. Such related party transactions include and will continue to include payment of rents, training fees and remuneration, investment in equity shares and debentures, and transactions involving loans and advances. Our Company intends that all its related party transactions will be in the normal course of business and conducted on an arm's length commercial basis, in compliance with the applicable laws. For further details of the related party transactions, please see "Financial Statements - Statement of Related Party Transactions" on page 195.

Quantitative and Qualitative Disclosure about Market Risk

Market risk is the risk of loss related to adverse changes in market prices, including interest rate and foreign exchange rates of financial instruments. Our Company is exposed to various types of market risks, in the normal course of its business. The following discussion and analysis, which constitute "forward-looking statements" that involve risk and uncertainties, summarise our Company's exposure to different market risks.

1. Unusual or Infrequent Events or Transactions

Except as described in this Draft Red Herring Prospectus, there have been no other events or transactions that, to the knowledge of the management of our Company, may be described as "unusual" or "infrequent".

2. Significant Economic Changes

Other than as mentioned under the paragraph "Factors Affecting our Company's Results of Operations" in this section on page 202, to the knowledge of the management of our Company, there are no other significant economic changes that materially affect or are likely to affect income from continuing operations.

3. Known Trends or Uncertainties

Our business has been affected and we expect will continue to be affected by the trends identified above in "Factors Affecting our Company's Results of Operations" on page 202 and the uncertainties described in "Risk Factors" on page xi. To our knowledge, except as described or anticipated in this Draft Red Herring Prospectus, there are no known factors which we expect will have a material adverse impact on our revenues or income from continuing operations.

4. Future Relationship Between Costs and Income

Other than as described elsewhere in this Draft Red Herring Prospectus, particularly in this section, to the knowledge of the management of our Company, there are no known factors that might affect the future relationship between costs and revenues.

5. Material Increases in Net Sales or Revenue due to Increased Sales Volume, Introduction of New Products or Services, or Increased Sales Prices

Changes in revenues during the last three years are as explained in the section “Management’s Discussion and Analysis of Financial Condition and Results of Operations – Discussion on our Company’s Results of Operations - Fiscal 2010 Compared to Fiscal 2009”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations – Discussion on our Company’s Results of Operations - Fiscal 2009 Compared to Fiscal 2008” on pages 208 and 210, respectively.

6. Total Turnover of Each Major Industry Segment in Which the Issuer Company Operated

Our Company’s business activities fall within a single business segment. For further details, please see “Financial Statements - Significant Accounting Policies” on page 163.

7. Status of Any Publicly Announced New Products or Business Segment

Other than as described in “Business - Growth Strategies - Introduction of new courses” on page 106, our Company does not have any new products or business segment.

Additionally, Our Company has acquired Chitale’s Personalised Learning Private Limited with effect from February 1, 2011. For further details, please see “History and Certain Corporate Matters” on page 120.

8. Seasonality of Business

In accordance with our Company’s accounting policy, the fee paid to our Company for a particular course, is recognised equally over the duration of the course. Consequently, the revenue varies in each quarter based on the commencement and tenure of the courses, especially during the last quarter of the financial year due to a decrease in the number of coaching hours as majority of courses conclude prior to examinations, which are typically held during February and March. For further details, please see “Risk Factors – Our revenues vary in the fourth quarter as compared to the other three quarters as most examinations for IX^{th}, X^{th}, XI^{th} and XII^{th} standards are conducted in the months of February and March, thereby leading to a decrease in the number of classes as part of our Coaching Services during this period” on page xiv.

9. Supplier or Customer Concentration

Our Company is not depended on any single set of students for its business.

10. Competitive Conditions

Competitive conditions are as described under the sections “Risk Factors”, “Industry Overview” and “Business” on pages xi, 89 and 101, respectively.

Material developments since December 31, 2010

1. Our Company was originally incorporated as MT Educare Private Limited on August 19, 2006, at Mumbai, as a private limited company and was converted into a public limited company on May 18, 2011. For further details, please see the section “History and Certain Corporate Matters” on page 120.

2. Our Company has acquired 51% of the paid-up equity share capital of Chitale’s Personalised Learning Private Limited with effect from February 1, 2011 and 100% of the paid-up equity share capital of MT Education Services Private Limited with effect from April 7, 2011. For further details of the acquisitions, please see the section “History and Certain Corporate Matters” on page 120.

3. Our Company has availed non-fund based facilities for an amount up to a Rs. 30 lakhs from Citibank N.A through an agreement dated March 3, 2011. For further details, please see the section “Financial Indebtedness” on page 217.

Except as disclosed in this Draft Red Herring Prospectus, to the knowledge of our Company no circumstances have arisen since December 31, 2010, which is the date of the most recent financial statements included in this Draft Red Herring Prospectus, which materially and adversely affect or are likely to affect the profitability, the financial condition or the ability to pay the material liabilities within the next 12 months by our Company.

FINANCIAL INDEBTEDNESS

Details of non-fund based facilities availed by our Company:

Name of the Lender	Details of the Agreement	Purpose	Amount Sanctioned (Rs. in lakhs)	Bank Guarantee issued as on May 31, 2011 (Rs. in lakhs)	Interest (p.a.)	Repayment	Security
Citibank N.A.	Deed of hypothecation dated March 3, 2011	For meeting working capital requirements of our Company	30 (Bank guarantee facility – non fund based)	21	-	Repayabale on demand	(i) First charge by way of hypothecation of all book debts and receivables forming part of our Company's current assets both present and future; (ii) Promissory note.

Corporate Actions

Certain corporate actions for which our Company is required to provide prior intimation to the lender include:

a. Declaring or paying dividends in respect of any financial year if any event of default has occurred;
b. Effecting any amalgamation, merger or consolidation;
c. Effecting any material change in the shareholding of our Company.

SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated below there are no outstanding litigation, suits, criminal or civil prosecutions, proceedings or tax liabilities against our Company, our Subsidiaries, our Directors, our Promoter and Group Companies and there are no defaults, 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 and arrears of preference shares issued by our Company and our Subsidiaries, defaults in creation of full security as per 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 and our Subsidiaries and no disciplinary action has been taken by SEBI or any stock exchanges against our Company, our Subsidiaries, our Directors, our Promoter and Group Companies.

Litigation involving our Company

Litigation filed against our Company

Nil

Litigation filed by our Company

1. Our Company has filed an appeal before the Commissioner of Income Tax (Appeals), Mumbai challenging an assessment order dated December 9, 2010 passed by the Assistant Commissioner of Income Tax, Mumbai in relation to the computation of income tax for the assessment year 2008-2009. In the order dated December 9, 2010, the Assistant Commissioner of Income Tax, Mumbai has disallowed certain exemption claimed by the Company such as consultancy expenses, professional fees and press conference charges, resulting in a reduction in the refund amount claimed by our Company from Rs. 48,34,808 to Rs. 1,16,704. Our Company in its appeal has challenged the disallowance of these exemptions by the Assistant Commissioner of Income Tax, Mumbai. The matter is currently pending.

2. Our Company has filed an appeal before the Income Tax Appellate Tribunal, Mumbai challenging the order dated July 20, 2010 passed by the Commissioner of Income Tax (Appeals). The Commissioner of Income Tax (Appeals) had passed the order on our Company's appeal against the assessment order dated December 24, 2009 in relation to the computation of income tax for the assessment year 2007-2008. The Commissioner of Income Tax (Appeals), in its order dated July 20, 2010, while partially allowing our Company's appeal, upheld the disallowance by the Asssesing Officer, of certain exemptions claimed by the Company, such as advertising and publicity expenses, sales promotion and publicity expenses and visitng lecturer fees. Our Company in its appeal has challenged the disallowance of these exemptions by the Commissioner of Income Tax (Appeals). The aggregate amount involved in the matter is Rs. 57,48,303. The matter is currently pending.

Litigation involving Subsidiaries

1. Chitale's Personalised Learning Private Limited ("CPLPL")

Litigation filed against CPLPL

Nil

Litigation filed by CPLPL

Nil

2. MT Education Services Private Limited ("MTESPL")

Litigation filed against MTESPL

Nil

Litigation filed by MTESPL

Nil

Litigation involving Directors

1. Mahesh Shetty

Litigation filed against Mahesh Shetty

1. The Deputy Commissioner of Income Tax, Central Circle, Mumbai has issued a notice of demand dated September 30, 2010 against Mahesh Shetty, in relation to the income tax computation for the assessment year 2008-2009. The Deputy Commissioner of Income Tax has raised a demand of Rs. 15,13,184 in the notice, as being payable by Mahesh Shetty as income tax and interest thereon. Mahesh Shetty has filed a reply on February 7, 2011 stating that credit has not been granted for Rs. 16,02,504 which was paid as tax deducted at source and the certificates of which were submitted during the assessment proceedings. The matter is currently pending.

2. The Deputy Commissioner of Income Tax, Central Circle, Mumbai has issued a notice dated July 16, 2010 against Mahesh Shetty, in relation to the assessment year 2009-2010. The Deputy Commissioner of Income Tax has required Mahesh Shetty to furnish his return of income for the assessment year 2009-2010 and other documents such as profit/loss account, balance sheet and audit report, as applicable. Mahesh Shetty is in the process of furnishing the necessary documents. The matter is currently pending.

Litigation filed by Mahesh Shetty

Nil

2. Naarayanan Iyer

Litigation filed against Naarayanan Iyer

Nil

Litigation filed by Naarayanan Iyer

Nil

3. David Danziger

Litigation filed against David Danziger

Nil

Litigation filed by David Danziger

Nil

4. Dr. Chhaya Shastri

Litigation filed against Dr. Chhaya Shastri

CVK Associates have preferred chamber summons (no. 524/2010) before the High Court of Bombay against Dr. Chhaya Shastri, B. Satyanand Shastri, Ashok Narayan Pathare and others in relation to the execution application (LD.) (no. 141/2008) filed by CVK Associates. CVK Associates have filed for the chamber summons in relation to the execution of conveyance deed for the sale of certain flats owned by Dr. Chhaya Shastri, B. Satyanand Shastri and others, as directed by the High Court of Bombay in its order in suit (no. 1626/2006) between the parties. Dr. Chhaya Shastri has filed a reply expressing her willingness to execute the conveyance deed for the sale of the flats, which are under dispute. The matter is currently pending.

Litigation filed by Dr. Chhaya Shastri

Dr. Chhaya Shastri and B. Satyanand Shastri have filed a criminal application (no. 376/2011) before the High Court of Bombay against CVK Associates, challenging an order dated April 23, 2009 passed by the Additional Chief Judicial Magistrate, Bandra, Mumbai. The order dated April 23, 2009 was passed to issue process in a criminal complaint (no. 25/SW/2009) filed by CVK Associates against Dr. Chhaya Shastri, B. Satyanand Shastri and others, alleging charges under various provisions of the Indian Penal Code, 1860 and the Maharashtra Ownership Flats Act, 1963 in connection with the execution of conveyance deed for the sale of certain flats owned by Dr. Chhaya Shastri and B. Satyanand Shastri. The High Court of Bombay has passed an order dated April 26, 2011 directing that this criminal application be placed along with the criminal application (no. 3456/2009) filed by Ashok Narayan Pathare in the same matter. The matter is currently pending.

5. Cyrus Driver

Litigation filed against Cyrus Driver

Nil

Litigation filed by Cyrus Driver

Nil

6. Drushti Desai

Litigation filed against Drushti Desai

Nil

Litigation filed by Drushti Desai

Nil

7. Yatin Samant

Litigation filed against Yatin Samant

Nil

Litigation filed by Yatin Samant

Nil

8. Uday Lajmi

Litigation filed against Uday Lajmi

Nil

Litigation filed by Uday Lajmi

Nil

9. Andrey Purushottam

Litigation filed against Andrey Purushottam

Nil

Litigation filed by Andrey Purushottam

Nil

Litigation involving our Promoter

For details of litigation involving our Promoter, please see "Litigation involving Directors – Mahesh Shetty" on page 219 above.

Litigation involving Group Companies

1. Prithviraj Shares and Securities Private Limited

Litigation filed against Prithviraj Shares and Securities Private Limited

Nil

Litigation filed by Prithviraj Shares and Securities Private Limited

Nil

2. Mahesh Tutorials Chembur

Litigation filed against Mahesh Tutorials Chembur

The Deputy Commissioner of Income Tax, Mumbai has issued a notice dated August 17, 2010 against Mahesh Tutorials Chembur, in relation to the assessment year 2009-2010. The Deputy Commissioner of Income Tax has issued the notice under Sections 139 and 143(2) of the Income Tax Act and has required Mahesh Tutorials Chembur to furnish certain documents. The matter is currently pending.

Litigation filed by Mahesh Tutorials Chembur

Nil

3. Mahesh Tutorials Mulund

Litigation filed against Mahesh Tutorials Mulund

The Deputy Commissioner of Income Tax, Mumbai has issued a notice dated September 30, 2010 against Mahesh Tutorials Mulund, in relation to the assessment year 2008-2009. The Deputy Commissioner of Income Tax has issued the notice under Sections 143(3) and 156 of the Income Tax Act, directing Mahesh Tutorials Mulund to furnish certain documents and specifying a refund of Rs. 18,631. Mahesh Tutorials Mulund through a letter dated February 7, 2011 has informed the Deputy Commissioner of Income Tax that it has not received the refund cheque till date. The matter is currently pending.

Litigation filed by Mahesh Tutorials Mulund

Nil

4. Global Education Trust

Litigation filed against Global Education Trust

Nil

Litigation filed by Global Education Trust

Nil

5. Neptune Developers

Litigation filed against Neptune Developers

Nil

Litigation filed by Neptune Developers

Nil

6. Neptune Constructions

Litigation filed against Neptune Constructions

Nil

Litigation filed by Neptune Constructions

Nil

7. Neptune Developers Limited

Litigation filed against Neptune Developers Limited

Civil Cases

a. Indubai Krishna Chaudhari and others have filed a suit (Regular Civil Suit No. 75 of 2009) before the Court of the Civil Judge, Junior Division at Kalyan, against Neptune Developers Limited with respect to certain immovable property, situated at Survey No. 70, Hissa No. 4 (P), admeasuring 1 acre and 23 gunthas in the village of Ambivili, Taluk Kalyan, District Thane Maharashtra wherein they claimed ownership and possession of the property. The plaintiffs' contention was made on the basis of a gift deed dated August 23, 1974 by way of which the aforementioned property stood transferred to Indubai Krishna Chaudhari's late husband. However, due to the illiteracy of the husband and grandmother of the plaintiff, the mutation entry regarding the gift of the property was not properly recorded in the Maharashtra revenue records. The plaintiffs also claim to presently be in possession of the property. Additionally, the plaintiffs have sought both temporary and permanent prohibitory injunctions restraining Neptune Developers Limited and the other defendants from disturbing their possession or from creating any obstruction or hindrance to their use of the property. In response to the application filed for a temporary injunction, the Civil Judge, Junior Division has refused to grant the temporary injunction. Against the order passed by the Civil Judge Junior Division, the plaintiffs have preferred an appeal, being Miscellaneous Civil Appeal No. 48 of 2009 before the Court of the Additional District Judge, Kalyan. The appeal matter is due come up for hearing on April 28, 2011. The suit is due to come up for hearing on June 13, 2011.

b. Balkrishna Industries Limited ("BIL") has filed a suit (Regular Civil Suit No. 319 of 2009) before the court of the Civil Judge, Junior Division, Kalyan against Neptune Developers Limited, with respect to certain work being conducted by Neptune Developers Limited on a road in the vicinity of BIL's property at Survey No. 8, Hissa No. 20, Ambivali, Taluk Kalyan, District Thane, Maharashtra. BIL has alleged that the work on the road being carried out by Neptune Developers Limited has encroached on an area admeasuring 16,000 sq. ft. of the aforementioned property. BIL has sought both temporary and permanent injunctions prohibiting Neptune Developers Limited from continuing the road construction activity on the grounds that such construction activity is ostensibly encroaching on their property. Neptune Developers Limited and the Kalyan Dombivili Mahanagar Palika have denied any such encroachment. The injunction application has been decided in favour of the plaintiff by the Civil Judge, Junior Division, Kalyan through its order dated July 15, 2009. The matter is currently pending before the Civil Judge, Junior Division, Kalyan. BIL has further filed a miscellaneous application, being Miscellaneous Application No. 21 of 2011 in the court of the Civil Judge, Junior Division, Kalyan alleging contempt of court for violation of the injunction order dated July 15, 2009. The matters are currently pending and the next date of hearing is yet to be notified.

c. Nirmal Lifestyle (Kalyan) Private Limited has filed a suit (Regular Civil Suit No. 296 of 2010) before the court of the Civil Judge, Junior Division, Kalyan against Sukrya Vithu Chaudhari and others including Neptune Developers Limited with respect to Survey No. 60, Hissa No. 5, Ambivali, Taluk Kalyan, District Thane, Maharashtra alleging that Neptune Developers Limited entered in to an agreement with the other defendants for the aforesaid land despite knowledge of the fact that the plaintiff had in 2007, entered into a development agreement with the other defendants. Nirmal Lifestyle (Kalyan) Private Limited has sought both temporary and permanent injunctions prohibiting Neptune Developers Limited and/or its agents and restraining them from entering the suit property. The application for temporary injunction was rejected in favour of Neptune Developers Limited by the Civil Judge, Junior Division, Kalyan through an order dated July 22, 2010. Nirmal Lifestyle (Kalyan) Private Limited has preferred an appeal, being Miscellaneous Civil Appeal No. 65 of 2010, against the order dated July 22, 2010 before the Additional District and Sessions Judge, Kalyan. The matter is currently pending.

d. Kailas Mahadu Patil has filed a suit (Special Civil Suit No. 429 of 2010) before the Civil Judge, Senior Division, Kalyan, against Kamlibai Mahadu Patil and others including, Neptune Developers Limited praying for, *inter alia*, dividing the property amongst legal heirs and both permanent and temporary injunction restraining defendants from changing the nature and status of the property. The matter is currently pending before the Civil Judge, Senior Division, Kalyan.

e. Ramdas Haribhau Patil and others have filed a suit (Regular Civil Suit No. 477 of 2010) before the Civil Judge, Junior Division, Kalyan, against Rajaram Kanji Patil and others alongwith Neptune Developers Limited for declaration, injunction and possession of the property situated at Bearing No. 8, Hissa No. 21, village Ambivali, Post Office Atali, Taluka Kalyan, District Thane. The matter is currently pending.

f. Riba Constructions Private Limited ("RCPL") has filed a writ petition (No. 11808 of 2010) before the High Court of Andhra Pradesh against Neptune Enclave Private Limited, Neptune Developers Limited, the Chairman of SEBI and the Principal Secretary, Ministry of Finance, Government of India with respect to the draft red herring prospectus filed by Neptune Developers Limited on December 29, 2009. RCPLhas alleged that Neptune Developers Limited owed it certain sums and that the promoters of Neptune Developers Limited had been unethical in the financial transactions and therefore in the interests of protecting the rights of prospective shareholders, the prospectus submitted by Neptune Developers Limited should be kept in abeyance and that the action of SEBI allowing Neptune Developers Limited to register itself as being competent to go for public issue of equity shares be declared as arbitrary and illegal. The matter is currently pending.

Notices

A legal notice has been issued to Neptune Developers Limited on behalf of Vitthal Baban Satav and five others alleging that Zareer Cooper, the land aggregator has not paid them the consideration amounting to Rs. 27,08,000 payable against sale of land at village Urli Devachi, Pune which was purchased by Neptune Developers Limited.

Litigation filed by Neptune Developers Limited

Neptune Developers Limited has filed a first information report (FIR) on August 4, 2010 (FIR No. 290/2010) against Zareer Cooper, Ravidra Haribhau Kad, Farhad Unwalla and Vijay Balkrushna Chaudhari at Loni Kalbhor Police Station, Pune under sections 420, 468, 471, 323, 504, 506 of the Indian Penal Code alleging cheating, forgery, forgery for purpose of cheating, forgery of valuable security. The accused filed two applications for anticipatory bail, being Criminal Application (nos. 3809 of 2010 and 3825 of 2010) before the High Court of Bombay. The High Court through a common order dated September 15, 2010 granted the applications for anticipatory bail. Neptune Developers Limited through its representative Vijay Anant Kamthe, have filed a Special Leave Petition (Criminal) (no. 9723 of 2010) before the Supreme Court of India (Criminal Appellate Jurisdiction) challenging the order dated September 15, 2010 passed by the High Court of Bombay. The matter is pending admission before the Supreme Court.

8. Neptune Ventures and Developers Private Limited

Litigation filed against Neptune Ventures and Developers Private Limited

Raja G. Hadikyal had filed a consumer complaint (consumer complaint no. 79 of 2007) against Neptune Ventures and Developers Private Limited (when the same was a partnership in the name and style of Neptune Enterprises) before the State Consumer Disputes Redressal Commission, Mumbai alleging that the complainant had booked apartment No. 2003 at Orchid View by paying an amount of Rs. 50,001. After booking the flat, Neptune Ventures and Developers Private Limited has informed the complainant that they are waiting for an approval. Hence the complainant offered to take a flat of similar area in one of the adjoining buildings. However, in terms of the complaint, Neptune Ventures and Developers Private Limited has taken no action in this regard. Further, the complainant has also filed injunction application no. 509 of 2008 which is pending before the State Consumer Redressal Forum, Mumbai. The complainant has prayed that the aforementioned apartment be allocated to him for a consideration of Rs. 6,781,090 as he alleges that the same was mentioned in a schedule of payments provided to him at the time of paying the aforementioned advance amount. He has further prayed that in the alternative, some other apartment or apartments of equivalent area be allotted to him. The matter is due to come up for final arguments on June 29, 2011.The matter is currently pending.

Litigation filed by Neptune Ventures and Developers Private Limited

Nil

9. Neptune Foundation

Litigation filed against Neptune Foundation

Nil

Litigation filed by Neptune Foundation

Nil

Small Scale Industries

Our Company does not owe any small scale undertakings or other creditors any amounts exceeding Rs. 1,00,000 which is outstanding for more than 30 days. There are no disputes with such entities in relation to payments to be made to them.

Material Developments

For details of material developments, please see the section "Management's Discussion and Analysis of Financial Condition and Results of Operations – Material Developments since December 31, 2010" on page 215.

GOVERNMENT AND OTHER APPROVALS

In view of the approvals listed below, our Company can undertake this Issue and its current business activities and except as disclosed below, no further major approvals from any governmental or regulatory authority or any other entity are required to undertake the Issue or continue the business activities of our Company. Unless otherwise stated, these approvals are all valid as of the date of this Draft Red Herring Prospectus.

I. Incorporation Details

Our Company

1. Certificate of incorporation dated August 19, 2006 issued to our Company by the Registrar of Companies, Maharashtra, Mumbai.

2. Fresh certificate of incorporation dated May 18, 2011 issued to our Company by the Registrar of Companies, Maharashtra, Mumbai consequent to the change of name upon conversion to a public limited company.

Our Subsidiaries

MT Education Services Private Limited

- Certificate of incorporation dated January 18, 2010 issued to MT Education Services Private Limited by the Registrar of Companies, Mumbai.

Chitale's Personalised Learning Private Limited

- Certificate of incorporation dated November 19, 2009 issued to Chitale's Personalised Learning Private Limited by the Registrar of Companies, Mumbai.

II. Approvals in relation to the Issue

1. In-principle approval dated [●], 2011 from the BSE.

2. In-principle approval dated [●], 2011 from the NSE.

3. Letter dated [●] from the RBI approving the transfer of Equity Shares by the Selling Shareholder in the Offer for Sale.

