DRAFT RED HERRING PROSPECTUS
Dated February 21, 2011
Please read section 60B of the Companies Act, 1956
Book Building Issue

www.treehouseplaygroup.net

TREE HOUSE EDUCATION & ACCESSORIES LIMITED

Our Company was originally incorporated as a private limited company on July 10, 2006 under the name of Tree House Education & Accessories Private Limited. Thereafter, pursuant to a shareholders resolution, our Company became a public limited company and a fresh certificate of incorporation was granted to our Company on December 22, 2010 by the Registrar of Companies, Mumbai. For further details in this regard, see section titled "History and Certain Corporate Matters" at page 107.

Registered and Corporate Office: 702 C, Morya House, Off New Link Road, Andheri (West), Mumbai 400 053, India
Telephone: +91 22 6456 2320; **Facsimile**: +91 22 2673 6905

Contact Person and Compliance Officer: Ms. Deepali Chandrakant Hanchate; **Telephone**: +91 22 6456 2306; **Facsimile**: +91 22 2673 6905
E-mail: compliance@treehouseplaygroup.net; **Website**: www.treehouseplaygroup.net

PROMOTERS OF OUR COMPANY: MR. RAJESH BHATIA AND MRS. GEETA BHATIA

PUBLIC ISSUE OF UPTO 9,696,343 EQUITY SHARES OF FACE VALUE OF RS. 10 EACH ("EQUITY SHARES") OF TREE HOUSE EDUCATION & ACCESSORIES LIMITED (THE "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF RS. [●] PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF RS. [●] PER EQUITY SHARE, AGGREGATING UPTO RS. [●] MILLION (THE "ISSUE"). THE ISSUE SHALL CONSTITUTE 28.76% OF THE FULLY DILUTED POST-ISSUE PAID UP CAPITAL OF OUR COMPANY.

Our Company may issue up to 1,264,154 Equity Shares to certain investors ("Pre-IPO Placement") for a minimum price of Rs. 110.53 per Equity Share. The Pre-IPO Placement will be at the discretion of our Company. Our Company will complete the issuance and allotment of Equity Shares pursuant to the Pre-IPO Placement prior to filing the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is undertaken, the Issue size offered to the public would be reduced to the extent of such Pre-IPO Placement, subject to a minimum Issue size of 25% of the post-Issue paid-up equity share capital being offered to the public.

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

THE PRICE BAND AND THE MINIMUM BID LOT SIZE WILL BE DECIDED BY OUR COMPANY, IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS AND WILL BE ADVERTISED AT LEAST TWO WORKING DAYS PRIOR TO THE BID OPENING DATE

In case of any revision in the Price Band, the Bidding Period shall be extended for three additional Working Days after such revision of the Price Band, subject to the Bidding Period not exceeding 10 Working Days. Any revision in the Price Band, and the revised Bidding Period, if applicable, shall be widely disseminated by notification to the Self Certified Syndicate Banks ("**SCSBs**"), the National Stock Exchange of India Limited (the "**NSE**") and the Bombay Stock Exchange Limited (the "**BSE**"), by issuing a press release and also by indicating the change on the website of the Book Running Lead Managers and at the terminals of the other members of the Syndicate.

The Issue is being made through the Book Building Process in accordance with Rule 19(2)(b)(i) of the Securities Contracts Regulation Rules, 1957, as amended ("**SCRR**") read with Regulation 26(2) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the "**SEBI Regulations**"), wherein at least 50% of the Issue shall be Allotted on a proportionate basis to Qualified Institutional Buyers ("**QIBs**"). Provided that, our Company may, allocate up to 30% of the QIB Portion to Anchor Investors at the Anchor Investor Allocation Price on a discretionary basis, out of which at least one-third will be available for allocation to Mutual Funds only ("**Anchor Investor Portion**"). In the event of under-subscription in the Anchor Investor Portion, the balance Equity Shares shall be added to the QIB portion. 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder shall be available for allocation on a proportionate basis to QIBs including Mutual Funds, subject to valid Bids being received from them at or above the Issue Price. If at least 50% of the Issue cannot be Allotted to QIBs, then the entire application money will be refunded forthwith. 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 from them at or above the Issue Price. Specific attention is invited to section titled "Issue Procedure" at page 190.

RISKS IN RELATION TO FIRST ISSUE

This being the first public issue of the Issuer, there is no formal market for the Equity Shares. The face value of the Equity Shares is Rs. 10 each and the Floor Price is [●] times of the face value and the Cap Price is [●] times of the face value. The Issue Price (as determined and justified by our Company, in consultation with the Book Running Lead Managers), as stated in section titled "Basis for the Issue Price" at page 71 should not be taken to be indicative of the market price of the Equity Shares after such Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their entire 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 the Issuer and this Issue, including the risks involved. The Equity Shares 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 section titled "Risk Factors" at page ix.

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 the Company and this Issue, which is material in the context of this Issue, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions, misleading, in any material respect.

IPO GRADING

This Issue has been graded by [●] and has been assigned the "IPO Grade [●]/5" indicating [●] in its letter dated [●], 2011. The IPO grading 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 more information on IPO grading, see sections titled "General Information", "Other Regulatory and Statutory Disclosures" and "Material Contracts and Documents for Inspection" at pages 38, 172 and 261 respectively.

LISTING ARRANGEMENT

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

BOOK RUNNING LEAD MANAGERS		REGISTRAR TO THE ISSUE
JM FINANCIAL CONSULTANTS PRIVATE LIMITED 141, Maker Chambers III Nariman Point Mumbai 400 021, India Tel: +91 22 6630 3030/3953 3030 Fax: +91 22 2204 7185 Email: treehouse.ipo@jmfinancial.in Investor Grievance ID: grievance.ibd@jmfinancial.in Website: www.jmfinancial.in Contact person: Ms. Lakshmi.Lakshmanan SEBI Registration No.: INM000010361	**MOTILAL OSWAL INVESTMENT ADVISORS PRIVATE LIMITED** 113/114, 11th Floor, Bajaj Bhawan Nariman Point, Mumbai 400 021, India Tel: +91 22 3980 4380 Fax: +91 22 3980 4315 Email: treehouse.ipo@motilaloswal.com Investor Grievance ID: moiaplredressal@motilaloswal.com Website: www.motilaloswal.com Contact person: Mr. Rupesh Khant SEBI Registration No.: INM000011005	**LINK INTIME INDIA PRIVATE LIMITED** C- 13, Pannalal Silk Mills Compound L.B.S Marg, Bhandup (West) Mumbai 400 078, India Telephone: +91 22 2596 3838 Facsimile: +91 22 2594 6969 Email: mumbai@linkintime.co.in Website: www.linkintime.co.in Contact Person: Mr. N. Mahadevan Iyer SEBI Registration No: INR000004058

BID/ISSUE PROGRAMME*

BID OPENING DATE : [●]	**BID CLOSING DATE : [●]**
	QIB BID CLOSING DATE : [●]

*Our Company may consider participation by Anchor Investors. Anchor Investor shall Bid on Anchor Investor Bidding Date.

TABLE OF CONTENTS

SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates, requires or implies, the following terms shall have the following meanings in this Draft Red Herring Prospectus. References to statutes, rules, regulations, guidelines and policies will be deemed to include all amendments and modifications notified thereto.

Company Related Terms

Term	Description
Articles or Articles of Association	The articles of association of our Company, as amended.
Auditor	Our joint auditors namely, Walker, Chandiok & Co. and Jogish Mehta & Co.
Board or Board of Directors or our Board	The board of directors of our Company, as duly constituted from time to time, or committees thereof.
Company or Issuer	Tree House Education & Accessories Limited, a public limited company incorporated under the Companies Act.
Directors	The directors on our Board.
Treehouse - ESOP 2010	Treehouse Education Employees' Stock Option Plan, 2010
Group Companies	The companies, firms, ventures, etc. promoted by our Promoters, as described in section titled "Our Promoters and Group Companies" at page 128.
Key Managerial Personnel	The personnel listed as key managerial personnel in section titled "Our Management" at pages 126.
Listing Agreement	The listing agreement to be entered into by our Company with the Stock Exchanges.
Memorandum or Memorandum of Association or MoA	The memorandum of association of our Company, as amended.
Promoters	The promoters of our Company, Mr. Rajesh Bhatia and Mrs. Geeta Bhatia.
Promoter Group	The persons and entities constituting our promoter group pursuant to Regulation 2(1)(zb) of the SEBI Regulations and as set out in section titled "Our Promoters and Group Companies" at page 128.
Registered Office and Corporate Office	The registered and corporate office of our Company, presently located at 702 'C', Morya House, Off New Link Road, Andheri (West), Mumbai 400 053, India.

Issue Related Terms

Term	Description
AI CAN or Anchor Investor Confirmation of Allocation Note	The note or advice or intimation of allocation of the Equity Shares sent to the Anchor Investors who have been allocated Equity Shares after discovery of the Anchor Investor Allocation Price, including any revisions thereof.
Allot or Allotment or Allotted	The allotment of Equity Shares pursuant to the Issue.
Allottee	A successful Bidder to whom Allotment is made.
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion, who has Bid for an amount of at least Rs. 100 million.
Anchor Investor Allocation Price	The price at which Equity Shares will be allocated in terms of the Red Herring Prospectus and Prospectus to the Anchor Investors, which will be decided by our Company in consultation with the BRLMs prior to the Bid Opening Date.
Anchor Investor Bidding Date	The date one day prior to the Bid Opening Date, prior to or after which no Bids from Anchor Investors will be accepted.
Anchor Investor Issue Price	The price at which Allotment will be made to Anchor Investors in terms of the Prospectus, which shall be higher than or equal to the Issue Price, but not higher than the Cap Price.
Anchor Investor Pay-in Date	In case of Anchor Investor Issue Price being higher than Anchor Investor Allocation Price, no later than two days after the Bid Closing Date.
Anchor Investor Portion	The portion of the Issue available for allocation to Anchor Investors on a discretionary basis at the Anchor Investor Allocation Price, in accordance with the SEBI Regulations, being upto 30% of the QIB Portion or upto [●] Equity Shares.
ASBA or Application Supported by Blocked Amount	The application (whether physical or electronic) used to make a Bid authorizing the SCSB to block the Bid Amount in the specified bank account maintained with such SCSB.
ASBA Account	Account maintained with a SCSB which will be blocked by such SCSB to the extent of the appropriate Bid Amount in relation to a Bid by an ASBA Bidder.

Term	Description
ASBA Bidders	Prospective investors, other than Anchor Investors, in this Issue who intend to Bid through ASBA.
ASBA Form	The form, whether physical or electronic, by which an ASBA Bidder can make a Bid pursuant to the terms of the Red Herring Prospectus.
ASBA Revision Form	The form used by ASBA Bidder to modify the quantity of Equity Shares or the Bid Amount in any of its ASBA Forms (if submitted in physical form).
Bankers to the Issue	The banks which are clearing members and registered with SEBI, in this case being [●].
Basis of Allotment	The basis on which the Equity Shares will be allotted as described in "Issue Procedure - Basis of Allotment" at page 214.
Bid	An indication by a Bidder to make an offer to subscribe for Equity Shares in terms of the Red Herring Prospectus.
Bidder	A prospective investor in this Issue, and unless otherwise stated or implied, includes an ASBA Bidder.
Bidding	The process of making a Bid.
Bid Amount	The highest Bid Price indicated in the Bid cum Application Form and in case of ASBA Bidders, the amount mentioned in the ASBA Form.
Bid cum Application Form	The form in terms of which a Bidder (other than an ASBA Bidder) makes a Bid in terms of the Red Herring Prospectus and which will be considered as an application for Allotment.
Bid Price	The prices indicated against each optional Bid in the Bid cum Application Form.
Bid Closing Date	Except in relation to Anchor Investors, the date after which the Syndicate and the SCSBs will not accept any Bids, and which shall be notified in an English national daily newspaper, a Hindi national daily newspaper and a Marathi daily newspaper, each with wide circulation and in case of any revision, the extended Bid Closing Date also to be notified on the website and terminals of the Syndicate and SCSBs, as required under the SEBI Regulations. Further, our Company, in consultation with the BRLMs, may decide to close Bidding by QIBs one day prior to the Bid Closing Date.
Bid Opening Date	Except in relation to Anchor Investors, the date on which the Syndicate and the SCSBs shall start accepting Bids, and which shall be the date notified in an English national daily newspaper, a Hindi national daily newspaper and a Marathi daily newspaper, each with wide circulation and in case of any revision, the extended Bid Opening Date also to be notified on the website and terminals of the Syndicate and SCSBs, as required under the SEBI Regulations.
Bidding Centre	A centre for acceptance of the Bid cum Application Form.
Bidding Period	The period between the Bid Opening Date and the Bid Closing Date or the QIB Bid Closing Date, as the case may be (in either case inclusive of such date and the Bid Opening Date) during which Bidders, other than Anchor Investors, can submit their Bids, inclusive of any revision thereof. Provided however that the Bidding shall be kept open for a minimum of three Working Days for all categories of Bidders, other than Anchor Investors.
Book Building Process	The book building process as described in Part A of Schedule XI of the SEBI Regulations.
Book Running Lead Managers or BRLMs or Lead Merchant Bankers	Book running lead managers to this Issue, being JM Financial Consultants Private Limited and Motilal Oswal Investment Advisors Private Limited.
CAN or Confirmation of Allotment Note	Except in relation to the Anchor Investors, the note or advice or intimation of Allotment of the Equity Shares, sent to the each successful Bidder who have been or are to be Allotted Equity Shares after discovery of the Issue Price, including any revision thereof.
Cap Price	The higher end of the Price Band, in this case being Rs. [●], and any revisions thereof, above which the Issue Price will not be finalized and above which no Bids will be accepted.
Controlling Branches	Such branches of the SCSBs which co-ordinate Bids under this Issue by the ASBA Bidders with the Registrar to the Issue and the Stock Exchanges and a list of which is available at http://www.sebi.gov.in or at such other website as may be prescribed by SEBI from time to time.
Cut-Off Price	Any price within the Price Band determined by our Company in consultation with the BRLMs, at which only the Retail Individual Bidders are entitled to Bid, for Equity Shares of an amount not exceeding Rs. 200,000.
Depository	A depository registered with the SEBI under the Depositories Act, 1996.
Depositories Act	The Depositories Act, 1996, as amended from time to time.
Depository Participant or DP	A depository participant registered with the SEBI under the Depositories Act.
Designated Branches	Such branches of the SCSBs which shall collect the ASBA Forms and a list of which is available on http://www.sebi.gov.in or at such other website as may be prescribed by SEBI from time to time.

Term	Description
Designated Date	The date on which the Escrow Collection Banks transfer and the SCSBs issue, or by when have issued, instructions for transfer, of the funds from the Escrow Accounts and the ASBA Accounts, respectively, to the Public Issue Account in terms of the Red Herring Prospectus.
Designated Stock Exchange or DSE	[●].
Draft Red Herring Prospectus or DRHP	This draft red herring prospectus dated February 21, 2011 filed with SEBI, prepared and issued by our Company in accordance with the SEBI Regulations.
Eligible NRI	An NRI from such a jurisdiction outside India where it is not unlawful to make an offer or invitation under this Issue and in relation to whom the Red Herring Prospectus constitutes an invitation to Bid on the basis of the terms thereof.
Equity Shares	The equity shares of our Company of face value of Rs. 10 each.
Escrow Accounts	Accounts opened for this Issue to which cheques or drafts are issued by Bidders (excluding ASBA Bidders).
Escrow Agreement	An agreement to be entered among our Company, the Registrar to the Issue, the Escrow Collection Banks, the BRLMs and the Syndicate Members for the collection of Bid Amounts and for remitting refunds, if any, to the Bidders (excluding the ASBA Bidders) on the terms and conditions thereof.
Escrow Collection Banks	The banks which are clearing members and registered with SEBI, in this case being [●].
First Bidder	The Bidder whose name appears first in the Bid cum Application Form or Revision Form or the ASBA Form.
Floor Price	The lower end of the Price Band below which no Bids will be accepted, in this case being Rs. [●], and any revisions thereof.
IPO Grading Agency	[●], the credit rating agency appointed by our Company for grading this Issue.
Issue	Public issue of upto 9,696,343 Equity Shares aggregating to Rs. [●] million.
Issue Agreement	The agreement entered into on February 18, 2011 between our Company and the BRLMs.
Issue Price	The price at which Allotment will be made, as determined by our Company in consultation with the BRLMs.
Issue Proceeds	The proceeds of this Issue.
Mutual Fund Portion	[●] Equity Shares or 5% of the Net QIB Portion, available for allocation to Mutual Funds out of the Net QIB Portion.
Net Proceeds	The Issue Proceeds less Issue expenses.
Net QIB Portion	The portion of the QIB Portion less the number of Equity Shares Allotted to the Anchor Investors.
Non-Institutional Bidders	All Bidders (including ASBA Bidders and Sub-Accounts which are foreign corporates or foreign individuals) that are not Qualified Institutional Buyers or Retail Individual Bidders and who have Bid for an amount more than Rs. 200,000.
Non-Institutional Portion	The portion of the Issue being not less than 15% of the Issue consisting of [●] Equity Shares, available for allocation to Non-Institutional Bidders.
Pre-IPO Placement	A pre-IPO placement of up to 1,264,154 Equity Shares to certain investors for a minimum price of Rs. 110.53 per Equity Share is being considered by our Company prior to the filing of the Red Herring Prospectus with the RoC.
Price Band	The price band between the Floor Price and Cap Price, including any revisions thereof and advertised in an English national newspaper, a Hindi national newspaper and a Marathi newspaper, each with wide circulation in the place where our Registered Office is situated, at least two Working Days prior to the Bid Opening Date.
Pricing Date	The date on which the Issue Price is finalised by our Company in consultation with the BRLMs.
Project pre-schools	Such Self-operated pre-schools for which development costs are proposed to be funded by the Net Proceeds
Project schools	Such K-12 schools, for which exclusivity rights are proposed to be acquired through funding from Net Proceeds
Prospectus	The prospectus of our Company to be filed with the RoC for this Issue after the Pricing Date, in accordance with Sections 56, 60 and 60B of the Companies Act and the SEBI Regulations.
Public Issue Accounts	The bank accounts opened with the Bankers to the Issue by our Company under Section 73 of the Companies Act to receive money from the Escrow Accounts on the Designated Date and where the funds shall be transferred by the SCSBs from the ASBA Accounts.
QIBs or Qualified Institutional Buyers	Public financial institutions as defined in Section 4A of the Companies Act, FIIs and Sub-Accounts (other than Sub-Accounts which are foreign corporates or foreign individuals), VCFs, FVCIs, Mutual Funds, multilateral and bilateral financial institutions, scheduled commercial banks, state industrial development corporations, insurance companies registered with the IRDA, provident funds and pension funds with a minimum corpus of Rs. 250 million,

Term	Description
	the NIF, insurance funds set up and managed by army, navy or air force of the Union of India and insurance funds set department of posts, India, eligible for Bidding.
QIB Bid Closing Date	In the event our Company, in consultation with the BRLMs, decides to close Bidding by QIBs one day prior to the Bid Closing Date, the date one day prior to the Bid Closing Date; otherwise it shall be the same as the Bid Closing Date.
QIB Portion	The portion of the Issue being upto [●] Equity Shares available for allocation to QIBs (including the Anchor Investor Portion).
Red Herring Prospectus or RHP	The red herring prospectus to be issued by our Company in accordance with Sections 56, 60 and 60B of the Companies Act and the SEBI Regulations.
Refund Account(s)	The account(s) opened by our Company, from which refunds of the whole or part of the Bid Amount (excluding the ASBA Bidders), if any, shall be made.
Refunds through electronic transfer of funds	Refunds through NECS, NEFT, direct credit or RTGS, as applicable.
Refund Banker(s)	The Banker(s) to the Issue, with whom the Refund Account(s) will be opened, in this case being [●].
Registrar or Registrar to the Issue	Link Intime India Private Limited.
Retail Individual Bidders	Bidders, who have Bid for an amount less than or equal to Rs. 200,000.
Retail Portion	The portion of the Issue being not less than 35% of the Issue, consisting of [●] Equity Shares, available for allocation to Retail Individual Bidders on a proportionate basis.
Revision Form	The form used by the Bidders other than ASBA Bidders to modify the quantity of Equity Shares or the Bid Price in any of their Bid cum Application Forms or any previous Revision Form(s), as applicable.
Self Certified Syndicate Banks or SCSBs	The banks which are registered with SEBI under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994 and offer services in relation to ASBA, including blocking of an ASBA Account in accordance with the SEBI Regulations and a list of which is available on http://www.sebi.gov.in or at such other website as may be prescribed by SEBI from time to time.
Stock Exchanges	The BSE and the NSE.
Supplemental Agreements	Agreements which are supplemental to the master service agreements, entered between the Company and the trusts for grant of exclusivity rights
Syndicate Agreement	The agreement to be entered by our Company and members of the Syndicate, in relation to the collection of Bids (excluding Bids from the ASBA Bidders).
Syndicate Members	Intermediaries registered with the SEBI who are permitted to carry out activities as an underwriter, in this case being [●].
Syndicate	The BRLMs and the Syndicate Members.
Transaction Registration Slip or TRS	The slip or document issued by any of the members of the Syndicate, or the SCSBs, as the case may be, to a Bidder upon demand as proof of registration of the Bid.
Underwriters	The BRLMs and the Syndicate Members.
Underwriting Agreement	The agreement to be entered into between the Underwriters, our Company and the Registrar to the Issue on or immediately after the Pricing Date.
Working Days	All days on which banks in Mumbai are open for business except Saturday, Sunday and any bank holiday, provided however during period after the Bid Closing Date a working day means all days on which banks in Mumbai are open for business and shall not include a Sunday or a bank holiday.