III. Approvals in relation to the business of our Company and Subsidiaries

We are required to obtain registrations under shops and establishments legislations in the States where we operate our Coaching Centres and the coaching centres of our Subsidiaries. We have obtained registrations under various shops and establishments legislations in the States for each location where we operate our Coaching Centres and the same are valid as of the date of this Draft Red Herring Prospectus. Some of these have expired in the ordinary course of business and applications for their renewal have been submitted.

a. Pending renewals

As on date of this Draft Red Herring Prospectus, the following applications for renewal of our shops and establishment registrations are pending:

1. Application dated December 9, 2010, filed with the Brihan Mumbai Mahanagar Palika, for renewal of the registration under Bombay Shops and Establishments Act, 1948 for the location at Dadar West, Mumbai. Maharashtra;

2. Application dated May 20, 2011, filed with the Brihan Mumbai Mahanagar Palika, for renewal of the registration under Bombay Shops and Establishments Act, 1948 for the location at Mira Road, Maharashtra;

3. Application dated December 18, 2010, filed with the Brihan Mumbai Mahanagar Palika, for renewal of the registration under Bombay Shops and Establishments Act, 1948 for the location at Andheri West, Mumbai, Maharashtra;

4. Application filed with the Brihan Mumbai Mahanagar Palika, for renewal of the registration under Bombay Shops and Establishments Act, 1948 for the location at Ambernath East, Maharashtra;

5. Application dated May 18, 2011, filed with the Brihan Mumbai Mahanagar Palika, for renewal of the registration under Bombay Shops and Establishments Act, 1948 for the location at Lulla Nagar, Pune, Maharashtra;

6. Application dated May 18, 2011, filed with the Brihan Mumbai Mahanagar Palika, for renewal of the registration under Bombay Shops and Establishments Act, 1948 for the location at Karve Road, Pune, Maharashtra;

7. Application dated May 18, 2011, filed with the Brihan Mumbai Mahanagar Palika, for renewal of the registration under Bombay Shops and Establishments Act, 1948 for the location at Aundh, Pune, Maharashtra;

8. Application dated December 15, 2010, filed with the Brihan Mumbai Mahanagar Palika, for renewal of the registration under Bombay Shops and Establishments Act, 1948 for the location at Kalyan, Maharashtra;

9. Application (no. 760131539) dated March 2, 2010, filed with the Brihan Mumbai Mahanagar Palika, for renewal of the registration under Bombay Shops and Establishments Act, 1948 for the location at Mahavir Magar, Kandivali, Mumbai, Maharashtra, where we operate our centre for Global Champs;

10. We are in the process of filing the following applications for the renewal of the registrations under relevant shops and establishment legislations for certain locations of our Coaching Centres:

    (i) Application for renewal of registration for the location at Chembur, Mumbai;
    (ii) Application for renewal of registration for the location at Kandivali, Mumbai; and
    (iii) Application for renewal of registration for the location at Kandivali (West), Mumbai.

b. Pending applications

We are in the process of filing the following applications for registrations under relevant shops and establishment legislations for the locations where CPLPL, our Subsidiary, operates its coaching centres:

1. Application for registration for the location at Vile Parle West, Mumbai;

2. Application for registration for the location at Santacruz West, Mumbai; and

3. Application for registration for the location at Borivali West, Mumbai.

IV. Tax Related Approvals

1. Permanent Account Number AAECM7770Q

2. Tax Deduction Account Number (TAN) MUMM30578C under the Income Tax Act, 1961.

3. Certificate of enrolment (no. PT/E/1/1/35/18/856) dated January 25, 2007 under the Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975.

4. Certificate of registration (no. PT/R/1/1/35/4268) dated January 25, 2007 under the Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The Issue has been authorised by a resolution of the Board of Directors passed at their meeting held on June 2, 2011, subject to the approval of shareholders of our Company through a special resolution to be passed pursuant to 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 at the EGM of our Company held on June 11, 2011.

The Selling Shareholder has authorised the Offer for Sale of the Equity Shares held by it pursuant to the terms of resolutions of their respective boards of directors dated June 9, 2011.

The Selling Shareholder has confirmed that it has held the Equity Shares proposed to be offered and sold in the Issue for more than one year prior to the date of filing of this Draft Red Herring Prospectus and that the Selling Shareholder has not been prohibited from dealings in securities market and the Equity Shares offered and sold are free from any lien, encumbrance or third party rights.

Our Company will make an application to RBI for an approval for the transfer of the Equity Shares by the Selling Shareholder in the Offer for Sale.

Prohibition by SEBI or Other Governmental Authorities

Our Company, its Promoter, its Directors, our Promoter Group entities, our Group Companies, persons in control of our Company and the Selling Shareholder, have not been debarred from accessing the capital market under any order or direction passed by SEBI or any other regulatory or governmental authority.

The companies, with which our Promoter, Directors or persons in control of our Company are or were associated as promoter, directors or persons in control have not been debarred from accessing the capital market under any order or direction passed by SEBI or any other regulatory or governmental authority.

Details of the entities that the Directors are associated with, which are engaged in securities market related business and are registered with SEBI for the same have been provided to SEBI.

Prohibition by RBI

Neither our Company, our Promoter, the relatives of our Promoter (as defined under the Companies Act), our Group Companies, nor the Selling Shareholder have been identified as wilful defaulters by the RBI or any other governmental authority. There are no violations of securities laws committed by them in the past or are pending against them.

Eligibility for the Issue

Our Company is eligible for the Issue in accordance with the Regulation 26(2) of the SEBI Regulations, which states as follows:

(2) "*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;

OR

(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 the Regulations 26(1) SEBI Regulations and are therefore required to meet both the conditions detailed in Clause (a) and Clause (b) of Regulation 26(2) of the SEBI Regulations.

- We are complying with Regulation 26(2) (a) (i) of the SEBI Regulations and at least 50% of the Issue is proposed to be Allotted to QIBs and in the event we fail to do so, the full subscription monies shall be refunded to the Bidders.

- We are complying with Regulation 43(2) of the SEBI Regulations and Non-Institutional Bidders and Retail Individual Bidders will be allocated 15% and 35% of the Issue respectively.

- We are also complying with Regulation 26(b)(i) of the SEBI Regulations and the post-issue face value capital of the Company shall be Rs. [●] lakhs, which is more than the minimum requirement of Rs. 10 Crore (Rs. 1,000 lakhs).

Hence, we are eligible for the Issue under Regulation 26(2) of the SEBI Regulations.

Disclaimer Clause of SEBI

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 THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGER, ENAM SECURITIES PRIVATE LIMITED, 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 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE OUR COMPANY AND THE SELLING SHAREHOLDER ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT RED HERRING PROSPECTUS, THE BOOK RUNNING LEAD MANAGER ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT OUR COMPANY AND THE SELLING SHAREHOLDER DISCHARGE THEIR RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGER, ENAM SECURITIES PRIVATE LIMITED, HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED JUNE 17, 2011 WHICH READS AS FOLLOWS:

WE, THE LEAD MERCHANT BANKER(S) TO THE ABOVE MENTIONED FORTHCOMING ISSUE, STATE AND CONFIRM 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 DOCUMENTS 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 OUR COMPANY, 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 OUR COMPANY, WE CONFIRM THAT:

(A) **THE DRAFT RED HERRING PROSPECTUS FILED WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA 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 SECURITIES AND EXCHANGE BOARD OF INDIA, 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 (THE "SEBI 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 SECURITIES AND EXCHANGE BOARD OF INDIA ("SEBI") AND THAT TILL DATE SUCH REGISTRATION IS VALID.

4. WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS. – NOTED FOR COMPLIANCE

5. WE CERTIFY THAT WRITTEN CONSENT FROM THE PROMOTER HAS BEEN OBTAINED FOR INCLUSION OF THEIR EQUITY SHARES AS PART OF PROMOTER'S CONTRIBUTION SUBJECT TO LOCK-IN AND THE EQUITY SHARES PROPOSED TO FORM PART OF PROMOTER'S CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED/SOLD/TRANSFERRED BY THE PROMOTER DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT RED HERRING PROSPECTUS WITH THE

SECURITIES AND EXCHANGE BOARD OF INDIA 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 SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, WHICH RELATES TO EQUITY SHARES INELIGIBLE FOR COMPUTATION OF PROMOTER's CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS. - <u>NOTED FOR COMPLIANCE</u>**

7. **WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTER'S CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO SEBI. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTER'S 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. <u>NOT APPLICABLE</u>**

8. **WE CERTIFY THAT THE PROPOSED ACTIVITIES OF OUR COMPANY 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 OUR COMPANY 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 OUR COMPANY SPECIFICALLY CONTAINS THIS CONDITION. - <u>NOTED FOR COMPLIANCE</u>**

   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. <u>NOT APPLICABLE. AS THE ISSUE SIZE IS MORE THAN RS. 1,000 LAKHS, HENCE UNDER SECTION 68B OF THE COMPANIES ACT, 1956, THE EQUITY SHARES ARE TO BE ISSUED IN DEMAT ONLY.</u>

10. **WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SEBI 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.**

11. **WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS:**

    (A) AN UNDERTAKING FROM OUR COMPANY THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF OUR COMPANY; AND

(B) AN UNDERTAKING FROM OUR COMPANY THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE BOARD FROM TIME TO TIME.

12. WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SEBI REGULATIONS WHILE MAKING THE ISSUE. - <u>NOTED FOR COMPLIANCE</u>

13. 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 OUR COMPANY, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTER'S EXPERIENCE, ETC.

14. WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SEBI 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 and the Selling Shareholder 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 BRLM, any irregularities or lapses in the Draft Red Herring Prospectus.

All legal requirements pertaining to the Issue will be complied with at the time of filing of the 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 Sections 56, 60 and 60B of the Companies Act.

Caution - Disclaimer from our Company, the Selling Shareholder and the BRLM

Our Company, its Directors, the Selling Shareholder and the BRLM 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 our Company's website www.mteducare.com, would be doing so at his or her own risk.

The BRLM accepts no responsibility, save to the limited extent as provided in the Issue Agreement and the Underwriting Agreement to be entered into between the Underwriters, the Selling Shareholder and our Company.

All information shall be made available by our Company, the Selling Shareholder and the BRLM to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports, at bidding centres or elsewhere.

Neither our Company, the Selling Shareholder nor any member of the Syndicate is liable 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 our Company, the Selling Shareholder, the Underwriters and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company and will not issue, sell, pledge, or transfer the Equity Shares of our Company to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company. Our Company, the Selling Shareholder, Underwriters and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our Company.

The BRLM and their respective associates and affiliates may engage in transactions with, and perform services for, our Company, the Selling Shareholder and their respective group companies, affiliates or associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with our Company, the Selling Shareholder and their respective group companies, affiliates or associates or third parties, for which they have received, and may in the future receive, compensation.

Disclaimer in respect of Jurisdiction

This Issue is being made in India to persons resident in India (including Indian nationals resident in India who are not minors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Indian Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorised under their constitution to hold and invest in shares, permitted insurance companies and pension funds, insurance funds set up and managed by the army and navy and insurance funds set up and managed by the Department of Posts, India) and to FIIs, Eligible NRIs and other eligible foreign investors (viz. FVCIs, multilateral and bilateral development financial institutions). This Draft Red Herring Prospectus does not, however, constitute an invitation to purchase 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 this Draft 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 Mumbai 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 SEBI for its observations and SEBI shall give its observations in due course. Accordingly, the Equity Shares represented thereby 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 our Company since 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, 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 Equity Shares have not been and will not be registered under the US Securities Act of 1933 ("Securities Act") 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, the Equity Shares are only being offered and sold outside the United States in offshore transactions in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

Disclaimer Clause of the BSE

As required, a copy of the Draft Red Herring Prospectus has been submitted to the BSE. The disclaimer clause as intimated by BSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to the RoC filing.

Disclaimer Clause of the NSE

As required, a copy of the Draft Red Herring Prospectus has been submitted to the NSE. The disclaimer clause as intimated by NSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to the RoC filing.

Filing

A copy of the Draft Red Herring Prospectus has been filed with SEBI at Corporation Finance Department, Plot No.C4-A,'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai 400051.

A copy of the Red Herring Prospectus, along with the documents required to be filed under Section 60B of the Companies Act, would be delivered for registration to the RoC and a copy of the Prospectus to be filed under Section 60 of the Companies Act would be delivered for registration with RoC at the Office of the Registrar of Companies, Everest 5th Floor, 100, Marine Drive, Mumbai 400 002.

Listing

Applications have been made to the Stock Exchanges for permission to deal in and for an official quotation of the Equity Shares. [●] will be the Designated Stock Exchange with which the Basis of Allotment 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 mentioned above, our Company and the Selling Shareholder 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 and the Selling Shareholder become liable to repay it, then our Company, the Selling Shareholder and every Director of our Company who is an officer in default shall, on and from such expiry of eight days, be liable to repay the money, with interest at the rate of 15.00% 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 12 Working Days of the Bid/ Issue Closing Date. Further, the Selling Shareholder confirm that all steps, as may be reasonably required and necessary, will be taken for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed within 12 Working Days of the Bid/Issue Closing Date.

Consents

Consents in writing of: (a) our Directors, our Company Secretary and Compliance Officer, the statutory Auditors, the legal advisors, the Bankers to the Issue, the Bankers to the Company, and (b) the BRLM, the Syndicate Members, the Escrow Collection Bankers, the Registrar to the Issue and the IPO Grading Agency to act in their respective capacities, will be obtained and will 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 shall 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 SEBI Regulations Shaparia & Mehta, Chartered Accountants, our Company's statutory auditors, have given their written consent to the inclusion of their audit report dated June 2, 2011 and statement of the tax benefits dated June 2, 2011 in the form and context in which it appears in this Draft Red Herring Prospectus and such consent shall not be withdrawn up to the time of submission of the Red Herring Prospectus for registration with the RoC.

Expert to the Issue

Except as stated below, our Company has not obtained any expert opinions:

Our Company has received consent from the Statutory Auditors namely, Shaparia & Mehta, Chartered Accountants to include their names as an expert in this Draft Red Herring Prospectus in relation to the report of the auditors dated June 2, 2011 and statement of tax benefits dated June 2, 2011 in the form and context in which it appears in this Draft Red Herring Prospectus.

Our Company has obtained certificates dated May 27, 2011 from Simon & Samuel, Architects and Interior Designers, in relation to the objects of the Issue. Simon & Samuel, Architects and Interior Designers have given its written consent to be named as an expert to our Company in relation to the estimated costs for the objects of the Issue and such consent has not been withdrawn up to the time of delivery of the Prospectus.

[●], the IPO grading agency engaged by us for the purpose of obtaining IPO grading in respect of this Issue, have given their written consent as experts to the inclusion of their report in the form and context in which they will appear in the Red Herring Prospectus and such consents and reports will not be withdrawn up to the time of delivery of the Red Herring Prospectus and Prospectus for registration with the RoC.

Issue Related Expenses

The expenses of this Issue include, among others, underwriting and management fees, selling commission, printing and distribution expenses, legal fees, fees to the Bankers to the Issue including processing fee to the SCSBs for processing ASBA Bid cum Application Forms procured by the Syndicate Members and submitted to the SCSBs, statutory advertisement expenses and listing fees. Except for the listing fees and non- statutory advertisement and marketing expenses which will be borne by our Company, expenses relating to the Issue will be borne by our Company and the Selling Shareholder in proportion of the Equity Shares contributed to the Issue. For further details of Issue related expenses, please see section "Objects of the Issue" on page 69.

Fees Payable to the Syndicate

The total fees payable to the Syndicate (including underwriting commission and selling commission and reimbursement of their out-of-pocket expense) will be as per the Engagement Letter dated June 11, 2011 with the BRLM, a copy of which is available for inspection at the Registered Office.

Fees Payable to the Registrar to the Issue

The fees payable by our Company and the Selling Shareholder to the Registrar to the Issue for processing of application, data entry, printing of CAN/refund order, preparation of refund data on magnetic tape, printing of bulk mailing register will be as stated in Memorandum of Understanding dated June 14, 2011 signed among our Company, the Registrar to the Issue and the Selling Shareholder, a copy of which is available for inspection at the Registered Office.

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 in any of the modes described in the Red Herring Prospectus or Allotment advice by registered post/speed post/under certificate of posting.

Underwriting commission, brokerage and selling commission on Previous Issues

Since this is an initial public offering of our Company, no sum has been paid or is payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since inception of our Company.

Particulars regarding Public or Rights Issues by our Company during the last Five Years

Our Company has not made any public or rights issues during the five years preceding the date of this Draft Red Herring Prospectus.

Previous issues of Equity Shares otherwise than for cash

Except as disclosed in the section "Capital Structure" on page 54 of this Draft Red Herring Prospectus, our Company has not issued any Equity Shares for consideration otherwise than for cash.

Previous capital issue during the previous three years by listed Group Companies and associates of our

Company

None of the Group Companies and associates of our Company are listed on any stock exchange.

Performance vis-à-vis objects – Public/Rights Issue of our Company and/or listed Group Companies and associates of our Company

Our Company has not undertaken any previous public or rights issue. None of our Group Companies or associates of our Company are listed on any stock exchange.

Outstanding Debentures or Bonds

Our Company does not have any outstanding debentures or bonds as of the date of filing this Draft Red Herring Prospectus.

Outstanding Preference Shares

Our Company does not have any outstanding preference shares as on date of this Draft Red Herring Prospectus.

Stock Market Data of Equity Shares

This being an initial public issue of our Company, the Equity Shares are not listed on any stock exchange.

Mechanism for Redressal of Investor Grievances

The Memorandum of Understanding between the Registrar to the Issue, our Company and the Selling Shareholder provides for the retention of records with the Registrar to the Issue for a period of at least three years from the last date of despatch of the letters of Allotment, demat credit and refund orders 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, number of Equity Shares applied for, amount paid on application and the bank branch or collection centre where the application was submitted.

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

Disposal of Investor Grievances by our Company

Our Company estimates that the average time required by our Company or the Registrar to the Issue or the SCSB in case of ASBA Bidders, for the redressal of routine investor grievances shall be 10 Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has constituted a Shareholders' and Investors' Grievances Committee comprising Cyrus Driver, Uday Lajmi and Dr. Chhaya Shastri as members.

Our Company has also appointed Ashwin M. Patel, Company Secretary of our Company, as the Compliance Officer for this Issue and he may be contacted in case of any pre-Issue or post-Issue related problems at the following address:

Ashwin M. Patel
Compliance Officer and Company Secretary
MT Educare Limited

220, 2nd Floor, “Flying Colors”
Pandit Din Dayal Upadhyay Marg
L.B.S. Cross Road
Mulund (West)
Mumbai 400 080
Tel: (91 22) 2593 7980
Fax: (91 22) 2593 7799
Email: info@mteducare.com

Changes in Auditors

There has been no change in the Auditors of our Company during the last three years.

Capitalisation of Reserves or Profits

Our Company has not capitalised its reserves or profits at any time during the last five years, except as stated in the section “Capital Structure” on page 54.

Revaluation of Assets

Our Company has not re-valued its assets in the last five years.

SECTION VII: ISSUE INFORMATION

TERMS OF THE ISSUE

The Equity Shares being issued and transferred pursuant to the Issue shall be subject to the provisions of the Companies Act, the Memorandum and Articles of Association, the terms of the Red Herring Prospectus and the Prospectus, Bid cum Application Form, ASBA Bid cum Application Form, the Revision Form, the CAN and other terms and conditions as may be incorporated in the Allotment advices and other documents/ certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws, guidelines, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government, Stock Exchanges, RoC, RBI and/or other authorities, as in force on the date of the Issue and to the extent applicable, or such other conditions as may be prescribed by SEBI, RBI and/or any other authorities while granting its approval for the Issue.

Ranking of Equity Shares

The Equity Shares being issued and transferred in the Issue shall be subject to the provisions of the Companies Act and the Memorandum and Articles of Association and shall rank *pari-passu* with the existing Equity Shares of our Company including rights in respect of dividend. The Allottees in receipt of Allotment of Equity Shares under this Issue will be entitled to dividends and other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, please see the section "Main Provisions of Articles of Association" beginning on page 275.

Sharing of Expenses

Except for the listing fees and non-statutory advertisement and marketing expenses, which will be borne by our Company, expenses relating to the Issue will be borne by our Company and the Selling Shareholder in proportion of the Equity Shares contributed to the Issue. For further details in this regard, please see the sections, "Other Regulatory and Statutory Disclosures – Issue Related Expenses" and "Objects of the Issue" on pages 235 and 69, respectively.

Mode of Payment of Dividend

Our Company shall pay dividends, if declared, to its shareholders in accordance with the provisions of the Companies Act and the Memorandum and Articles of Association.

Face Value and Issue Price

The face value of the Equity Shares is Rs. 10 each and the Issue Price is Rs. [●] per Equity Share. The Anchor Investor Issue Price is Rs. [●] per Equity Share.

The Price Band and the minimum Bid Lot size for the Issue will be decided by our Company and the Selling Shareholder in consultation with the BRLM and advertised in [●] edition of English national daily [●], [●] edition of Hindi national daily [●], and [●] edition of regional language newspaper [●] each with wide circulation, at least two Working Days prior to the Bid/ Issue Opening Date.

At any given point of time there shall be only one denomination for the Equity Shares.

Compliance with SEBI Regulations

Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Equity Shareholder

Subject to applicable laws, the equity shareholders shall have the following rights:

- Right to receive dividends, if declared;
- Right to attend general meetings and exercise voting powers, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation, subject to any statutory and preferential claim being satisfied;
- Right of free transferability subject to applicable law, including any RBI rules and regulations; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the terms of the listing agreement executed with the Stock Exchanges and our Company's 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 and/or consolidation/splitting, see the section "Main Provisions of Articles of Association" beginning on page 275.

Market Lot and Trading Lot

In terms of 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 only be in dematerialised form. Since trading of the Equity Shares is in dematerialised form, the tradable lot is one Equity Share. Allotment in this Issue will be only in electronic form in multiples of one (1) Equity Share subject to a minimum Allotment of [•] Equity Shares.

Jurisdiction

Exclusive jurisdiction for the purpose of this Issue is with the competent courts/authorities in Mumbai.

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, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 109A of the Companies Act, be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Registered Office/Corporate Office of our Company or to the Registrar and Transfer Agent of our Company.

In accordance with Section 109A of the Companies Act, any person who becomes a nominee by virtue of Section 109A of the Companies Act, shall upon the production of such evidence as may be required by the Board, elect either:

- To register himself or herself as the holder of the Equity Shares; or
- To make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety days, the

Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Issue will be made only in dematerialised form, there is no need to make a separate nomination with our Company. Nominations registered with respective depository participant of the applicant would prevail. If the investors require changing their nomination, they are requested to inform their respective depository participant.

Minimum Subscription

If our Company does not receive 90% subscription of the Fresh Issue, including devolvement of Underwriters, our Company and the Selling Shareholder shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after our Company becomes liable to pay the amount, our Company shall pay interest as prescribed under Section 73 of the Companies Act.

The requirement for 90% minimum subscription is not applicable to the Offer for Sale. All the Equity Shares in the Fresh Issue will be issued prior to the sale of Equity Shares in the Offer for Sale.

Further, our Company shall ensure that the number of prospective Allotees to whom Equity Shares will be Allotted shall not be less than 1,000.

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.

Arrangement for disposal of Odd Lots

There are no arrangements for disposal of odd lots.

Restriction on transfer of Equity Shares

Except for lock-in of the pre-Issue Equity Shares, Promoter's minimum contribution and Anchor Investor lock-in in the Issue as detailed in the section "Capital Structure" on page 54, and except as provided in the Articles of Association, there are no restrictions on transfers of Equity Shares. There are no restrictions on transmission of shares and on their consolidation/ splitting except as provided in the Articles of Association. For details, please see the section "Main Provisions of the Articles of Association" on page 275.

ISSUE STRUCTURE

Issue of [●] Equity Shares for cash at a price of Rs. [●] per Equity Share (including share premium of Rs. [●] per Equity Share) aggregating to Rs. [●] lakhs. The Issue consists of a Fresh Issue of [●] Equity Shares aggregating to Rs. 3,500 lakhs and an offer for sale of up to 80,00,000 Equity Shares aggregating up to Rs. [●]. The Issue will constitute [●]% of the post-Issue paid-up equity share capital of our Company.