Conventional, General Terms, Abbreviations and Reference to Other Business Entities

Abbreviation	Full Form
AGM	Annual General Meeting.
AS	Accounting Standards as issued by the Institute of Chartered Accountants of India.
BSE	Bombay Stock Exchange Limited.
CDSL	Central Depository Services (India) Limited.
Companies Act	Companies Act, 1956, as amended.
CST	Central Sales Tax Act, 1956, as amended.
DIN	Directors Identification Number.
DP ID	Depository Participant’s Identity.
EBIDTA	Earnings before Interest, Tax, Depreciation and Amortisation.
EGM	Extraordinary General Meeting.
FCNR Account	Foreign Currency Non-Resident Account.

Abbreviation	Full Form
FDI	Foreign Direct Investment, as laid down in the Consolidated FDI Policy dated October 1, 2010.
FEMA	Foreign Exchange Management Act, 1999, together with rules and regulations framed thereunder.
FEMA Regulations	Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000.
FII	Foreign Institutional Investors, as defined under the FII Regulations and registered with SEBI under applicable laws in India.
FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995.
Fiscal/ Financial Year/FY	Period of twelve months ended March 31 of that particular year, unless otherwise stated.
FVCI	Foreign venture capital investor registered under the FVCI Regulations.
FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000, as amended.
GoI/Government of India/ Central Government	The Government of India.
HUF	Hindu Undivided Family.
IFRS	International Financial Reporting Standards.
Indian GAAP	Generally accepted accounting principles in India.
IPO	Initial Public Offer.
IT	Information Technology
IT Act	Income Tax Act, 1961, as amended.
IT Department	Income Tax Department, GoI.
Limited Liability Partnership/LLP	Limited Liability Partnership registered under the Partnership Act, 2008.
Ltd.	Limited.
Mutual Funds	Mutual funds registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.
N.A.	Not Applicable.
NAV	Net Asset Value.
NECS	National Electronic Clearing System.
No.	Number.
NRE Account	Non-Resident External Account.
NRI	A person resident outside India, as defined under FEMA and who is a citizen of India or a person of Indian origin, such term as defined under the Foreign Exchange Management (Deposit) Regulations, 2000.
NRO Account	Non-Resident Ordinary Account.
NR or Non Resident	A person resident outside India, as defined under FEMA, including an Eligible NRI and an FII.
NSDL	National Securities Depository Limited.
NSE	National Stock Exchange of India Limited.
OCBs	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date was eligible to undertake transactions pursuant to the general permission granted to OCBs under FEMA.
p.a.	Per annum.
PAN	Permanent Account Number allotted under the IT Act.
PBT	Profit Before Tax.
P/E Ratio	Price/Earnings Ratio.
PLR	Prime Lending Rate.
P.O.	Post Office.
Pvt.	Private.
RBI	Reserve Bank of India.
RoC or Registrar of Companies	Registrar of Companies, Mumbai.
Rs./Rupees	Indian Rupees.
RTGS	Real Time Gross Settlement.
SCRA	Securities Contracts (Regulation) Act, 1956, as amended.
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended.
SEBI	The Securities and Exchange Board of India established under the SEBI Act.
SEBI Act	The Securities and Exchange Board of India Act, 1992, as amended.
SEBI Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended.

Abbreviation	Full Form
SEZ	Special Economic Zone.
Sq. ft.	Square feet.
Sq. mt.	Square meter.
S. No.	Serial Number.
Sub-Account	Sub-accounts registered with SEBI under the Securities and Exchange Board of India (Foreign Institutional Investor) Regulations, 1995, other than sub-accounts which are foreign corporates or foreign individuals.
Takeover Code	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as amended.
TAN	Tax deduction account number allotted under the IT Act.
U.S./ US/ U.S.A/United States	The United States of America, together with its territories and possessions.
U.S. GAAP	Generally accepted accounting principles in the United States of America.
VCFs	Venture Capital Funds as defined and registered with SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996.

Industry/ Project Related Terms, Definitions and Abbreviations

Term	Description
Business commercial rights	Refer to Exclusivity rights
CAGR	Compounded Annual Growth Rate.
CRISIL Report	CRISIL Research Industry Report on Pre-school and K-12 Education in India, December 2010 commissioned by and prepared for our Company.
Educational services	Services, *interalia*, in the nature of designing curriculum and providing teaching aids, supplying methods for imparting education, that are provided by us to K-12 schools pursuant to service agreements.
EGS	Education Guarantee Scheme.
Exclusivity rights	Rights to provide Educational services to K-12 school operators on an exclusive basis.
Franchisee	A person with whom our Company has entered into a franchisee or service agreement for operating and managing pre-schools.
Franchisee operated pre-schools	Pre-schools which are operated and managed by our franchisees pursuant to service agreements.
GER	Gross enrolment ratio.
K-12	Kindergarten to Class 12.
K-12 school operator	A trust or a society that operates a K-12 school.
K.G.	Kindergarten.
MDM	Mid Day Meal Scheme.
MHRD	Ministry of Human Resource Development.
Pre-schools	An educational place providing early childhood programs to children before they commence statutory and obligatory education.
RTE Act	The Right of Children to Free and Compulsory Education Act, 2009.
Self-operated pre-schools	Pre-schools that are operated by our Company.
SSA	Sarva Shiksha Abhiyan.

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

Notwithstanding the foregoing, terms in sections titled "*Main Provisions of the Articles of Association*", "*Statement of Tax Benefits*" and "*Financial Statements*" at pages 223, 73 and 137, respectively, have the meanings given to such terms in these respective sections.

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

Currency of Presentation

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

Financial Data

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

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

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

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

Market and Industry Data

The section titled "Industry Overview" quotes and otherwise includes information from a commissioned report, or the CRISIL Report, prepared by CRISIL Limited for purposes of this Draft Red Herring Prospectus. We have not commissioned any report for purposes of this Draft Red Herring Prospectus other than the CRISIL Report. We commissioned CRISIL's research division to provide an independent assessment of the opportunities, dynamics and competitive landscape of the education sector in India.

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

The extent to which the market and industry data used in this Draft Red Herring Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the educational services sector in India and methodologies and assumptions may vary widely among different industry sources.

FORWARD-LOOKING STATEMENTS

This DRHP contains certain "forward looking statements". These forward looking statements can generally be identified by words or phrases such as "will", "aim", "will likely result", "believe", "expect", "will continue", "anticipate", "estimate", "intend", "plan", "contemplate", "seek to", "future", "objective", "goal", "project", "should", "will pursue" and similar expressions or variations of such expressions. Similarly, statements that describe our objectives, strategies, plans or goals are also forward looking statements. All forward looking statements are subject to risks, uncertainties and assumptions about us that could cause our actual results to differ materially from those contemplated by the relevant forward looking statement.

Important factors that could cause actual results to differ materially from our expectations include, among others:

- our ability to successfully implement strategy, growth and expansion plans and technological initiatives;
- changes in government policies and regulatory actions that apply to or affect our business;
- our ability to increase enrolments, fees and our offerings;
- the performance of the educational services sector in India;
- the expected increase in expenditures on education in India;
- market fluctuations and industry dynamics beyond our control;
- our ability to compete effectively, particularly in new markets; and
- our dependence, ability to attract and retain key personnel.

For a further discussion of factors that could cause our actual results to differ, see the sections titled "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" at pages ix, 93 and 138, respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated.

Forward looking statements speak only as of the date of the DRHP. None of our Company, our Directors, our officers, any Underwriter, or any of their respective affiliates or associates has any obligation to update or otherwise revise any statement 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. Our Company will ensure that investors in India are informed of material developments until the Allotment of Equity Shares in the Issue.

SECTION II – RISK FACTORS

An investment in Equity Shares involves a high degree of risk. You should carefully consider all the information contained in this Draft Red Herring Prospectus, including the risks and uncertainties described below, before making an investment decision. If any of the following risks or any of the other risks and uncertainties discussed in this Draft Red Herring Prospectus actually occur, our business, financial condition and results of operations could suffer, the trading price of our Equity Shares could decline, and you may lose all or part of your investment. These risks and uncertainties are not the only issues that we face. Additional risks and uncertainties not presently known to us or that we currently believe to be immaterial may also have an adverse effect on our business, results of operations and financial condition.

The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors below. However, there are risk factors the potential effect of which are not quantifiable and therefore no quantification has been provided with respect to such risk factors. In making an investment decision, prospective investors must rely on their own examination of our Company and the terms of this Issue, including the merits and risks involved.

Unless otherwise stated, the financial information of our Company used in this section is derived from our audited financial statements under Indian GAAP, as restated.

Internal Risk Factors

1. We are the owner of the trademark "From roots to wings", however we face the risk of such trademark being identified with our competitor which may affect our business and results of operations.

We are the owner of the trademark "From roots to wings" under the Trademarks Act. As an owner, we have the exclusive right to use the trademark for a term of 10 years.

However, one of our competitors uses a similar mark. We have served several notices to this competitor to refrain from using such mark since our Company is the registered user of the trademark. As on date, our competitor continues to use the mark. If our competitor does not refrain from using the similar mark, we face the risk of such trademark being identified with our competitor. In addition, we may be unable to capitalize on the brand recognition associated with it, which can in turn affect our business and financial position.

Further, despite our efforts to protect our intellectual property rights, including our trademark "Tree House", unauthorized parties may attempt to copy or otherwise obtain and use our intellectual property and the applicable laws may not adequately protect our proprietary rights. Monitoring unauthorized use of our intellectual property may be difficult and costly, and we cannot be certain that the steps we will take will be effective to prevent unauthorized use of our intellectual property rights.

2. A portion of the Net Proceeds will be used to set up an educational complex in Jhunjhunu, Rajasthan on a land for which the permitted usage needs to be changed.

We have entered into an agreement to sell dated February 17, 2011 to acquire land for setting up an educational complex in Jhunjhunu, Rajasthan. Currently, this land can only be used for the purpose of agriculture. In terms of the agreement to sell, the seller is responsible to obtain the certificate for change of land use, after which the conveyance will be executed in our favour. As of the date, we have paid Rs. 1.10 million under the agreement to sell and the balance Rs. 11.40 million will be payable upon reaching certain milestones starting receipt of certificate for the change of land use.

The sellers may not be able to achieve the land use conversion in the time frame anticipated by us or at all. If the sellers and we fail to obtain, or experience material delay in obtaining the approval, the schedule of development of the educational complex could be substantially disrupted and our ability to use the Net Proceeds may be materially adversely affected, which in turn could have an adverse effect on our business, prospects, financial condition and results of operations.

3. ***Our Registered and Corporate Office property does not have an occupation certificate and the developer of the building complex has not yet conveyed the land in favour of the society formed for such purposes. We propose to utilize the Net Proceeds to purchase the premises where our Registered and Corporate Office is situated.***

We have currently leased property for our Registered and Corporate Office from our Promoters, Mr. Rajesh Bhatia and Mrs. Geeta Bhatia, and propose to acquire it by utilising Rs. 110.40 million from the Net Proceeds.

Our Promoters have through two agreements for sale dated December 31, 2005 and September 5, 2006 agreed to purchase the Registered and Corporate Office property from the developer. In terms of these agreements, the developer agreed to transfer all rights, title and interest in land together with the building to a cooperative society to be formed for such purposes by various purchasers of the building (including our Promoters). The execution of such conveyance in favour of the society is currently pending in, and also our Promoters have not registered as members of the society. However, the developer has by letter dated February 15, 2011 further confirmed that, (i) our Promoters are in lawful possession of the Registered and Corporate Office; (ii) our Promoters have paid the entire consideration arising from the agreements for sale, and there are no outstanding dues against our Promoters; and (iii) rights of our Promoters arising from the agreements for sale are transferable in nature. Further, the "occupation certificate" from the concerned municipal corporation for this property is pending.

We cannot assure you that this property will receive the occupation certificate, the property will be conveyed to the society and our Promoters or our Company will be registered as members of the society, in a timely manner or at all. Even though we propose to purchase the premises of the Registered and Corporate Office from our Promoters, we may not be able to establish clear title to the premises till such time that the aforesaid actions are completed.

4. ***We have limited operating history in providing educational services to K-12 schools, and may not have sufficient experience to address risks frequently encountered in that business.***

We commenced the business of providing educational services to K-12 schools in 2008. As of December 31, 2010, we have exclusivity rights to provide certain educational services to 12 K-12 schools and propose to provide such educational services to additional seven K-12 schools by Fiscal 2013. As of December 31, 2010, we have paid Rs. 200.06 million as fees towards these exclusivity rights. Compared to our experience in setting up and operating pre-schools, we lack experience in providing educational services to K-12 schools, which involves various risks, including execution and financing risk. We may not have sufficient experience to address these risks, including our ability to provide educational services to schools successfully along with quality control.

As a result, we may be unable to generate revenues as estimated by us and our failure to successfully provide educational services to K-12 schools could materially adversely affect our business, prospects, financial condition and results of operations. Investors should not evaluate prospects and viability of business of providing educational services to K-12 schools based on our performance in pre-schools business. Further, our analysis of our previous financial history for the prior periods may not provide a meaningful basis for evaluating our business prospects and financial performance for our business of providing educational services to K-12 schools or to make a decision about an investment in the Equity Shares.

5. ***Certain amount is outstanding from our sundry debtors and if we are unable to recover this amount, it may have an adverse impact on our financial condition and results of operation.***

As of December 31, 2010 and March 31, 2010, the amount outstanding from our sundry debtors was Rs. 63.26 million and Rs. 69.49 million, respectively, out of which Rs. 33.54 million and Rs. 2.86 million, respectively, has been outstanding for more than six months. However, the debtor days in Fiscal 2010 was 118 days which has decreased to 79 days for the nine months period ended December 31, 2010.

In particular, as of December 31, 2010 and March 31, 2010, receivables from franchisees amounted to Rs. 42.38 million and Rs. 56.50 million, respectively, out of which Rs. 32.86 million and Rs. 2.86 million, respectively, is outstanding for more than six months. These receivables pertain to our revenues from franchisees operated pre-schools. As per the terms of service agreements with our franchisees, they pay us a one-time upfront consultancy fee, and service fees which are paid monthly. The term of the service agreements is typically five years. The consultancy fee, however, is recognised as revenue at the time of signing the service agreements as it is for the services already rendered, which is received by us through post-dated cheques. If the franchisee defaults in making a payment or if the post-dated cheques are dishonoured, our profitability could be adversely impacted.

If the debtors default in their obligations due to various reasons including insolvency, lack of liquidity, it may adversely affect our financial conditions and business.

6. ***Rapid expansion of the private education sector along with competitive tuition fees may adversely affect our business.***

The private education sector in India is growing rapidly due to the demand for quality education. The organised market for pre-schools is expected to grow at a CAGR of approximately 45% to reach Rs. 45,000 million in 2015-16 from Rs. 4,800 million in 2009-10 (*Source: CRISIL Report*). CRISIL research projects the total number of private institutes to further reach 0.43 million by 2015-16 and private sector enrolments to touch 127.3 million during that period. Coupled with the demand for quality education and overall increase in income levels in India, the number of pre-schools and K-12 schools is set to grow.

If the number of pre-schools in India increases, we may face competition from other pre-schools on various factors including fees. Since parents are usually sensitive towards rise in tuition fees, we may be forced to benchmark our fees as per the market standards. We may lose our flexibility to decide the fees for our pre-schools which in turn may have a material adverse affect on our business and revenues.

If the number of K-12 schools increases, we may face competition from other schools on various factors including enrolments. If the enrolments in the K-12 schools to which we provide educational services decreases, it may adversely affect our revenues and profitability.

7. ***Operating pre-schools and providing educational services to K-12 schools is currently unregulated but the governments may introduce a regulatory framework. Any such government regulation may adversely affect our operating revenues.***

At present, operating pre-schools and providing educational services to K-12 schools in India is unregulated. We are not in a position to predict whether any legislation will be passed by the governments or signed into law to regulate these activities. The governments may introduce a law in order to regulate us. For example, the government of state of Maharashtra has proposed to introduce a legislation to regulate fees in unaided and private schools within the state owing to disputes between parents and schools over fee hikes. A regulation or legislation providing mandatory guidelines regarding functioning, operation, opening of pre-schools, providing educational services, enrolment of students and chargeable fee may be introduced. Such guidelines would affect us in the following manner:

(a) *Functioning of pre-schools:* We may be subjected to certain standards for functioning of our pre-schools which may impose requirements like minimum area for classrooms, basic infrastructure requirements and inclusion of additional facilities like medical aid, cafeteria, recreation facility etc. In such circumstances, we may have to either relocate our pre-schools or we may have to add these facilities by incurring additional cost.

(b) *Educational services to K-12 schools:* We may be required to register our Company with a state government for providing educational services. Further, the government may prescribe the services that may be outsourced by K-12 schools to companies such as us.

(c) *Enrolment of students:* We may be subjected to restrictions in terms of student enrolments per class. Though we believe we maintain a healthy student teacher classroom ratio, any further decline in number of enrolments per classroom would affect our ability to further enroll students, forcing us to add additional classrooms and faculty to adhere to such requirements.

(d) *Fees:* We may be subjected to restrictions on the fees to be charged from the students.

Such restrictions may adversely affect our business, growth and results of operations.

8. ***Majority of our self-operated pre-schools operate from rented properties and if we are required to vacate them, it may adversely affect our business and our operations.***

Majority of our self-operated pre-schools operate from rented properties, including premises which have been taken on rent from our Promoters. We typically enter into leave and license agreements or lease agreements for our premises which are usually for a period of 11 months to 5 years.

Further, students at our pre-schools are usually from areas in and around the location of our pre-schools. If any of our occupation arrangements are terminated or not renewed on acceptable conditions, we may be required to relocate those pre-schools and suffer disruption in our operations, which may affect the number of students enrolled in such pre-schools. Any reduction in the number of students enrolled with us would impair the growth of our business and network.

9. ***We may be unable to sustain growth at historical levels. Also, we may not be able to implement our growth strategy successfully. Our inability to manage growth may have an adverse effect on our business and results of operations.***

We have experienced high growth in recent years. For example, our total income, as per our restated financial statements, has grown from Rs. 54.26 million in Fiscal 2008 to Rs. 218.71 million in Fiscal 2010, at a CAGR of 100.77% and our net profit after tax, as per our Restated Financial Statements, has improved from a loss of Rs. 1.91 million in Fiscal 2008 to a profit Rs. 25.99 million in Fiscal 2010. While no assurance can be given that the past increases in our revenue and profits will continue, if this growth continues, it will place significant demands on us and require us to continuously evolve and improve our operational, financial and internal controls across the organization.

The success of our business will depend greatly on our ability to effectively implement our growth strategies. Our growth strategies include expanding our geographical presence and pursuing strategic acquisitions or partnerships.

In order to expand our business operations successfully, we should access new markets for opening our pre-schools and for providing educational services to K-12 schools. We may fail to identify new cities with sufficient growth potential to expand our network, or we may fail to attract students or increase student enrolments or recruit, train and retain qualified faculty members for training centres. In addition, the expansion of our pre-schools and educational services in terms of the type of offerings and the geographic locations may not succeed due to competition, our failure to effectively market and our failure to maintain quality and consistency of our services. There can be no assurance that we will be able to achieve our expansion goals, in a timely manner, or at all, or that our expansion plans will be profitable. If we are unable to implement our growth strategies successfully, our future growth in revenue and profits may be adversely affected.

Expansion and future growth will increase demands on our management team, systems and resources, financial controls and information systems. These increased demands may adversely affect our ability to open new pre-schools or commence providing educational services of new K-12 schools and to oversee our existing pre-schools or K-12 schools. If we fail to manage factors necessary for us to meet our expansion objectives, our growth rate and operating results could be adversely affected.

10. ***If we and the K-12 school operators are not able to attract students, our business and results of operations would suffer.***

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

- media strategies of our competitors;

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

Though, we have not witnessed any such instances in the past, in the event such factors were to get triggered, we are not in a position to assess the impact of the above factors. However, we believe if such factors come into play, we may face dilution of our advertising and marketing strategies which may prevent successful enrolment and retention of students for our courses.

In addition, our revenues from providing educational services to K-12 schools are based on the number of students enrolled in those schools. Hence, in case of a failure of the K-12 school operators to attract students on account of the above or any other reasons, we may be unable to generate revenues as estimated by us, which may adversely affect our business and results of operations.

11. We are dependent on a small number of K-12 school operators for our business of providing educational services and the performance of their obligations. Any loss or financial difficulty faced by any of the K-12 school operator may have impact on our profitability.

As of December 31, 2010, we have entered into service agreements with four K-12 school operators for providing educational services to a total of 12 K-12 schools. Under these agreements, we pay a one-time fixed fee to the K-12 school operators to acquire exclusivity rights for providing educational services to their K-12 schools for a specified period. The fixed fee paid by us is based on management estimates and we cannot assure you that we will be able to make expected rate of returns on the fee paid by us. Further, a K-12 school operator is required to pay us an annual service fee based on the number of students enrolled with the K-12 school or for courses conducted by the K-12 school.

Our business of providing educational services to K-12 schools is dependent on the decisions and actions of the K-12 school operators. There are a number of factors that are outside our control which might result in default by the K-12 school operators of their obligations, including non-payment of our dues, or termination of our arrangements with them. We expect that a significant portion of our income from providing educational services will continue to be attributable to a limited number of K-12 school operators in the near future. The loss or financial difficulties of any of the K-12 school operators, or significant decreases in our revenues from them, particularly on account of default in payment of our dues or otherwise, would have an adverse effect on our financial condition and profitability.

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

Our success has depended, and will continue to depend, largely on the skills, efforts and motivation of our management and teaching staff. Our success also depends in large part upon our ability to attract and retain highly qualified teaching staff, administrators and senior management. We attempt to retain our employees by adequately incentivizing them, offering them well defined career path and by constantly enhancing their skill sets by providing them training. However, we face significant competition in attracting and retaining personnel who possess the skill sets that we seek. In addition, key personnel may leave us and subsequently compete against us. Though, we engage our faculty members on the basis of offer letters which provide for restrictions like confidentiality and non-compete, we cannot assure you if we will be able to retain our faculty members based on such restrictions, or would be able to enforce such restrictions at all. The loss of one or more members of our key management team or our teaching staff could adversely affect our business.

13. If our franchisees fail to operate the franchisee operated pre-schools successfully, our brand, business and results of operations may be adversely affected.

As of December 31, 2010, 69 of our 177 pre-schools are operated by our franchisees. Our revenues from franchisee operations were 30.10% and 5.55% of our revenues for the year ended March 31, 2010 and for the nine months ended December 31, 2010, respectively. Our franchisees are required to operate the franchisee operated pre-schools in the same manner in which the self-operated pre-schools are operated, including the design of the school and curriculum followed. Franchisees may not have access to financial resources they need in order to maintain the franchisee operated pre-schools due to unavailability of credit or other factors beyond their control. Any failure on part of our franchisees to operate the franchisee operated pre-schools successfully and in the expected manner, or at all, could affect our brand, business, and results of operation.

14. Strong competition in the business of pre-schools could decrease our market share and compel us to reduce our tuition fee.

The education sector in India is largely unorganized and the business of pre-schools is highly fragmented and competitive. In addition to competition from organized players in the pre-school business, we face a lot of competition from unorganized players in the market at almost every location of our pre-school. We compete with various pre-schools like Kidzee, Euro Kids, Roots to Wings and Kangaroo Kids. Some of our competitors may have greater brand recall, larger financial and other resources than we have, which may enable them to compete against us more effectively for future enrolments. We may also face competition from new entrants.

We may not be able to compete successfully against current or future competitors and may have to reduce our fees or increase our spending in order to retain or attract faculty members and students and to pursue new market opportunities. This may have an adverse impact on our enrolments, revenues and profitability.

Further, the shift in the teaching methods from traditional model to virtual model, use of technology for digitising the content adds to the competition. Any newer technology can be disruptive for our Company's pre-school business and can increase competition in the market.

15. Our Promoter and Directors are involved in seven legal proceedings, for claims, to the extent quantifiable, amounting to Rs. 35.61 million.

While there are no pending legal proceedings against us and our Group Companies, there are seven legal proceedings against our Promoter and Directors. These legal proceedings are in the nature of civil cases pending at different levels of adjudication before various courts and tribunals. No assurances can be given as to whether these proceedings will be settled in their favour or against them.

A classification of the legal proceedings against our Promoter and Directors and the monetary amount involved in these cases is mentioned in brief below:

(in Rs.)

Name of entity	Civil Cases	Tax Cases	Amount involved*
Company	*Nil*	*Nil*	*Nil*
Promoters			
Mr. Rajesh Bhatia	*Nil*	*Nil*	*Nil*
Mrs. Geeta Bhatia	*Nil*	*2*	*10,276,617*
Directors			
Mr. Vishal Shah	*Nil*	*2*	*12,188,661*
Mr. Sanjaya Kulkarni	*2*	*Nil*	*517,174*
Mr. Parantap Dave	*1*	*Nil*	*443,096*
Group Companies and entities	*Nil*	*Nil*	*Nil*

** To the extent quantifiable.*

For further details, see section titled "*Outstanding Litigations and Material Developments*" at page 155.

16. Our business is seasonal in nature which is susceptible to the risk of enrolments being lower than expected.

Our business is linked to the academic cycle. Historically, our enrolments in the pre-schools and K-12 schools have been higher during the first and third quarter of a Fiscal. As a result of this, our quarter-on-quarter data regarding enrolments may not be comparable or a meaningful indicator of our future enrolments. It is possible that in certain quarters our enrolments may be below expectations or we may not receive enrolments at all. Such analysis of our enrolments on a quarter-on-quarter basis may be perceived as negative indicator of our growth, which may adversely impact market price of our Equity Shares.

17. Significant number of our pre-schools are situated in Mumbai metropolitan area.

Although, we have pre-schools across various cities in India, a significant number of our pre-schools are in Mumbai metropolitan area. Mumbai metropolitan area offers many options for pre-schools and parents may opt for other pre-schools. We cannot assure that we will be able to remain competitive in Mumbai metropolitan area and we will continue to grow as per our estimates. Any decrease in admissions from our pre-schools based in Mumbai metropolitan area will cause a decrease in the enrolments, as a result of which our revenues will suffer.

Further, any negative publicity of any of our pre-schools in Mumbai may adversely affect the operations of the other pre-schools in Mumbai which in turn may affect our brand name. In addition to risks related to negative publicity, any localized social unrest, natural disaster or breakdown of services and utilities in and around Mumbai could have material adverse effect on our business, financial position and results of operations.

18. Our auditors have highlighted certain matters of emphasis in relation to the financial statements for Fiscal 2010, 2009 and 2008.

Our auditors for the respective financial years have highlighted the following matters of emphasis in relation to the financial statements for Fiscal 2010, 2009 and 2008:

Fiscal 2010

Significant delays had been observed in depositing income tax with the appropriate authorities in large number of cases. No undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

Fiscal 2009

In the auditors' opinion, the internal control systems for the purchase of fixed assets were inadequate since the purchases were made without inviting quotations.

Further, in the auditors' opinion, even though the Company has an internal audit system, the scope and coverage of the internal audit requires to be further enhanced to be commensurate with the size and nature of business of the Company.

Fiscal 2008

As the inventory of the Company constituted only of training material whose per unit cost is very low and is physically bulky, the management was of the opinion that physical verification is not required. Hence, physical verification was not conducted and the auditor was unable to comment on it.

According to the information and explanations given to the auditor in respect of the loans, secured or unsecured, granted or taken by the Company to or from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, in absence of stipulation for repayment of principal amount, the auditor was unable to comment on whether the payment of principal amount was regular.

Delays in few case of deposit of undisputed material statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service-tax, custom duty, excise duty and cess, as applicable, with the appropriate authorities during the period, were observed.

Though we believe that we have been able to resolve these issues during the nine months ended December 31, 2010, if such matters of emphasis are highlighted or qualifications are contained in future audit reports, the price of our Equity Shares may be adversely impacted.

19. The course material prepared by us for our pre-schools and K-12 schools may be plagiarized, which may have an adverse effect on our business and results of operations.

The course material provided to our students is prepared in-house by our curriculum development team. This material is freely available to our students. We neither have any system or mechanism to track the sale of such course materials in open market nor can we effectively restrict duplication of the material. Hence, the course material may be easily availed, copied and distributed by outsiders. Even though, we have obtained copyright registrations for certain of our course material, such as Book of Rhymes and Tree House Junior K.G Book, we cannot assure you that we can contain plagiarism of our course material. If our course material is plagiarized, it may adversely affect our business and results of operations.

20. If we are unable to train and develop our teaching staff at our pre-schools, it may have an adverse impact on our business.

The success of our pre-schools depends on training and development of our teaching staff. We provide training on a regular basis to our teachers at pre-schools which help us to improve our quality and delivery standards. We have appointed Dr. Prerana Mohite who headed the Department of Human Development and Family Studies and was the director for Early Child Development, at Maharaja Sayajirao University of Baroda, as honorary advisor to our Company, to undertake training and development courses on a regular basis to improve the teaching skills of our faculty. If we are unable to continue to provide adequate training and development to our pre-school teachers, or at all, it may adversely affect the quality of our teaching services, which may have an adverse impact on our business.

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

We believe that cash flow from our current operations is adequate to fund our current operating and growth plans under implementation. However, we may need additional financing in order to fund our future growth, particularly if we plan to set up more self-operated pre-schools in order to expand our network and acquisition of exclusivity rights to provide educational services to K-12 schools. The amount, timing and terms of such additional financing will vary primarily depending on the timing and location of our new pre-schools and the amount of cash flows generated from our operations. If such financing is not available on terms acceptable to us or at all, we may not be able to fully implement our growth strategy.

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

We are required to obtain various statutory and regulatory licenses and approvals for our pre-schools, such as under the applicable Shops and Establishment Act of the various states in India. We have applied for, or are in the process of applying for, such licenses and approvals or their renewal. Further, the K-12 school operators to whom we provide educational services are required to obtain and maintain certain licenses and approvals for the K-12 schools.

We and the K-12 school operators may not receive such licenses and approvals or renewal of such licenses and approvals may not happen in the time frame anticipated by us or at all. We and the K-12 school operators may also be faced with investigations and inquiries from various governmental authorities for not obtaining licenses and approvals. Any decision to not apply for the approvals and permits and inability to obtain or renew the approvals and permits on time or at all, may affect our business and result of operations. For further details in this regard, see section titled "*Government and Other Approvals*" at page 163.

23. Difference in regulatory policies or legislations between different states to govern K-12 schools may affect our operations.

Education is a matter of concurrent legislation. Hence, both the state governments as well as the central government are empowered to enact legislation on this matter. Since we provide educational services to K-12 schools, we expose ourselves to such regulatory impositions as may arise in future. The state governments may come up with different kinds of policies or laws regarding providing educational services.

In that case, there might be a situation where K-12 schools situated in different states are subject to different kind of policies, regulations or laws which may pose a threat to feasibility of providing educational services.

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

Our principal types of insurance coverage include fire insurance and directors' liability insurance. We cannot assure that the kind and level of insurance maintained by us is adequate. Any damage suffered by us in respect of uninsured events would not be covered by such insurance policies and we would bear the effect of such losses. We cannot assure you that any claim under the insurance policies maintained by us will be honoured fully or on time. Any payments we make to cover any losses, damages or liabilities or any delays we experience in receiving appropriate payments from our insurers could have an adverse effect on our business, financial condition and results of operations.

25. ***We have entered into certain related party transactions with our Directors, Promoters and Key Managerial Personnel and there can be no assurance that such transactions have been on terms favourable to us. The aggregate value of the related party transactions entered into during Fiscal 2010 and the nine months ended December 31, 2010 is Rs. 59.99 million and Rs. 38.49 million, respectively.***

We have entered into certain related party transactions with our Directors, Promoters and Key Managerial Personnel. The related party transactions entered into by us have been disclosed in our restated audited financial statements. See section titled "*Financial Statements*" at page 137 for further details of these related party transactions. While we believe that all such transactions have been conducted on an arm's length basis, there can be no assurance that we could not have achieved more favourable terms had such transactions been entered into with unrelated parties.

Following is the tabular representation of the summary of the related party transactions entered into by the Company:

i. Key Management Personnel

(Rs. in million)

Particulars	For nine months ended December 31, 2010	Fiscal 2010
Remuneration		
Mr. Rajesh Bhatia	1.35	1.80
Mr. Vishal Shah	0.95	1.20
Mr. Utsav Shrivastava	1.16	1.63
Rent expense		
Mr. Rajesh Bhatia	0.50	0.18
Lease deposit		
Mr. Rajesh Bhatia	4.00	5.00
Fixed assets purchased from		
Mr. Rajesh Bhatia	-	50.00
Advance towards purchase of fixed assets		
Mr. Rajesh Bhatia	19.60	-
Equity subscription		
Mr. Rajesh Bhatia	10.08	-

ii. Relatives of Key Management Personnel

(Rs. in million)

Particulars	For nine months ended December 31, 2010	Fiscal 2010
Rent expense		
Mrs. Geeta Bhatia	0.50	0.18
Repayment of loan		

Mrs. Geeta Bhatia	0.35	-

The aggregate value of the related party transactions entered into during Fiscal 2010 and nine months ended December 31, 2010 is Rs. 59.99 million and Rs. 38.49 million, respectively. Further, we may continue to enter into related party transactions, and there can be no assurance that such transactions will be on terms favourable to us.

26. We are subject to certain covenants under our credit facilities that place restrictions on us and may affect our business and operations.

There are restrictive covenants in the agreements we have entered into with our lenders. The agreements governing certain of our debt obligations include terms that require us to obtain prior written consent before undertaking the following:

- any change in the capital structure of our Company;
- formulation of any scheme of amalgamation or reconstruction;
- implementation of any scheme of expansion/diversification/modernization other than incurring routine capital expenditure; and
- undertaking any guarantee obligations on behalf of any third party or any other company.

Such restrictive covenants in our loan documents may restrict our operations or ability to expand and may adversely affect our business. For details of these restrictive covenants, see section titled "*Financial Indebtedness*" at page 153.

27. Our contingent liabilities and capital commitments in restated financial statements aggregating to Rs. 82.17 million as of March 31, 2010 and Rs. 290.04 million for nine months ended December 31, 2010, could adversely affect our financial condition. In the event such contingencies occur, it would adversely affect our financial conditions.

As of March 31, 2010 and nine months ended December 31, 2010, our aggregate contingent liabilities consist of liability due to bank guarantees given and estimated amounts of contracts remaining to be executed amounting to Rs. 11.45 million and Rs. 70.72 million, and Rs. 11.45 million and Rs.278.59 million, respectively. In the event that any of these contingent liabilities materialize, our results of operation and financial condition may be adversely affected. For further details, see section titled "*Management's Discussion and Analysis of Condition and Results of Operations*" at page 138.

The details of our contingent liabilities and capital commitments for the Fiscals 2010, 2009, 2008 and nine months ended December 31, 2010:

(Rs. in million)

Particulars	For nine months ended December 31, 2010	As at March 31		
		2010	2009	2008
Bank guarantees given against loan taken by director	11.45	11.45	11.45	9.19
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	278.59	70.72	42.39	1.54

The aggregate of the contingent liabilities as of March 31, 2010 and nine months ended December 31, 2010 is Rs. 82.17 million and Rs. 290.04 million, respectively.

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

28. Our Promoters have significant control over us, and have the ability to direct our business and affairs; their interests may conflict with your interests as a shareholder.

As on date of the Draft Red Herring Prospectus, our Promoters, together with the members of the Promoter Group, own approximately 41.55% of our pre-Issue paid up equity share capital. Our Promoters, together with the members of the Promoter Group, will continue to hold significant control post completion of the Issue. Our Promoters have the ability to control our business, including matters relating to any sale of all or substantially all of our assets, timing and distribution of dividends, election of our officers and directors and change of control transactions. Promoters' control could delay, defer or prevent a change in control of our Company, impede a merger, consolidation, takeover or other business combination involving our Company, or discourage a potential acquirer from making a tender offer or otherwise attempting to obtain control of our Company even if it is in our Company's best interest. Promoters and members of the Promoter Group may influence the material policies of our Company in a manner that could conflict with the interests of our other shareholders.

29. We do not own the premises where our Registered Office and Corporate Office is located.

We do not own the premises on which our Registered Office and Corporate Office is situated and operate from rented premises. For our Registered Office and Corporate Office, we have entered into a leave and license agreement with our Promoters on December 13, 2010 for a period of 11 months expiring on October 31, 2011. The leave and license agreement is renewable at the option of both the parties at such rates as may be agreed. If the Promoters do not renew the agreement under which we occupy the premises or renew the agreements on terms and conditions that are unfavorable to us, we may suffer a disruption in our operations which could have a material adverse effect on our business and operations. However, we have entered into an agreement for sale with our Promoters in order to purchase the premises on which our Registered Office and Corporate Office is situated. For further details on the agreement for sale, please refer to section titled *"Objects of the Issue"* at page 63.

30. 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 since incorporation and there can be no assurance that dividends will be paid in future. Our ability to pay dividends in future will depend on the earnings, financial condition, cash flow, working capital requirements and capital expenditure. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board and will depend on factors that our Board deems relevant, including among others, our results of future earnings, financial condition, cash requirements, business prospects and any other financing arrangements. We cannot guarantee our ability to pay dividends.

31. Our Company has issued Equity Shares during the last one year at a price that may be below the Issue Price.

In the last one year, our Company has issued Equity Shares at a price that may be lower than the Issue Price. Our Company has issued 3,618,927 Equity Shares at Rs. 110.53 per Equity Share and 1,583,333 Equity Shares at Rs. 63.16 per Equity Share on preferential allotment basis, to Matrix Partners India Investment Holdings, LLC and FC VI India Venture (Mauritius) Limited, and our Promoter, Mr, Rajesh Bhatia and others, respectively. For further details, see section titled "*Capital Structure*" at page 48.

The price at which the Equity Shares have been issued in the last one year 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.

32. One of the venture promoted by our Promoters is authorised to engage in a similar line of business.

Madhav Education and Research Institute India Private Limited ("Madhav"), one of our Group Company is authorized under its constitutional documents to engage in a similar line of business as of ours. Although, the current business operations of Madhav is not in conflict with ours, however, we have entered into a non-compete agreement with Madhav. For further details in relation to Madhav and non-compete agreement, please see section titled "*History and Certain Corporate Matters*" and "*Our Promoters and Group Companies*" at pages 112 and 130.

Further, there is no assurance that such a conflict will not arise in the future, or that we will be able to suitably resolve any such conflict without an adverse effect on our business or operations. In a situation where a conflict of interest may occur between our business and the business of the members of our Promoter Group, it could have an adverse effect on our business, prospects, results of operations and financial condition.

33. We have not entered into definitive arrangements for the utilization of the Net Proceeds towards expansion of our pre-school business and development of educational complexes.

We have not entered into any definitive arrangements for the utilization of the Net Proceeds towards expansion of our pre-school business and development of educational complexes. The actual cost may thus depend on the prices finally settled with the suppliers and contractors and to that extent may vary from our current estimates. Further, our estimated completion dates may vary based on the time and cost, or tax or duty implications, involved in actual procurement. In the event that such arrangements are not executed in a timely manner or on acceptable terms, our ability to use the Net Proceeds may be materially and adversely affected.

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

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

External Risks Factors

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

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

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

In accordance with Indian law and practice, permission for listing of the Equity Shares will not be granted until after those Equity Shares have been issued and allotted. Approval requires all relevant documents authorizing the issue of Equity Shares to be submitted to Stock Exchanges. There could be a failure or delay in listing the Equity Shares on BSE and NSE. In accordance with section 73 of the Companies Act, in the event that the permission of listing the Equity Shares is denied by the stock exchanges, we are required to refund all monies collected to investors. Any failure or delay in obtaining the approval could restrict your ability to dispose of your Equity Shares in a timely manner.