The Issue is being made through the Book Building Process.

	QIBs#	**Non-Institutional Bidders**	**Retail Individual Bidders**
Number of Equity Shares*	At least [●] Equity Shares	Not less than [●] Equity Shares available for allocation or Issue less allocation to QIB Bidders and Retail Individual Bidders.	Not less than [●] Equity Shares available for allocation or Issue less allocation to QIB Bidders and Non-Institutional Bidders.
Percentage of Issue Size available for Allotment/allocation	At least 50% of the Issue being Allotted to QIBs. However, up to 5% of the QIB Portion (excluding the Anchor Investor Portion) will be available for allocation proportionately to Mutual Funds only.	Not less than 15% of the Issue or the Issue less allocation to QIB Bidders and Retail Individual Bidders.	Not less than 35% of the Issue or Issue less allocation to QIB Bidders and Non-Institutional Bidders.
Basis of Allotment/Allocation if respective category is oversubscribed	Proportionate as follows: (a) [●] Equity Shares shall be allocated on a proportionate basis to Mutual Funds only; and (b) [●] Equity Shares shall be allotted on a proportionate basis to all QIBs including Mutual Funds receiving allocation as per (a) above.	Proportionate	Proportionate
Minimum Bid	Such number of Equity Shares that the Bid Amount exceeds Rs. 200,000 and in multiples of [●] Equity Shares thereafter.	Such number of Equity Shares that the Bid Amount exceeds Rs. 200,000 and in multiples of [●] Equity Shares thereafter.	[●] Equity Shares and in multiples of [●] Equity Shares thereafter
Maximum Bid	Such number of Equity Shares not exceeding the Issue, subject to applicable limits.	Such number of Equity Shares not exceeding the Issue, subject to applicable limits.	Such number of Equity Shares, whereby the Bid Amount does not exceed Rs. 200,000.
Mode of Allotment	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.

	QIBs#	Non-Institutional Bidders	Retail Individual Bidders
Allotment Lot	[●] Equity Shares and in multiples of one Equity Share thereafter	[●] Equity Shares and in multiples of one Equity Share thereafter	[●] Equity Shares and in multiples of one Equity Share thereafter
Trading Lot	One Equity Share	One Equity Share	One Equity Share
Who can Apply **	Public financial institutions as specified in Section 4A of the Companies Act, scheduled commercial banks, mutual fund registered with SEBI, FIIs and sub-account registered with SEBI (other than a sub-account which is a foreign corporate or foreign individual), VCFs, FVCIs, multilateral and bilateral development financial institutions, state industrial development corporation, insurance company registered with IRDA, provident fund (subject to applicable law) with minimum corpus of Rs. 2,500 lakhs, pension fund with minimum corpus of Rs. 2,500 lakhs, in accordance with applicable law and National Investment Fund set up by Government of India, insurance funds set up and managed by army, navy or air force of the Union of India and insurance funds set up and managed by Department of Posts, India.	Resident Indian individuals, Eligible NRIs, HUFs (in the name of 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, Eligible NRIs and HUFs (in the name of Karta)
Terms of Payment	Full Bid Amount shall be payable at the time of submission of Bid cum Application Form. (except for Anchor Investors) ##	Full Bid Amount shall be payable at the time of submission of Bid cum Application Form.##	Full Bid Amount shall be payable at the time of submission of Bid cum Application Form.##

Our Company may allocate up to 30% of the QIB Portion to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors. For details, see the section "Issue Procedure" beginning on page 245.

In case of ASBA Bidders, the SCSB shall be authorised to block such funds in the bank account of the Bidder that are specified in the ASBA Bid cum Application Form.

* *Subject to valid Bids being received at or above the Issue Price. This Issue is being made in accordance with Rule 19(2)(b)(i) of the SCRR, as amended and under the SEBI Regulations, where the Issue will be made through the Book Building Process wherein at least 50% of the Issue will be Allotted on a proportionate basis to QIBs, provided that our Company may allocate up to 30% of the QIB Portion to Anchor Investors on a discretionary basis. Out of the QIB Portion (excluding the Anchor Investor Portion), 5% will be available for allocation on a*

proportionate basis to Mutual Funds only. The remainder will be available for allocation on a proportionate basis to QIBs (other than Anchor Investors) and Mutual Funds, subject to valid Bids being received from them at or above the Issue Price. However, if the aggregate demand from Mutual Funds is less than [●] Equity Shares, the balance Equity Shares available for Allotment in the Mutual Fund Portion will be added to the QIB Portion and allocated proportionately to the QIB Bidders (other than Anchor Investors) in proportion to their Bids. Further, not less than 15% of the Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue will be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price.

Under-subscription, if any, in any category, except in the QIB category, would be met with spill-over from other categories at the discretion of our Company and the Selling Shareholder in consultation with the BRLM and the Designated Stock Exchange.

Withdrawal of the Issue

Our Company and the Selling Shareholder, in consultation with the BRLM, reserve the right not to proceed with the Issue at anytime after the Bid/Issue Opening Date. In such an event our Company shall issue a public notice in the newspapers in which the pre-Issue advertisements were published, within two days of the Bid/ Issue Closing Date, providing reasons for not proceeding with the Issue. The BRLM, through the Registrar to the Issue, shall notify the SCSBs to unblock the bank accounts of the ASBA Bidders within one day of receipt of such notification. Our Company shall also inform the Stock Exchanges on which the Equity Shares are proposed to be listed.

If our Company and the Selling Shareholder withdraw the Issue after the Bid/Issue Closing Date and thereafter determine that they will proceed with an issue of our Company's Equity Shares, our Company shall file a fresh draft red herring prospectus with SEBI. Notwithstanding the foregoing, the Issue is also subject to obtaining (i) 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.

Bid/ Issue Programme

BID/ISSUE OPENS ON	**[●]***
BID/ISSUE CLOSES ON	**[●]****

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

** *Our Company and the Selling Shareholder may consider closing the Bid/Issue Period for QIB Bidders one day prior to the Bid/Issue Closing Date in accordance with 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, "IST") during the Bid/ Issue Period as mentioned above at the bidding centres and designated branches of SCSBs as mentioned on the Bid cum Application Form, except that on the On the Bid/ Issue Closing Date:

(i) the Bids and any revision in the Bids shall be accepted only between 10.00 a.m. and 4.00 p.m. (IST) and shall be uploaded until 5.00 p.m. (IST) in case of Bids by QIB Bidders. Our Company and the Selling Shareholder may consider closing the Bid/Issue Period for QIB Bidders one day prior to the Bid/Issue Closing Date;

(ii) the Bids and any revision in the Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. (IST) and be uploaded until 4.00 p.m. (IST) in case of Bids by Non-Institutional Bidders;

(iii) the Bids and any revision in the Bids shall be accepted only between 10.00 a.m. and 4.00 p.m. (IST) and shall be uploaded until 5.00 p.m. (IST) or such extended time as permitted by the Stock Exchanges, in case of Bids by Retail Individual Bidders. It is clarified that the Bids not uploaded in the book would be rejected.

Due to limitation of 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. (IST) on the Bid/ Issue Closing Date. All times mentioned in this Draft Red Herring Prospectus are Indian Standard Times. 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, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under the Issue. Bids will be accepted only on Business

Days, i.e., Monday to Friday (excluding any public holiday). Neither our Company, the Selling Shareholder, nor any member of the Syndicate is liable for any failure in uploading the Bids due to faults in any software/hardware system or otherwise.

On the Bid/ Issue Closing Date, extension of time will 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 and as reported by the BRLM to the Stock Exchanges.

Our Company and the Selling Shareholder, in consultation with the BRLM, reserve the right to revise the Price Band during the Bid/ Issue Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the Face Value of the Equity Shares. The revision in Price Band shall not exceed 20% on the either side i.e. the floor price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly.

In case of revision of the Price Band, the Bid/Issue Period will be extended for at least three additional Working Days after revision of Price Band subject to the Bid/ Issue Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/ Issue Period, if applicable, will be widely disseminated by notification to the Stock Exchanges, by issuing a press release and also by indicating the changes on the websites of the BRLM and at the terminals of the Syndicate Members.

ISSUE PROCEDURE

This section applies to all Bidders. Please note that QIBs (other than Anchor Investors) and Non Institutional Bidders can participate in the Issue only through the ASBA process. Retail Individual Bidders can participate in the Issue through the ASBA process as well as the non ASBA process. ASBA Bidders should note that the ASBA process involves application procedures that may be different from the procedure applicable to Bidders other than the ASBA Bidders. Bidders applying through the ASBA process should carefully read the provisions applicable to such applications before making their application through the ASBA process. Please note that all the Bidders are required to make payment of the full Bid Amount along with the Bid cum Application Form. In case of ASBA Bidders, an amount equivalent to the full Bid Amount will be blocked by the SCSB.

Book Building Procedure

In terms of Rule 19(2)(b)(i) of the SCRR, this Issue is for more than 25% of the post-Issue equity share capital of our Company. The Issue is being made through the Book Building Process wherein at least 50% of the Issue shall be Allotted to QIBs on a proportionate basis, provided that our Company may allocate up to 30% of the QIB Portion to Anchor Investors on a discretionary basis. Out of the QIB Portion (excluding the Anchor Investor Portion), 5% will be available for allocation on a proportionate basis to Mutual Funds only. The remainder will be available for allocation on a proportionate basis to QIBs and Mutual Funds, subject to valid Bids being received from them at or above the Issue Price. Further, not less than 15% of the Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue will be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. Allocation to Anchor Investors shall be on a discretionary basis and not on a proportionate basis.

Investors should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialised form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including DPID, PAN and Beneficiary Account Number, shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form.

Bid cum Application Form

The prescribed colour of the Bid cum Application Form for the various categories is as follows:

Category	Colour of Bid cum Application Form
Resident Indians and Eligible NRIs applying on a non-repatriation basis (ASBA as well as non ASBA Bidders*)	[●]
Eligible NRIs, FIIs or Foreign Venture Capital Investors, registered Multilateral and Bilateral Development Financial Institutions applying on a repatriation basis (ASBA as well as non ASBA Bidders)	[●]
Anchor Investors**	[●]

* *Bid cum Application forms for ASBA Bidders will also be available on the website of the NSE (www.nseindia.com) and BSE (www.bseindia.com). Same ASBA Bid cum Application Form applies to all ASBA Bids irrespective of whether they are submitted to the SCSBs or to the Syndicate (in Specified Cities).*

** *Bid cum Application forms for Anchor Investors shall be made available at the offices of the BRLM.*

All Bidders other than the ASBA Bidders are required to submit their Bids through the Syndicate only. ASBA Bidders are required to submit their Bids only through the SCSBs, authorising blocking of funds that are available in the bank account specified in the ASBA Bid cum Application Form, except for the ASBA Bids submitted in the Specified Cities. In the case of Specified Cities, the ASBA Bids may either be submitted with the SCSBs or with the Syndicate. QIBs participating in the Anchor Investor Portion cannot submit their Bids in the Anchor Investor Portion through the ASBA process. Bidders other than 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 in terms of the Red Herring Prospectus. The Bidder shall have the option to make a maximum of three Bids in the Bid cum Application Form and such options shall not be considered as multiple Bids.

No separate receipts shall be issued for the money payable on the submission of Bid cum Application Form or Revision Form. However, the collection centre of the Syndicate 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.

Upon completion and submission of the Bid cum Application Form to a Syndicate or the SCSB, the Bidder or the ASBA Bidder is deemed to have authorised our Company and the Selling Shareholder 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 Bidder or the ASBA Bidder. Upon the filing of the Prospectus with the RoC, the Bid cum Application Form shall be considered as the Application Form.

Who can Bid?

- Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, as amended;
- Hindu Undivided Families or HUFs, 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;
- Companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in Equity Shares;
- Mutual Funds registered with SEBI;
- Eligible NRIs on a repatriation basis or on a non repatriation basis subject to applicable laws. NRIs other than eligible NRIs are not eligible to participate in this issue;
- Indian financial institutions, scheduled commercial banks (excluding foreign banks), regional rural banks, co-operative banks (subject to RBI regulations and the SEBI Regulations and other laws, as applicable);
- FIIs and sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual under the QIB category;
- Sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals only under the Non-Institutional Bidders category.
- Venture Capital Funds registered with SEBI;
- Foreign Venture Capital Investors registered with SEBI;
- Multilateral and bilateral development financial institutions;
- State Industrial Development Corporations;
- Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to trusts/societies and who are authorised under their respective constitutions to hold and invest in Equity Shares;
- Scientific and/or industrial research organisations authorised in India to invest in Equity Shares;

- Insurance companies registered with Insurance Regulatory and Development Authority;
- Provident Funds with a minimum corpus of Rs. 2,500 lakhs and who are authorised under their constitution to hold and invest in Equity Shares;
- Pension Funds with a minimum corpus of Rs. 2,500 lakhs and who are authorised under their constitution to hold and invest in Equity Shares;
- National Investment Fund;
- Insurance funds set up and managed by the army, navy or air force of the Union of India; and
- Insurance funds set up and managed by Department of Posts, India; and
- Limited liability partnerships.

As per the existing regulations, OCBs cannot participate in this Issue.

Participation by associates and affiliates of the BRLM and the Syndicate Members

The BRLM and the Syndicate Members shall not be allowed to subscribe to this Issue in any manner except towards fulfilling their underwriting obligations. However, the associates and affiliates of the BRLM and Syndicate Members may subscribe to or purchase Equity Shares in the Issue, either in the QIB Portion or in Non-Institutional Portion as may be applicable to such Bidders, where the allocation is on a proportionate basis.

The BRLM and any persons related to the BRLM or our Promoter and our Promoter Group cannot apply in the Issue under the Anchor Investor Portion.

Bids by Mutual Funds

An eligible Bid by a Mutual Fund shall first be considered for allocation proportionately in the Mutual Fund Portion. In the event that the demand in the Mutual Funds portion is greater than [●] Equity Shares, allocation shall be made to Mutual Funds proportionately, to the extent of the Mutual Fund Portion. The remaining demand by the Mutual Funds shall, as part of the aggregate demand by QIBs, be available for allocation proportionately out of the remainder of the QIB Portion, after excluding the allocation in the Mutual Fund Portion.

Bids made by asset management companies or Custodians of Mutual Funds shall specifically state names of the concerned schemes for which such bids are made.

One-third of the Anchor Investor Portion shall be reserved for allocation to domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Bids by Eligible NRIs

1. Bid cum Application Forms have been made available for Eligible NRIs applying on a repatriation basis at the Registered Office of our Company and with the Syndicate and the Registrar;

2. Eligible NRIs should note that Bids that are accompanied by payment in free foreign exchange should use the Bid cum Application Form for non-resident Bidders which is [•] in colour, to be considered for Allotment. Eligible NRIs who intend to make payment through Non-Resident Ordinary (NRO) accounts should use the form meant for Resident Indians which is white in colour, to be considered for Allotment.

Bids by FIIs

As per the current regulations, the following restrictions are applicable for investments by FIIs:

The issue of Equity Shares to a single FII should not exceed 10% of total post-Issue paid-up share capital. In respect of an FII investing in the Equity Shares on behalf of its sub-accounts, the investment on behalf of each sub-account shall not exceed 10% of the total paid-up share capital or 5% of the total paid-up share capital in case such sub-account is a foreign corporate or a foreign individual. Pursuant to a resolution dated June 2, 2011 passed by the Board of Directors and a resolution dated June 11, 2011 passed by the Shareholders of our Company the aggregate FII holding in our Company can go up to 100% of the total paid-up share capital.

Subject to compliance with all applicable Indian laws, rules, regulations guidelines and approvals in terms of Regulation 15A(1) of the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended (the "SEBI FII Regulations"), an FII, as defined in the SEBI FII Regulations, may issue or otherwise deal in offshore derivative instruments (as defined under the SEBI FII Regulations as any instrument, by whatever name called, which is issued overseas by a FII against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with 'know your client' norms. An FII is also required to ensure that no further issue or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority as defined under the SEBI FII Regulations. Associates and affiliates of the underwriters including the BRLM and the Syndicate Members that are FIIs may issue offshore derivative instruments against Equity Shares Allotted to them in the Issue. Any such offshore derivative instrument does not constitute any obligation or claim or claim on or an interest in our Company.

Bids by SEBI registered Venture Capital Funds and Foreign Venture Capital Investors

The SEBI (Venture Capital Funds) Regulations, 1996 as amended and SEBI (Foreign Venture Capital Investors) Regulations, 2000, as amended *inter alia* prescribe the investment restrictions on VCFs and FVCIs registered with SEBI.

Accordingly, the holding by any individual VCF registered with SEBI in one venture capital undertaking should not exceed 25% of the corpus of the venture capital fund. Further, venture capital funds and FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering of a venture capital undertaking whose shares are proposed to be listed.

The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholder and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and Bidders are advised to ensure that any single Bid from them does not exceed the applicable 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.

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. 2,00,000. In case of revision of Bids, the Retail Individual Bidders have to ensure that the Bid Amount does not exceed Rs. 2,00,000. In case the Bid Amount is over Rs. 2,00,000 due to revision of the Bid, the Bid would be considered for allocation under the Non-Institutional Portion. The Cut-off Price option is an option given only to the Retail Individual Bidders indicating their agreement to Bid for and purchase the Equity Shares at the final Issue Price as determined at the end of the Book Building Process.

(b) **For Other Bidders (Non-Institutional Bidders and QIBs):** The Bid must be for a minimum of such number of Equity Shares such that the Bid Amount exceeds Rs. 2,00,000 and in multiples of [•] Equity Shares thereafter. A Bid cannot be submitted for more than the Issue size. However, the maximum Bid by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. **A QIB Bidder cannot withdraw its Bid after the Bid/Issue Closing Date and is required to pay the Bid Amount upon submission of the Bid. QIBs (other than Anchor Investors) and Non Institutional Bidders are mandatorily required to submit their Bid through the ASBA process.**

In case of revision in Bids, the Non-Institutional Bidders, who are individuals, have to ensure that the Bid Amount is greater than Rs. 2,00,000 for being considered for allocation in the Non-Institutional Portion. In case the Bid Amount reduces to Rs. 2,00,000 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 Retail Portion would be considered for allocation under the Retail Portion. Non-Institutional Bidders and QIBs are not allowed to Bid at 'Cut-off Price'.

(c) **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 at least Rs. 1,000 lakhs and in multiples of [•] Equity Shares thereafter. Bids by Anchor Investors under the Anchor Investor Portion and the QIB Portion shall not be considered as multiple Bids. A Bid cannot be submitted for more than 30% of the QIB Portion under the Anchor Investor Portion. **Anchor Investors cannot withdraw their Bids after the Anchor Investor Bid/ Issue Period and are required to pay the Bid Amount at the time of submission of the Bid. In case the Anchor Investor Price is lower than the Issue Price, the balance amount shall be payable as per the pay-in-date mentioned in the revised CAN.**

Information for the Bidders:

(a) Our Company, Selling Shareholder and the BRLM shall declare the Bid/Issue Opening Date and Bid/Issue Closing Date in the Red Herring Prospectus to be registered with the RoC and also publish the same in two national daily newspapers (one each in English and Hindi) and in one Marathi newspaper, each with wide circulation. This advertisement shall be in the prescribed format.

(b) Our Company will file the Red Herring Prospectus with the RoC at least three days before the Bid/Issue Opening Date.

(c) Copies of the Bid cum Application Form and copies of the Red Herring Prospectus will be available with the Syndicate. For ASBA Bidders, Bid cum Application Forms will be available on the websites of NSE and BSE, the Designated Branches of the SCSBs**.**

(d) Any eligible Bidder who would like to obtain the Red Herring Prospectus and/ or the Bid cum Application Form can obtain the same from the Registered Office of our Company, from the BRLM and the Syndicate Members.

(e) Eligible Bidders who are interested in subscribing for the Equity Shares should approach any of the BRLM or Syndicate Members or their authorised agent(s) to register their Bids. Bidders who wish to use the ASBA process should approach the Designated Branches of the SCSBs or the Syndicate (only in the Specified Cities) to register their Bids.

(f) The Bids should be submitted on the prescribed Bid cum Application Form only. Bid cum Application Forms (other than the ASBA Bid cum Application Forms) should bear the stamp of the Syndicate, otherwise they will be rejected. Bids by ASBA Bidders shall be accepted by the Designated Branches of the SCSBs in accordance with the SEBI Regulations and any circulars issued by SEBI in this regard.

Bidders applying through the ASBA process also have an option to (i) submit the ASBA Bid cum Application Form in electronic form; or (ii) submit the Bids through the Syndicate in the Specified Cities.

(g) The demat accounts of Bidders for whom PAN details have not been verified, excluding (i) persons resident in the state of Sikkim; (ii) the Central and State Governments; and (iii) the officials appointed by the courts, who, may be exempted from specifying their PAN for transacting in the securities market, shall be "suspended for credit" and no credit of Equity Shares pursuant to the Issue will be made into the accounts of such Bidders.

The Bidders should note that in case the DP ID and Client ID and PAN mentioned in the Bid cum Application Form and entered into the electronic bidding system of the Stock Exchanges by the Syndicate do not match with the DP ID and Client ID and PAN available in the database of Depositories, the Bid cum Application Form is liable to be rejected.

Based on the information provided by the Depositories, our Company shall have the right to accept Bids belonging to an account for the benefit of a minor (under guardianship).

Pre-Issue Advertisement

Subject to Section 66 of the Companies Act, our Company shall, after registering the Red Herring Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in one English language national daily newspaper, one Hindi language national daily newspaper and one Marathi language daily newspaper, each with wide circulation.

Method and Process of Bidding

(a) Our Company and the Selling Shareholder in consultation with the BRLM will decide the Price Band and the minimum Bid lot size for the Issue and the same shall be advertised in [●] edition of the English national daily, [●], [●] edition of the Hindi national daily, [●] and [●] edition of the regional language newspaper, [●], each with wide circulation at least two Working Days prior to the Bid/ Issue Opening Date. The Syndicate and the SCSBs shall accept Bids from the Bidders during the Bid/Issue Period.

(b) The Bid/Issue Period shall be for a minimum of three Working Days and shall not exceed 10 Working Days. The Bid/ Issue Period maybe extended, if required, subject to the total Bid/Issue Period not exceeding 10 Working Days. In case of revision of the Price Band, the Bid/Issue Period will be extended for at least three additional Working Days after revision of Price Band subject to the Bid/ Issue Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/ Issue Period, if applicable, will be published in two national daily newspapers (one each in English and Hindi) and one Marathi newspaper, each with wide circulation and also by indicating the change on the websites of the BRLM and at the terminals of the Syndicate.

(c) During the Bid/Issue Period, Bidders, other than QIBs, who are interested in subscribing for the Equity Shares should approach the Syndicate or their authorised agents to register their Bids. The Syndicate shall accept Bids from all Bidders and have the right to vet the Bids during the Bid/ Issue Period in accordance with the terms of the Red Herring Prospectus. Bidders who wish to use the ASBA process should approach the Designated Branches of the SCSBs to register their Bids or the Syndicate (for the Bids to be submitted in the Specified Cities).

(d) Each Bid cum Application Form will give the Bidder the choice to Bid for up to three optional prices (for details refer to the paragraph titled "Bids at Different Price Levels and Revision of Bids" below) 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/Allotment and the rest of the Bid(s), irrespective of the Bid Amount, will become automatically invalid.

(e) The Bidder cannot Bid on another Bid cum Application Form after Bids on one Bid cum Application Form have been submitted to any member of the Syndicate or the SCSBs. Submission of a second Bid cum Application Form to either the same or to another member of the Syndicate or SCBS will be treated as multiple Bids and is liable to be rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the allocation or Allotment of Equity Shares in this Issue. However, the Bidder can revise the Bid through the Revision Form, the procedure for which is detailed under the paragraph "Build up of the Book and Revision of Bids".