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

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

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

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

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

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

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

Any adverse revision to the rating of India's domestic or international debt by international rating agencies may adversely impact our ability to raise additional financing and the interest rates and other commercial terms at which such funding is available. This could have an adverse effect on our business and future financial performance, its ability to obtain financing for capital expenditures and the trading price of the Equity Shares.

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

Our financial statements provided in this Draft Red Herring Prospectus, are prepared in accordance with Indian GAAP. US GAAP and IFRS differ in significant respects from Indian GAAP.

As a result, our financial statements and reported earnings could be different from those which would be reported under IFRS or US GAAP. Such differences may be material. We have not attempted to quantify the impact of US GAAP or IFRS on the financial data included in this Draft Red Herring Prospectus, nor do we provide a reconciliation of our financial statements to those of US GAAP or IFRS. Accordingly, the degree to which the Indian GAAP financial statements included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Had the financial statements and other financial information been prepared in accordance with IFRS or US GAAP, the results of operations and financial position may have been materially different. Because differences exist between Indian GAAP and IFRS or US GAAP, the financial information in respect of our Company contained in this Draft Red Herring Prospectus may not be an effective means to compare us with other companies that prepare their financial information in accordance with IFRS or US GAAP. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited. In making an investment decision, investors must rely upon their own examination of our Company, the terms of this Issue and the financial information relating to our Company. Potential investors should consult their own professional advisers for an understanding of these differences between Indian GAAP and IFRS or US GAAP, and how such differences might affect the financial information contained herein.

42. We will be required to prepare our financial statements in accordance with IFRS effective from April 1, 2013. There can be no assurance that our adoption of IFRS will not adversely affect our reported results of operations or financial condition and any failure to successfully adopt IFRS by April 1, 2013 could have an adverse effect on the price of the Equity Shares.

The Institute of Chartered Accountants of India, the accounting body that regulates the accounting firms in India, has announced a road map for the adoption of and convergence with the IFRS, pursuant to which some public companies in India will be required to prepare their annual and interim financial statements under IFRS beginning with the fiscal period commencing April 1, 2011. Based on current timeline announced for IFRS convergence for Indian companies, our Company estimates that the earliest that it would need to prepare annual and interim financial statements under IFRS would be the financial period commencing from April 1, 2013. There is currently a significant lack of clarity on the adoption of and convergence with IFRS and we currently do not have a set of established practices on which to draw on in forming judgments regarding its implementation and application, we have not determined with any degree of certainty the impact that such adoption will have on our financial reporting. There can be no assurance that our financial condition, results of operations, cash flows or changes in shareholders' equity will not appear materially worse under IFRS than under Indian GAAP. As we transition to IFRS reporting, we may encounter difficulties in the ongoing process of implementing and enhancing our management information systems. Moreover, there is increasing competition for the small number of IFRS-experienced accounting personnel as more Indian companies begin to prepare IFRS financial statements. There can be no assurance that our adoption of IFRS will not adversely affect our reported results of operations or financial condition and any failure to successfully adopt IFRS by April 2013 could have an adverse effect on the price of the Equity Shares.

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

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

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

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

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

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

46. Global economic conditions have been unprecedented and continue to have, an adverse effect on the global and Indian financial markets which may continue to have a material adverse effect on our business.

Recent global market and economic conditions have been unprecedented and challenging with tighter credit conditions and an economic recession has been witnessed in most major economies in 2009. Continued concerns about the systemic impact of potential long-term and wide-spread economic 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. These market and economic conditions have an adverse effect on the global and Indian financial markets and may continue to have a material adverse effect on our business and financial performance, and may have an impact on the price of the Equity Shares.

Prominent Notes

- Public issue of 9,696,343 Equity Shares for cash at a price of Rs. [●] per Equity Share aggregating up to Rs. [●] million. This Issue would constitute 28.76 % of the fully diluted post Issue paid-up capital of the Company.

- The net worth of the Company as at March 31, 2010 and December 31, 2010, was Rs. 697.70 million and Rs. 1,252.74 million, respectively, based on our restated financial statements.

- The net asset value per Equity Share was Rs. 35.32 and Rs. 52.16 as at March 31, 2010 and December 31, 2010, respectively, as per our restated financial statements.

- The average cost of acquisition per Equity Share by our Promoters, Mr. Rajesh Bhatia is Rs. 23.72 and for Mrs. Geeta Bhatia is Rs. 10. For further details, see section titled "*Capital Structure*" at page 48.

- There are no financing arrangements whereby our Promoter, Promoter Group, Directors or their immediate relatives have financed the purchase of Equity Shares by any other person during the six months preceding the date of filing of this Draft Red Herring Prospectus.

- For information on changes in our Company's name, Registered Office and changes in the object clause of the MOA of our Company, see section titled "*History and Certain Corporate Matters*" at page 107.

- Except as disclosed in the section titled "Financial Statements –*Restated Summary Statements as per Audited Financial Statements*" at page F-4, there have been no transactions between our Company and Group Companies, Key Managerial Persons during the last year.

- Except as disclosed in the sections titled "*Financial Statements – Restated Summary Statements as per Audited Financial Statements*" and "O*ur Promoter and Group Companies*" at pages F-14 and 133 respectively, none of Group Companies are interested in our Company.

- Any clarification or information relating to this Issue shall be made available by the Book Running Lead Managers and our Company to the investors at large and no selective or additional information would be available for a section of investors in any manner whatsoever. The Book Running Lead Managers shall be obligated to provide information or clarifications relating to this Issue. Investors may contact the Book Running Lead Managers and the Syndicate Members for any complaints or comments pertaining to this Issue which the Book Running Lead Managers will attend to expeditiously.

- All grievances relating to ASBA process may be addressed to the Registrar to the Issue, with a copy to the relevant SCSBs, giving full details such as name, address of the applicants, number of Equity Shares applied for, Bid Amounts blocked, ASBA Account number and the Designated Branch of the SCSBs where the ASBA Form has been submitted by the ASBA Bidder.

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 Pre-school and K-12 Education in India, December 2010 cited in this section was commissioned by and prepared for our Company ("**CRISIL Report**").*

CRISIL limited has used 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 / 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 Rating Division, which may, in its regular operations, obtain information of a confidential nature that is not available to CRISIL Research.

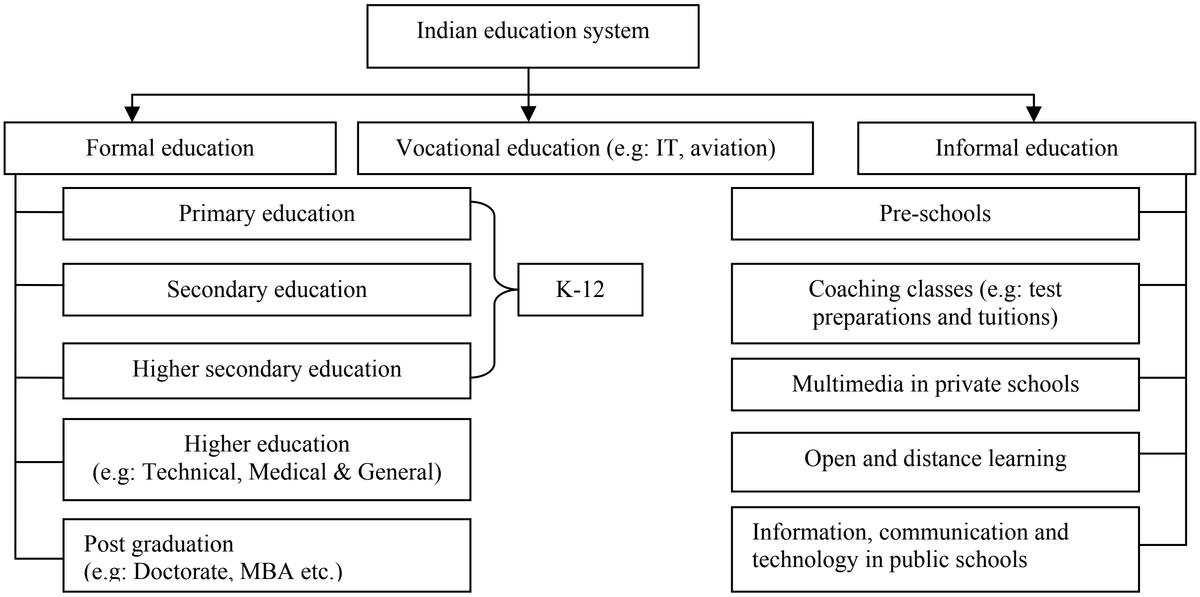
Overview of the Indian Education System

In terms of population, India is one of the world's youngest nations with a majority of its population (585 million, according to industry sources) in the 0-24 years age bracket (*Source: CRISIL Report*).

Over the last few decades, there has been a healthy growth in the literate population in India, with the literacy rate being around 71% in 2008 (*Source*: *2001 & NSS 61st and 64th Round Survey Report*). The literacy rate in India, however, does not reflect the educational level. In 2007-08, 60%of the rural population was literate, however only 50% had completed primary education and 8% had finished their higher secondary education. Graduates accounted for only 3-4% of the rural population (*Source*: *NSSO Report: Education in India 2007-08, as quoted in CRISIL Report*).

India spends nearly 3.5% of its gross domestic product on education (*Source*: *NSSO Report: Education in India 2007-08*). The central government has been investing in promoting literacy and education; however its efforts remain largely focused on elementary schooling (*Source: CRISIL Report*). Secondary and higher education have not been key priorities for the central government as in the opinion of the central government it is necessary to first create adequate infrastructure and provide incentives to universalise elementary education (*Source: CRISIL Report*).

The education system in India comprises of formal, vocational and informal education. While all levels of formal education are highly regulated and fall under the purview of Ministry of Human Resource Development, Government of India (MHRD), non-formal education is unregulated. The different aspects of formal, vocational and informal education are depicted below:

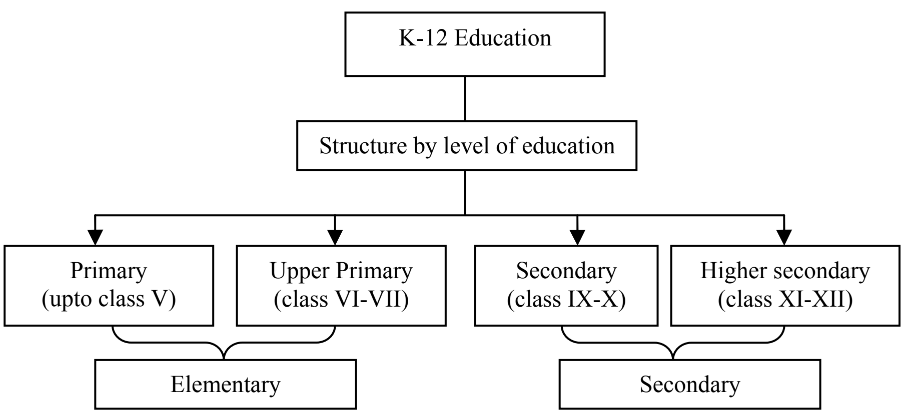


A. **Formal Education:**

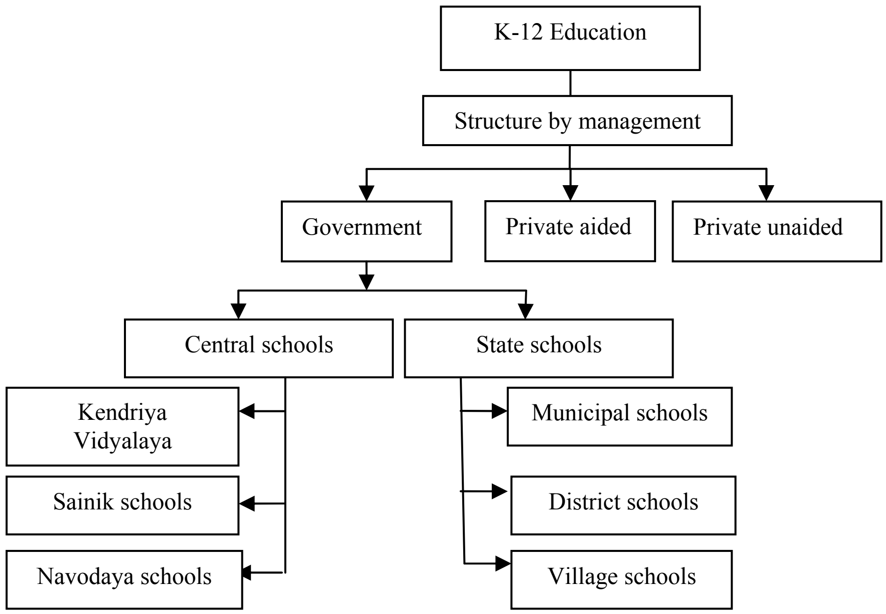
Formal education comprises of K-12 (mainly schools), higher education and post graduation. This segment is highly regulated by various statutory bodies formed by central and state governments.

K-12 Education:

The K-12 segment represents education from kindergarten to class XII and forms the largest segment within the education space in India (*Source: CRISIL Report*). K-12 schools in terms of level of education can be categorized as shown in the chart below:

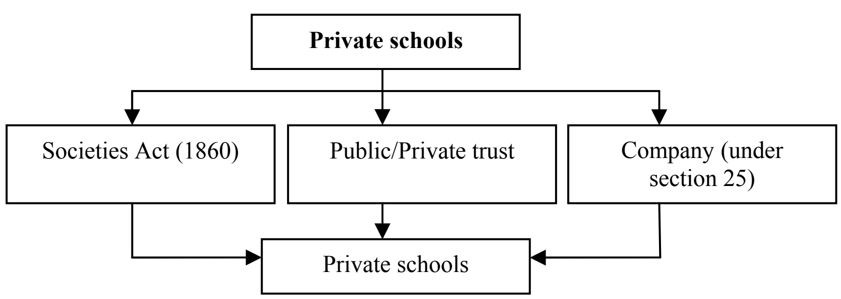


K-12 education in India is delivered primarily through schools that are affiliated with CBSE, ICSE, state government education boards and other international education boards. These schools are either run by government or by the private sector. Schools in this segment can be categorised as shown in the chart below:



K-12 schools either are central or state government institutions or institutions owned and managed by societies, non-for-profit companies, and trusts. Although there are a large number of private schools in existence in India, the significance attached to primary education by the central government has resulted in a large number of government managed schools. However, as the level of education rises, government ownership reduces (*Source: CRISIL Report*).

Private schools are generally set up by private trusts, societies, or not-for-profit. The organisation structure of K-12 schools based on private ownership is depicted in the chart below:



B. **Growth Drivers in the Education Sector**

Government initiatives to improve literacy rate

In order to improve the literacy rate in India, plans like SSA, MDM have been introduced by the central government. The increased focus on education has resulted in the K-12 enrolments in public institutions to grow steadily at a CAGR of about 6% from 2001-02 to 2007-08. The number of public institutions also increased at a CAGR of 7.1% to 1.06 million in 2007-08 from 0.71 million in 2001-02. The total GER improved to 67% in 2006-07 from 46 % in 2001-02. While GER for elementary education rose to 77% in 2007-08 from 50% in 2001–02, GER for secondary education went up to 39% in 2007-08 from 32% in 2001-02. (*Source*: *CRISIL Report*)

Changes in the Indian economy

Structural changes in the Indian economy such as urbanisation and rising disposable income coupled with increasing emphasis on education by parents is expected to accelerate the household expenditure on education. By 2012-13, of a total of 69 million households in urban areas, nearly 52 million are expected to belong to the Rs. 0.1-0.5 million income bracket as compared to 21 million households 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 Report*). This transition of households from lower income to higher income bracket will provide an impetus to spend on education by private households.

Increased private sector investment

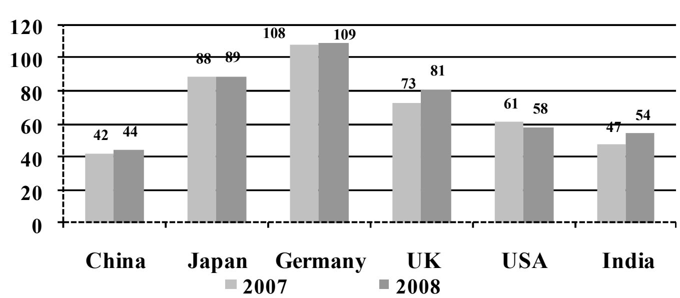
The presence of private players in the K-12 sector has been increasing due to the need for quality education and better infrastructure, which are found lacking in several government-owned institutions.

The numbers of private institutions grew at a CAGR of 10.2% to 0.30 million in 2007-08 from 0.17 million in 2001-02 (*Source*: *CRISIL Report*). CRISIL Report projects the total number of private institutes to further reach 0.43 million by 2015-16 and private sector enrolments to touch 127.3 million during that period. The share of private institutions in the K-12 segment will gradually rise to 26% in 2014-15 from 19% and 23% in 2004-05 and 2009-10, respectively. However, CRISIL Report projects that their share of enrolments will rise at a much faster pace to touch 46% in 2014-15 from 36% and 41% in 2004-05 and 2009-10, respectively. This has been attributed to the higher enrolments per institution in private schools (288 in 2009–10) as against public schools (132 in 2009–10).

Increasing penetration level in pre-school industry

The pre-school industry currently has a low penetration level, with only 10–15% of the urban population in the 2–4 years age bracket enrolled in pre-schools in the country. (*Source*: *CRISIL Report*) However, with greater thrust on education and increasing awareness about the necessity of quality pre-school education, the penetration level is set to rise, thus resulting in growth of the pre-school industry. The pre-primary GER of India is low when compared to other major countries in the world. However, the number has seen a significant rise from 47% in 2007 to 54% in 2008 as shown below:

Pre Primary GER of major countries



(Source: CRISIL Report)

SUMMARY OF BUSINESS

In this section, unless the context requires otherwise, any reference to the terms "we", "us" and "our" refers to our Company.

Business Overview

We are one of the leading providers of educational services in India. We operate the largest number of self-operated pre-schools in India. *(Source: CRISIL Report)* As of December 31, 2010, we have 177 pre-schools under the brand name of "Tree House" across 23 cities in India. Of our 177 pre-schools, 108 are operated by our Company, or self-operated, and the rest are operated through our franchisees. The self-operated pre-schools serve more than 5,000 students, which does not include the students at our franchisee operated pre-schools, primarily in the age group of 1.5 to 6 years. In recent years, we have branched into providing educational services to K-12 schools and as of December 31, 2010, we provide such services to 12 schools which have over 5,000 students, in 4 cities in India.

In our pre-schools, we offer standardized services and innovative teaching methodologies. We offer playschool and nursery facilities, vacation camps, mother-toddler classes, hobby classes, day care facilities and teacher training course at our pre-schools. Of all the courses and facilities offered by us at our pre-schools, a few including mother-toddler classes and teacher training course are only available at select pre-schools. As of December 31, 2010, we have a team of more than 350 teachers at our self operated pre-schools. We provide continuous training to all our pre-school teachers on teaching methodologies and early child care, to keep abreast with the changes in teaching methods and student needs. Our pre-schools are largely concentrated in the states of Maharashtra, Gujarat, Karnataka, Rajasthan and Andhra Pradesh.

For our franchisee operated pre-schools, we receive a fixed non-refundable onetime upfront fee and a service fee annually from the franchisees for the use of our brand and teaching methodologies. In Fiscal 2010 and for nine months period ended December 31, 2010, our revenue from self-operated pre-schools was Rs. 134.69 million and Rs. 178.83 million, respectively and from the franchisee-operated pre-schools was Rs. 61.02 million and Rs. 15.62 million, respectively.

We provide a wide variety of educational services to K-12 schools which include, designing curriculum and providing teaching aids, supplying methods for imparting education, organising extra-curricular activities for students and teacher training. Our Company generates revenue by way of service or consultancy fees which is usually based on, (i) per child admitted to the school, for services forming part of service agreement; and (ii) lump-sum basis for services beyond the scope of service agreement. We have contracted to provide educational services to additional seven K-12 schools, based in Jaipur, Jhunjhunu, Vadodara and such other cities that will be identified by the K-12 school operators, by Fiscal 2013. In Fiscal 2010 and for nine months period ended December 31, 2010, our revenue from providing educational services to K-12 schools was Rs. 7.04 million and Rs. 87.19 million, respectively.