(f) Except in relation to the Bids received from the Anchor Investors, the Syndicate/the SCSBs 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. With respect to the ASBA Bid cum Application Forms collected by any member of the Syndicate, the Syndicate Member will issue an acknowledgement by giving the counter foil of the ASBA Bid cum Application Form to the ASBA Bidder. The TRS will be generated by the concerned SCSB after blocking of funds.

(g) The BRLM shall accept the Bids from the Anchor Investors during the Anchor Investor Bid/ Issue Period i.e. one working day prior to the Bid/ Issue Opening Date. Bids by QIBs under the Anchor Investor Portion and the QIB Portion shall not be considered as multiple Bids.

(h) Along with the Bid cum Application Form, all Bidders (other than ASBA Bidders) will make payment in the manner described in "Escrow Mechanism - Terms of payment and payment into the Escrow Accounts" in the section "Issue Procedure" beginning on page 245.

(i) Upon receipt of the ASBA Bid cum Application Form, submitted whether in physical or electronic mode, the Designated Branch of the SCSB shall verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the ASBA Bid cum Application Form, prior to uploading such Bids with the Stock Exchanges.

(j) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB shall reject such Bids and shall not upload such Bids with the Stock Exchanges.

(k) If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Bid Amount mentioned in the ASBA Bid cum Application Form and will enter each Bid option into the electronic bidding system as a separate Bid and generate a TRS for each price and demand option. The TRS shall be furnished to the ASBA Bidder on request.

(l) The Bid Amount shall remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the ASBA Bid cum Application Form, as the case may be. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount allocable to the successful 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 Registrar to the Issue.

INVESTORS ARE ADVISED NOT TO SUBMIT THE BID CUM APPLICATION FORMS TO THE ESCROW COLLECTION BANKS. BIDS SUBMITTED TO THE ESCROW COLLECTION BANKS SHALL BE REJECTED AND SUCH BIDDERS SHALL NOT BE ENTITLED TO ANY COMPENSATION ON ACCOUNT OF SUCH REJECTION.

Bids at Different Price Levels and Revision of Bids

(a) Our Company and the Selling Shareholder, in consultation with the BRLM and without the prior approval of, or intimation, to the Bidders, reserve the right to revise the Price Band during the Bid/ Issue Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the Face Value of the Equity Shares. The revision in Price Band shall not exceed 20% on the either side i.e. the floor price can move up or down to the extent of 20% of the floor price disclosed at least two days prior to the Bid/ Issue Opening Date and the Cap Price will be revised accordingly.

(b) Our Company, in consultation with the Selling Shareholder and the BRLM will finalise the Issue Price within the Price Band, without the prior approval of, or intimation, to the Bidders.

(c) Our Company, in consultation with the Selling Shareholder and the BRLM, can finalise the Anchor Investor Issue Price within the Price Band, without the prior approval of, or intimation, to the Anchor Investors.

(d) The Bidders can Bid at any price within the Price Band. The Bidder has to Bid for the desired number of Equity Shares at a specific price. Retail Individual Bidders may Bid at the Cut-off Price. However, bidding at Cut-off Price is prohibited for QIB and Non-Institutional Bidders and such Bids from QIB and Non-Institutional Bidders shall be rejected.

(e) Retail Individual Bidders, who Bid at Cut-off Price agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders shall submit the Bid cum Application Form along with a cheque/demand draft for the Bid Amount based on the Cap Price with the Syndicate. In case of ASBA Bidders (excluding Non-Institutional Bidders and QIB Bidders) bidding at Cut-off Price, the ASBA Bidders shall instruct the SCSBs to block an amount based on the Cap Price.

Escrow mechanism, terms of payment and payment into the Escrow Accounts

For details of the escrow mechanism and payment instructions, see "Payment Instructions" in this section.

Electronic Registration of Bids

(a) The Syndicate and the SCSBs will register the Bids using the on-line facilities of the Stock Exchanges.

(b) The Syndicate and the SCSBs will undertake modification of selected fields in the Bid details already uploaded within one Working Day from the Bid/Issue Closing Date.

(c) 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.

(d) The Syndicate shall be responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the Bids accepted by the Syndicate, (ii) the Bids uploaded by the Syndicate or (iii) the Bids accepted but not uploaded by the Syndicate.

(e) The SCSBs shall be responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the Bids accepted by the SCSBs, (ii) the Bids uploaded by the SCSBs, (iii) the Bids accepted but not uploaded by the SCSBs and (iv) with respect to Bids by ASBA Bidders, Bids accepted and uploaded without blocking funds in the ASBA Accounts. It shall be presumed that for Bids uploaded by the SCSBs, the full Bid Amount has been blocked in the relevant ASBA Account.

(f) The Stock Exchanges will offer an electronic facility for registering Bids for the Issue. This facility will be available with the Syndicate and their authorised agents and the SCSBs during the Bid/ Issue Period. The Syndicate and the Designated Branches of the SCSBs can also set up facilities for off-line electronic registration of Bids subject to the condition that they 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 Syndicate and the Designated Branches of the SCSBs shall upload the Bids till such time as may be permitted by the

Stock Exchanges.

(g) Based on the aggregate demand and price for Bids registered on the electronic facilities of the Stock Exchanges, a graphical representation of consolidated demand and price as available on the websites of the Stock Exchanges would be made available at the Bidding centres during the Bid/Issue Period.

(h) At the time of registering each Bid other than ASBA Bids, the Syndicate shall enter the following details of the Bidders in the on-line system:

- Name of the Bidder;
- Investor Category and Sub-Category – Individual, Corporate, FII, NRI, Mutual Fund, etc;
- Numbers of Equity Shares Bid for;
- Bid Amount;
- Cheque amount;
- Cheque number
- Bid cum Application Form number;
- DP ID and client identification number of the beneficiary account of the Bidder; and
- PAN (of the First Bidder, in case of joint Bidders).

With respect to Bids by ASBA Bidders, at the time of registering such Bids, the SCSBs shall enter the following information pertaining to the ASBA Bidders into the online system:

- Name of the Bidder;
- Application Number;
- PAN (of the First Bidder, in case of joint Bidders);
- Investor Category and Sub-Category- Individual, Corporate, FII, NRI, Mutual Funds, etc.:
- DP ID and client identification number of the beneficiary account of the Bidders;
- Numbers of Equity Shares Bid for;
- Quantity;
- Price per Equity Share;
- Bid Amount; and
- Bank account number;

(i) TRS will be generated for each of the bidding options when the Bid is registered. It is the Bidder's responsibility to obtain the TRS from the Syndicate or the Designated Branches of the SCSBs. With respect to the ASBA Bid cum Application Forms collected by any member of the Syndicate, the Syndicate Member will issue an acknowledgement by giving the counter foil of the ASBA Bid cum Application Form to the ASBA Bidder. The TRS will be generated by the concerned SCSB after blocking of funds.The registration of the Bid by the member of the Syndicate or the Designated Branches of the SCSBs does not guarantee that the Equity Shares shall be allocated / Allotted either by the Syndicate, our Company or the Selling Shareholder.

(j) Such TRS will be non-negotiable and by itself will not create any obligation of any kind.

(k) In case of QIB Bidders, only the (i) SCSBs; and (ii) BRLM and their affiliate Syndicate Members (only in the Specified Cities) have the right to accept the Bid or reject it. However, such rejection shall 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 will be rejected on technical grounds listed herein. The members of the Syndicate may also reject Bids if all the information required is not provided and the Bid cum Application Form is incomplete in any respect. The SCSBs shall have no right to reject Bids, except on technical grounds.

(l) The permission given by the Stock Exchanges to use their network and software of the online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company, the Selling Shareholder and/or the BRLM are cleared or approved by the

Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, our Promoter, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

(m) Only Bids that are uploaded on the online IPO system of the Stock Exchanges shall be considered for allocation/ Allotment. Members of the Syndicate and the SCSBs will be given up to one day after the Bid/Issue Closing Date to verify DP ID and Client ID uploaded in the online IPO system during the Bid/Issue Period after which the Registrar to the Issue will receive this data from the Stock Exchanges and will validate the electronic bid details with depository's records.

(n) The details uploaded in the online IPO system shall be considered as final and Allotment will be based on such details.

(o) Details of Bids in the Anchor Investor Portion will not be registered on the on-line facilities of the electronic facilities of the Stock Exchanges.

Build up of the book and revision of Bids

(a) Bids received from various Bidders through the Syndicate and the SCSBs shall be electronically uploaded to the Stock Exchanges' mainframe on a regular basis.

(b) The book gets built up at various price levels. This information will be available with the BRLM at the end of the Bid/Issue Period.

(c) During the Bid/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.

(d) Revisions can be made in both the desired number of Equity Shares and the Bid Amount by using the Revision Form. Apart from mentioning the revised options in the Revision Form, the Bidder must also mention the details of all the options in his or her 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 such Bidder is changing only one of the options in the Revision Form, the Bidder must still fill the details of the other two options that are not being revised, in the Revision Form. The Syndicate and the Designated Branches of the SCSBs will not accept incomplete or inaccurate Revision Forms.

(e) The Bidder can make this revision any number of times during the Bid/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 or the SCSB through whom such Bidder had placed the original Bid. Bidders are advised to retain copies of the blank Revision Form and the revised Bid must be made only in such Revision Form or copies thereof.

(f) In case of an upward revision in the Price Band announced as above, Retail Individual Bidders who had Bid at Cut-off Price could either (i) revise their Bid or (ii) shall make additional payment based on the cap of the revised Price Band (such that the total amount i.e., original Bid Amount plus additional payment does not exceed Rs. 2,00,000 if the Bidder wants to continue to Bid at Cut-off Price), with the Syndicate to whom the original Bid was submitted. In case the total amount (i.e., original Bid Amount plus additional payment) exceeds Rs. 2,00,000, the Bid will be considered for allocation under the Non-Institutional Portion in terms of the Red Herring Prospectus. If, however, the Bidder does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the Bidder and the Bidder is deemed to have approved such revised Bid at Cut-off Price.

(g) In case of a downward revision in the Price Band, announced as above, Retail Individual Bidders who have Bid at Cut-off Price could either revise their Bid or the excess amount paid at the time of bidding would be refunded from the Escrow Account.

(h) Our Company and the Selling Shareholder, in consultation with the BRLM, shall decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of Rs. 5,000 to Rs. 7,000.

(i) 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. With respect to the Bids by ASBA Bidders, if revision of the Bids results in an incremental amount, the relevant SCSB shall block the additional Bid Amount. In case of Bids, other than ASBA Bids, the Syndicate shall collect the payment in the form of cheque or demand draft 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. In such cases, the Syndicate will revise the earlier Bids details with the revised Bid and provide the cheque or demand draft number of the new payment instrument in the electronic book. The Registrar will reconcile the Bid data and consider the revised Bid data for preparing the Basis of Allotment.

(j) When a Bidder revises his or her Bid, he or she should surrender the earlier TRS request for a revised TRS from the Syndicate or the SCSB, as proof of his or her having revised the previous Bid.

Price Discovery and Allocation

(a) Based on the demand generated at various price levels, our Company in consultation with the Selling Shareholder and the BRLM, shall finalise the Issue Price and the Anchor Investor Issue Price.

(b) Under-subscription, if any, in any category, except in the QIB category, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company and the Selling Shareholder in consultation with the BRLM and the Designated Stock Exchange.

(c) Allocation to Non-Residents, including Eligible NRIs and FIIs registered with SEBI, applying on repatriation basis will be subject to applicable law, rules, regulations, guidelines and approvals.

(d) Allocation to Anchor Investors shall be at the discretion of our Company in consultation with the BRLM, subject to compliance with the SEBI Regulations.

(e) QIB Bidders shall not be allowed to withdraw their Bid after the Bid/Issue Closing Date. Further, the Anchor Investors shall not be allowed to withdraw their Bids after the Anchor Investor Bid/Issue Period.

(f) If an ASBA Bidder wants to withdraw the ASBA Bid cum Application Form during the Bid/Issue Period, the ASBA Bidder shall submit the withdrawal request to the SCSB, which shall perform the necessary actions, including deletion of details of the withdrawn ASBA Bid cum Application Form from the electronic bidding system of the Stock Exchanges and unblocking of funds in the relevant bank account.

(g) If an ASBA Bidder, excluding QIBs, wants to withdraw the ASBA Bid cum Application Form after the Bid/Issue Closing Date, such ASBA Bidder shall submit the withdrawal request to the Registrar before finalization of basis of Allotment. The Registrar shall delete the withdrawn Bid from the Bid file. The instruction for and unblocking of funds in the relevant bank account, in such withdrawals, shall be forwarded by the Registrar to the SCSB once the basis of Allotment has been approved by the Designated Stock Exchange.

(h) The basis of Allotment shall be displayed on the website of the Registrar.

Signing of the Underwriting Agreement and the RoC Filing

(a) Our Company, the Selling Shareholder, the BRLM and the Syndicate Members intend to enter into an Underwriting Agreement after the finalisation of the Issue Price.

(b) After signing the Underwriting Agreement, our Company and the Selling Shareholder will update and file the updated Red Herring Prospectus with the RoC in accordance with the applicable law, which then would be termed as the 'Prospectus'. The Prospectus will contain details of the Issue Price, the Anchor Investor Issue Price, Issue size, and underwriting arrangements and will be complete in all material respects.

Advertisement regarding Issue Price and Prospectus

Our Company will issue a statutory advertisement 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 date of Prospectus will be included in such statutory advertisement.

Notice to Anchor Investors: Allotment Reconciliation and CANs

A physical book will be prepared by the Registrar on the basis of the Bid cum Application Forms received from Anchor Investors. Based on the physical book and at the discretion of our Company in consultation with the BRLM, selected Anchor Investors will be sent a CAN and if required, a revised CAN. All Anchor Investors will be sent a CAN post Anchor Investor Bid/Issue Period and in the event that the Issue Price is higher than the Anchor Investor Issue Price, the Anchor Investors will be sent a revised CAN within one day of the Pricing Date indicating the number of Equity Shares allocated to such Anchor Investor and the pay-in date for payment of the balance amount. Anchor Investors should note that they shall be required to pay any additional amounts, being the difference between the Issue Price and the Anchor Investor Issue Price, as indicated in the revised CAN within the pay-in date referred to in the revised CAN. The revised CAN will constitute a valid, binding and irrevocable contract (subject to the issue of Allotment Advice) for the Anchor Investor to pay the difference between the Issue Price and the Anchor Investor Issue Price and accordingly the Allotment Advice will be issued to such Anchor Investors. In the event the Issue Price is lower than the Anchor Investor Issue Price, the Anchor Investors who have been Allotted Equity Shares will directly receive Allotment Advice. The Allotment Advice shall be deemed a valid, binding and irrevocable contract for the Allotment of Equity Shares to such Anchor Investors.

The final allocation is subject to the physical application being valid in all respect along with receipt of stipulated documents, the Issue Price being finalised at a price not higher than the Anchor Investor Issue Price and Allotment by the Board of Directors.

Designated Date and Allotment of Equity Shares:

(a) Our Company will ensure that: (i) the Allotment of Equity Shares; and (ii) credit to the successful Bidder's depositary account will be completed within 12 Working Days of the Bid/Issue Closing Date.

(b) In accordance with the SEBI Regulations, Equity Shares will be issued and Allotment shall be made only in the dematerialised form to the Allottees.

(c) Allottees will have the option to re-materialise the Equity Shares so Allotted as per the provisions of the Companies Act and the Depositories Act.

Investors are advised to instruct their Depository Participant to accept the Equity Shares that may be allocated/ Allotted to them pursuant to this Issue.

Issuance of Allotment Advice

(a) Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall send to the Syndicate a list of the Bidders who have been Allotted Equity Shares in the Issue.

(b) The Registrar will dispatch Allotment Advice to the Bidders who have been Allotted Equity Shares in the Issue.

(c) The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract for the Bidder.

(d) The Issuance of Allotment Advice is subject to "Notice to Anchor Investors - Allotment Reconciliation and CANs" as set forth above.

GENERAL INSTRUCTIONS

Do's:

(a) Check if you are eligible to apply;

(b) Ensure that you have Bid within the Price Band;

(c) Read all the instructions carefully and complete the Bid cum Application Form;

(d) Ensure that the details about the Depository Participant and the beneficiary account are correct as Allotment of Equity Shares will be in the dematerialised form only;

(e) Ensure that the Bids are submitted at the bidding centres only on forms bearing the stamp of a member of the Syndicate or with respect to ASBA Bidders, ensure that your Bid is submitted to a Syndicate (only in the case of Specified Cities) or at a Designated Branch of the SCSB where the ASBA Bidder or the person whose bank account will be utilised by the Bidder for bidding has a bank account;

(f) With respect to Bids by ASBA Bidders ensure that the ASBA Bid cum Application Form is signed by the account holder in case the applicant is not the account holder. Ensure that you have mentioned the correct bank account number in the ASBA Bid cum Application Form;

(g) QIBs (other than Anchor Investors) and Non Institutional Bidders should submit their Bids through the ASBA process only;

(h) Ensure that you request for and receive a TRS for all your Bid options;

(i) Ensure that you have funds equal to the Bid Amount in your bank account maintained with the SCSB before submitting the ASBA Bid cum Application Form to the respective Designated Branch of the SCSB;

(j) Ensure that you have funds equal to the Bid Amount in your bank account before submitting the Bid cum Application Form to the Syndicate;

(k) Ensure that the full Bid Amount is paid for the Bids submitted to the Syndicate and funds equivalent to the Bid Amount are blocked in case of any Bids submitted though the SCSBs;

(l) Instruct your respective banks to not release the funds blocked in the bank account under the ASBA process;

(m) Submit revised Bids to the same member of the Syndicate/SCSB through whom the original Bid was placed and obtain a revised TRS;

(n) Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, and (ii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the IT Act;

(o) Ensure that the Demographic Details (as defined herein below) are updated, true and correct in all respects;

(p) 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. In case 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.

Don'ts:

(a) Do not Bid for lower than the minimum Bid size;

(b) Do not Bid/ revise Bid Amount to 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 Syndicate or the SCSBs, as applicable;

(d) Do not pay the Bid Amount in cash, by money order or by 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 or the SCSBs only;

(f) Do not Bid at Cut-off Price (for QIB Bidders and Non-Institutional Bidders, for Bid Amount in excess of Rs. 2,00,000);

(g) Do not Bid for a Bid Amount exceeding Rs. 2,00,000 (for Bids by Retail Individual Bidders);

(h) Do not fill up the Bid cum Application Form such that the Equity Shares Bid for exceeds the Issue Size and/ or investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;

(i) Do not submit a Bid if you are not competent to enter into a contract under the Indian Contract Act, 1872, as amended;

(j) Do not submit the Bid cum Application Form to Escrow Collection Bank(s);

(k) Do not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground;

(l) Do not submit the Bids without the full Bid Amount;

(m) Do not submit a Bid that does not comply with the securities laws of your jurisdiction;

(n) Do not submit in case you are not eligible to acquire Equity Shares under applicable law or relevant constitutional documents or otherwise;

(o) Do not submit more than five ASBA Bid cum Application Forms per bank account.

INSTRUCTIONS FOR COMPLETING THE BID CUM APPLICATION FORM

Bids must be:

(a) Made only in the prescribed Bid cum Application Form or Revision Form, as applicable.

(b) Completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained herein, in the Bid cum Application Form or in the Revision Form. Incomplete Bid cum Application Forms or Revision Forms are liable to be rejected. Bidders should note that the Syndicate and / or the SCSBs, as appropriate, will not be liable for errors in data entry due to incomplete or illegible Bid cum Application Forms or Revision Forms.

(c) Information provided by the Bidders will be uploaded in the online IPO system by the Syndicate and the SCSBs, as the case may be, and the electronic data will be used to make allocation/ Allotment. The Bidders should ensure that the details are correct and legible.

(d) For Retail Individual Bidders, the Bid must be for a minimum of [•] Equity Shares and in multiples of [•] thereafter subject to a maximum Bid Amount of Rs. 2,00,000.

(e) For Non-Institutional Bidders and QIB Bidders, Bids must be for a minimum of such number of Equity Shares that the Bid Amount exceeds Rs. 2,00,000 and in multiples of [•] Equity Shares thereafter. Bids cannot be made for more than the Issue size. Bidders are advised to ensure that a single Bid from them should not exceed the investment limits or maximum number of Equity Shares that can be held by them under the applicable laws or regulations. Bids (other than by Anchor Investors) must be submitted through the ASBA process only.

(f) For Anchor Investors, Bids must be for a minimum of such number of Equity Shares that the Bid Amount exceeds or equal to Rs. 1,000 lakhs and in multiples of [•] Equity Shares thereafter. Bids by various schemes of a Mutual Fund in the Anchor Investor Category shall be considered together for the purpose of calculation of the minimum Bid Amount of Rs. 1,000 lakhs.

(g) In single name or in joint names (not more than three, and in the same order as their Depository Participant details).

(h) 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.

Bidder's PAN, Depository Account and Bank Account Details

Bidders should note that on the basis of PAN of the Bidders, DP ID and beneficiary account number provided by them in the Bid cum Application Form, the Registrar will obtain from the Depository the demographic details including address, Bidders bank account details, MICR code and occupation (hereinafter referred to as "Demographic Details"). These bank account details would be used for giving refunds (including through physical refund warrants, direct credit, NECS and NEFT) or unblocking of ASBA Account. 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 despatch/ credit of refunds to Bidders or unblocking of ASBA Account at the Bidders sole risk and neither the BRLM or the Registrar or the Escrow Collection Banks or the SCSBs nor our Company shall have any responsibility and undertake any liability for the same. Hence, Bidders should carefully fill in their Depository Account details in the Bid cum Application Form.

IT IS MANDATORY FOR ALL BIDDERS TO GET 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 IN THE BID CUM APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE 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 ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE BID CUM APPLICATION FORM.

These Demographic Details would be used for all correspondence with the Bidders including mailing of the refund orders/CANs/Allocation Advice and printing of bank particulars on the refund orders or for refunds through electronic transfer of funds, as applicable. The Demographic Details given by Bidders in the Bid cum Application Form would not be used for any other purpose by the Registrar.

By signing the Bid cum Application Form, the Bidder would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.

Refund orders/ Allotment Advice would be mailed at the address of the Bidder as per the Demographic Details received from the Depositories. Bidders may note that delivery of refund orders/ Allotment Advice may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. In such an event, the address and other details given by the Bidder (other than ASBA Bidders) in the Bid cum Application Form would be used only to ensure dispatch of refund orders. Please note that any such delay shall be at such Bidder's sole risk and neither our Company, the Selling Shareholder, the Escrow Collection Banks, Registrar, the BRLM shall be liable to compensate the Bidder for any losses caused to the Bidder due to any such delay or liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories, which matches the two parameters, namely, PAN of the Bidder and the DP ID/Client ID, then such Bids are liable to be rejected.

Bids by Non-Residents including Eligible NRIs, FIIs and Foreign Venture Capital Investors on a repatriation basis

Bids and revision to Bids must be made in the following manner:

1. On the Bid cum Application Form or the Revision Form, as applicable ([●] 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 Depositary Participant Details).

3. Bids on a repatriation basis shall be in the names of individuals, or in the name of FIIs but not in the names of minors, OCBs, firms or partnerships, foreign nationals (excluding NRIs) or their nominees.

Refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and / or commission. In case of Bidders who remit money through Indian Rupee drafts purchased abroad, such payments in Indian Rupees will be converted into US Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and will be dispatched by registered post or if the Bidders so desire, will be credited to their NRE accounts, details of which should be furnished in the space provided for this purpose in the Bid cum Application Form. Our Company and the Selling Shareholder will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

There is no reservation for Eligible NRIs and FIIs and all Bidders will be treated on the same basis with other categories for the purpose of allocation.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, FIIs, Mutual Funds, insurance companies and provident funds with a minimum corpus of Rs. 2,500 lakhs (subject to applicable law) and pension funds with a minimum corpus of Rs. 2,500 lakhs, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

In addition to the above, certain additional documents are required to be submitted by the following entities:

(a) With respect to Bids by FIIs and Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form.