Our Company has been ranked amongst the 100 Small Business of the year 2010 in the annual survey conducted by the Franchising World.

Our revenues for Fiscal 2010 was Rs. 218.71 million representing growth at a CAGR of 100.77% from Fiscal 2008 and profit after tax for Fiscal 2010 was Rs. 25.99 million compared to a loss of Rs. 1.91 million in Fiscal 2008. Our revenues and profit after tax for the nine months period ended December 31, 2010 were Rs. 305.73 million and Rs. 70.78 million, respectively.

STRENGTHS

Focus on self-operated pre-schools

Our business model is focussed on operations primarily through self-operated pre-schools. As of December 31, 2010, we have 177 pre-schools under the brand name of "Tree House", of which 108 are self-operated which represents 61% of our pre-schools. We principally open self-operated pre-schools in metro cities within India.

According to CRISIL research, company-owned model of pre-schools have certain key advantages over the franchisee model. The company-owned model helps a company to maintain quality, hygiene and safety control. (*Source: CRISIL Report)* Further, a higher percentage of self-operated pre-schools help us in introducing newer teaching aids and planning the infrastructure of our pre-schools.

Quality education through standardized and innovative teaching methods

In a sector which is largely unorganised in India, we have adopted standardized and innovative methods for quality education at our pre-schools. We implement a standardized curriculum across our pre-schools. Our curriculum provides a breakdown of the day-to-day activities on a minute-by-minute basis to be implemented by the teachers. The courses are taught through a combination of the montessori and play-method using tools and equipment along with plays and songs. We also use multimedia training devices for teaching at certain pre-schools.

To ensure quality education, we maintain an average teacher student ratio of 1:14 at our self-operated pre-schools. We train our teachers in-house, and employ supervisors and quality control team to monitor the services in our pre-schools and curriculum designers to design our curriculum. We also provide training to parents for preparing their children to undergo a transition from home to schools.

Further, as a part of our educational services to K-12 schools, we have introduced novel teaching aids supported by technology to improve the quality of education imparting methods in the K-12 schools. We have introduced interactive whiteboards in our classrooms which inculcate adoption of technology at a very early age in the students and the same technology is used across the K-12 schools. Also our methodologies include making students an active participant in the learning of a subject by seeking their inputs during the delivery of lectures. The curriculum aids and the teaching methods enhance students' retention capabilities and easy understanding of concepts.

Qualified and experienced staff

We believe that our qualified and experienced teachers contribute to our success. As of December 31, 2010, we have 366 teachers employed in our self-operated pre-schools. Our teaching staff is selected based on their qualifications and training in managing children. A significant number of teachers employed at our self-operated pre-schools are qualified in early childhood education. We lay emphasis on continual training and development of our teachers. Our ongoing training programmes ensure that all our pre-school teachers undergo training on our teaching methodologies and skills to keep them abreast of the changes in pre-schooling and student needs. Our senior management including our executive Director take part in workshops to gain knowledge of the latest practices in pre-primary education.

Brand awareness and geographical presence

We have been successful in establishing "Tree House" as a brand which we believe is recognized in the market for pre-schools and its quality teaching methods. Our first pre-school was set up in 2003 which served 51 students and as of December 31, 2010, we have grown to 177 pre-schools, out of which 108 self-operated pre-schools serve more than 5,000 students.

We believe we have a proven track record of delivering quality pre-school education which has helped us grow our geographical presence across the country. The brand awareness serves in attracting talent to our Company and aids in increasing enrolments for our pre-schools. We have increased our presence by opting to establish self-operated pre-schools in metro cities and franchisee operated pre-schools in non-metro cities. We are selective in appointing franchisees to operate our pre-schools. We lay emphasis on the qualification criteria set by us to ensure the franchisees maintain quality in methods and standards for operating the pre-schools. This contributes towards sustaining our brand name.

Scalable business model

We believe our business model is scalable as we have expanded our presence from 1 city in 2003 to 23 cities in 2010. The number of students in our self-operated pre-schools increased from 51 in 2003 to 5,124 students as of December 31, 2010. In a similar manner, the number of teachers at our self-operated pre-schools increased to 366 as of December 31, 2010 from four in 2003. Towards this end, we follow a standard design and architecture across our pre-schools. Further, we follow a central procurement process for furniture, toys and teaching aids. Our model of centrally procuring all the material for our pre-schools assists us in economizing our costs. The uniformity adopted by us in running our pre-schools aids in making our business scalable. Our homogeneous pre-schools ensure seamless transfer of a child to any of our pre-schools.

CRISIL research has estimated the pre-school market size to be Rs. 43,200 million in 2009-10. (*Source: CRISIL Report*) Further, it projects the share of organized pre-school market to increase from 11% in 2009-10 to 34% in 2015-16. We believe scalability of our business model would help us benefit from this growth in our industry.

STRATEGY

Our goal is to maintain our leadership in the business of self-operated pre-schools in India and to emerge as a significant player in providing educational services to K-12 schools in India, by continuing to pursue the following growth strategies:

Enter new geographical markets and further deepen our presence in existing markets

We propose to continue growing our pre-schools through geographic expansion. CRISIL research projects the pre-school market to grow at a CAGR of 20.6% to reach Rs. 133 billion in 2015-16 from Rs. 43,200 million in 2009-10. (*Source: CRISIL Report*) To capitalize on such growth we intend to establish and expand our pre-schools in various cities and towns in India. We propose to open additional 120 self-operated pre-schools across India by Fiscal 2014. For details of expansion of our pre-schools, please see section titled "*Objects of the Issue*" at page 63.

Further, we foresee a significant market opportunity for quality education in K-12 schools in India. CRISIL research estimates that number of enrolments in the K-12 segment will rise to 275 million in 2015-16 from 225 million in 2007-08. During the same period, gross enrolment ratio for K-12 schools is expected to increase from 67% to 85%. (*Source*: *CRISIL Report*) We propose to enter into contracts with several K-12 school operators for providing educational services to K-12 schools. In addition to the 12 K-12 schools as of December 31, 2010, we propose to start providing educational services to additional seven K-12 schools by Fiscal 2013.

Our pre-schools to supplement the enrolments at K-12 schools

We plan to use to our advantage existing relationships with our pre-school students and their parents by encouraging students to join K-12 schools where we provide educational services. Several of our pre-schools operate close to the K-12 schools to which we provide educational services. As we expand our presence in the market by providing educational services to additional K-12 schools, the students completing pre-schooling with us will act as potential feeders to these K-12 schools.

Pursue strategic acquisitions and partnerships

As a strategy, we primarily operate our pre-schools through franchisees in non-metro cities. We have franchisee-operated pre-schools primarily in the states of Maharashtra, Rajasthan and Gujarat. In order to expand our business and presence in the market in pre-schools, we continuously evaluate opportunities to acquire existing pre-schools or enter into a franchisee arrangements with partners to run the pre-schools under our brand name. We seek to pursue selective opportunities for providing educational services to K-12 schools to augment our capabilities, broaden our service offerings and increase our geographical presence with the potential targets involved in the education sector whose operations can be scaled up by leveraging our experience.

Continue to provide quality education

We believe that our homogeneous method of teaching across our pre-schools sets us apart from our competition. We believe that quality of education will continue to be an important factor driving the success of our pre-schools. We continuously enhance the quality of teaching methods and the curriculum at our pre-schools. We will continue to maintain a healthy teacher student ratio at our pre-schools to ensure individual attention is given to every child. As of December 31, 2010, the teacher student ratio at our self-operated pre-schools is 1:14.

THE ISSUE

The following table summarizes the Issue details:

Public Issue aggregating upto Rs. [●] million[(1)]	
Issue by the Company	9,696,343 Equity Shares
Of which:	
QIB Portion [(2)]	[●] Equity Shares*
Of which:	
Anchor Investor Portion	[●] Equity Shares**
Net QIB Portion	[●] Equity Shares*
Of which:	
Mutual Fund Portion	[●] Equity Shares*
Balance for all QIBs including Mutual Funds	[●] Equity Shares*
Non-Institutional Portion[(3)]	Not less than [●] Equity Shares*
Retail Portion[(3)]	Not less than [●] Equity Shares*
Pre and post-Issue Equity Shares	
Equity Shares outstanding prior to the Issue	[●] Equity Shares
Equity Shares outstanding after the Issue	[●] Equity Shares
Use of proceeds of this Issue	See the section titled "Objects of the Issue" at page 63.

* *In the event of over-subscription, allotment shall be made on a proportionate basis, subject to valid Bids being received at or above the Issue Price.*

** *Our Company may, in consultation with the BRLMs, allocate upto 30% of the QIB Portion to Anchor Investors on a discretionary basis at the Anchor Investor Allocation Price, out of which at least one-third will be available for allocation to domestic Mutual Funds only. For further details, see section titled "Issue Procedure" at page 189. In the event of under-subscription or non-Allotment in the Anchor Investor Portion, the balance Equity Shares in the Anchor Investor Portion shall be added to the Net QIB Portion.*

(1) Our Company is considering a Pre-IPO Placement. The Pre-IPO Placement will be at the discretion of our Company. Our Company will complete the issuance and allotment of Equity Shares pursuant to the Pre-IPO Placement prior to filing the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is undertaken, the Issue size offered to the public would be reduced to the extent of such Pre-IPO Placement, subject to a minimum Issue size of 25% of our post-Issue paid-up equity share capital being offered to the public.

(2) Such number of Equity Shares representing 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to QIBs, subject to valid Bids being received from them at or above the Issue Price. In the event that the demand from Mutual Funds 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 Net QIB Portion, after excluding the allocation in the Mutual Fund Portion. However, in the event of under-subscription in the Mutual Fund Portion, the balance Equity Shares in the Mutual Fund Portion will be added to the Net QIB Portion and allocated to QIBs (including Mutual Funds) on a proportionate basis, subject to valid Bids at or above Issue Price. If atleast 50% of the Issue cannot be Allotted to QIBs, then the entire application money will be refunded forthwith.

(3) Subject to valid Bids being received at or above the Issue Price. Under-subscription, if any, in the Non-Institutional Portion and Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company, in consultation with the BRLMs and the Designated Stock Exchange.

SUMMARY FINANCIAL INFORMATION

Summary statement of restated profits and losses

(Rupees in million)

	Particulars	For the nine months ended December 31, 2010	For the year ended March 31,			For the period July 10, 2006 to March 31, 2007
			2010	2009	2008	
A	**Income**					
	Revenue from operations	290.78	213.75	102.65	54.17	0.98
	Other income	14.95	4.96	3.82	0.09	0.01
	Total income	**305.73**	**218.71**	**106.47**	**54.26**	**0.99**
B	**Expenditure**					
	Centre operating expenses	72.17	63.13	33.27	18.33	3.48
	Employee cost	34.54	29.36	16.67	7.84	0.14
	Administrative and other expenses	54.17	51.06	32.03	19.47	2.22
	Finance charges	4.74	5.76	0.42	-	-
	Depreciation and amortization	34.69	29.27	18.74	9.40	0.04
	Total expenditure	**200.31**	**178.58**	**101.13**	**55.04**	**5.88**
C	**Profit / (Loss) before tax**	**105.42**	**40.13**	**5.34**	**(0.78)**	**(4.89)**
	Provision for taxation					
	- Current tax	24.36	11.54	-	0.63	-
	- Deferred tax charge	10.28	2.60	0.09	1.07	-
	- Fringe benefits tax	-	-	0.13	0.06	-
	- MAT credit entitlement	-	-	-	(0.63)	-
	Net profit / (loss)	**70.78**	**25.99**	**5.12**	**(1.91)**	**(4.89)**

Impact of changes due to restatement

(Rupees in million)

	Particulars	For the nine months ended December 31, 2010	For the year ended March 31,			For the period July 10, 2006 to March 31, 2007
			2010	2009	2008	
1	**Net Profit / (Loss) after tax as per audited statement of account**	**70.78**	**25.99**	**(2.03)**	**4.09**	**(3.74)**
2	**Adjustments on account of:**					
	Prior period adjustments					
	Revenue adjustment (refer note 1 below)	-	-	5.42	(5.00)	(0.42)
	Preliminary and advertisement expenses adjustment (refer note 2 below)	-	-	1.73	(1.00)	(0.73)
	Total impact of adjustments	**-**	**-**	**7.15**	**(6.00)**	**(1.15)**
	Adjusted net profit / (loss) after tax as per Annexure 1	**70.78**	**25.99**	**5.12**	**(1.91)**	**(4.89)**

Notes:

1. During the year ended March 31, 2008 and for the period July 10, 2006 to March 31, 2007, fee income was erroneously booked in the year of receipt instead of being recognized over the period during which such fees accrue on proportionate basis. Accordingly, for the purpose of the Summary statement of restated profits and losses, the fee income has been recorded in the relevant years.

2. During the year ended March 31, 2008 and for the period July 10, 2006 to March 31, 2007, certain preliminary expenses and advertisement expenses were erroneously booked as capital expenditure and recorded in the balance sheet. Accordingly, for the purpose of the Summary statement of restated profits and losses, the adjustments have been recorded in the relevant years.

3. During the nine months ended December 31, 2010, the Company has regrouped the rental income from lease of building from ‘other income’ to ‘operating income’. Accordingly, for the purpose of the Summary statement of restated profits and losses, the regrouping has been done for all the earlier years / period.

Statement of restated assets and liabilities

(Rupees in million)

	Particulars	As at December 31, 2010	As at March 31, 2010	2009	2008	2007
A	**Fixed assets**					
	Gross block	637.08	386.66	263.25	91.25	3.41
	Less : Accumulated depreciation and amortization	90.91	56.52	28.13	9.39	0.04
	Net block	**546.17**	**330.14**	**235.12**	**81.86**	**3.37**
	Capital work in progress (including capital advances)	381.83	305.01	155.05	3.51	-
	Total fixed assets – refer note 1 below	**928.00**	**635.15**	**390.17**	**85.37**	**3.37**
B	**Investments** [* Rs. 1,500 (150 shares of Rs.10 each of New India Co-operative Bank)]	**20.59**	**10.15**	*	**-**	**-**
C	**Current assets, loans and advances**					
	Inventories	11.71	2.96	1.57	0.53	-
	Sundry debtors	63.26	69.49	4.22	0.08	-
	Cash and bank balances	369.54	103.44	21.46	1.80	2.80
	Other current assets	11.07	4.38	0.57	-	-
	Loans and advances	195.02	49.75	51.46	10.74	4.37
	Total	**650.60**	**230.02**	**79.28**	**13.15**	**7.17**
D	**Total assets (A+B+C)**	**1599.19**	**875.32**	**469.45**	**98.52**	**10.54**
E	**Loan funds**					
	Secured loans	234.69	119.65	-	-	-
	Unsecured loans	-	0.35	0.35	1.54	3.59
	Total	**234.69**	**120.00**	**0.35**	**1.54**	**3.59**
F	**Deferred tax liability (net)**	**14.04**	**3.76**	**1.16**	**1.07**	**-**
G	**Current liabilities and provisions**					
	Liabilities	87.86	48.00	27.43	14.00	3.39
	Provisions	9.86	5.86	0.38	0.14	-
	Total	**97.72**	**53.86**	**27.81**	**14.14**	**3.39**
H	**Total liabilities (E+F+G)**	**346.45**	**177.62**	**29.32**	**16.75**	**6.98**
	Net worth (D-H)	**1,252.74**	**697.70**	**440.13**	**81.77**	**3.56**
	Represented by					
	Shareholders' funds					
	Equity capital	240.19	174.17	150.41	88.10	0.10
	Share application money	-	82.53	-	0.47	8.35
	Reserves and surplus	1,012.55	441.00	291.40	-	-
	Profit and loss account debit balance	-	-	(1.68)	(6.80)	(4.89)
	Net worth	**1,252.74**	**697.70**	**440.13**	**81.77**	**3.56**

Note:

1. The Company has not revalued any of its fixed assets during the reporting period.

Statement of restated cash flows

(Rupees in million)

	Particulars	For the nine months ended December 31, 2010	For the year ended March 31, 2010	2009	2008	For the period July 10, 2006 to March 31, 2007
A	**Cash flow from operating activities**					
	Net profit / (loss) before tax	**105.42**	**40.13**	**5.34**	**(0.78)**	**(4.89)**
	Adjustments for :					
	Depreciation and amortization	34.69	29.27	18.74	9.40	0.04
	Assets written off	1.25	3.21	0.28	-	-
	Finance charges	4.74	5.76	0.42	-	-
	Dividend income	-	-	-	(0.01)	-
	Interest income	(14.90)	(4.96)	(3.45)	-	-
	Operating profit / (loss) before working capital changes	**131.20**	**73.41**	**21.33**	**8.61**	**(4.85)**
	Adjustments for -					
	Increase in inventories	(8.75)	(1.39)	(1.04)	(0.53)	-
	(Increase) / Decrease in sundry debtors	6.23	(65.27)	(4.14)	(0.08)	-
	(Increase) / Decrease in other current assets	-	0.17	(0.17)	-	-
	(Increase) / Decrease in loans and advances	(145.90)	2.91	(38.90)	(6.37)	(4.37)
	Increase in liabilities	40.71	20.68	13.69	10.69	3.39
	Cash generated from / (used in) operations	**23.49**	**30.51**	**(9.23)**	**12.32**	**(5.83)**
	Direct taxes paid	(20.36)	(7.37)	(1.96)	-	-
	Net cash from / (used in) operating activities	**3.13**	**23.14**	**(11.19)**	**12.32**	**(5.83)**
B	**Cash flow from investing activities**					
	Purchase of fixed assets / intangible assets (including capital work in progress)	(169.66)	(277.46)	(323.83)	(91.41)	(3.41)
	Payment made for acquiring Business Commercial Rights	(159.12)	-	-	-	-
	Purchase of investments	(10.45)	(10.15)	-	-	-
	Proceeds from sale of fixed assets	-	-	-	-	-
	Interest received	8.21	0.98	3.05	-	-
	Dividend received	-	-	-	0.01	-
	Net cash used in investing activities	**(331.02)**	**(286.63)**	**(320.78)**	**(91.40)**	**(3.41)**
C	**Cash flow from financing activities**					
	Proceeds from issue of shares including securities premium	516.87	149.04	356.42	79.65	0.10
	Share application money received	-	82.53	-	0.48	8.35
	Share issue expenses	(32.61)		(3.18)		
	Proceeds from long term borrowings	-	50.00	-	-	-
	Repayment of long term borrowings	(50.00)	-	-	-	-
	Proceeds from short term borrowings	165.04	69.66	-	-	3.59
	Repayment of short term borrowings	(0.35)		(1.19)	(2.05)	-
	Finance charges paid	(4.96)	(5.76)	(0.42)	-	-
	Net cash provided by financing activities	**593.99**	**345.47**	**351.63**	**78.08**	**12.04**
	Net increase / (decrease) in cash and cash	**266.10**	**81.98**	**19.66**	**(1.00)**	**2.80**

	equivalents					
	Cash and cash equivalents at the beginning of the period/ year	**103.44**	**21.46**	**1.80**	**2.80**	**-**
	Cash and cash equivalents at the end of the period/ year	**369.54**	**103.44**	**21.46**	**1.80**	**2.80**
	Components of cash and cash equivalents					
	Cash in hand	2.23	0.83	0.34	1.14	0.06
	Cheques in hand	-	1.25	0.62	-	-
	Balance with scheduled banks					
	- on Current account	97.31	7.77	7.87	0.66	2.74
	- on Fixed deposit account	270.00	93.59	12.63	-	-
	Total	**369.54**	**103.44**	**21.46**	**1.80**	**2.80**

Notes:

1. The cash flow statement has been prepared under the Indirect Method as set out in Accounting Standard (AS)-3, Cash Flow Statements, as notified under the Companies Act, 1956.

   Cash and cash equivalents as at December 31, 2010 includes fixed deposits of Rs. 270 million pledged with a bank against working capital loan obtained from them.

GENERAL INFORMATION

Our Company was incorporated under the Companies Act on July 10, 2006. For further details, see section titled "*History and Certain Corporate Matters*" at page 107.

Registered Office

Our registered office is located at 702 C, Morya House, Off New Link Road, Andheri (West), Mumbai 400053, India. For details relating to changes in our registered office, see section titled "*History and Corporate Structure-Changes in Registered Office*" at page 107.