(b) With respect to Bids by insurance companies registered with the Insurance Regulatory and Development Authority, in addition to the above, a certified copy of the certificate of registration issued by the Insurance Regulatory and Development Authority must be lodged along with the Bid cum Application Form.

(c) With respect to Bids made by provident funds with a minimum corpus of Rs. 2,500 lakhs (subject to applicable law) and pension funds with a minimum corpus of Rs. 2,500 lakhs, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Bid cum Application Form.

(d) With respect to Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form.

Our Company in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application form, subject to such terms and conditions that our Company, the BRLM may deem fit.

PAYMENT INSTRUCTIONS

Escrow Mechanism for Bidders other than ASBA Bidders

Our Company, the Selling Shareholder and the Syndicate shall open Escrow Account(s) with one or more Escrow Collection Bank(s) in whose favour the Bidders shall make out the cheque or demand draft in respect of his or her Bid and/or revision of the Bid. Cheques or demand drafts received for the full Bid Amount from Bidders would be deposited in the Escrow Account.

The Escrow Collection Banks will act in terms of the Red Herring Prospectus and the Escrow Agreement. The Escrow Collection Banks shall maintain the monies in the Escrow Account for and on behalf of the Bidders until the Designated Date. The Escrow Collection Banks 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 Escrow Collection Banks shall transfer the funds represented by allocation of Equity Shares (including the amount due to the Selling Shareholder and other than ASBA funds with the SCSBs) from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account with the Bankers to the Issue. The balance amount after transfer to the Public Issue Account shall be transferred to the Refund Account. Payments of refund to the Bidders shall also be made from the Refund Account as per the terms of the Escrow Agreement and the Draft Red Herring Prospectus.

The Bidders should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Selling Shareholder, the Syndicate, the Escrow Collection Banks and the Registrar to facilitate collections from the Bidders.

Payment mechanism for ASBA Bidders

The ASBA Bidders shall specify the bank account number in the ASBA Bid cum Application Form and the SCSB shall block an amount equivalent to the Bid Amount in the bank account specified in the ASBA Bid cum Application Form. The SCSB shall keep the Bid Amount in the relevant bank account blocked until withdrawal/ rejection of the ASBA Bid or receipt of instructions from the Registrar to unblock the Bid Amount. In the event of withdrawal or rejection of the ASBA Bid cum Application Form or for unsuccessful ASBA Bid cum Application Forms, the Registrar shall give instructions to the SCSB to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Bid Amount shall remain blocked in the ASBA Account until finalisation of the Basis of Allotment in the Issue and consequent transfer of the Bid Amount to the Public

Issue Account, or until withdrawal/ failure of the Issue or until rejection of the Bids by ASBA Bidder, as the case may be.

In case of Bids by FIIs, a Special Rupee Account should be mentioned in the ASBA Bid cum Application Form, for blocking of funds, along with documentary evidence in support of the remittance.

Payment into Escrow Account for Bidders other than ASBA Bidders

Each Bidder shall draw a cheque or demand draft or remit the funds electronically through the RTGS mechanism for the Bid Amount payable on the Bid as per the following terms:

1. All Bidders would be required to pay the full Bid Amount at the time of the submission of the Bid cum Application Form.

2. The Bidders shall, with the submission of the Bid cum Application Form, draw a payment instrument for the Bid Amount in favour of the Escrow Account and submit the same to the Syndicate. If the payment is not made favouring the Escrow Account along with the Bid cum Application Form, the Bid of the Bidder shall be rejected.

3. The payment instruments for payment into the Escrow Account should be drawn in favour of:

    (a) In case of Resident Retail Bidders: “[●]”

    (b) In case of Non-Resident Retail Bidders: “[●]”

4. Anchor Investors would be required to pay the Bid Amount at the time of submission of the Bid cum Application Form. In the event of the Issue Price being higher than the price at which allocation is made to Anchor Investors, the Anchor Investors shall be required to pay such additional amount to the extent of shortfall between the price at which allocation is made to them and the Issue Price as per the pay-in date mentioned in the revised CAN. If the Issue Price is lower than the price at which allocation is made to Anchor Investors, the amount in excess of the Issue Price paid by Anchor Investors shall not be refunded to them.

5. For Anchor Investors, the payment instruments for payment into the Escrow Account should be drawn in favour of:

    (a) In case of resident Anchor Investors: “[●]”

    (b) In case of non-resident Anchor Investors: “[●]”

6. In case of Bids by NRIs applying on repatriation basis, the payments must be made through Indian Rupee drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in Non-Resident External (NRE) Accounts or Foreign Currency Non-Resident (FCNR) Accounts, maintained with banks authorised to deal in foreign exchange in India, along with documentary evidence in support of the remittance. Payment will not be accepted out of Non-Resident Ordinary (NRO) Account of Non-Resident Bidder bidding on a repatriation basis. Payment by drafts should be accompanied by bank certificate confirming that the draft has been issued by debiting to NRE Account or FCNR Account.

7. In case of Bids by NRIs applying on non-repatriation basis, the payments must be made through Indian Rupee Drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in Non-Resident External (NRE) Accounts or Foreign Currency Non-Resident (FCNR) Accounts, maintained with banks authorised to deal in foreign exchange in India, along with documentary evidence in support of the remittance or out of a Non-Resident Ordinary (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 FCNR or NRO Account.

8. The monies deposited in the Escrow Account will be held for the benefit of the Bidders till the Designated Date.

9. On the Designated Date, the Escrow Collection Banks shall transfer the funds from the Escrow Account as per the terms of the Escrow Agreement into the Public Issue Account with the Bankers to the Issue.

10. Payments should be made by cheque, or a demand draft drawn on any bank (including a co-operative bank), which is situated at, and is a member of or sub-member of the bankers' clearing house located at the centre where the Bid cum Application Form is submitted. 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.

11. Payments made through cheques without the Magnetic Ink Character Recognition ("**MICR**") code will be rejected.

OTHER INSTRUCTIONS

Joint Bids in the case of Individuals

Bids may be made in single or joint names (not more than three). In the case of joint Bids, all payments will be made out 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.

In case of a Mutual Fund, a separate Bid may be made in respect of each scheme of the Mutual Fund and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made. Bids by QIBs under the Anchor Investor Portion and the QIB Portion (excluding the Anchor Investor Portion) will not be treated as multiple Bids.

After submitting a bid using an ASBA Bid cum Application Form either in physical or electronic mode, where such ASBA Bid has been submitted to the SCSBs and uploaded with the Stock Exchanges, an ASBA Bidder cannot Bid, either in physical or electronic mode, whether on another ASBA Bid cum Application Form, to either the same or another Designated Branch of the SCSB, or on a non-ASBA Bid cum Application Form. Submission of a second Bid in such manner will be deemed a multiple Bid and would be rejected before entering the Bid into the electronic Bidding system or at any point of time prior to the allocation or Allotment of Equity Shares in the Issue. However, ASBA Bidders may revise their Bids through the Revision Form, the procedure for which is described in "Build Up of the Book and Revision of Bids" above.

More than one ASBA Bidder may Bid for Equity Shares using the same ASBA Account, provided that the SCSBs will not accept a total of more than five ASBA Bid cum Application Forms with respect to any single ASBA Account.

Duplicate copies of ASBA Bid cum Application Forms downloaded and printed from the website of the Stock Exchanges bearing the same application number shall be treated as multiple Bids and are liable to be rejected.

Our Company, in consultation with the Selling Shareholder and BRLM, reserves the right to reject, in its absolute discretion, all or any multiple Bids in any or all categories. In this regard, the procedures which would be followed by the Registrar to detect multiple Bids are given below:

1. All Bids will be checked for common PAN as per the records of Depository. For Bidders other than Mutual

Funds and FII sub-accounts, Bids bearing the same PAN will be treated as multiple Bids and will be rejected.

2. For Bids from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Bids on behalf of the Bidders for whom submission of PAN is not mandatory such as the Central or State Government, an official liquidator or receiver appointed by a court and residents of Sikkim, the Bid cum Application Forms or the ASBA Bid cum Application Forms as the case maybe, will be checked for common DP ID and beneficiary account numbers. In any such Bids which have the same DP ID and beneficiary account numbers, these will be treated as multiple Bids and will be rejected.

3. The Registrar will obtain, from the depositories, details of the applicant's address based on the DP ID and Beneficiary Account Number provided in the Bid data and create an address master.

4. All instances where more than 20 the Bid cum Application Forms or the ASBA Bid cum Application Forms as the case maybe, have the same address shall be reported to the Stock Exchanges and SEBI and such Equity Shares shall be kept in abeyance subsequent to finalization of the Basis of Allotment and shall be credited to such Bidder's demat account upon receipt of appropriate confirmation from SEBI and the Stock Exchanges.

Permanent Account Number or PAN

Except for Bids on behalf of the Central or State Government and the officials appointed by the courts, the Bidders, 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. In accordance with the SEBI Regulations, the PAN would be the sole identification number for participants transacting in the securities market, irrespective of the amount of transaction. **Any Bid cum Application Form without the PAN is liable to be rejected, except for (i) residents in the state of Sikkim; (ii) the Central or State Governments; and (iii) the officials appointed by the courts, may be exempted from specifying their PAN for transactions in the securities market. It is to be specifically noted that Bidders should not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground**.

REJECTION OF BIDS

Our Company has a right to reject Bids based on technical grounds. In case of QIB Bidders, our Company, in consultation with the Selling Shareholder and BRLM, may at the time of submission of the Bid, reject such Bids provided that the reasons for rejecting the same shall be provided to such Bidders in writing. Consequent refunds shall be made by RTGS/NEFT/NECS/Direct Credit/cheque or pay order or draft and will be sent to the Bidder's address at the Bidder's risk. With respect to Bids by ASBA Bidders, the Designated Branches of the SCSBs shall have the right to reject Bids by ASBA Bidders if at the time of blocking the Bid Amount in the Bidder's bank account, the respective Designated Branch of the SCSB ascertains that sufficient funds are not available in the Bidder's bank account maintained with the SCSB. Subsequent to the acceptance of the Bid by ASBA Bidder by the SCSB, our Company would have a right to reject the ASBA Bids only on technical grounds.

Grounds for Technical Rejections

Bidders are advised to note that Bids are liable to be rejected *inter alia* on the following technical grounds:

- Amount paid does not tally with the amount payable for the highest value of Equity Shares Bid for. With respect to Bids by ASBA Bidders, the amounts mentioned in the ASBA Bid cum Application Form does not tally with the amount payable for the value of the Equity Shares Bid for;

- In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply;

- Bid by persons not competent to contract under the Indian Contract Act, 1872, as amended;

- PAN not mentioned in the Bid cum Application Form or the ASBA Bid cum Application Form, except for

Bids by or on behalf of the Central and State Government and the officials appointed by the courts and by investors residing in the State of Sikkim;

- GIR number furnished instead of PAN;
- Bids for lower number of Equity Shares than specified for that category of investors;
- Bids at a price less than the Floor Price;
- Bids at a price more than the Cap Price;
- Signature of sole and/or joint Bidders missing;
- Submission of more than five ASBA Bid cum Application Forms per bank account;
- Bids at Cut-off Price by Non-Institutional and QIB Bidders;
- Bids for number of Equity Shares which are not in multiples of [•];
- Category not indicated;
- Multiple Bids as defined in the Red Herring Prospectus;
- In case of Bids under power of attorney or by limited companies, corporate, trust etc., relevant documents are not submitted;
- Bids accompanied by Stockinvest/money order/postal order/cash;
- Bid cum Application Forms does not have the stamp of the BRLM or Syndicate Members or the SCSB (except for electronic ASBA Bids);
- Bid cum Application Forms does not have Bidder's depository account details;
- Bid cum Application Forms are not delivered by the Bidders within the time prescribed as per the Bid cum Application Forms, Bid/Issue Opening Date advertisement and the Red Herring Prospectus and as per the instructions in the Red Herring Prospectus and the Bid cum Application Forms;
- In case no corresponding record is available with the Depositories that matches the Depository Participant's identity (DP ID) and the beneficiary's account number;
- With respect to ASBA Bids, inadequate funds in the bank account to block the Bid Amount specified in the ASBA Bid cum Application Form at the time of blocking such Bid Amount in the bank account;
- Bids for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Bids where clear funds are not available in Escrow Accounts as per final certificate from the Escrow Collection Banks;
- Bids by QIBs (other than Anchor Investors) and Non Institutional Bidders not submitted through ASBA process;
- Bids by persons in the United States other than in reliance of Regulation S under the Securities Act;
- Bids by any person outside India if not in compliance with applicable foreign and Indian Laws;

- Bids not uploaded on the terminals of the Stock Exchanges; and

- Bids by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority.

IN CASE THE DP ID, CLIENT ID AND PAN MENTIONED IN THE BID CUM APPLICATION FORM AND ENTERED INTO THE ELECTRONIC BIDDING SYSTEM OF THE STOCK EXCHANGES BY THE SYNDICATE/THE SCSBs DO NOT MATCH WITH THE DP ID, CLIENT ID AND PAN AVAILABLE IN THE RECORDS WITH THE DEPOSITARIES, THE APPLICATION IS LIABLE TO BE REJECTED.

EQUITY SHARES IN DEMATERIALISED FORM WITH NSDL OR CDSL

As per the provisions of Section 68B of the Companies Act, the Allotment of Equity Shares in this Issue shall be only in a de-materialised form, (i.e., not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode).

In this context, two agreements have been signed among our Company, the respective Depositories and the Registrar:

- Agreement dated [●] among NSDL, our Company and the Registrar;

- Agreement dated [●], among CDSL, our Company and the Registrar.

All Bidders can seek Allotment only in dematerialised mode. Bids from any Bidder without relevant details of his or her depository account are liable to be rejected.

(a) A Bidder applying for Equity Shares must have at least one beneficiary account with either of the Depository Participants of either NSDL or CDSL prior to making the Bid.

(b) The Bidder must necessarily fill in the details (including the Beneficiary Account Number and Depository Participant's identification number) appearing in the Bid cum Application Form or Revision Form.

(c) Allotment to a successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Bidder.

(d) Names in the Bid cum Application Form or Revision Form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the Depository.

(e) If incomplete or incorrect details are given under the heading 'Bidders Depository Account Details' in the Bid cum Application Form or Revision Form, it is liable to be rejected.

(f) The Bidder is responsible for the correctness of his or her Demographic Details given in the Bid cum Application Form vis-à-vis those with his or her Depository Participant.

(g) 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.

(h) The trading of the Equity Shares of our Company would be in dematerialised form only for all Bidders in the demat segment of the respective Stock Exchanges.

(i) Non transferable advice or refund orders will be directly sent to the Bidders by the Registrar to the Issue.

Communications

All future communications in connection with Bids made in this Issue should be addressed to the Registrar quoting the full name of the sole or First Bidder, Bid cum Application Form number, Bidders Depository Account Details, number of Equity Shares applied for, date of Bid cum Application Form, name and address of the member of the Syndicate or the Designated Branch of the SCSBs where the Bid was submitted and cheque or draft number and issuing bank thereof or with respect to ASBA Bids, bank account number in which the amount equivalent to the Bid Amount was blocked.

Bidders can contact the Compliance Officer or the Registrar in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of Allotment, credit of Allotted shares in the respective beneficiary accounts, refund orders etc. In case of ASBA Bids submitted to the Designated Branches of the SCSBs, the Bidders can contact the Designated Branches of the SCSBs.

PAYMENT OF REFUND

Bidders other than ASBA Bidders must note that on the basis of Bidder's DP ID and beneficiary account number provided by them in the Bid cum Application Form, the Registrar will obtain, from the Depositories, the Bidders' bank account details, including the nine digit Magnetic Ink Character Recognition ("**MICR**") code as appearing on a cheque leaf to make refunds.

On the Designated Date and no later than 12 Working Days from the Bid/Issue Closing Date, the Escrow Collection Bank shall despatch refund orders for all amounts payable to unsuccessful Bidders (other than ASBA Bidders) and also the excess amount paid on bidding, if any, after adjusting for allocation/Allotment to such Bidders.

Mode of making refunds for Bidders other than ASBA Bidders

The payment of refund, if any, for Bidders other than ASBA Bidders would be done through various modes in the following order of preference:

1. NECS – Payment of refund would be done through NECS for applicants having an account at any of the centres where such facility has been made available. This mode of payment of refunds would be subject to availability of complete bank account details including the MICR code as appearing on a cheque leaf, from the Depositories. The payment of refunds is mandatory for applicants having a bank account at any of the centres where clearing houses are managed by the RBI, except where the applicant is eligible and opts to receive refund through direct credit.

2. Direct Credit – Applicants having bank accounts with the Refund Bank (s), as mentioned in the Bid cum Application Form, shall be eligible to receive refunds through direct credit. Charges, if any, levied by the Refund Bank(s) for the same would be borne by our Company.

3. RTGS – Applicants having a bank account at any of the centres where clearing houses are managed by the RBI and whose refund amount exceeds Rs. 200,000 will be considered to receive refund through RTGS. For such eligible applicants, IFSC code will be derived based on the MICR code of the Bidder as per depository records. In the event the same is not available as per depository records/RBI master, refund shall be made through NECS. Charges, if any, levied by the Refund Bank(s) for the same would be borne by the Company. Charges, if any, levied by the applicant's bank receiving the credit would be borne by the applicant.

4. NEFT – Payment of refund shall be undertaken through NEFT wherever the applicants' bank has been assigned the Indian Financial System Code (IFSC), which can be linked to a MICR, if any, available to that particular bank branch. IFSC will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the applicants have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC of that particular bank branch and the payment of refund will be made to the applicants through this method.

5. For all other applicants, including those who have not updated their bank particulars with the MICR code, the refund orders will be despatched under certificate of posting for value upto Rs. 1,500 and through Speed Post/ Registered Post for refund orders of Rs. 1,500 and above. Such refunds will be made by cheques, pay orders or demand drafts drawn on the Escrow Collection Banks and payable at par at places where 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.

Mode of making refunds for ASBA Bidders

In case of ASBA Bidders, the Registrar shall instruct the SCSBs to unblock the funds in the relevant ASBA Accounts to the extent of the Bid Amount specified in the ASBA Bid cum Application Forms for withdrawn, rejected or unsuccessful or partially successful ASBA Bids within 12 Working Days of the Bid/Issue Closing Date.

DISPOSAL OF APPLICATIONS AND APPLICATION MONEYS AND INTEREST IN CASE OF DELAY

With respect to Bidders other than ASBA Bidders, our Company and the Selling Shareholder shall ensure dispatch of Allotment advice, refund orders (except for Bidders who receive refunds through electronic transfer of funds) and give benefit to the beneficiary account with Depository Participants of the Bidders and submit the documents pertaining to the Allotment to the Stock Exchanges within two Working Days of the date of Allotment of Equity Shares.

In case of applicants who receive refunds through NECS, direct credit or RTGS, the refund instructions will be given to the clearing system within 12 Working Days from the Bid/ Issue Closing Date. A suitable communication shall be sent to the Bidders receiving refunds through this mode within 15 days from 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.

Our Company and the Selling Shareholder shall ensure that all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed, are taken within 12 Working Days of the Bid/Issue Closing Date.

In accordance with the Companies Act, the requirements of the Stock Exchanges and the SEBI Regulations, our Company further undertakes that:

- Allotment of Equity Shares shall be made only in dematerialised form within 12 Working Days of the Bid/Issue Closing Date; and

- With respect to Bidders other than ASBA Bidders, dispatch of refund orders or in a case where the refund or portion thereof is made in electronic manner, the refund instructions are given to the clearing system within 12 Working Days of the Bid/Issue Closing Date would be ensured. With respect to the ASBA Bidders, instructions for unblocking of the ASBA Bidder's Bank Account shall be made within 12 Working Days from the Bid/Issue Closing Date.

- Our Company and the Selling Shareholder shall pay interest at 15% p.a. for any delay beyond 15 days from the Bid/ Issue Closing Date, if Allotment is not made and refund orders are not dispatched or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner and/or demat credits are not made to investors within the 12 Working Days prescribed above. If such money is not repaid within eight days from the day our Company and the Selling Shareholder become liable to repay our Company, the Selling Shareholder and every Director of our Company who is an officer in default shall, on and from expiry of eight days, be jointly and severally liable to repay the money with interest as prescribed under the applicable law.

IMPERSONATION

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 68 A 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.*"**

BASIS OF ALLOTMENT

A. For Retail Individual Bidders

- Bids received from the Retail Individual Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all the successful Retail Individual Bidders will be made at the Issue Price.
- The Issue size less Allotment to Non-Institutional and QIB Bidders will 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 aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Issue Price, full Allotment shall be made to the Retail Individual Bidders to the extent of their valid Bids.
- If the aggregate demand in this category is greater than [●] Equity Shares at or above the Issue Price, the Allotment shall be made on a proportionate basis up to a minimum of [•] Equity Shares. For the method of proportionate Basis of Allotment, 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 category. The Allotment to all successful Non-Institutional Bidders will be made at the Issue Price.
- The Issue size less Allotment to QIBs and Retail will be available for Allotment 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 aggregate demand in this category is 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 demand.
- In case the aggregate demand in this category is greater than [●] Equity Shares at or above the Issue Price, Allotment shall be made on a proportionate basis up to a minimum of [•] Equity Shares, and in multiples of [●] Equity Shares thereafter. For the method of proportionate Basis of Allotment refer below.

C. For QIBs (other than Anchor Investors)

- Bids received from the QIB Bidders at or above the Issue Price shall be grouped together to determine the total demand under this portion. The Allotment to all the successful QIB Bidders will be made at the Issue Price.

- The QIB Portion will be available for Allotment 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 QIB Portion (excluding Anchor Investor Portion) shall be determined as follows:

  (i) In the event that Bids by Mutual Fund exceeds 5% of the QIB Portion (excluding Anchor Investor Portion), allocation to Mutual Funds shall be done on a proportionate basis for up to 5% of the QIB Portion (excluding Anchor Investor Portion).

  (ii) In the event that the aggregate demand from Mutual Funds is less than 5% of the QIB Portion (excluding Anchor Investor 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 will be available for Allotment to all QIB Bidders as set out in (b) below;

  (b) In the second instance Allotment to all QIBs shall be determined as follows:

  (i) In the event that the oversubscription in the QIB Portion, all QIB Bidders who have submitted Bids above the Issue Price shall be allotted Equity Shares on a proportionate basis for up to 95% of the QIB 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 along with other QIB Bidders.

  (iii) Under-subscription below 5% of the QIB Portion (excluding Anchor Investor Portion), if any, from Mutual Funds, would be included for allocation to the remaining QIB Bidders on a proportionate basis.

- The aggregate Allotment (other than spill over in case of under-subscription in other categories) to QIB Bidders shall be up to [●] Equity Shares.

D. For Anchor Investor Portion

- Allocation of Equity Shares to Anchor Investors at the Anchor Investor Issue Price will be at the discretion of our Company and the Selling Shareholder, in consultation with the BRLM, subject to compliance with the following requirements:

  (a) not more than 30% of the QIB Portion will be allocated to Anchor Investors;

  (b) one-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors; and

  (c) allocation to Anchor Investors shall be on a discretionary basis and subject to a minimum number of two Anchor Investors for allocation upto Rs. 25,000 lakhs and minimum number of five Anchor Investors for allocation more than Rs. 25,000 lakhs.

- The number of Equity Shares allocated to Anchor Investors and the Anchor Investor Issue Price, shall be made available in the public domain by the BRLM before the Bid/ Issue Opening Date by intimating the same to the Stock Exchanges.