Registration Number: 163028

Corporate Identification Number: U80101MH2006PLC163028

Address of the RoC

The RoC is located at the following address:

The Registrar of Companies, Mumbai
100, Everest
Marine Drive
Mumbai 400 002
India
Phone: +91 22 2281 2639
Facsimile: +91 22 228 11977
Email: roc.mumbai@mca.gov.in

Board of Directors

Our Board comprises the following:

Name, Designation and Occupation	Age (Years)	DIN	Address
Mr. Sanjaya Kulkarni **Designation:** Chairman, Non-Executive and Independent Director **Occupation**: Business	61	00102575	A-12, Technocrat Society Twin Tower Lane, Prabhadevi Mumbai 400 025 India
Mr. Rajesh Bhatia **Designation:** Managing Director **Occupation**: Business	41	00074393	202, 2nd floor, Morya Regency Dr. Ambedkar Road, Khar (West) Mumbai 400 052 India
Mr. Vishal Shah **Designation:** Executive Director **Occupation**: Business	39	01153074	503-B, Gazdar Apartments Juhu Tara Road Mumbai 400 049 India
Mrs. Geeta Bhatia **Designation:** Non-Executive Director **Occupation**: Business	37	00074444	202, 2nd floor, Morya Regency Dr. Ambedkar Road, Khar (West) Mumbai 400 052 India
Mr. T.S. Sarangpani **Designation:** Director, Non-Executive and Independent	62	01453050	D-802, Spectra Cypress, Vartur Main Road, Tubarahalli Bangalore 560 066

Name, Designation and Occupation	Age (Years)	DIN	Address
Occupation: Business			India*
Mr. Parantap Dave **Designation:** Director, Non-Executive and Independent **Occupation**: Business	49	00019472	9, Bharat Mahal 37, Lajpatrai Road Vile Parle (West) Mumbai 400 056 India
Mr. Ashu Garg **Designation:** Non-Executive Nominee Director **Occupation**: Service	40	01980048	6/5 Shanti Niketan New Delhi India
Mr. Rishi Navani **Designation:** Non-Executive Nominee Director **Occupation**: Service	37	01758427	7, Om Ratan 70, Pochkhanawala Road, Worli Mumbai 400 025 India

** The Company has filed form DIN 4 dated February 15, 2011 for change in address.*

For further details and profile of our Directors, see section titled "*Our Management*" at page 113.

Company Secretary and Compliance Officer

Our Company Secretary and Compliance Officer is Ms. Deepali Chandrakant Hanchate.

Her contact details are as follows:

702 C, Morya House
Off New Link Road
Andheri (West)
Mumbai 400053
India
Telephone: +91 22 6456 2306
Facsimile: +91 22 2673 6905
E-mail: compliance@treehouseplaygroup.net

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

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

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

Book Running Lead Managers	
JM Financial Consultants Private Limited 141, Maker Chambers III Nariman Point Mumbai 400 021, India Tel: +91 22 6630 3030/3953 3030 Fax: +91 22 2204 7185 Email: treehouse.ipo@jmfinancial.in Investor Grievance ID: grievance.ibd@jmfinancial.in Website: www.jmfinancial.in Contact person: Ms. Lakshmi Lakshmanan	**Motilal Oswal Investment Advisors Private Limited** 113/114, 11th Floor Bajaj Bhawan, Nariman Point Mumbai 400 021, India Tel: +91 22 3980 4380 Fax: +91 22 3980 4315 Email: treehouse.ipo@motilaloswal.com Investor Grievance ID: moiaplredressal@motilaloswal.com Website: www.motilaloswal.com Contact person: Mr. Rupesh Khant

SEBI Registration No.: INM000010361	SEBI Registration No.: INM000011005

Syndicate Members
[●]

Legal Counsel to the Company
Wadia Ghandy & Co. (Ahmedabad) Advocates & Solicitors 1st Floor, Chandan House Near Mayor's Bunglow, Law Garden Ahmedabad 380 006 Tel: +91 79 26564700 Fax: +91 79 26564300 E-mail: info@wadiaghandy.com

Legal Counsel to the Underwriters
Luthra & Luthra Law Offices 10th Floor, Tower 2B,One Indiabulls Centre Jupiter Mills Compound 841, Senapati Bapat Marg, Lower Parel Mumbai 400 013 Telephone: +91 22 6630 3600 Facsimile: +91 22 6630 3700 E-mail: mumbai@luthra.com

Registrar to the Issue
Link Intime India Private Limited C- 13, Pannalal Silk Mills Compound L.B.S Marg, Bhandup (West) Mumbai 400 078 India Tel: +91 22 2596 3838 Fax: +91 22 2594 6969 E-mail: mumbai@linkintime.co.in Website: www.linkintime.co.in Contact Person: Mr. N. Mahadevan Iyer SEBI Registration No: INR000004058

Escrow Collection Banks and Bankers to the Issue
[●]

Self Certified Syndicate Banks

The banks which are registered with SEBI under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994 and offer services in relation to ASBA, including blocking of an ASBA Account in accordance with the SEBI Regulations and a list of which is available on http://www.sebi.gov.in or at such other website as may be prescribed by SEBI from time to time.

Refund Banker(s)
[●]

Statutory Auditor to our Company
Walker, Chandiok & Co. 6th Floor, Engineering Centre 9, Mathew Road, Opera House Mumbai 400 004 Telephone: +91 22 6626 2632

Facsimile: +91 22 2367 1624
Email: amyn.jassani@in.gt.com

Jogish Mehta & Co.
807, Dev Plaza, Plot No. 68
S.V Road, Andheri (West)
Mumbai 400 058
Telephone: +91 22 2624 5302
Facsimile: +91 22 2624 5302
Email: jogishm@vsnl.com

Bankers to our Company	
Indian Bank Matunga Bazaar 266, A Temple Avenue, Deodhar Road Matunga Mumbai India Telephone: +91 22 2414 2877 Facsimile: +91 22 2414 5377 Email: matungabazaar@indianbank.co.in Website: www.indianbank.in Contact Person: Mrs. S. Padmavati	**Corporation Bank** 426, Pheonix Mill Compound S.B. Marg, Lower Parel Mumbai India Telephone: +91 22 2497 0678 Facsimile: +91 22 2492 5584 Email: cb750@corpbank.co.in Website: www.corpbank.co.in Contact Person: Mr. M. Vasudev Kamath
Kotak Mahindra Bank Limited Satguru Sundiri 667, Dr. Ambedkar Road Khar (West) Mumbai India Telephone: +91 22 2605 5384 Facsimile: +91 22 2605 5386 Email: asgarali.ravjani@kotak.com Website: www.kotakbank.com Contact Person: Mr. Asgarali Ravjani	**ICICI Bank Limited** Capital Markets Division 30, Mumbai Samachar Marg Mumbai India Telephone: +91 22 6631 0322 Facsimile: +91 22 6631 0350 Email: anil.gadoo@icicibank.com Website: www.icicibank.com Contact Person: Mr. Anil Gadoo
Union Bank of India 28A, Ramdas Nayak Marg Bandra (West) Mumbai India Telephone: +91 22 2651 0211 Facsimile: +91 22 2644 1549 Email: cbshillroad@unionbankofindia.com Website: www. unionbankofindia.com Contact Person: Ms. Hema Rajan	

Statement of Responsibilities of the Book Running Lead Managers

The responsibilities and co-ordination for various activities in this Issue is as follows:

S. No.	Activity	Responsibility	Co-ordination
1.	Capital structuring with relative components and formalities such as type of instruments, etc.	JM Financial Consultants Private Limited and Motilal Oswal Investment Advisors Private Limited	JM Financial Consultants Private Limited
2.	Due diligence of our Company including its operations/management/ business/plans/legal, etc. Drafting and designing the Red Herring Prospectus and statutory advertisements including a memorandum containing salient features of the Prospectus. The BRLMs shall	JM Financial Consultants Private Limited and Motilal Oswal Investment Advisors	JM Financial Consultants Private Limited

S. No.	Activity	Responsibility	Co-ordination
	ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, the RoC and SEBI including finalization of the Prospectus and RoC filing. Drafting and approval of all statutory advertisements.	Private Limited	
3.	Drafting and approving all publicity material other than statutory advertisements as mentioned above, including road show presentations, corporate advertising, brochures, etc.	JM Financial Consultants Private Limited and Motilal Oswal Investment Advisors Private Limited	JM Financial Consultants Private Limited
4.	Appointment of other intermediaries including Registrar to the Issue, printers, advertising agency and Bankers to the Issue.	JM Financial Consultants Private Limited and Motilal Oswal Investment Advisors Private Limited	JM Financial Consultants Private Limited
5.	Retail/Non-institutional marketing which will cover, *inter alia*: • Formulating marketing strategies, preparation of publicity budget; • Finalizing media and public relations strategy; • Finalizing centre for holding conferences for press and brokers, etc.; • Follow-up on distribution of publicity and Issue material including forms, the Prospectus and deciding on the quantum of Issue material; and • Finalizing collection centres.	JM Financial Consultants Private Limited and Motilal Oswal Investment Advisors Private Limited	Motilal Oswal Investment Advisors Private Limited
6.	Institutional marketing of the Issue, which will cover, *inter alia*: • Finalizing the list and division of investors for one to one meetings; and • Finalizing the road show schedule and the investor meeting schedules.	JM Financial Consultants Private Limited and Motilal Oswal Investment Advisors Private Limited	JM Financial Consultants Private Limited
7.	Finalization of pricing in consultation with our Company.	JM Financial Consultants Private Limited and Motilal Oswal Investment Advisors Private Limited	JM Financial Consultants Private Limited
8.	Managing the book, co-ordination with the Stock Exchanges for book building software, bidding terminals and mock trading	JM Financial Consultants Private Limited and Motilal Oswal Investment Advisors Private Limited	Motilal Oswal Investment Advisors Private Limited
9.	Post-Bidding activities including management of escrow accounts, co-ordinating underwriting, co-ordination of non-institutional allocation, announcement of allocation and dispatch of refunds to Bidders, etc. The post-Issue activities will involve essential follow up steps, including the finalization of trading, dealing of instruments, and demat of delivery of shares with the various agencies connected with the work such as the Registrars to the Issue, the Bankers to the Issue, the SCSBs and the bank handling refund business. The BRLMs shall be responsible for ensuring that these agencies fulfil their functions and discharge this responsibility through suitable agreements with our Company.	Motilal Oswal Investment Advisors Private Limited	Motilal Oswal Investment Advisors Private Limited

IPO Grading Agency

[●]
[●].
Telephone: +91 [●]
Facsimile: +91 [●]
E-mail: [●]

Contact Person: [●]

IPO Grading

This Issue has been graded by [●] and has been assigned the "IPO Grade [●]" indicating [●] fundamentals through its letter dated [●], pursuant to Regulation 26(7) of the SEBI Regulations. The IPO grading is assigned on a five point scale from 1 to 5 wherein an "IPO Grade 5" indicates strong fundamentals and "IPO Grade 1" indicates poor fundamentals. A copy of the report provided by [●], furnishing the rationale for its grading will be annexed to the Red Herring Prospectus to be filed with the RoC and will be made available for inspection at our Registered Office from 10.00 a.m. to 4.00 p.m. on Working Days from the date of the Red Herring Prospectus till the Bid Closing Date.

Summary of rationale for grading by the IPO Grading Agency

[●]

Disclaimer of IPO Grading Agency

[●]

Monitoring Agency

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

Expert

Except for the report provided by the IPO Grading Agency (a copy of which report will be annexed to the Red Herring Prospectus), furnishing the rationale for its grading of this Issue, pursuant to the SEBI Regulations and valuation report from Muzoomdar Associates Private Limited dated December 16, 2010 and Yardi Prabhu Consultants and Valuers Private Limited dated December 17, 2010, we have not obtained any other expert opinions.

Project Appraisal

None of the objects of this Issue have been appraised.

Book Building Process

"Book building" refers to the process of collection of Bids from investors on the basis of the Red Herring Prospectus, the Bid cum Application Forms and the ASBA Forms. The Issue Price shall be determined by our Company in consultation with the BRLMs, after the Bid Closing Date. The principal parties involved in the Book Building Process are:

(1) our Company;
(2) the BRLMs;
(3) Syndicate Members who are intermediaries registered with SEBI or registered as brokers with the Stock Exchanges and eligible to act as underwriters;
(4) Registrar to the Issue;
(5) Escrow Collection Banks; and
(6) SCSBs.

In terms of Rule 19(2)(b)(i) of the SCRR, this Issue is being made for at least 25% of post Issue capital. Our Company is eligible for the Issue in accordance with Regulation 26(2) of the SEBI Regulations. The Issue is being made through Book Building Process wherein at least 50% of the Issue shall be Allotted on a proportionate basis to QIBs. If at least 50% of the Issue cannot be Allotted to QIBs, then the entire application money will be refunded. 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 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. Under-subscription in any category except for QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company, in consultation with the BRLMs and the Designated Stock Exchange.

Our Company may in consultation with the BRLMs, allocate upto 30% of the QIB Portion to Anchor Investors on a discretionary basis at the Anchor Investor Allocation Price, out of which at least one-third will be available for allocation to domestic Mutual Funds only. For further details, see section titled "*Issue Procedure*" at page 189. Allocation to Anchor Investors shall be on a discretionary basis subject to minimum number of two Anchor Investors. An Anchor Investor shall make a minimum Bid of such number of Equity Shares that the Bid Amount is at least Rs. 100 million. In the event of under-subscription or non-Allotment in the Anchor Investor Portion, the balance Equity Shares in the Anchor Investor Portion shall be added to the Net QIB Portion.

Such number of Equity Shares representing 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to QIBs, subject to valid Bids being received from them at or above the Issue Price. In the event that the demand from Mutual Funds 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 Net QIB Portion, after excluding the allocation in the Mutual Fund Portion. However, in the event of under-subscription in the Mutual Fund Portion, the balance Equity Shares in the Mutual Fund Portion will be added to the Net QIB Portion and allocated to QIBs (including Mutual Funds) on a proportionate basis, subject to valid Bids at or above 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. Under-subscription in any category except for QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company, in consultation with the BRLM and the Designated Stock Exchange.

In accordance with the SEBI Regulations, QIBs Bidding in the Net QIB Portion are not allowed to withdraw their Bids after the QIB Bid Closing Date. Further, allocation to QIBs in the Net QIB Portion will be on a proportionate basis. For further details, see the sections titled "*Issue Structure*" and "*Issue Procedure*" at pages 186 and 190 respectively.

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 BRLMs to manage this Issue and procure subscriptions to this Issue.

The Book Building Process is subject to change. Investors are advised to make their own judgment about an investment through this process prior to submitting a Bid.

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

- Check eligibility for making a Bid. For further details, see section titled "*Issue Procedure*" at page 190. Specific attention of ASBA Bidders is invited to section titled "*Issue Procedure*" at page 195;
- Ensure that you have a demat account and the demat account details are correctly mentioned in the Bid cum Application Form or the ASBA Form, as the case may be;
- Ensure that the Bid cum Application Form or ASBA Form is duly completed as per the instructions given in the Red Herring Prospectus and in the respective forms;
- Except for bids on behalf of the Central or State Government and the officials appointed by the courts and by investors residing in the State of Sikkim, for Bids of all values ensure that you have mentioned your PAN allotted under the I.T. Act in the Bid cum Application Form and the ASBA Form (see the section

titled "*Issue Procedure*" at page 195). The exemption for the Central or State Government and the officials appointed by the courts and for investors residing in the State of Sikkim is subject to the Depository Participants' verifying the veracity of such claims of the investors by collecting sufficient documentary evidence in support of their claims. At the time of ascertaining the validity of these Bids, the Registrar will check under the Depository records for the appropriate description under the PAN field and whether the PAN flag has been enabled;

- Ensure the correctness of your demographic details such as the address, the bank account details for printing on refund orders and occupation ("**Demographic Details**"), given in the Bid cum Application Form or ASBA Form, with the details recorded with your Depository Participant;
- Bids by ASBA Bidders will have to be submitted to the SCSBs only at the Designated Branches. ASBA Bidders should ensure that their bank accounts have adequate credit balance at the time of submission to the SCSB to ensure that their ASBA Form is not rejected; and
- Bids by QIBs will only have to be submitted to the BRLMs or its affiliates.

Illustration of Book Building Process and the Price Discovery Process

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

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

Bid Quantity	Bid Price (Rs.)	Cumulative Quantity	Subscription
500	24	500	16.67%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.67%
2,500	20	7,500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the issuer is able to issue the desired number of shares is the price at which the book cuts off, i.e., Rs. 22 in the above example. The issuer, in consultation with book running lead managers, will finalise the issue price at or below such cut-off, i.e., at or below Rs. 22. All bids at or above this issue price and cut-off bids are valid bids and are considered for allocation in the respective categories.

Withdrawal of this Issue

In accordance with the SEBI Regulations, our Company, in consultation with BRLMs, reserve the right not to proceed with this Issue at anytime after the Bid Opening Date, but before our Board meeting for Allotment, without assigning reasons thereof. However, if our Company withdraws the Issue after the Bid Closing Date, we will give reason thereof within two days of the Bid Closing Date by way of a public notice which shall be published within two days of the Bid Closing Date in the same newspapers where the pre-Issue advertisements were published. Further, the Stock Exchanges shall be informed promptly in this regard and the BRLMs, through the Registrar to the Issue, shall notify the SCSBs to unblock the Bank Accounts of the ASBA Bidders within one day from the date of receipt of such notification. In the event of withdrawal of the Issue and subsequently, plans of an IPO by our Company, a draft red herring prospectus will be submitted again to SEBI.

Notwithstanding the foregoing, this Issue is also subject to obtaining the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment, and the final RoC approval of the Prospectus.

Bid/Issue Programme*

BID OPENING DATE	**[●]**
BID CLOSING DATE	**[●]**

QIB BID CLOSING DATE	[●]

* *Our Company may consider participation by Anchor Investors. Anchor Investor shall Bid on Anchor Investor Bidding Date.*

Except in relation to the Bids received from the Anchor Investors, Bids and any revision in Bids shall be accepted **only between 10.00 a.m. and 5.00 p.m.** (Indian Standard Time) during the Bidding Period at the Bidding Centres mentioned on the Bid cum Application Form or, in case of Bids submitted through ASBA Form, the Designated Branches **except that:**

(i) in case of Bids by QIBs under the Net QIB Portion, the Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time) and uploaded until 4.00 p.m. on the QIB Bid Closing Date;

(ii) in case of Bids by Non-Institutional Bidders, the Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time) and uploaded until 4.00 p.m. on the Bid Closing Date; and

(iii) in case of Bids by Retail Individual Bidders, the Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time) and uploaded until 5.00 p.m. on the Bid Closing Date, which may be extended upto such time as deemed fit by the Stock Exchanges after taking into account the total number of applications received upto the closure of timings and reported by BRLMs to the Stock Exchanges within half an hour of such closure.

Due to limitation of the time available for uploading the Bids on the last day of the respective Bidding Period, the Bidders are advised to submit their Bids one day prior to the last day of the Bidding Period, and, in any case, no later than 3.00 p.m. (Indian Standard Time) on the last day of the Bidding Period. Bidders are cautioned that, in the event a large number of Bids are received on the last day of the Bidding Period, as is typically experienced in public offerings in India, it may lead to some Bids not being uploaded due to lack of sufficient time to upload. Such Bids that cannot be uploaded will not be considered for allocation under this Issue. Bids will only be accepted on Working Days.

In case of discrepancy in the data entered in the electronic book *vis-à-vis* the data contained in the physical Bid form, for a particular Bidder, the details as per physical application form of that Bidder may be taken as the final data for the purpose of Allotment. In case of discrepancy in the data entered in the electronic book *vis-à-vis* the data contained in the physical or electronic ASBA Form, for a particular ASBA Bidder, the Registrar to the Issue shall ask the relevant SCSB for rectified data.

Our Company in consultation with BRLMs, reserve the right to revise the Price Band during the Bidding Period in accordance with the SEBI Regulations. In such an event, the Cap Price shall not be more than 120% of the Floor Price. Subject to compliance with the immediately preceding sentence, the Floor Price can move up or down, to the extent of 20% of the Floor Price, as advertised at least two Working Days before the Bid Opening Date.

In case of revision in the Price Band, the Bidding Period shall be extended for three additional Working Days after such revision, subject to the Bidding Period not exceeding 10 Working Days. Any revision in the Price Band, and the revised Bidding Period, if applicable, shall be widely disseminated by notification to the SCSBs and the Stock Exchanges, by issuing a press release and also by indicating the change on the websites of the BRLMs and at the terminals of the Syndicate.