Method of Proportionate Basis of Allotment in the Issue

In the event of the Issue being over-subscribed, our Company and the Selling Shareholder shall finalise the Basis of Allotment in consultation with the Designated Stock Exchange. The executive director (or any other senior official nominated by them) of the Designated Stock Exchange along with the BRLM and the Registrar shall be responsible for ensuring that the Basis of Allotment is finalised in a fair and proper manner.

The Allotment 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.

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 number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio.

c) Number of Equity Shares to be Allotted to the successful Bidders will be arrived at on a proportionate basis, which is total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio.

d) In all Bids where the proportionate Allotment is less than [•] Equity Shares per Bidder, the Allotment shall be made as follows:

  - The successful Bidders out of the total Bidders for a category shall be determined by draw of lots in a manner such that the total number of Equity Shares Allotted in that category is equal to the number of Equity Shares calculated in accordance with (b) above; and

  - Each successful Bidder shall be Allotted a minimum of [•] Equity Shares.

e) If the proportionate Allotment to a Bidder is a number that is more than [•] but is not a multiple of one (which is the marketable lot), the decimal would 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 would be rounded off to the lower whole number. Allotment to all in such categories would be arrived at after such rounding off.

f) If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares Allotted to the Bidders in that category, the remaining Equity Shares available for Allotment shall be first adjusted against any other category, where the Allotted Equity Shares are not sufficient for proportionate Allotment to the successful Bidders in that category. The balance Equity Shares, if any, remaining after such adjustment will be added to the category comprising Bidders applying for minimum number of Equity Shares.

g) Subject to valid Bids being received, allocation of Equity Shares to Anchor Investors shall be at the sole discretion of our Company, in consultation with the BRLM.

Letters of Allotment or Refund Orders or instructions to the SCSBs

Our Company shall credit the Allotted Equity Shares to the beneficiary account with depository participants within 12 Working Days from the Bid/Issue Closing Date. Applicants residing at the centres where clearing houses are managed by the RBI, will get refunds through NECS only except where applicant is otherwise eligible to get refunds through direct credit and RTGS. Our Company shall ensure dispatch of refund orders, if any, of value up to Rs. 1,500, by "Under Certificate of Posting", and shall dispatch refund orders equal to or above Rs. 1,500, if any, by registered post or speed post at the sole or First Bidder's sole risk within 12 Working Days of the Bid/Issue Closing Date. Bidders to whom refunds are made through electronic transfer of funds will be sent a letter through ordinary post, intimating them about the mode of credit of refund within 15 days from the Bid/ Issue Closing Date. In case of ASBA Bidders, the Registrar shall instruct the relevant SCSBs to, on the receipt of such instructions from the Registrar, unblock the funds in the relevant ASBA Account to the extent of the Bid Amount specified in the ASBA Bid cum Application Form or the relevant part thereof, for withdrawn, rejected or unsuccessful or partially successful ASBA Bids within 12 Working Days of the Bid/Issue Closing Date.

Interest in case of delay in despatch of Allotment Letters or Refund Orders/ instruction to the SCSBs by the Registrar.

Our Company and the Selling Shareholder agree that (i) Allotment of Equity Shares; and (ii) credit to the successful Bidders' depositary accounts will be completed within 12 Working Days of the Bid/ Issue Closing Date. Our Company and the Selling Shareholder further agree that they shall pay interest at the rate of 15% p.a. if the Allotment letters or refund orders have not been despatched to the applicants or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given in the disclosed manner within 15 days from the Bid/ Issue Closing Date, whichever is later.

Our Company and the Selling Shareholder will provide adequate funds required for dispatch of refund orders or Allotment advice to the Registrar.

Refunds will be made by cheques, pay-orders or demand drafts drawn on a bank appointed by our Company as a Refund Bank 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.

UNDERTAKINGS BY OUR COMPANY AND THE SELLING SHAREHOLDER

Our Company undertakes the following:

- That the complaints received in respect of this Issue shall be attended to by our Company expeditiously and satisfactorily;

- That all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed within 12 Working Days of the Bid/Issue Closing Date;

- That funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar by the Issuer;

- That where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 15 days from the Bid/ Issue Closing Date, as the case may be, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;

- That the certificates of the securities/ refund orders to Eligible NRIs shall be despatched within specified time;

- That no further issue of Equity Shares shall be made till the Equity Shares offered through the Red Herring Prospectus are listed or until the Bid monies are refunded on account of non-listing, under-subscription etc.; and

- That adequate arrangement shall be made to collect all ASBA Bid cum Application Forms and to consider them similar to non-ASBA applications while finalising the Basis of Allotment.

The Selling Shareholder undertakes that:

- That the Equity Shares being sold pursuant to the Issue, have been held by them for a period of more than one year;
- The Equity Shares being sold pursuant to the Offer for Sale in the Issue are free and clear of any liens or encumbrances and that the Selling Shareholder shall take or cause to be taken, all necessary steps to ensure that the Equity Shares are transferred to the eligible investors within the specified time;
- The funds required for despatch of refund orders or Allotment advice by registered post or speed post shall be made available to the Registrar to the Issue by the Selling Shareholder;
- It shall assist our Company in attending the complaints received in respect of this Issue, to the extent applicable to it, expeditiously and satisfactorily. The Selling Shareholder have authorized the Compliance Officer and the Registrar to the Issue to redress complaints, if any, of the investors;
- That the refund orders or Allotment advice to the successful Bidders shall be dispatched within specified time;
- That the Selling Shareholder shall not have recourse to the proceed of the Issue until approval for trading of the Equity Shares from all Stock Exchanges where listing is sought has been received; and
- No further offer of Equity Shares shall be made till the Equity Shares offered through the Red Herring Prospectus are listed or until the Bid monies are refunded on account of non-listing, under-subscription etc.

Our Company shall transfer to the Selling Shareholder, the net proceeds from the Offer for Sale, on the same being permitted to be released in accordance with applicable laws.

Utilisation of Issue proceeds

The Board of Directors certify that:

- all monies received out of the Issue shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 73 of the Companies Act;
- details of all monies utilised out of Issue shall be disclosed, and continue to be disclosed till the time any part of the issue proceeds remains unutilised, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised;
- details of all unutilised monies out of the Issue, if any shall be disclosed under an appropriate separate head in the balance sheet indicating the form in which such unutilised monies have been invested;
- the utilisation of monies received under Promoter's contribution shall be disclosed, and continue to be disclosed till the time any part of the Issue proceeds remains unutilised, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised; and
- the details of all unutilised monies out of the funds received under Promoter's contribution shall be disclosed under a separate head in the balance sheet of our Company indicating the form in which such unutilised monies have been invested.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The government bodies responsible for granting foreign investment approvals are FIPB and RBI.

The Government has from time to time made policy pronouncements on FDI through press notes and press releases. The Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India ("DIPP"), issued Circular 2 of 2010 ("Circular 2 of 2010"), which with effect from October 1, 2010, consolidates and rescinds all previous press notes, press releases and clarifications on FDI issued by the DIPP that were in force and effect as on September 30, 2010. The Government proposes to update the consolidated circular on FDI policy once every six months and therefore, Circular 2 of 2010 will be valid until the DIPP issues an updated circular (expected on April 1, 2011).

Subscription by foreign investors (NRIs/FIIs)

FIIs are permitted to subscribe to shares of an Indian company in a public offer without the prior approval of the RBI, so long as the price of the equity shares to be issued is not less than the price at which the equity shares are issued to residents.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the FIPB or the RBI, provided that (i) the activities of the investee company are under the automatic route under the foreign direct investment ("FDI") Policy and transfer does not attract the provisions of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as amended; (ii) the non-resident shareholding is within the sectoral limits under the FDI policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue.

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

The Equity Shares have not been and will not be registered under the US Securities Act of 1933 ("Securities Act") 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, the Equity Shares are only being offered and sold outside the United States in offshore transactions in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholder and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the Bids are not in violation of laws or regulations applicable to them.

SECTION VIII: MAIN PROVISIONS OF ARTICLES OF ASSOCIATION

Capitalised terms used in this section have the meaning that has been given to such terms in the Articles of Association of our Company. Pursuant to Schedule II of the Companies Act and the SEBI Regulations, the main provisions of the Articles of Association of our Company are detailed below:

Shares at the disposal of the directors

Article 2 provides that "Subject to the provisions of Section 81 of the Act and these Articles, the shares in the capital of the Company for the time being shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par or (subject to the compliance with the provision of Section 79 of the Act) at a discount and at such time as they may from time to time think fit and with the sanction of the Company in the General Meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Directors think fit, and may issue and allot shares in the capital of the Company on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any shares which may so be allotted may be issued as fully paid up shares, and if so issued, shall be deemed to be fully paid shares. Provided that option or right to call of shares shall not be given to any person or persons without the sanction of the Company in the General Meeting."

Consideration for allotment

Article 3 provides that "The Board of Directors may allot and issue shares of the Company as payment or part payment for any property purchased by the Company or in respect of goods sold or transferred or machinery or appliances supplied or for services rendered to the Company in or about the formation of the Company or the acquisition and/or in the conduct of its business; and any shares which may be so allotted may be issued as fully/partly paid up shares and if so issued shall be deemed as fully/partly paid up shares."

Restriction on allotment

Article 4 provides that

"(a) The Directors shall in making the allotments duly observe the provisions of the Act;

(b) The amount payable on application on each share shall not be less than 5% of the nominal value of the share; and

(c) Nothing herein contained shall prevent the Directors from issuing fully paid up shares either on payment of the entire nominal value thereof in cash or in satisfaction of any outstanding debt or obligation of the Company."

Increase of capital

Article 5 provides that "The Company at its General Meeting may, from time to time, by an Ordinary Resolution increase the capital by the creation of new shares, such increase to be of such aggregate amount and to be divided into shares of such respective amounts as the resolution shall prescribe. The new shares shall be issued on such terms and conditions and with such rights and privileges annexed thereto as the resolution shall prescribe, 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 in conformity with Section 87 of the Companies Act, 1956. Whenever the capital of the Company has been increased under the provisions of the Articles, the Directors shall comply with the provisions of Section 97 of the Act."

Reduction of capital

Article 6 provides that "The Company may, subject to the provisions of Sections 78, 80, 100 to 105 (both inclusive) and other applicable provisions of the Act from time to time, by Special Resolution reduce its capital and any

Capital Redemption Reserve Account or Share Premium Account in any manner for the time being authorized by law, and in particular, the capital may be paid off on the footing that it may be called up again or otherwise."

Sub-division and consolidation of share certificate

Article 7 provides that "Subject to the provisions of Section 94 of the Act, the Company in General Meeting, may by an ordinary resolution from time to time:

(a) Divide, sub-divide or consolidate its shares, or any of them, and the resolution whereby any share is sub-divided, may determine that as between the holders of the shares resulting from such sub-division one or more of such shares have some preference of special advantage as regards dividend capital or otherwise as compared with the others

(b) Cancel shares which at the date of such general meeting have not been taken or agreed to be taken by any person and diminish the amount of its capital by the amount of the shares so cancelled."

New capital part of the existing capital

Article 8 provides that "Except so far as otherwise provided by the conditions of the issue or by these presents any capital raised by the creation of new shares, shall be considered as part of the existing capital and shall be subject to the provisions herein contained, with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise."

Power to issue shares with differential voting rights

Article 9 provides that "The Company shall have the power to issue Shares with such differential rights as to dividend, voting or otherwise, subject to the compliance with requirements as provided for in the Companies (Issue of Share Capital with Differential Voting Rights) Rules, 2001, or any other law as may be applicable."

Power to issue preference shares

Article 10 provides that "Subject to the provisions of Section 80 of the Act, the Company shall have the powers to issue preference shares which are liable to be redeemed and the resolution authorizing such issue shall prescribe the manner, terms and conditions of such redemption."

Further issue of shares

Article 11 provides that

"(1) Where at any time after the expiry of two years from the formation of the Company or at any time after the expiry of one year from the allotment of shares in the Company made for the first time after its formation, whichever is earlier, it is proposed to increase the subscribed capital of the Company by allotment of further shares then

a) Such further shares shall be offered to the persons who at the date of the offer, are holders of the equity shares of the Company, in proportion, as nearly as circumstances admit, to the capital paid up on those shares at that date.

b) The offer aforesaid shall be made by a notice specifying the number of shares offered and limiting a time not being less than fifteen days from the date of offer within which the offer, if not accepted, will be deemed to have been declined.

c) The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person and the notice referred to in sub clause (b) hereof shall contain a statement of this right.

d) After the expiry of the time specified in the aforesaid notice or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board may dispose of them in such manner as they think most beneficial to the Company

(2) Notwithstanding anything contained in sub-clause (1) the further shares aforesaid may be offered to any persons (whether or not those persons include the persons referred to in clause (a) of sub- clause (1) hereof) in any manner whatsoever.

(a) If a special resolution to that effect is passed by the Company in General Meeting, or

(b) Where no such special resolution is passed, if the votes cast (whether on a show of hands or on a poll as the case may be) in favour of the proposal contained in the resolution moved in the general meeting (including the casting vote, if any, of the Chairman) by the members who, being entitled to do so, vote in person, or where proxies are allowed, by proxy, exceed the votes, if any, cast against the proposal by members so entitled and voting and the Central Government is satisfied, on an application made by the Board of Directors in this behalf that the proposal is most beneficial to the Company.

(3) Nothing in sub-clause (c) of (1) hereof shall be deemed:

(a) To extend the time within which the offer should be accepted; or

(b) To authorize any person to exercise the right of renunciation for a second time on the ground that the person in whose favour the renunciation was first made has declined to take the shares comprised in the renunciation.

(4) Nothing in this Article shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option attached to the debentures issued or loans raised by the Company:

(i) To convert such debentures or loans into shares in the Company; or

(ii) To subscribe for shares in the Company.

PROVIDED THAT the terms of issue of such debentures or the terms of such loans include a term providing for such option and such term:

(a) Either has been approved by the Central Government before the issue of the debentures or the raising of the loans or is in conformity with Rules, if any, made by that Government in this behalf; and

(b) In the case of debentures or loans other than debentures issued to or loans obtained from the Government or any institution specified by the Central Government in this behalf, has also been approved by a special resolution passed by the Company in General Meeting before the issue of the debentures or raising of the loans.

Right to convert loans into capital

Article 12 provides that “Notwithstanding anything contained in sub-clauses(s) above, but subject, however, to Section 81(3) of the Act, the Company may increase its subscribed capital on exercise of an option attached to the debentures or loans raised by the Company to convert such debentures or loans into shares or to subscribe for shares in the Company.”

Allotment on application to be acceptance of shares

Article 13 provides that “Any application signed by or on behalf of an applicant for shares in the Company followed by an allotment of any shares therein, shall be an acceptance of shares within the meaning of these Articles, and every person who thus or otherwise accepts any shares and whose name is on the register, shall, for the purpose of these articles, be a Member."

Return on allotments to be made or restrictions on allotment

Article 14 provides that "The Board shall observe the restrictions as regards allotment of shares to the public contained in Sections 69 and 70 of the Act, and as regards return on allotments, the Directors shall comply with Section 75 of the Act."

Money due on shares to be a debt to the Company

Article 15 provides that "The money (if any) which the Board shall, on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise in respect of any shares allotted by them, shall immediately on the inscription of the name of allottee in the Register of Members as the name of the holder of such shares become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly."

Members or heirs to pay unpaid amounts

Article 16 provides that "Every Member or his heir's executors or administrators shall pay to the Company the portion 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 shall from time to time, in accordance with the Company's regulations require or fix for the payment thereof."

Commission for placing shares, debentures, etc

Article 23 provides that

"(a) Subject to the provisions of the Act, the Company may at any time pay a commission to any person for subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares, debentures, or debenture-stock of the Company or underwriting or procuring or agreeing to procure subscriptions (whether absolute or conditional) for shares, debentures or debenture-stock of the Company.

(b) The Company may also, in any issue, pay such brokerage as may be lawful."

Company's lien on shares /debentures

Article 24 provides that "The Company shall have a first and paramount lien upon all the shares /debentures (other than fully paid up shares/debentures) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at fixed time in respect of such shares/debentures, and no equitable interest in any shares shall be created except upon the footing and condition that this Article will have full effect and such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares/debentures. Unless otherwise agreed, the registration of a transfer of shares/debentures shall operate as a waiver of the Company's lien if any, on such shares/debentures. The Directors may at any time declare any shares/debentures wholly or in part to be exempt from provisions of this clause. The fully paid up shares shall be free from all lien and that in the case of partly paid shares the Company's lien shall be restricted to moneys called or payable at a fixed time in respect of such shares."

Enforcing lien by sale

Article 25 provides that "For the purpose of enforcing such lien, the Board may sell the shares subject thereto in such manner as they think fit, and for that purpose may cause to be issued a duplicate certificate in respect of such shares and may authorize one of their members to execute a transfer thereof on behalf of and in the name of such member. No sale shall be made until such period as aforesaid shall have arrived and until notice in writing of the intention to sell have been served on such member or his representative 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 such notice."

Application of sale proceeds

Article 26 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 (subject to a lien for sums not presently payable as existed upon the shares before the sale) be paid to the person entitled to the shares at the date of the sale."

Board to have right to make calls on shares

Article 27 provides that "The Board may, from time to time, subject to the terms on which any shares may have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board (and not by circular resolution), make such call as it thinks fit upon the members in respect of all moneys unpaid on the shares held by them respectively and each member shall pay the amount of every call so made on him to the person or persons and the member(s) and place(s) appointed by the Board. A call may be made payable by installments.

Provided that the Board shall not give the option or right to call on shares to any person except with the sanction of the Company in General Meeting."

Notice for call

Article 28 provides that "Fourteen days notice in writing of any call shall be given by the Company specifying the date, time and places of payment and the person or persons to whom such call be paid."

Call when made

Article 29 provides that "The Board of Directors may, when making a call by resolution, determine the date on which such call shall be deemed to have been made, not being earlier than the date of resolution making such call, and thereupon the call shall be deemed to have been made on the date so determined and if no such date is so determined a call shall be deemed to have been made at the date when the resolution authorizing such call was passed at the meeting of the Board."

Liability of joint holders for a call

Article 30 provides that "The joint-holders of a share shall be jointly and severally liable to pay all calls in respect thereof."

Board to extend time to pay call

Article 31 provides that "The Board may, from time to time, at its discretion extend the time fixed for the payment of any call and may extend such time to all or any of the members. The Board may be fairly entitled to grant such extension, but no member shall be entitled to such extension, save as a matter of grace and favour."

Calls to carry Interest

Article 32 provides that "If a member fails to pay any call due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at 5% per annum or such lower rate as shall from time to time be fixed by the Board but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such member."

Dues deemed to be calls

Article 33 provides that "Any sum, which as per the terms of issue of a share becomes payable on allotment or at a fixed date whether on account of the nominal value of the share or by way of premium, shall for the purposes of these Articles be deemed to be a call duly made and payable on the date on which by the terms of issue the same may become payable and in case of non payment all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified."

Proof of dues in respect of share

Article 34 provides that "On any trial or hearing of any action or suit brought by the Company against any member or his representatives for the recovery of any money claimed to be due to the Company in respect of his shares it shall be sufficient to prove (i) that the name of the members in respect of whose shares the money is sought to be recovered appears entered in the Register of Members as the holder, at or subsequent to the date on which the money sought to be recovered is alleged to have become due on the shares, (ii) that the resolution making the call is duly recorded in the minute book, and that notice of such call was duly given to the member or his representatives pursuance of these Articles, and (iii) it shall not be necessary to prove the appointment of the Directors who made such call, nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive of the debt."

Partial payment not to preclude forfeiture

Article 35 provides that "Neither a judgment nor a decree in favour of the Company, for call or other moneys due in respect of any share nor any part payment or satisfaction there under, nor the receipt by the Company of a portion of any money which shall, from time to time be due from any member to the Company in respect of his shares either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money shall preclude the Company from thereafter proceeding to enforce forfeiture of such shares as hereinafter provided."

Payment in anticipation of call may carry interest

Article 36 provides that

"(a) The Directors may, if they think fit, subject to the provisions of Section 92 of the Act, agree to and receive from any member willing to advance the same, whole or any part of the moneys due upon the shares held by him beyond the sums actually called for and upon the amount so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made, the Company may pay interest at such rate, as the member paying such sum in advance and the Directors agree upon, provided that money paid in advance of calls shall not confer a right to participate in profits or dividend. The Directors may at any time repay the amount so advanced.

(b) The member shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would but for such payment become presently payable.

(c) The provisions of these Articles shall mutatis mutandis apply to the calls on debentures of the Company."

Board to have right to forfeit shares

Article 37 provides that "If any member fails to pay any call or installment of a call or before the day appointed for the payment of the same or any such extension thereof as aforesaid, the Board may at any time thereafter during such time as the call or installment remains unpaid, give notice to him 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."

Notice for forfeiture of shares

Article 38 provides that

"(a) The notice shall name a further day (not earlier than the expiration of fourteen days from the date of notice) and place or places on which such call or installment and such interest thereon (at such rate as the Directors shall determine from the day on which such call or installment ought to have been paid) and expenses as aforesaid, are to be paid.

(b) The notice shall also state that in the event of the non-payment at or before the time the call was made or installment is payable the shares will be liable to be forfeited."

Forfeited share to be the property of the Company

Article 41 provides that "Any share so forfeited shall be deemed to be the property of the Company and may be sold, re-allocated or otherwise disposed of either to the original holder thereof or to any other person upon such terms and in such manner as the Board shall think fit."

Member to be liable even after forfeiture

Article 42 provides that "Any member whose shares have been forfeited shall, notwithstanding the forfeiture be liable to pay and shall forthwith pay to the Company on demand all calls, installments, interest and expenses owing upon or in respect of such shares at the time of the forfeiture together with the interest thereon from time to time of the forfeiture until payment at such rates as the Board may determine and the Board may enforce the payment thereof, if it thinks fit."

Claims against the Company to extinguish on forfeiture

Article 43 provides that "The forfeiture of a share involves extinction, at the time of the forfeiture of all interest in and all claims and demands against the Company, in respect of the shares and all other rights incidental to the share, except only such of those rights as by these Articles expressly saved."

Board entitled to cancel forfeiture

Article 47 provides that "The Board may at any time before any share so forfeited shall have them sold, re-allotted or otherwise disposed of, cancel the forfeiture thereof upon such conditions at it thinks fit."

Register of transfers

Article 48 provides that "The Company shall keep a "Register of Transfers" and therein shall be fairly and distinctly entered particulars of every transfer or transmission of any shares."

Endorsement of transfer

Article 49 provides that "In respect of any transfer of shares registered in accordance with the provisions of these Articles, the Board may, at their discretion, direct an endorsement of the transfer and the name of the transferee and other particulars on the existing share certificate and authorize any Director or officer of the Company to authenticate such endorsement on behalf of the Company or direct the issue of a fresh share certificate, in lieu of and in cancellation of the existing certificate in the name of the transferee."

Instrument of transfer

Article 50 provides that "The instrument of transfer of any share shall be in writing and all the provisions of Section 108 of the Act, and of any statutory modification thereof for the time being shall be duly complied with in respect of all transfer of shares and registration thereof. The Company shall use a common form of transfer in all cases."

Directors may refuse to register transfer

Article 53 provides that "Subject to the provisions of Section 111 and Section 111A of the Act, these Articles and other applicable provisions of the Act or any other law for the time being in force, the Board may refuse whether in pursuance of any power of the Company under these Articles or otherwise to register the transfer of, or the transmission by operation of law of the right to, any shares or interest of a Member in shares or debentures of the

Company. The Company shall within one month from the date on which the instrument of transfer, or the intimation of such transfer, as the case may be, was delivered with the Company, send notice of refusal to the transferee and transferor or to the person giving notice of such transmission, as the case may be, giving reasons for such refusal. Provided that registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except where the Company has a lien on shares."

Transfer of partly paid shares

Article 54 provides that "Where in the case of partly paid shares, an application for registration is to be made by the transferor, the Company shall give notice of the application to the transferee in accordance with the provisions of Section 110 of the Act."

Survivor of joint holders recognized

Article 55 provides that "In case of the death of any one or more persons named in the Register of Members as the joint-holders of any shares, the survivors shall be the only person recognized by the Company as having any title to or interest in such share but nothing therein contained shall be taken to release the estate of a deceased joint-holder from any liability on shares held by him jointly with any other person."

Title to shares of deceased members

Article 56 provides that "The executors or administrators or holders of a Succession Certificate or the legal representatives of a deceased member (not being one or two joint holders) shall be the only person recognized by the Company as having any title to the shares registered in the name of such member, and the Company shall be bound to recognize such executors or administrators or holders of a Succession Certificate or the legal representatives shall have first obtained Probate holders or Letter of Administration or Succession Certificate as the case may be, from a duly constituted Court in the Union of India. Provided that in any case where the Board in its absolute discretion, thinks fit, the Board may dispense with the production of Probate or Letter of Administration or Succession Certificate, upon such terms as to indemnity or otherwise as the Board in its absolute discretion may think necessary and register the name of any person who claims to be absolutely entitled to the shares standing in the name of a deceased member as a member."

Transfers not permitted

Article 57 provides that "No share shall in any circumstances be transferred to any infant, insolvent or person of unsound mind, except fully paid shares through a legal guardian."

Transmission of shares

Article 58 provides that "Subject to the provisions of these presents, any person becoming entitled to shares in consequence of the death, lunacy, bankruptcy or insolvency of any members, or by any lawful means other than by a transfer in accordance with these Articles may, with the consent of the Board (which it shall not be under any obligation to give), upon producing such evidence as the Board thinks sufficient, that he sustains the character in respect of which he proposes to act under this Article, or of his title, either be registering himself as the holder of the shares or elect to have some person nominated by him and approved by the Board, registered as such holder, provided, nevertheless, if such person shall elect to have his nominee registered, he shall testify that election by executing in favour of his nominee an instrument of transfer in accordance with the provision herein contained and until he does so he shall not be freed from any liability in respect of the shares."

Rights on transmission

Article 59 provides that "A person entitled to a share by transmission shall, subject to the Directors' right to retain such dividends or money as hereinafter provided, be entitled to receive and may give discharge for any dividends or other moneys payable in respect of the share."

Instrument of transfer to be stamped

Article 60 provides that "Every instrument of transfer shall be presented to the Company duly stamped for registration, accompanied by such evidence as the Board may require to prove the title of the transferor his right to transfer the shares and every registered instrument of transfer shall remain in the custody of the Company until destroyed by order of the Board."

Share Certificates to be surrendered

Article 61 provides that "Before the registration of a transfer, the certificate or certificates of the share or shares to be transferred must be delivered to the Company along with (save as provided in Section 108) properly stamped and executed instrument of transfer."

No fee on transfer or transmission

Article 62 provides that "No fee shall be charged for registration of transfers, transmission, probate, succession certificate and Letters of administration, Certificate of Death or Marriage, Power of Attorney or similar other document."

Company not liable to notice of equitable rights

Article 63 provides that "The Company shall incur no liability or responsibility whatever in consequence of its registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the register of members) to the prejudice of persons having or claiming any equitable rights, title or interest in the said shares, notwithstanding that the Company may have had notice of such equitable rights referred thereto in any books of the Company and the Company shall not be bound by or required to regard or attend to or give effect to any notice which may be given to it of any equitable rights, title or interest or be under any liability whatsoever for refusing or neglecting to do so, though it may have been entered or referred to in some book 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."

Dematerialisation of Securities

Article 64 provides that

"(i) Definitions: For the purpose of this Article:

"*Beneficial Owner*" means a person whose name is recorded as such with a depository.

"*Bye-Laws*" means Bye-laws made by a Depository under Section 26 of the Depositories Act, 1996.

"*Depositories Act*" means the Depository Act, 1996, including any statutory modifications or re-enactment for the time being in force.

"*Depository*" means a Company formed and registered under the Act and which has been granted a Certificate of Registration under the Securities and Exchange Board of India Act 1992.

"*Member*" means the duly registered holder from time to time of the shares of the Company and includes every person whose name is entered as beneficial owner in the records of the depository.

"*Participant*" means a person registered as such under Section 12 (1A) of the Securities and Exchange Board of India Act, 1992.

"*Record*" includes the records maintained in the form of books or stored in a computer or in such other form as may be determined by the Regulations issued by the Securities and Exchange Board of India in relation to the Depository Act, 1996.

"*Registered Owner*" means a depository whose name is entered as such in the records of the Company.

"*SEBI*" means the Securities and Exchange Board of India

"*Security*" means such security as may be specified by the Securities and Exchange Board of India from time to time.

Words imparting the singular number only includes the plural number and vice versa.

Words imparting persons include corporations.

Words and expressions used and not defined in the Act but defined in the Depositories Act, 1996 shall have the same meaning respectively assigned to them in that Act.

(ii) *Company to recognize interest in dematerialized securities under The Depositories Act, 1996*.

Either the Company or the investor may exercise an option to issue, de-link, hold the securities (including shares) with a depository in Electronic form and the certificates in respect thereof shall be dematerialized, in which event the rights and obligations of the parties concerned and matters connected therewith or incidental thereto shall be governed by the provisions of the Depositories Act, 1996 as amended from time to time or any statutory modification(s) thereto or re-enactment thereof.

(iii) *Dematerialisation/re-materialisation of Securities:*

Notwithstanding anything to the contrary or inconsistent contained in these Articles, the Company shall be entitled to dematerialize its existing securities, re-materialize its securities held in Depositories and/or offer its fresh securities in the de-materialized form pursuant to the Depositories Act, 1996 and the rules framed there under, if any.

(iv) *Option to receive Security certificate or hold Securities with Depository:*

Every person subscribing to or holding securities of the Company shall have the option to receive the security certificate or hold securities with a Depository. Where a person opts to hold a security with the Depository, the Company shall intimate such Depository of the details of allotment of the security and on receipt of such information, the Depository shall enter in its record, the name of the allottees as the beneficial owner of that security.

(v) *Securities in electronic form:*

All securities held by a Depository shall be dematerialized and held in electronic form. No certificate shall be issued for the securities held by the Depository. Nothing contained in Section 153, 153A, 153B, 187 B, 187 C and 372 of the Act, shall apply to a Depository in respect of the securities held by it on behalf of the beneficial owners.

(vi) *Beneficial Owner deemed as absolute owner:*

Except as ordered by the Court of competent jurisdiction or by law required, the Company shall be entitled to treat the person whose name appears on the register of members as the holders of any share or whose name appears as the beneficial owner of the shares in the records of the Depository as the absolute owner thereof and accordingly shall not be bound to recognize any benami, Trust Equity, equitable contingent, future, partial interest, other claim to or interest in respect of such shares or (except only as by these Articles otherwise expressly provided) any right in respect of a share other than an absolute right thereto in accordance with these Articles, on the part of any other person whether or not it has expressed or implied notice thereof but the Board shall at their sole discretion register any share in the joint names of any two or more persons or the survivor or survivors of them.

(vii) *Rights of Depositories and Beneficial Owners:*

Notwithstanding anything to the contrary contained in the Act, or these Articles, a Depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of security on behalf of the beneficial owner.

Save as otherwise provided above, the Depository is the registered owner of the securities, and shall not have any voting rights or any other rights in respect of the securities held by it.

Every person holding securities of the Company and whose name is entered as a beneficial owner in the records of the Depository shall be deemed to be a member of the Company. The beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a Depository

(viii) *Register and index of Beneficial Owners:*

The Company shall cause to be kept a Register and Index of members with details of shares and debentures held in materialized and dematerialized forms in any media as may be permitted by law including any form of electronic media.

The Register and Index of beneficial owners maintained by a Depository under the Depositories Act, 1996 shall be deemed to be a Register and Index of members for the purposes of this Act. The Company shall have the power to keep in any state or country outside India a Branch register of Members resident in that State or Country.

(ix) *Cancellation of certificates upon surrender by person:*

Upon receipt of certificate of securities on surrender by a person who has entered into an agreement with the Depository through a participant, the Company shall cancel such certificates and shall substitute in its record, the name of the depository as the Registered Owner in respect of the said securities and shall also inform the Depository accordingly.

(x) *Service of documents:*

Notwithstanding anything contained in the Act, or these Articles, to the contrary, where securities are held in a depository, the record of the beneficial ownership may be served by such depository on the Company by means of hard copies or through electronic mode or by delivery of floppies or discs.

(xi) *Allotment of Securities:*

Where the securities are dealt within a Depository, the Company shall intimate the details of allotment of relevant securities to the Depository on allotment of such securities.

(xii) *Transfer of Securities:*

The Company shall keep a Register of Transfers and shall have recorded therein fairly and distinctly, particulars of every transfer or transmission of any share held in material form. Nothing contained in these Articles shall apply to transfer of securities held in depository.

(xiii) *Distinctive number of Securities held in a Depository*

The shares in the capital shall be numbered progressively according to their several denominations, provided, however that the provisions relating to progressive numbering shall not apply to the share of the Company which are in dematerialized form. Except in the manner provided under these Articles, no share shall be sub-divided. Every forfeited or surrendered share be held in material form shall continue to bear the number by which the same was originally distinguished.

(xiv) *Provisions of Articles to apply to shares held in Depository:*

Except as specifically provided in these Articles, the provisions relating to joint holders of shares, calls, lien on shares, forfeiture of shares and transfer and transmission of shares shall be applicable to shares held in Depository so far as they apply to shares held in physical form subject to the provisions of the Depository Act, 1996.

(xv) *Depository to furnish information:*

Every Depository shall furnish to the Company information about the transfer of securities in the name of the beneficial owner at such intervals and in such manner as may be specified by laws and the Company in that behalf.

(xvi) *Option to opt out in respect of any such Security:*

If a beneficial owner seeks to opt out of a Depository in respect of any security, he shall inform the Depository accordingly. The Depository shall on receipt of such information make appropriate entries in its records and shall inform the Company. The Company shall within 30 (thirty) days of the receipt of intimation from a Depository and on fulfillment of such conditions and on payment of such fees as may be specified by the regulations, issue the certificate of securities to the beneficial owner or the transferee as the case may be.

(xvii) *Overriding effect of this Article:*

Provisions of this Article will have full effect and force not withstanding anything to the contrary or inconsistent contained in any other Articles of these presents."

Nomination facility

Article 65 provides that

"(I) Every holder of shares, or holder of debentures of the Company may at any time, nominate, in the prescribed manner a person to whom his shares in or debentures of the Company shall rest in the event of his death.

(II) Where the shares in or debentures of the Company are held by more than one person jointly, the joint holders may together nominate in the prescribed manner, a person to whom all the rights in the shares or debentures of the Company shall rest in the event of death of all the joint holders.

(III) Notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise in respect of such shares in or debentures of the Company where a nomination made in the prescribed manner purports to confer on any person the right to vest the shares in or debentures of the Company, the nominee shall, on the death of the shareholder or debentures holder of the Company or as the case may be on the death of the joint holders become entitled to all the rights in the shares or debentures of the Company or as the case may be all the joint holders in relation to such shares in or debenture of the Company to the exclusion of all the other persons, unless the nomination is varied or cancelled in the prescribed manner.

(IV) Where the nominee is a minor it shall be lawful for the holder of shares or debentures, to make the nomination and to appoint in the prescribed manner any person to become entitled to shares in or debentures of the Company in the event of his death in the event of minority of the nominee.

Any person who becomes a nominee by virtue of the provisions of Section 109 A upon the production of such evidence as may be required by the Board and subject as hereinafter provided elect either

a) To be registered himself as holder of the shares or debentures as the case may be, or

b) To make such transfer of the share or debenture as the case may be, as the deceased shareholder or debenture holder, as the case may be could have made.

If the person being a nominee, so becoming entitled, elects to be registered himself as a holder of the share or debenture as the case may be, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects and such notice shall be accompanied with a Death Certificate of the deceased share holder or debenture holder as the case may be.

All the limitations, restrictions and provisions of this Act, relating to the right to transfer and registration of transfer of shares or debentures shall be applicable to any such notice or transfer as aforesaid as if the death of the member had not occurred and the notice or transfer where a transfer is signed by that shareholder or debenture holder, as the case may be.

A person being a nominee, becoming entitled to a share or debenture by reason of the death of the holder shall be entitled to same dividends and other advantages to which he would be entitled if he were the registered holder of the share or debenture, except that he shall not, before being registered a member in respect of his share of debenture, be entitled in respect of it to exercise any right conferred by membership in relation to the meetings of the Company.

Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share or debenture and if the notice is not complied with within 90 days, the Board may thereafter withhold payments of all dividends, bonus, or other monies payable in respect of the share or debenture, until the requirements of the notice have been complied with.

A Depository may in terms of Section 58 A at any time, make a nomination and above provisions shall as far as may be, apply to such nomination."

Buy back of shares

Article 66 provides that "The Company shall be entitled to purchase its own shares or other securities, subject to such limits, upon such terms and conditions and subject to such approvals as required under Section 77 A and other applicable provisions of the Act, The Securities and Exchange Board of India Act, 1992 and the Securities and Exchange Board of India (Buy Back of Securities) Regulations 1998 and any amendments, modification(s), repromulgation (s) or re- enactment(s) thereof."

Rights to issue share warrants

Article 68 provides that

"(a) The Company may issue share warrants subject to, and in accordance with provisions of Section 114 and 115 of the Act.

(b) The Board may, in its discretion, with respect to any share which is fully paid up on application in writing signed by the person registered as holder of the share, and authenticated by such evidence (if any) as the Board may from time to time require as to the identity of the person signing the application, and the amount of the stamp duty on the warrant and such fee as the Board may from time to time require having been paid, issue a warrant."

Rights of warrant holders

Article 69 provides that

"(a) The bearer of the share warrant may at any time deposit the warrant at the office of the Company, and so long as the warrant remains so deposited, the depositor shall have the same right to signing a requisition, for calling a meeting of the Company, and of attending, and voting and exercising other privileges of a member at any meeting held after the expiry of two clear days from time of the deposit, as if his name were inserted in the Register of Members as the holder of the shares included in the deposited warrant.

(b) Not more than one person shall be recognized as the depositor of the share warrant.

(c) The Company shall, on two days written notice, return the deposited share warrant to the depositor."

Article 70 provides that

"(a) Subject as herein otherwise expressly provided, no person shall, as bearer of a share warrant, sign requisition for calling a meeting of the Company, or attend, or vote or exercise any other privileges of a member at a meeting of the Company, or be entitled to receive any notice from the Company.

(b) The bearer of a share warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the Register of Members as the holder of the shares included in the warrant, and he shall be member of the Company."

Board to make rules

Article 71 provides that "The Board may, from time to time, make rules as to the terms on which it shall think fit, a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction."

Rights to convert shares into stock & vice-versa

Article 72 provides that "The Company in General Meeting may, by an Ordinary Resolution, convert any fully paid-up shares into stock and when any shares shall have been converted into stock the several holders of such stock, may henceforth transfer their respective interest therein, or any part of such interest in the same manner and subject to the same Regulations as, and subject to which shares from which the stock arise might have been transferred, if no such conversion had taken place. The Company may, by an Ordinary Resolution reconvert any stock into fully paid up shares of any denomination. Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so however such minimum shall not exceed the nominal amount of shares from which the stock arose."

Rights of stock holders

Article 73 provides that "The holders of stock shall according to the amount of stock held by them have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company and other matters as if they held the shares from which the stock arose; but no such privileges or advantages (except participation in the dividends and profits of the Company and in the assets on winding-up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred those privileges or advantages."

Annual General Meetings

Article 74 provides that "The Company shall, in addition to any other meetings hold a General Meeting which shall be called as its Annual General Meeting, at the intervals and in accordance with the provisions of the Act."

Extraordinary General Meetings

Article 75 provides that "The Board may, whenever it thinks fit, convene an Extraordinary General Meeting at such date, time and at such place as it deems fit, subject to such directions if any, given by the Board."

Extraordinary Meetings on requisition

Article 76 provides that "The Board shall on, the requisition of members convene an Extraordinary General Meeting of the Company in the circumstances and in the manner provided under Section 169 of the Act."

Notice for General Meetings

Article 77 provides that "All General Meetings shall be convened by giving not less than twenty- one days notice excluding the day on which the notice is served or deemed to be served (i.e. on expiry of 48 hours after the letter containing the same is posted) and the date of the meeting, specifying the place and hour of the meeting and in case of any special business proposed to be transacted, the nature of that business shall be given in the manner mentioned in Section 173 of the Act. Notice shall be given to all the shareholders and to such persons as are under the Act and/or these Articles entitled to receive such notice from the Company but any accidental omission to give notice to or non-receipt of the notice by any member shall not invalidate the proceedings of any General Meeting."

Quorum for General Meeting

Article 80 provides that "Five members or such other number of members as the law for the time being in force prescribes, shall be entitled to be personally present shall be quorum for a General Meeting and no business shall be transacted at any General Meeting unless the requisite quorum is present at the commencement of the meeting."

Chairman of General Meeting

Article 82 provides that "The Chairman, if any, of the Board of Directors shall preside as Chairman at every General Meeting of the Company."

Election of Chairman

Article 83 provides that "If there is no such Chairman or if at any meeting he is not present within fifteen minutes after the time appointed for holding the meeting or is unwilling to act as Chairman, the members present shall choose another Director as Chairman and if no Director be present or if all the Directors decline to take the chair then the members present shall choose someone of their number to be the Chairman."

Voting at meeting

Article 85 provides that "At any General Meeting, a resolution put to the vote at the meeting shall be decided on a show of hands, unless a poll is (before or on the declaration of the result of the show of hands) is demanded in accordance with the provisions of Section 179 of the Act. Unless a poll is so demanded, a declaration by the Chairman that the resolution had, on a show of hands been carried unanimously or by a particular majority or lost and an entry to that effect in the book of the proceedings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against that resolution."

Decision by poll

Article 86 provides that "If a poll is duly demanded, it shall be taken in such manner as the Chairman directs and the results of the poll shall be deemed to be the decision of the meeting on the resolution in respect of which the poll was demanded."

Casting vote of Chairman

Article 87 provides that "In case of equal votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a second or a casting vote in addition to the vote or votes to which he may be entitled to as a member."

Poll to be immediate

Article 88 provides that

"(a) A poll demanded on the election of Chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time not later than forty eight hours from the time of demand as the Chairman of the meeting directs.

(b) A demand for a poll shall not prevent the continuance of a Meeting of the transaction of any business other than that on which a poll has been demanded. The demand for a poll may be withdrawn at anytime by the person or persons who made the demand."

Passing resolutions by postal ballot

Article 89 provides that

"(a) Notwithstanding any of the provisions of these Articles, the Company may, and in the case of resolutions relating to such business as notified under the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001 to be passed by postal ballot, shall get any resolution passed by means of a postal ballot, instead of transacting the business in the general meeting of the Company.

(b) Where the Company decides to pass any resolution by resorting to postal ballot, it shall follow the procedures as prescribed under section 192A of the Act and the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001, as amended from time."

Voting rights of members

Article 90 provides that

"(a) On a show of hands every member holding equity shares and present in person shall have one vote.

(b) On a poll, every member holding equity shares therein shall have voting rights in proportion to his shares of the paid up equity share capital.

(c) On a poll, a member having more than one vote, or his proxy or other persons entitled to vote for him need not use all his votes in the same way."

Voting by joint-holders

Article 91 provides that "In the case of joint-holders the vote of the first named of such joint holders who tender a vote whether in person or by proxy shall be accepted to the exclusion of the votes of other joint holders."

No right to vote unless calls are paid

Article 92 provides that "No member shall be entitled to vote at any General Meeting unless all calls or other sums presently payable by him have been paid, or in regard to which the Company has lien and has exercised any right of lien."

Proxy

Article 93 provides that "On a poll, votes may be given either personally or by proxy."

Instrument of proxy

Article 94 provides that “The instrument appointing a proxy shall be in writing under the hand of appointer or of his attorney duly authorized in writing or if appointed by a Corporation either under its common seal or under the hand of its attorney duly authorized in writing. Any person whether or not he is a member of the Company may be appointed as a proxy.

The instrument appointing a proxy and Power of Attorney or other authority (if any) under which it is signed must be deposited at the registered office of the Company not less than forty eight hours prior to the time fixed for holding the meeting at which the person named in the instrument proposed to vote, or, in case of a poll, not less than twenty four hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.”

Article 95 provides that “The form of proxy shall be two way proxies as given in Schedule IX of the Act enabling the shareholder to vote for/against any resolution.”

Validity of proxy

Article 96 provides that “A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death of or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed or the shares in respect of revocation or transfer shall have been received by the Company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.”

Corporate members

Article 97 provides that “Any corporation which is a member of the Company may, by resolution of its Board of Director or other governing body, authorize such person as it thinks fit to act as its representative at any meeting of the Company and the said person so authorized shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could have exercised if it were an individual member of the Company.”

Number of Directors

Article 98 provides that “Unless otherwise determined by General Meeting, the number of Directors shall not be less than three and not more than twelve, including all kinds of Directors.

Subscribers to the Memorandum of Association and these Articles were the first Directors of the Company.

Not less than 2/3rd of the total number of directors of the Company may be appointed according to the principle of proportional representation whether by a single transferable vote or by a system of cumulative voting or otherwise in accordance with section 265 of the Act.”

Share qualification not necessary

Article 99 provides that “Any person whether a member of the Company or not may be appointed as Director and no qualification by way of holding shares shall be required of any Director.”

Director’s power to fill-up casual vacancy

Article 100 provides that “Any casual vacancy occurring in the Board of Directors may be filled up by the Directors, and the person so appointed shall hold office up to the date, up to which Director in whose place he is appointed would have office if it has not been vacated as aforesaid.”

Additional Directors

Article 101 provides that “The Board of Directors shall have power at any time and from time to time to appoint one or more persons as Additional Directors provided that the number of Directors and Additional Directors together shall not exceed the maximum number fixed. An additional Director so appointed shall hold office up to the date of the next Annual general Meeting of the Company and shall be eligible for re-election by the Company at that Meeting.”

Alternate Directors

Article 102 provides that “The Board of Directors may appoint an Alternate Director to act for a Director (hereinafter called the original Director) during the absence of the original Director for a period of not less than 3 months form the state in which the meetings of the Board are ordinarily held. An Alternate Director so appointed shall vacate office if and when the original Director return to the state in which the meetings of the Board are ordinarily held. If the terms of the office of the original Director is determined before he so returns to the state aforesaid any provision for the automatic reappointment of retiring Director in default of another appointment shall apply to the original and not to the Alternate Director.”

Remuneration of Directors

Article 103 provides that “Every Director other than the Managing Director and the Whole-time Director shall be paid a sitting fee not exceeding such sum as may be prescribed by the Act or the Central Government from time to time for each meeting of the Board of Directors or any Committee thereof attended by him and shall be paid in addition thereto all traveling, hotel and other expenses properly incurred by him in attending and returning from the meetings of the Board of Directors or any committee thereof or General Meeting of the Company or in connection with business of the Company to and from any place. The remuneration of Directors including Managing Director and/or Whole-time Director may be paid in accordance with Section 309 of the Act.”

Remuneration for extra services

Article 104 provides that “If any Director, being willing, shall be called upon to perform extra services or to make any special exertions in going or residing away from the town in which the Registered Office of the Company may be situated for any purposes of the Company or in giving any special attention to the business of the Company or as member of the Board, then subject to the provisions of the Act the Board may remunerate the Director so doing either by a fixed sum, or by a percentage of profits or otherwise and such remuneration, may be either in addition to or in substitution for any other remuneration to which he may be entitled.”

Equal power to Director

Article 107 provides that “Except as otherwise provided in these Articles all the Directors of the Company shall have in all matters equal rights and privileges and be subject to equal obligations and duties in respect of the affairs of the Company.”