Underwriting Agreement

After the determination of the Issue Price, but prior to filing of the Prospectus with the RoC, our Company intends to enter into the Underwriting Agreement with the Underwriters and the Registrar to the Issue for the Equity Shares proposed to be offered through this Issue. It is proposed that pursuant to the terms of the Underwriting Agreement, the Underwriters responsible for bringing in the amount devolved in the event the respective Syndicate Members do not fulfil their underwriting obligations. The underwriting shall be to the extent of the Bids uploaded, subject to Regulation 13 of the SEBI Regulations. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters are several and are subject to certain conditions specified therein.

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

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

Details of the Underwriters	**Indicated Number of Equity Shares to be Underwritten**	**Amount Underwritten (Rs. In million)**
[●]	[●]	[●]
[●]	[●]	[●]
Total	[●]	[●]

The above-mentioned amount is indicative and will be finalised after determination of the Issue Price and finalization of the 'Basis of Allotment'.

In the opinion of our Board (based on a certificate given by the Underwriters), the resources of the Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full.

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

CAPITAL STRUCTURE

The share capital of our Company, as of the date of this DRHP, before and after the Issue, is set forth below:

(Rs. In millions, except share data)

		Aggregate nominal value	Aggregate value at Issue Price
A)	**AUTHORISED SHARE CAPITAL**[(a)]		
	35,000,000 Equity Shares	350,000,000	
B)	**ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL BEFORE THE ISSUE**		
	24,018,927 Equity Shares	240,189,270	
C)	**PRESENT ISSUE IN TERMS OF THIS DRHP**		
	9,696,343 Equity Shares aggregating up to [●] million[(b) & (c)]	[●]	[●]
	Of which:		
	QIB Portion of at least [●] Equity Shares [(d)]	[●]	[●]
	Of which:		
	Anchor Investor Portion is up to [●] Equity Shares[(e)]	[●]	[●]
	Net QIB Portion of up to [●] Equity Shares[(d)]	[●]	[●]
	Of which:		
	Mutual Fund Portion at least [●] Equity Shares*	[●]	[●]
	Other QIBs (including Mutual Funds) is [●] Equity Shares*	[●]	[●]
	Non-Institutional Portion of not less than [●] Equity Shares*	[●]	[●]
	Retail Portion of not less than [●] Equity Shares *	[●]	[●]
D)	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE ISSUE**		
	[●] Equity Shares	[●]	[●]
E)	**SECURITIES PREMIUM ACCOUNT**		
	Before the Issue		917,458,610
	After the Issue**		[●]

**Available for allocation on a proportionate basis, subject to valid Bids being received at or above the Issue Price.*
***Determination post finalization of the Issue Price.*

(a) Given below are the dates and the manner in which the authorized share capital has increased:

i. The initial authorised share capital of our Company of Rs. 100,000,000 comprising of 10,000,000 Equity Shares was increased to Rs. 150,000,000 divided into 15,000,000 Equity Shares pursuant to shareholders' resolution dated June 2, 2008.
ii. The authorised share capital of our Company was increased from Rs. 150,000,000 divided into 15,000,000 Equity Shares to Rs. 160,000,000 divided into 16,000,000 Equity Shares pursuant to the shareholders' resolution dated December 24, 2008.
iii. The authorised share capital of our Company was further increased from Rs. 160,000,000 divided into 16,000,000 Equity Shares to Rs. 200,000,000 divided into 20,000,000 Equity Shares pursuant to a shareholders' resolution dated June 22, 2009.
iv. The authorised share capital of our Company was further increased from Rs. 200,000,000 divided into 20,000,000 Equity Shares to Rs. 300,000,000 divided into 30,000,000 Equity Shares pursuant to a shareholders' resolution dated May 10, 2010.
v. The authorised share capital of our Company was further increased from Rs. 300,000,000 divided into 30,000,000 Equity Shares to Rs. 350,000,000 divided into 35,000,000 Equity Shares pursuant the shareholders' resolution dated December 13, 2010.

(b) Our Company is considering a Pre-IPO Placement. The Pre-IPO Placement will be at the discretion of our Company. Our Company will complete the issuance and allotment of Equity Shares pursuant to the Pre-IPO Placement prior to filing the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is undertaken, the Issue size offered to the public would be reduced to the extent of such Pre-IPO Placement, subject to a minimum Issue size of 25% of the post-Issue paid-up equity share capital being offered to the public.

(c) The Issue has been authorized by resolution of our Board dated February 4, 2011, and by a special resolution passed pursuant to Section 81(1A) of the Companies Act, at the EGM held on February 8, 2011.

(d) Such number of Equity Shares representing 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to QIBs, subject to valid Bids being received from them at or above the Issue Price. In the event that the demand from Mutual Funds 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 Net QIB Portion, after excluding the allocation in the Mutual Fund Portion. However, in the event of under-subscription in the Mutual Fund Portion, the balance Equity Shares in the Mutual Fund Portion will be added to the Net QIB Portion and allocated to QIBs on a proportionate basis, subject to valid Bids at or above Issue Price.

(e) Our Company may, in consultation with the BRLMs, allocate up to 30% of the QIB Portion to Anchor Investors on a discretionary basis at the Anchor Investor Allocation Price, out of which at least one-third will be available for allocation to domestic Mutual Funds only. For further details see section titled "*Issue Procedure*" at page 189. In the event of under-subscription or non-allocation in the Anchor Investor Portion, the balance Equity Shares in the Anchor Investor Portion shall be added to the Net QIB Portion.

Notes to the Capital Structure

1. Share Capital History

(a) History of equity share capital of our Company

The following table sets forth the history of equity share capital of our Company:

Date of allotment*	Number of Equity Shares	Face value (Rs.)	Issue Price (Rs.)	Nature of Consideration	Reasons for allotment	Cumulative number of equity shares	Cumulative equity share capital (Rs.)	Cumulative share premium (Rs.)
July 28, 2006	10,000	10	10	Cash	Initial subscription (1)	10,000	100,000	Nil
April 1, 2007	5, 500, 000	10	10	Cash	Preferential allotment to Mrs. Geeta Bhatia (2)	5,510,000	55,100,000	Nil
March 26, 2008	3,300,000	10	10	Cash	Preferential allotment to Mr. Rajesh Bhatia and Mrs. Geeta Bhatia (3)	8,810,000	88,100,000	Nil
July 7, 2008	690,000	10	10	Cash	Preferential allotment to Mr. Rajesh Bhatia and others (4)	9,500,000	95,000,000	Nil
August 13, 2008	4,750,000	10	63.16	Cash	Preferential allotment to Matrix Partners India Investment Holdings LLC (5)	14,250,000	142,500,000	252,500,000
January 16, 2009	791,667	10	63.16	Cash	Preferential allotment to Matrix Partners India Investment Holdings LLC (6)	15,041,667	150,416,670	294,583,330
July 15, 2009	1,583,333	10	63.16	Cash	Preferential allotment to Matrix Partners India Investment Holdings LLC (7)	16,625,000	166, 250,000	378,750,000
September 25, 2009	791,667	10	63.16	Cash	Preferential allotment to Matrix Partners India Investment Holdings LLC (8)	17,416,667	17,416,670	420,833,330
April 27,	1,583,333	10	63.16	Cash	Preferential	19,000,000	190,000,000	504,999,988

Date of allotment*	Number of Equity Shares	Face value (Rs.)	Issue Price (Rs.)	Nature of Consideration	Reasons for allotment	Cumulative number of equity shares	Cumulative equity share capital (Rs.)	Cumulative share premium (Rs.)
2010					allotment to Mr. Rajesh Bhatia and others [(9)]			
May 13, 2010	3,618,927	10	110.53	Cash	Preferential allotment to Matrix Partners India Investment Holdings, LLC and FC VI India Venture (Mauritius) Limited [(10)]	22,618,927	226,189,270	868,810,719
December 15, 2010	1,400,000	10	71	Cash	Allotment to Treehouse Employees Welfare Trust[(11)]	24,018,927	240,189,270	954,210,719

** The equity shares were fully paid on the date of their allotment.*

(1) Initial allotment of 5,000 Equity Shares each to Mr. Rajesh Bhatia and Mrs. Geeta Bhatia upon subscription to the MoA.

(2) Preferential allotment of 5,500,000 Equity Shares to Mrs. Geeta Bhatia pursuant to Slump sale agreement dated April 1, 2007 entered between our Company and Mrs. Geeta Bhatia.

(3) Preferential allotment of 2,780,000 Equity Shares to Mr. Rajesh Bhatia and 520,000 Equity Shares to Mrs. Geeta Bhatia.

(4) Preferential allotment of (i) 97,500 Equity Shares to Mr. Rajesh Bhatia jointly wih Mrs. Geeta Bhatia; (ii) 150,000 Equity Shares to Mr. Utsav Shrivastava jointly with Mr. Rajesh Bhatia and Mrs. Geeta Bhatia; (iii) 222,100 Equity Shares to Mr. Vishal Shah jointly with Mrs. Jigna Shah; (iv) 15,000 Equity Shares to Mr. Himakiran Koppula jointly with Mr. Rajesh Bhatia and Mrs. Geeta Bhatia; (iv) 50,000 Equity Shares to Mr. T.S. Sarangpani; (v) 40,000 Equity Shares to Mr. Sanjaya Kulkarni; (vi) 10,000 Equity Shares to Mrs. Malika Kulkarni; (vii) 5000 Equity Shares to Mrs. Rekha Paresh Babaria; (viii) 50,000 Equity Shares to Mr. Rajesh Jayantilal Khandhar; (ix) 47,900 Equity Shares to Mr. Girdhari Bhatia jointly with Mrs. Kavita Bhatia; (ix) 2,500 Equity Shares to Mr. Prasad Manohar Parsekar

(5) Preferential allotment of 1,582,568 Series 'A-1' Equity Shares and 3,167,432 Series 'A' Equity Shares to Matrix Partners India Investment Holdings, LLC.

(6) Preferential allotment of 791,667 Series 'A' Equity Shares to Matrix Partners India Investment Holdings, LLC.

(7) Preferential allotment of 1,583,333 Series 'A' Equity Shares to Matrix Partners India Investment Holdings, LLC.

(8) Preferential allotment of 791,667 Series 'A' Equity Shares to Matrix Partners India Investment Holdings, LLC.

(9) Preferential allotment of (i) 20,000 Equity Shares to Mr. Prasad Manohar Parsekar; (ii) 1,008,333 Equity Shares to Mr. Rajesh Bhatia and Mrs. Geeta Bhatia; (iii) 10,000 Equity Shares to Mrs. Mona Desai and Mr. Prabhjot Chandhok; (iv) 15,000 Equity Shares to Mr. Sanjaya Kulkarni; (v) 10,000 Equity Shares to Mrs. Shaila Sanjaya Kulkarni; (vi) 10,000 Equity Shares to Mr. T.L Palanikumar and Mrs. Asha Palanikumar; (vii) 10,000 Equity Shares to Mrs. Manjiri Jairaj Purandare and Mr. Jairaj Manohar Purandare; (viii) 5,000 Equity Shares to Mr. Abhijit Y Gore and Mrs. Shilpa A Gore; (ix) 5,000 Equity Shares to Pramod Bhuchar HUF and Mrs. Neera Bhuchar; (x) 5,000 Equity Shares to Mrs. Neera Bhuchar and Mr. Pramod Bhuchar; (xi) 5,000 Equity Shares to Mr. Himanshu Kesari Patil and Mrs. Sunila Himanshu Patil; (xii) 10,000 Equity Shares to Mr. Rajeev Mahendra Trivedi; (xiii) 10,000 Equity Shares to Mr. Paresh Harshad Pujara; (xiv) 75,000 Equity Shares to Mr. Pankaj Vithaldas Lakhani and Mrs. Rashmi Pankaj Lakhani; (xv) 25,000 Equity Shares to Mrs. Kinner Pankaj Lakhani and Mr. Pankaj Vithaldas Lakhani; (xvi) 100,000 Equity Shares to Mrs. Rashmi Pankaj Lakhani and Mr. Pankaj Vithaldas Lakhani; (xvii) 100,000 Equity Shares to Mr. Rajesh Jayantilal Khandhar; (xviii) 10,000 Equity Shares to Mrs. Urmila Jhavar and Mr. Uttam Jhavar; and (xvix) 150,000 Equity Shares to M/s Bhavik Rajesh Khandhar Share & Stock Brokers Pvt. Ltd.

(10) Preferential allotment of 814,259 Series 'B' Equity Shares to Matrix Partners India Investment Holdings, LLC and 2,804,668 Series 'B' Equity Shares to FC VI India Venture (Mauritius) Limited.

(11) Allotment of 1,400,000 Equity Shares to Treehouse Employees Welfare Trust pursuant to Board resolution dated December 15, 2010.

Note: Pursuant to a shareholders' resolution dated January 16, 2009, 1,582,568 Series A1 Equity Shares held by Matrix Partners India Investment Holdings, LLC were reclassified as 1,582,568 Series A Equity Shares, ranking pari passu with Equity Shares and Series A Equity Shares with respect to voting rights and dividend rights. Subsequently, pursuant to a shareholders' resolution dated December 13, 2010, 7,916,667 Series A Equity Shares held by Matrix Partners India Investment Holdings LLC and 3,618,927 Series B Equity Shares held by Matrix Partners India Investment Holdings LLC and FC VI India Venture (Mauritius) Limited; have been reclassified as 11,535,594 Equity Shares, ranking pari passu with the Equity Shares.

2. History of Build up, Contribution and Lock-in of Promoter

a) Build up of Promoters' shareholding in our Company

Set forth below are the details of the build up of shareholding of our Promoters:

Name of the Promoter	Date of allotment/ transfer *	No. of Equity Shares*	Face value (Rs.)	Issue/ Acquisition Price per Equity Share (Rs.)**	Pre-Issue %	Post-Issue %	Consideration	Nature of Transaction
Mr. Rajesh Bhatia***	July 28, 2006	5,000	10	10	0.02	[●]	Cash	Initial allotment
	March 26, 2008	2,780,000	10	10	11.57	[●]	Cash	Preferential allotment
	July 7, 2008	97,500#	10	10	0.41	[●]	Cash	Preferential allotment
	June 22, 2009	15,000#	10	10	0.06	[●]	Cash	Transfer of shares by Mr. Himakiran Koppula
	April 27, 2010	1,008,333#	10	63.16	4.20	[●]	Cash	Preferential allotment
Total		**3,905,833**			**16.26**	**[●]**		
Mrs. Geeta Bhatia	July 28, 2006	5,000	10	10	0.02	[●]	Cash	Initial allotment
	April 1, 2007	5, 500, 000	10	10	22.90	[●]	Cash	Preferential allotment
	March 26, 2008	520,000	10	10	2.16	[●]	Cash	Preferential allotment
Total		**6,025,000**			**25.08**	**[●]**		

** The Equity Shares were fully paid on the date of their allotment.*
*** The cost of acquisition excludes the stamp duty paid.*
**** 1,120,833 Equity Shares are jointly held by Mr. Rajesh Bhatia and Mrs. Geeta Bhatia and have been added to the shareholding of Mr. Bhatia.*
 # Jointly held with Mrs. Geeta Bhatia.

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

6,743,055 Equity Shares aggregating 20% of the post-Issue capital of our Company held by our Promoters shall be considered as promoters' contribution and locked-in for a period of three years from the date of Allotment ("**Promoters' Contribution**").

Details of Promoters' Contribution are as provided below:

Name of the Promoter	Date of allotment/transfer	Consideration	No. of Equity Shares locked-in	% of post-Issue Capital
Mr. Rajesh Bhatia	March 26, 2008	10	1,743,055	[●]
Mrs. Geeta Bhatia	April 1, 2007	10	5,000,000	[●]

The lock-in of the Promoters' Contribution would be created as per applicable law and procedure and details of the same shall also be provided to the Stock Exchanges before the listing of the Equity Shares.

Our Promoters have pursuant to letters dated February 19, 2011, given consent to include 6,743,055 Equity Shares held by them, in aggregating 20% of the post-Issue Equity Share capital of our Company as Promoters' Contribution and have agreed not to sell, transfer, charge, pledge or otherwise encumber in any manner the Promoters' Contribution from the date of filing this DRHP, until the commencement of the lock-in period specified above, or for such other time as required under SEBI Regulations.

The Promoters' Contribution has been brought in to the extent of not less than the specified minimum lot and from our Promoters, as required under the SEBI Regulations.

The Equity Shares that are being locked-in are not and will not be ineligible for computation of Promoters' Contribution under Regulation 33 of the SEBI Regulations. In this connection, as per Regulation 33 of the SEBI Regulations, our Company confirms that the Equity Shares locked-in do not and shall not consist of:

(i) The Equity Shares acquired during the preceding three years for consideration other than cash and revaluation of assets or capitalisation of intangible assets or bonus shares out of revaluations reserves or unrealised profits or bonus shares which are otherwise ineligible for computation of Promoters' Contribution;

(ii) The Equity Shares acquired during the preceding one year, at a price lower than the price at which the Equity Shares are being offered to the public in the Issue;

(iii) The Equity Shares issued to the Promoters upon conversion of a partnership firm; and

(iv) The Equity Shares held by the Promoters that are subject to any pledge.

The Promoters' Contribution can be pledged only with a scheduled commercial bank or public financial institution as collateral security for loans granted by such banks or financial institutions, in the event the loan has been granted by such banks or financial institutions for the purpose of financing one or more of the objects of this Issue and is one of the terms of the sanction of the loan. The Equity Shares held by the Promoters in excess of the Promoters' Contribution can be pledged only with a scheduled commercial bank or public financial institution as collateral security for loans granted by such banks or financial institutions if the pledge of the Equity Shares is one of the terms of the sanction of the loan. For details regarding the objects of the Issue, see section titled "*Objects of the Issue*" at page 63.

The Equity Shares held by our Promoters may be transferred to and among the Promoter Group or to new promoters or persons in control of our Company, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the Takeover Code, as applicable.

c) Details of shareholding of Promoter Group in our Company

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

Name of the member of our Promoter Group	Date of Acquisition/ Transfer	Nature of Consideration	No. of Equity Shares	Issue/ Acquisition Price (Rs. per Equity Share)	% of Post-Issue paid-up Capital	Nature of Transaction
Mr. Girdhari Bhatia #	July 7, 2008	Cash	47,900	10	[●]	Preferential allotment of Equity Shares
Total			**47,900**			

Jointly held with Mrs. Kavita Bhatia.

Except as otherwise stated in this section titled "*Capital Structure*" at page 48, none of the members of our Promoter Group hold or have held any Equity Shares.

3. **Details of share capital locked-in for one year**

The entire pre-Issue equity share capital of our Company (including those Equity Shares held by our Promoters), shall be locked-in for a period of one year from the date of Allotment, subject to following exceptions:

(i) the Promoters' Contribution which shall be locked-in as above,
(ii) the Equity Shares arising from the Treehouse - ESOP 2010 are exempt from lock-in pursuant to Regulation 37(a) of the SEBI Regulations, and
(iii) 7,916,667 Equity Shares, held by Matrix Partners India Investment Holdings LLC, shall not be subject to lock-in pursuant to Regulation 37(b) of the SEBI Regulations.

The Equity Shares subject to lock-in will be transferable subject to compliance with the SEBI Regulations, as amended from time to time. Any Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion shall be locked-in for a period of 30 days from the date of Allotment.