One-third of Directors to retire every year

Article 108 provides that “At the Annual General Meeting of the Company to be held in every year, one third of such of the Directors as are liable to retire by rotation for time being, or, if their number is not three or a multiple of three then the number nearest to one third shall retire from office, and they will be eligible for re-election. Provided nevertheless that the Managing Director or Whole time Director(s), appointed or the Directors appointed as a Debenture Director and Special Director under Articles hereto shall not retire by rotation under this Article nor shall they be included in calculating the total number of Directors of whom one third shall retire from office under this Article.”

Retiring Directors eligible for re-election

Article 109 provides that “A retiring Director shall be eligible for re-election and the Company, at the Annual General Meeting at which a Director retires in the manner aforesaid may fill up the vacated office by electing a person thereto.”

Meetings of the Board

Article 118 provides that

"(a) The Board of Directors shall meet at least once in every three months for the dispatch of business, adjourn and otherwise regulate its meetings and proceedings as it thinks fit in accordance with section 288 of the Act, provided that at least four such meetings shall be held in every year.

(b) The Managing Director may, at any time summon a meeting of the Board and the Managing Director or a Secretary or a person authorised in this behalf on the requisition of Director shall at any time summon a meeting of the Board. Notice in writing of every meeting of the Board shall be given to every Director for the time being in India, and at his usual address in India to every other Director."

Quorum

Article 119 provides that "The quorum for a meeting of the Board shall be one-third of its total strength (any fraction contained in that one-third being rounded off as one) or two Directors whichever is higher, provided that where at any time the number of interested Directors is equal to or exceeds two-thirds of total strength, the number of remaining Directors, that is to say the number of Directors who are not interested, present at the meeting being not less than two, shall be the quorum during such time, The total strength of the Board shall mean the number of Directors actually holding office as Directors on the date of the resolution or meeting, that is to say, the total strength of Board after deducting there from the number of Directors, if any, whose places are vacant at the time."

Questions how decided

Article 120 provides that

"(a) Save as otherwise expressly provided in the Act, a meeting of the Board for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions by or under the Regulations of the Company for the time being vested in or exercisable by the Directors generally and all questions arising at any meeting of the Board shall be decided by a majority of the Board.

(b) In case of an equality of votes, the Chairman shall have second or casting vote in addition to his vote as Director."

Resolution by circulation

Article 127 provides that "Save as otherwise expressly provided in the Act, a resolution in writing circulated in draft together with the necessary papers, if any, to all the Directors or to all the members of the committee then in India, not being less in number than the quorum fixed of the meeting of the Board or the Committee, as the case may be and to all other Directors or members at their usual address in India and approved by such of the Directors as are then in India or by a majority of such of them as are entitled to vote at the resolution shall be valid and effectual as it had been a resolution duly passed at a meeting of he Board or committee duly convened and held."

Borrowing powers

Article 128 provides that

"(a) The Board of Directors may from time to time but with such consent of the Company in General Meeting as may be required under the Act raise any moneys or sums of money for the purpose of the Company provided that the moneys to be borrowed by the Company apart from temporary loans obtained from the Company's bankers in the ordinary course of business shall not, without the sanction of the Company at a General Meeting, exceed the aggregate of the paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specifies purpose and in particular, but subject to the provisions of

Section 292 and 293 of the Act, the Board may from time to time at their discretion raise or borrow or secure the payment of any such sum of money for the purpose of the Company, by the issue of debentures, perpetual or otherwise, including debenture convertible into shares of this or any other Company or perpetual annuities and to secure any such money so borrowed, raised or received, mortgage, pledge or charge the whole or any part of the property, assets or revenue of the Company present or future, including its uncalled capital by special assignment or otherwise or to transfer or convey the same absolutely or in trust and to give the lenders powers of sale and other powers as may be expedient and to purchase, redeem or pay off any such securities.

Provided that every resolution passed by the Company in General Meeting in relation to the exercise of the power to borrow as stated shall specify the total amount up to which moneys may be borrowed by the Board Directors.

(b) The Directors may by resolution at a meeting of the Board delegate the above power to borrow money otherwise than on debentures to a committee of Directors or the Managing Director, if any, within the limits prescribed.

(c) Subject to provisions of the above sub-clause, the Directors may, from time to time, at their discretion, raise or borrow or secure the repayment of any sum or sums of money for the purposes of the Company, at such time and in such manner and upon such terms and conditions in all respects as they think, fit and in particular, by promissory notes or by receiving deposits and advances with or without security or by the issue of bonds, perpetual or redeemable debentures (both present and future) including its uncalled capital for the time being or by mortgaging or charging or pledging any lands, buildings, goods or other property and securities of the Company, or by such other means as they may seem expedient.

(d) To the extent permitted under the applicable law and subject to compliance with the requirements thereof, the Directors shall be empowered to grant loans to such entities at such terms as they may deem to be appropriate and the same shall be in the interests of the Company."

Assignment of debentures

Article 129 provides that "Such debentures, debenture-stock, bonds or other securities may be assignable free from any equities between the Company and the person to whom the same may be issued."

Term of Issue of debentures

Article 130 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, drawings, allotment of shares, attending (but not voting) at the General Meeting, appointment of Directors and otherwise, Debentures with a right of conversion into or allotment of shares shall be issued only with the consent of the Company in a General Meeting by a Special Resolution."

Debenture Directors

Article 131 provides that "Any Trust Deed for securing debentures or debenture stock may if so arranged provide for the appointment from time to time by the trustee thereof or by the holders of debentures or debenture stock of some person to be a Director of the Company and may empower such trustee or holders of debentures or debenture stock from time to time to remove any Directors so appointed. A Director appointed under this Article is herein referred to as a "Debenture Director" and the Debenture Director means a Director for the time being in office under this Article. A Debenture Director shall not be bound to hold any qualification shares, not be liable to retire by rotation or be removed by the Company. The Trust Deed may contain such ancillary provisions as may be arranged between the Company and the Trustees and all such provision shall have effect notwithstanding any of the other provisions herein contained."

Nominee Directors

Article 132 provides that

“(a) So long as any moneys remain owing by the Company to any All India Financial Institutions, State Financial Corporation or any financial institution owned or controlled by the Central Government or State Government or any Non Banking Financial Company controlled by the Reserve Bank of India or any such Company from whom the Company has borrowed for the purpose of carrying on its objects or each of the above has granted any loans / or subscribes to the Debentures of the Company or so long as any of the aforementioned companies of financial institutions holds or continues to hold debentures /shares in the Company as a result of underwriting or by direct subscription or private placement or so long as any liability of the Company arising out of any guarantee furnished on behalf of the Company remains outstanding, and if the loan or other agreement with such corporation so provides, the corporation shall have a right to appoint from time to time any person or persons as a Director or Directors whole- time or non whole- time (which Director or Director/s is/are hereinafter referred to as “Nominee Directors/s) on the Board of the Company and to remove from such office any person or person so appointed and to appoint any person or persons in his /their place(s).

(b) The Board of Directors of the Company shall have no power to remove from office the Nominee Director/s. At the option of the Corporation such Nominee Director/s shall not be liable to retirement by rotation of Directors. Subject as aforesaid, the Nominee Director/s shall be entitled to the same rights and privileges and be subject to the same obligations as any other Director of the Company.

The Nominee Director/s so appointed shall hold the said office only so long as any moneys remain owing by the Company to the Corporation or so long as they holds or continues to hold Debentures/shares in the Company as result of underwriting or by direct subscription or private placement or the liability of the Company arising out of the Guarantee is outstanding and the Nominee Director/s so appointed in exercise of the said power shall vacate such office immediately on the moneys owing by the Company to the Corporation are paid off or they ceasing to hold Debentures/Shares in the Company or on the satisfaction of the liability of the Company arising out of the guarantee furnished.

(c) The Nominee Director/s appointed under this Article shall be entitled to receive all notices of and attend all General Meetings, Board Meetings and of the Meetings of the Committee of which Nominee Director/s is//are member/s as also the minutes of such Meetings. The Corporation shall also be entitled to receive all such notices and minutes.

(d) The Company shall pay the Nominee Director/s’ sitting fees and expenses to which the other Directors of the Company are entitled, but if any other fees commission, monies or remuneration in any form is payable to the Directors of the Company the fees, commission, monies and remuneration in relation to such Nominee Director/s shall accrue to the nominee appointer and same shall accordingly be paid by the Company directly to the Corporation.

(e) Provided that the sitting fees, in relation to such Nominee Director/s shall also accrue to the appointer and same shall accordingly be paid by the Company directly to the appointer.”

Register of charges

Article 133 provides that “The Directors shall cause a proper register to be kept, in accordance with the Act, of all mortgages and charges specifically affecting the property of the Company and shall duly comply with the requirements of the Act in regard to the registration of mortgages and charges therein specified.”

Subsequent assigns of uncalled capital

Article 134 provides that “Where any uncalled capital of the Company is charged, all persons taking any subsequent charge thereon shall take the same subject to such prior charges and shall not be entitled to obtain priority over such prior charge.”

Charge in favour of Director for Indemnity

Article 135 provides that "If the Director or any person, shall become personally liable for the payment of any sum primarily due from the Company, the Board may execute or cause to be executed any mortgage, charge or security over or affecting the whole or part of the assets of the Company by way of indemnity to secure the Directors or other persons so becoming liable as aforesaid from any loss in respect of such liability."

Powers to be exercised by Board only by Meeting

Article 136 provides that

"(a) The Board of Directors shall exercise the following powers on behalf of the Company and the said powers shall be exercised only by resolution passed at the meeting of the Board:

(i) Power to make calls on shareholders in respect of moneys unpaid on their shares;

(ii) Power to issue debentures;

(iii) Power to borrow money otherwise than on debentures:

(iv) Power to invest the funds of the Company;

(v) Power to make loans.

b) The Board of Directors may by a meeting delegate to any committee or the Directors or to the Managing Director the powers specified in sub clauses (iii), (iv) and (v) above.

c) Every resolution delegating the power set out in sub clause (iii) above shall specify the total amount up to which moneys may be borrowed by the said delegate.

d) Every resolution delegating the power referred to in sub-clause (iv) above shall specify the total amount, up to which the fund may invested and the nature of the investments which may be made by the delegate.

e) Every resolution delegating the power referred to in sub-clause (v) above shall specify the total amount up to which the loans may be made by the delegate, the purposes for which the loans may be made and the maximum amount of loans which may be made for each such purpose in individual cases."

Managing Director(s) and/or Whole-Time Director(s)

Article 138 provides that

"a) The Board may from time to time and with such sanction of the Central Government as may be required by the Act, appoint one or more of the Directors to the office of the Managing Director and/or Whole-time Directors.

b) The Directors may from time to time resolve that there shall be either one or more Managing Directors and/or Whole time Directors.

c) In the event of any vacancy arising in the office of a Managing Director and/or Whole-time Director, the vacancy shall be filled by the Board of Directors subject to the approval of the members.

d) If a Managing Director and/or whole time Director ceases to hold office as Director, he shall ipso facto and immediately cease to be Managing Director and/or Whole Time Director.

e) The Managing Director and/or Whole time Director shall not be liable to retirement by rotation as long as he holds office as Managing Director and/or Whole-time Director."

Powers and duties of Managing Director and/or Whole-Time Director

Article 139 provides that "The Managing Director/Whole-time Director shall subject to the supervision, control and direction of the Board and subject to the provisions of the Act, exercise such powers as are exercisable under these presents by the Board of Directors, as they may think fit and confer such power for such time and to be exercised as they may think expedient and they may confer such power either collaterally with or to the exclusion of any such substitution for all or any of the powers of the Board of Directors in that behalf and may from time to time revoke, withdraw, alter or vary all or any such powers. The Managing Directors/ whole time Directors may exercise all the powers entrusted to them by the Board of Directors in accordance with the Board's direction."

Remuneration of Managing Directors/Whole Time Directors

Article 140 provides that "Subject to the provisions of the Act and subject to such sanction of Central Government/Financial Institutions as may be required for the purpose, the Managing Directors and/or Whole-time Directors shall receive such remuneration (whether by way of salary commission or participation in profits or partly in one way and partly in another) as the Company in General Meeting may from time to time determine."

Custody of Common Seal

Article 143 provides that "The Board shall provide for the safe custody of the Common Seal for the Company and they shall have power from time to time to destroy the same and substitute a new seal in lieu thereof; and the Common Seal shall be kept at the Registered Office of the Company and committed to the custody of the Managing Director or the Secretary if there is one."

Right to dividend

Article 145 provides that

"(a) The profits of the Company, subject to any special rights, relating thereto created or authorized to be created by these presents and subject to the provisions of the presents as to the Reserve Fund, shall be divisible among the members in proportion to the amount of capital paid up on the shares held by them respectively and the last day of the year of account in respect of which such dividend is declared and in the case of interim dividends on the close of the last day of the period in respect of which such interim dividend is paid.

(b) Where capital is paid in advance of calls, such capital shall not, confer a right to participate in the profits."

Declaration of dividends

Article 146 provides that "The Company in General Meeting may declare dividends but no dividend shall exceed the amount recommended by the Board."

Capitalisation of profits

Article 157 provides that

"(a) The Company in General Meeting, may, on recommendation of the Board resolve:

(i) That it is desirable to capitalise any part of the amount for the time being standing to the credit of the Company's reserve accounts or to the credit of the profit and loss account or otherwise available for distribution; and

(ii) That such sum be accordingly set free for distribution in the manner specified in the sub-clause (b) amongst the members who would have been entitled thereto if distributed by way of dividend and in the same proportion.

(b) The sum aforesaid shall not be paid in cash but shall be applied, either in or towards:

(i) Paying up any amounts for the time being unpaid on shares held by such members respectively;

(ii) Paying up in full, unissued share of the Company to be allotted and distributed, credited as fully paid up, to and amongst such members in the proportions aforesaid; or

(iii) Partly in the way specified in sub-clause (i) and partly that specified in sub clause (ii).

(c) The Board shall give effect to the resolution passed by the Company in pursuance of this regulation.

(d) A share premium account and a capital redemption reserve account may, only be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares."

Power of Directors for declaration of bonus issue

Article 158 provides that

"(a) Whenever such a resolution as aforesaid shall have been passed, the Board shall:

(i) make all appropriations and applications of the undivided profits resolved to be capitalized thereby and all allotments and issues of fully paid shares, if any, and

(ii) generally do all acts and things required to give effect thereto.

(b) The Board shall have full power:

(i) to make such provisions, by the issue of fractional certificates or by payments in cash or otherwise as it thinks fit, in the case of shares or debentures becoming distributable in fraction; and also

(ii) to authorize any person, on behalf of all the members entitled thereto, to enter into an agreement with the Company providing for the allotment to such members, credited as fully paid up, of any further shares or debentures to which they may be entitled upon such capitalization or (as the case may require) for the payment of by the Company on their behalf, by the application thereto of their respective proportions of the profits resolved to the capitalised of the amounts or any parts of the amounts remaining unpaid on the shares.

(c) Any agreement made under such authority shall be effective and binding on all such members."

Winding Up

Application of assets

Article 176 provides that "Subject to the provisions of the Act as to preferential payment the assets of the Company shall, on its winding up, be applied in satisfaction of its liabilities pari passu and, subject to such application shall be distributed among the members according to their rights and interests in the Company."

Division of assets of the Company in specie among members

Article 177 provides that "If the Company shall be wound up whether voluntarily or otherwise, the liquidators may with sanction of a special resolution divide among the contributories in specie or kind any part of the assets of the Company and any with like sanction vest any part of the assets of the Company in trustees upon such trusts for the benefit of the contributories of any of them, as the liquidators with the like sanction shall think fit, in case any share to be divided as aforesaid involve as liability to calls or otherwise any persons entitled under such division to any of the said shares may within ten days after the passing of the special resolution by notice in writing, direct the liquidators to sell his proportion and pay them the net proceeds, and the liquidators shall, if practicable, act accordingly."

Director's and others' right to indemnity

Article 178 provides that

"(a) Subject to the provisions of the Act, the Managing Director and every Director, Manager, Secretary and other Officer or Employee of the Company shall be indemnified by the Company against any liability and it shall be the duty of Directors, out of the funds of the Company to pay, all costs and losses and expenses (including traveling expenses) which any such Director, Officer or Employee may incur or become liable to by reason of any contract entered into or act or deed done by him as such Managing Director, Director, Officer or Employee or in any way in the discharge of his duties.

(b) Subject as aforesaid the Managing Director and every Director, Manager, Secretary or other Officer or Employee of the Company shall be indemnified against any liability incurred by them or in defending any proceeding whether civil or criminal in which judgment is given in their or his favour or in which he is acquitted or discharged or in connection with any application under Sec. 633 of the Act in which relief is given to him by the Court."

Not responsible for acts of others

Article 179 provides that

"(a) Subject to the provisions of Sec. 201 of the Act no Director or other Officer of the Company shall be liable for the acts, receipt, 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 insufficiency or deficiency of title to any property acquired by order of the Director 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 the bankruptcy, insolvency, or tortuous act of any person, Company or Corporation, with whom any moneys, securities or effects shall be entrusted or deposited or for any loss occasioned by any error of judgment or over sight in his part or for any other loss or damage or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto, unless the same happens through his own willful act or default.

(b) Without prejudice to the generality foregoing it is hereby expressly declared that any filing fee payable or any document required to be filed with Register of Companies in respect of any act done or required to be done by any Director or other Officer by reason of his holding the said office, shall be paid and borne by the Company."

Secrecy

Article 180 provides that "No member shall be entitled to inspect the Company's works without the permission of the Managing Director or to require discovery of any information respectively any detail of the Company's trading or any matter which is or may be in the nature of a trade secret, history of trade or secret process which may be related to the conduct of the business of the Company and which in the opinion of the Managing Director it will be inexpedient in the interest of the members of the Company to communicate to the public."

Duties of officers to observe secrecy

Article 181 provides that "Every Director, Managing Directors, Manager, Secretary, Auditor, Trustee, Members of Committee, Officer, Servant, Agent, Accountant or other persons employed in the business of the Company shall, if so required by the Director before entering upon his duties, or any time during his term of office, sign a declaration pledging himself to observe secrecy relating to all transactions of the Company and the state of accounts and in matters relating thereto and shall by such declaration pledge himself not to reveal any of such matters which may come to his knowledge in the discharge of his official duties except which are required so to do by the Directors or any meeting or by a Court of Law and except so far as may be necessary in order to comply with any of the provision of these Articles or law."

SECTION IX: OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of this Draft Red Herring Prospectus) which are or may be deemed material have been attached to the copy of the Red Herring Prospectus delivered to the RoC for registration. Copies of the abovementioned contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office between 10 a.m. and 5 p.m. on all Working Days until the Bid/Issue Closing Date.

A. Material Contracts for the Issue

1. Engagement Letter dated June 11, 2011 between our Company, the Selling Shareholder and the BRLM.

2. Issue Agreement dated June 14, 2011 between our Company, the Selling Shareholder and the BRLM.

3. Memorandum of Understanding dated June 14, 2011 between our Company, the Selling Shareholder and the Registrar to the Issue.

4. Escrow Agreement dated [●] between our Company, the Selling Shareholder, the BRLM, Escrow Collection Bank and the Registrar to the Issue.

5. Syndicate Agreement dated [●] between our Company, the Selling Shareholder, BRLM and the Syndicate Members.

6. Underwriting Agreement dated [●] between our Company, the Selling Shareholder, the BRLM and the Syndicate Members.

B. Material Documents

1. Certified copies of the updated Memorandum and Articles of Association of our Company as amended from time to time.

2. Certificate of Incorporation dated August 19, 2006.

3. Fresh Certificate of Incorporation dated May 18, 2011 consequent to the change of name upon conversion to public limited company.

4. Resolutions of the Board of Directors dated June 2, 2011 in relation to this Issue and other related matters.

5. Shareholders' resolution dated June 11, 2011 in relation to this Issue and other related matters.

6. Resolution dated June 9, 2011 passed by the board of directors of Helix approving the Offer for Sale.

7. Consent from Helix dated June 13, 2011 in relation to the Offer for Sale.

8. Copies of the annual reports of our Company for the last five financial years.

9. The examination reports of the statutory auditor Shaparia & Mehta, Chartered Accountants, on our Company's restated financial information, included in this Draft Red Herring Prospectus.

10. The Statement of Tax Benefits dated June 2, 2011 from the Statutory Auditors.

11. Consent of our Directors, the BRLM, the Syndicate Members, Domestic Legal Counsel to the Issue, Registrars to the Issue, Bankers to the Issue, Bankers to our Company, Statutory Auditor, Company Secretary and Compliance Officer as referred to in their specific capacities.

12. Certificate dated June 15, 2011 from Shaparia & Mehta, Chartered Accountants, in relation to the Objects of the Issue.

13. Certificates dated May 27, 2011 from Simon & Samuel, Architects and Interir Designers, in relation to the Objects of the Issue.

14. Shareholders and share subscription agreement between our Company, our Promoter, Naarayanan Iyer and Helix Investments Company dated August 17, 2007 and amendement agreement dated April 8, 2011.

15. Acquisition Agreement between our Company, Chitale's Personalised Learning Private Limited, Parag Chitale, Reshma Chitale and Sanjaya Singh Misra dated January 22, 2011.

16. Joint venture agreement between HT Education Limited and MT Education Services Private Limited dated January 21, 2010.

17. Memorandum of understanding between our Company and Rohan Monteiro dated May 14, 2011.

18. Memorandum of understanding between our Company and MT Educare Charitable Trust dated May 14, 2011.

19. Advisory services agreement between our Company and Prosynapse Consultants India Private Limited dated February 25, 2011.

20. Employment agreement between our Company and Mahesh R. Shetty dated July 18, 2007.

21. Employment agreement between our Company and Narayanan Iyer dated July 18, 2007 and the supplemental agreement dated June 11, 2011.

22. Due Diligence Certificate dated June 17, 2011 addressed to SEBI from the BRLM.

23. In principle listing approvals dated [●] and [●] issued by the BSE and the NSE respectively.

24. Tripartite Agreement dated [●] between our Company, NSDL and the Registrar to the Issue.

25. Tripartite Agreement dated [●] between our Company, CDSL and the Registrar to the Issue.

26. IPO Grading Report dated [●] by [●].

27. Application by our Company dated [●] to the RBI in respect of the transfer of the Equity Shares by the Selling Shareholder in the Offer for Sale.

28. RBI Approval dated [●] for transfer of the Equity Shares by the Selling Shareholder in the Offer for Sale.

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

The undersigned Selling Shareholder, hereby certifies that all statements made in this Draft Red Herring Prospectus are true and correct, provided however, that the undersigned Selling Shareholder assumes no responsibility for any of the statements made by our Company or any other Selling Shareholder in this Draft Red Herring Prospectus, except statements made by the undersigned Selling Shareholder in relation to itself as a Selling Shareholder and the Equity Shares offered and sold in the Offer for Sale.

Signed by the Selling Shareholder

For Helix Investments Company

Authorised Signatory

DECLARATION

All relevant provisions of the Companies Act and the guidelines issued by the Government or the regulations or guidelines issued by SEBI, established under Section 3 of the SEBI Act, 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 SEBI Act or rules or regulations made thereunder or guidelines issued, as the case may be. Our Company further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY

Mahesh R. Shetty
(Chairman and Managing Director)

Naarayanan Iyer
(Non Independent, Non Executive Director)

David Danziger
(Non Independent, Non Executive Director)

Chhaya Shastri
(Non Independent, Non Executive Director)

Cyrus Driver
(Independent, Non Executive Director)

Drushti Desai
(Independent, Non Executive Director)

Yatin Samant
(Independent, Non Executive Director)

Uday Lajmi
(Independent, Non Executive Director)

Anup Gandhi
(Chief Financial Officer)

Date: June 17, 2011
Place: Mumbai