4. **Our shareholding pattern**

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

Description	Pre Issue						Post Issue*			
Category of Shareholder	**Number of shareholders**	**Total number of Equity Shares**	**Number of shares held in dematerialized form**	**Total shareholding as a % of total number of Equity Shares (A+B)**	**Shares pledge or otherwise encumbered**		**Total number of Equity Shares**	**Total shareholding as a % of total number of Equity Shares**	**Shares pledge or otherwise encumbered**	
					Number of shares	**As a %**			**Number of shares**	**As a %**
Shareholding of Promoters and Promoter Group (A)										
Indian										
Individuals/Hindu Undivided Family	3	9,978,733	0	41.55	Nil	Nil	[●]	[●]	[●]	[●]
Central Government/State Government(s)	Nil	Nil	Nil	Nil	Nil	Nil	[●]	[●]	[●]	[●]
Bodies Corporate	Nil	Nil	Nil	Nil	Nil	Nil	[●]	[●]	[●]	[●]
Financial Institutions/Banks	Nil	Nil	Nil	Nil	Nil	Nil	[●]	[●]	[●]	[●]
Any Other	Nil	Nil	Nil	Nil	Nil	Nil	[●]	[●]	[●]	[●]
Foreign							[●]	[●]	[●]	[●]
Individuals (Non-Resident Individuals/Foreign Individuals)	Nil	Nil	Nil	Nil	Nil	Nil	[●]	[●]	[●]	[●]
Bodies Corporate (OCB)	Nil	Nil	Nil	Nil	Nil	Nil	[●]	[●]	[●]	[●]
Institutions/FII	Nil	Nil	Nil	Nil	Nil	Nil	[●]	[●]	[●]	[●]
Any Other	Nil	Nil	Nil	Nil	Nil	Nil	[●]	[●]	[●]	[●]
Total Shareholding of Promoters and Promoter Group (A)	**3**	**9,978,733**	**0**	**41.55**	**Nil**	**Nil**	[●]	[●]	[●]	[●]
Public shareholding (B)										
Institutions (B1)										
Mutual Funds/ UTI	Nil	Nil	Nil	Nil	Nil	Nil	[●]	[●]	[●]	[●]
Financial Institutions / Banks	Nil	Nil	Nil	Nil	Nil	Nil	[●]	[●]	[●]	[●]
Central Government/State Government(s)	Nil	Nil	Nil	Nil	Nil	Nil	[●]	[●]	[●]	[●]

Foreign Institutional Investors	Nil	Nil	Nil	Nil	Nil	Nil	[●]	[●]	[●]	[●]
Foreign Venture Capital Investor	1	8,730,926	0	36.35	Nil	Nil	[●]	[●]	[●]	[●]
Venture Capital Fund	Nil	Nil	Nil	Nil	Nil	Nil	[●]	[●]	[●]	[●]
Insurance Companies	Nil	Nil	Nil	Nil	Nil	Nil	[●]	[●]	[●]	[●]
Sub-Total (B)(1)	**1**	**8,730,926**	**0**	**36.35**	**0**	**0**	**[●]**	**[●]**	[●]	[●]
Non-institutions (B2)										
Bodies Corporate	1	150,000	0	0.62	Nil	Nil	[●]	[●]	[●]	[●]
Non Resident Indians	Nil	Nil	Nil	Nil	Nil	Nil	[●]	[●]	[●]	[●]
OCBs	Nil	Nil	Nil	Nil	Nil	Nil	[●]	[●]	[●]	[●]
Trust	1	1,400,000	0	5.83	Nil	Nil	[●]	[●]	[●]	[●]
Individuals	22	954,600	0	3.97	Nil	Nil	[●]	[●]	[●]	[●]
Foreign Bodies	1	2,804,668	Nil	11.68	Nil	Nil	[●]	[●]	[●]	[●]
Others	Nil	Nil	Nil	Nil	Nil	Nil	[●]	[●]	[●]	[●]
Sub-Total (B)(2)	**25**	**5,309,268**	**0**	**22.10**	**Nil**	**Nil**	**[●]**	**[●]**	**[●]**	**[●]**
Public (Pursuant to the Issue) (B)(3)	-	-	-	-	-	-	[●]	[●]	[●]	[●]
Total Public Shareholding (B) = (B)(1)+(B)(2)+(B)(3)	**26**	**14,040,194**	**0**	**58.45**	**Nil**	**Nil**	[●]	[●]	[●]	[●]
(C) Shares held by custodians and against which Depository receipts have been issued	Nil	Nil	Nil	Nil	Nil	Nil	[●]	[●]	[●]	[●]
Promoter and Promoter Group	Nil	Nil	Nil	Nil	Nil	Nil	[●]	[●]	[●]	[●]
Public	Nil	Nil	Nil	Nil	Nil	Nil	[●]	[●]	[●]	[●]
GRAND TOTAL (A)+(B)+(C)	**29**	**24,018,927**	**0**	**100**	**Nil**	**Nil**	**[●]**	[●]	[●]	[●]

**Based on the assumption that such shareholders shall continue to hold the same number of Equity Shares after this Issue. This does not include any Equity Shares that such shareholders may Bid for and be Allotted. Our Promoters and Promoter Group will not participate in this Issue.*

Certain shareholders of our Company have executed power of attorneys in favor of our Promoters, aggregating to 3.97% of the pre-Issue share capital of our Company. However, pursuant to letters dated February 14, 2011 issued by our Promoters, these power of attorneys shall stand terminated upon filing of the Prospectus with the RoC.

Our Company will file the shareholding pattern of our Company, in the form prescribed under clause 35 of the Listing Agreement, one day prior to the listing of Equity Shares. The shareholding pattern will be uploaded on the website of Stock Exchanges before commencement of trading of such Equity Shares.

5. **Shareholding of our Directors and Key Managerial Personnel**

Except as set forth below, none of our Directors or Key Managerial Personnel hold any Equity Shares:

S. No.	Name of shareholder	Number of Equity Shares held	Pre Issue %	Post Issue %*
1.	Mr. Rajesh Bhatia**	3,905,833	16.26	[●]
2.	Mr. Sanjaya Kulkarni	55,000	0.23	[●]
3	Mrs. Geeta Bhatia**	6,025,000	25.08	[●]
4.	Mr. T.S. Sarangpani	50,000	0.21	[●]
5.	Mr. Vishal Shah***	222,100	0.92	[●]
6.	Mr. Utsav Shrivastava****	150,000	0.62	[●]
Total		**10,407,933**	**43.32**	

**Assuming that the Directors/ Key Managerial Personnel do not Bid in this Issue.*
***1,120,833 Equity Shares are jointly held by Mr. Rajesh Bhatia and Mrs. Geeta Bhatia and have been added to the shareholding of Mr. Rajesh Bhatia.*
**** Held jointly with Mrs. Jigna Shah.*
*****Held jointly with Mr. Rajesh Bhatia and Mrs. Geeta Bhatia.*

6. **Top ten shareholders**

As on the date of this DRHP, our Company has 29 holders of Equity Shares.

(a) Our top ten Shareholders and the number of Equity Shares held by them, as on the date of this DRHP:

S. No.	Shareholder	No. of Equity Shares	Pre Issue %
1.	Matrix Partners India Investment Holdings, LLC	8,730,926	36.35
2.	Mrs. Geeta Bhatia*	6,025,000	25.08
3.	Mr. Rajesh Bhatia*	3,905,833	16.26
4.	FC VI India Venture (Mauritius) Limited	2,804,668	11.68
5.	Tree House Employees Welfare Trust	1,400,000	5.83
6.	Mr. Vishal Shah**	222,100	0.92
7.	Mr. Utsav Shrivastava***	150,000	0.62
8.	Mr. Rajesh Jayantilal Khandhar	150,000	0.62
9.	M/s Bhavik Rajesh Khandhar Shares and Stock Brokers Private Limited	150,000	0.62
10.	Ms. Rashmi Lakhani****	100,000	0.42
	Total	**23,638,527**	**98.40**

**1,120,833 Equity Shares are jointly held by Mr. Rajesh Bhatia and Mrs. Geeta Bhatia and have been added to the shareholding of Mr. Bhatia.*
*** Held jointly with Mrs. Jigna Shah.*
****Held jointly with Mr. Rajesh Bhatia and Mrs. Geeta Bhatia.*
***** Held jointly with Mr. Pankaj Lakhani.*

(b) Our top ten Shareholders and the number of Equity Shares held by them ten days prior to filing of this DRHP:

S. No.	Shareholder	No. of Equity Shares	Pre Issue %
1.	Matrix Partners India Investment Holdings, LLC	8,730,926	36.35
2.	Mrs. Geeta Bhatia*	6,025,000	25.08
3.	Mr. Rajesh Bhatia*	3,905,833	16.26
4.	FC VI India Venture (Mauritius) Limited	2,804,668	11.68
5.	Tree House Employees Welfare Trust	1,400,000	5.83
6.	Mr. Vishal Shah**	222,100	0.92
7.	Mr. Utsav Shrivastava***	150,000	0.62
8.	Mr. Rajesh Jayantilal Khandhar	150,000	0.62
9.	M/s Bhavik Rajesh Khandhar Shares and Stock Brokers Private Limited	150,000	0.62
10.	Ms. Rashmi Lakhani****	100,000	0.42
	Total	**23,638,527**	**98.40**

**1,120,833 Equity Shares are jointly held by Mr. Rajesh Bhatia and Mrs. Geeta Bhatia and have been added to the shareholding of Mr. Bhatia.*
*** Held jointly with Mrs. Jigna Shah.*

****Held jointly with Mr. Rajesh Bhatia and Mrs. Geeta Bhatia.*
***** Held jointly with Mr. Pankaj Lakhani.*

(c) Our top ten Shareholders two years prior to filing of this DRHP:

S. No.	Shareholder	No. of Equity Shares Held	Pre Issue %
1.	Mrs. Geeta Bhatia	6,025,000	40.06
2.	Matrix Partners India Investment Holding LLC	5,541,667	36.84
3.	Mr. Rajesh Bhatia	2,897,500	19.26
4.	Mr. Vishal Shah*	222,100	1.48
5.	Mr. Utsav Shrivastava**	150,000	1.00
6.	Mr. T.S. Sarangpani	50,000	0.33
7.	Mr. Rajesh Jayantilal Khandhar	50,000	0.33
8.	Mr. Girdhari Bhatia***	47,900	0.32
9.	Mr. Sanjaya Kulkarni	40,000	0.27
10.	Mrs. Mallika Kulkarni	10,000	0.07
	Total	**15,034,167**	**99.96**

**Held jointly with Mrs. Jigna Shah.*
***Held jointly with Mr. Rajesh Bhatia and Mrs. Geeta Bhatia.*
****Held jointly with Mrs. Kavita Bhatia.*

7. **Employee Stock Option Plan**

Our Company has instituted the Treehouse Education Employees' Stock Option Plan 2010 ("**Treehouse - ESOP 2010**"), which was approved by our Board pursuant to a resolution dated September 28, 2010 and subsequently adopted by the shareholders of our Company at the AGM held on September 30, 2010. Under Treehouse - ESOP 2010, not more than 1,400,000 options or underlying shares may be issued to permanent employees of our Company including the directors of our Company. Further, the grants under the Treehouse - ESOP 2010 to an employee shall not be less than 50 options or underlying shares and shall not exceed 7.5% of paid-up capital of our Company in any year. Treehouse - ESOP 2010 will be administered through the Treehouse Employees Welfare Trust under the directions and the discretion of the Compensation Committee.

The Compensation Committee has granted a total of 1,400,000 options convertible in 1,400,000 Equity Shares which represents 5.83% of the pre-Issue paid up share capital of our Company and [●] % of the fully diluted post-Issue paid up share capital of our Company. The following table sets forth the particulars of the options granted under the Treehouse - ESOP 2010 as of the date of filing the DRHP:

Particulars	Details
Options granted	1,400,000
Date of grant	January 4, 2011
Total number of equity shares arising as a result of full exercise of options already granted	1,400,000
Pricing Formula	Fair market value on the date of the grant
Exercise price of options	Rs. 71
Total options vested (including options exercised)	Nil
Options exercised	Nil

<table>
<tr><th>Particulars</th><th>Details</th></tr>
<tr><td>Options forfeited/ lapsed/ cancelled</td><td>Nil</td></tr>
<tr><td>Variations in terms of options</td><td>Nil</td></tr>
<tr><td>Money realised by exercise of options (in Rs.)</td><td>Nil</td></tr>
<tr><td>Options outstanding (in force)</td><td>1,400,000</td></tr>
<tr><td colspan="2">Person wise details of options granted to</td></tr>
<tr><td>i) Directors and Senior managerial personnel/Key Managerial Employees[(1)]</td><td>
<table>
<tr><th></th><th>Name of employee</th><th>No. of outstanding options</th></tr>
<tr><td>1.</td><td>Mr. Vishal Shah</td><td>1,300,000</td></tr>
<tr><td>2.</td><td>Mr. Utsav Shrivastava</td><td>50,000</td></tr>
<tr><td>3.</td><td>Mr. Ravi Warriar</td><td>25,000</td></tr>
<tr><td>4.</td><td>Ms. Ketki Hemani</td><td>2,500</td></tr>
<tr><td>5.</td><td>Ms. Deepali Hanchate</td><td>500</td></tr>
</table>
</td></tr>
<tr><td>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</td><td>
<table>
<tr><th>Name of employee</th><th>Total no. of options granted</th><th>% of options granted</th></tr>
<tr><td>Mr. Vishal Shah</td><td>1,300,000</td><td>92.86</td></tr>
</table>
</td></tr>
<tr><td>iii) Identified employees who are granted options, during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant</td><td>
<table>
<tr><th>Name of employee</th><th>No. of options granted</th><th>% of issued Equity Share capital</th></tr>
<tr><td>Mr. Vishal Shah</td><td>1,300,000</td><td>5.41</td></tr>
</table>
</td></tr>
<tr><td>Impact on fully diluted EPS on a pre-issue basis</td><td>Nil</td></tr>
<tr><td>Difference between employee compensation cost using the intrinsic value method and the employee</td><td>N.A.</td></tr>
</table>

Particulars	Details
compensation cost that shall have been recognised if the Company has used fair value of options and impact of this difference on profits and EPS of the Company, as of December 31, 2010	
Weighted average exercise price either equals or exceeds or is less than the market value of the shares.	**N.A.**
Weighted average fair values of options whose exercise price equals or is less than the market value of the stock.	**N.A.**
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	The fair value of the options has been calculated using the Black Scholes Options Pricing Model and the significant assumptions used for the grants are as follows:

S. No.	Parameter	Input
1.	Exercise price	Rs. 71
2.	Fair market value of share (on grant date)	Rs. 71
3.	Expected option life	2.1 years (weighted average option life)
4.	Expected volatility of share price	Nil (for unlisted company in accordance with the Guidance Note of the ICAI)
5.	Expected dividend yield	1% per annum
6.	Risk free interest rate	7.50% per annum

Particulars	Details
Vesting schedule	

S. No.	Vesting Date	Maximum % of options that shall vest

<table>
<tr><th>Particulars</th><th>Details</th></tr>
<tr><td></td><td>

1.	12 months from the date of grant	25
2.	24 months from the date of grant	25
3.	36 months from the date of grant	25
4.	48 months from the date of grant	25
	Total	100

For options granted to Mr. Vishal Shah

S. No.	Vesting Date	Maximum % of options that shall vest
1.	12 months from the date of grant	100
	Total	**100**

</td></tr>
<tr><td>Lock-in</td><td>N.A.</td></tr>
<tr><td>Impact on profits and EPS of the last three years if the Company had followed the accounting policies specified in Clause 13 of the ESOP Guidelines in respect of options granted in the last three years.</td><td>Nil</td></tr>
<tr><td>Intention of the holders of equity shares allotted on exercise of options, to sell their equity shares within three months after the date of listing of equity shares pursuant to the Issue.</td><td>N.A.</td></tr>
<tr><td>Intention to sell equity shares arising out of the Treehouse ESOP-2010 within three months after the date of listing of equity shares by directors, senior managerial personnel and employees having equity shares issued</td><td>N.A.</td></tr>
</table>

Particulars	Details
under Treehouse ESOP-2010 amounting to more than 1% of the issued capital (excluding outstanding warrants and conversions)	

[(1)] Other than set out in this section titled 'Capital Structure', there are no outstanding warrants, options or rights to convert debentures, loans or other instruments into our Equity Shares except the options granted under the Treehouse ESOP-2010.

8. Our Company, our Directors and the BRLMs have not entered into any buy-back and/or standby and/or any other similar arrangements for the purchase of Equity Shares being offered through this Issue.

9. Except as disclosed under section titled "*Capital Structure - History of equity share capital of our Company*" at page 49, our Company has not issued any Equity Shares at a price less than the Issue Price in the last one year preceding the date of filing of this DRHP.

10. The BRLMs do not hold any Equity Shares as on the date of filing of this DRHP. The BRLMs and their respective affiliates may engage in the transactions with and perform services for our Company in the ordinary course of business or may in the future engage, in commercial banking and investment banking transactions with our Company, for which they may in future receive, customary compensation.

11. No person connected with the Issue, including, but not limited to, the BRLMs, the members of the Syndicate, the Company, the Directors, the Promoters, the Promoter Group and the Group Companies, shall offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any Bidder for making a Bid.

12. Our Company has not issued any Equity Shares out of its revaluation reserves, if any.

13. Our Company has not raised any bridge loan against the Issue Proceeds.

14. The Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of filing this DRHP.

15. Our Company has not made any public issue or rights issue of any kind or class of securities since its incorporation.

16. Other than 1,400,000 options granted under the Treehouse - ESOP 2010 convertible into 1,400,000 Equity Shares issued to employees, there are no outstanding warrants, options or other instruments convertible into the Equity Shares.

17. Except for the Pre-IPO Placement and the Issue, 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 filing of the DRHP with SEBI until the Equity Shares have been listed on the Stock Exchanges.

18. Further, except for the Pre-IPO Placement and the Issue, our Company has agreed with the BRLMs not to alter its capital structure by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares or issuance of Equity Shares till the end of six months from the date of opening of the Issue. In addition, our Company will not, without the prior written consent of the BRLMs, (i) issue, offer, lend, pledge, encumber, sell, contract to sell or issue, sell any option or contract to purchase,

purchase any option contract to sell or issue, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any Equity Shares or any securities convertible into or exercisable or exchangeable for Equity Shares; (ii) enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of ownership of Equity Shares of the Company or any securities convertible into or exercisable as or exchangeable for the Equity Shares; or (iii) publicly announce any intention to enter into any transaction described in (i) or (ii) above; whether any such transaction described in (i) or (ii) above is to be settled by delivery of Equity Shares or such other securities, in cash or otherwise or (iv) indulge in any publicity activities prohibited under the SEBI Regulations or any other jurisdiction in which the Equity Shares are being offered, during the period in which it is prohibited under each such laws, for a period ending 180 days after the date of the Prospectus.

19. There are certain material covenants in the loan agreements entered into by our Company with certain lenders. For details, see section titled "*Financial Indebtedness*" at page 153. Further to the sanction letters, the following lenders have consented to this Issue: Union Bank of India dated January 18, 2011 and Indian Bank dated February 3, 2011.

20. Except as disclosed under section titled "*Capital Structure*" at page 49, none of Promoters and/or the members of our Promoter Group have purchased or sold any securities of our Company, during a period of six months preceding the date of filing this DRHP with SEBI. Further, none of our Directors or their immediate relatives have purchased or sold any securities of our Company, during a period of six months preceding the date of filing this DRHP with SEBI.

21. During the period of six months immediately preceding the date of filing of this DRHP, no financing arrangements existed whereby our Promoters, our Promoter Group, our Directors and their relatives may have financed the purchase of Equity Shares by any other person.

22. Our Promoters, Promoter Group and Group Companies will not participate in this Issue.

23. Any oversubscription to the extent of 10% of the Issue can be retained for the purpose of rounding off and making allotments in minimum lots, while finalising the 'Basis of Allotment'. Consequently, the Allotment may increase by a maximum of 10% of the Issue, as a result of which the post-Issue paid-up capital would also increase by the excess amount of Allotment so made. In such an event, the Equity Shares to be locked-in towards the Promoters' Contribution shall be suitably increased, so as to ensure that 20% of the post-Issue paid-up capital is locked-in.

24. This Issue is being made for at least 25% of the post-Issue capital pursuant to Rule 19(2)(b)(i) of SCRR read with Regulation 41(1) of the SEBI Regulations. Our Company is eligible for the Issue in accordance with Regulation 26(2) of the SEBI Regulations. Further, this 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. Our Company may, in consultation with the BRLMs, allocate up to 30% of the QIB Portion to Anchor Investors at the Anchor Investor Allocation Price, on a discretionary basis, out of which at least one-third will be available for allocation to domestic Mutual Funds only. In the event of under-subscription or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Such number of Equity Shares representing 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder 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 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.

25. A Bidder cannot make a Bid for more than the number of Equity Shares offered through this Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of Bidder. For further details see section titled "*Issue Procedure*" at page 189.

26. Subject to valid Bids being received at or above the Issue Price, under-subscription in any category except

for QIB Portion would be met with spill-over from any other category, at the sole discretion of our Company, in consultation with BRLMs. Such inter-se spill-over, if any, would be effected in accordance with applicable laws, rules, regulations and guidelines.

27. The Equity Shares issued pursuant to this Issue shall be fully paid-up at the time of Allotment, failing which no Allotment shall be made.

28. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law.

29. Our Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.

OBJECTS OF THE ISSUE

Our Company intends to utilize the proceeds of the Issue, after deducting Issue expenses for the following objects:

(a) expansion of our pre-school business;

(b) acquisition of office space;

(c) procurement of exclusivity rights to provide educational services;

(d) construction of infrastructure for educational complexes in Rajasthan and Gujarat;

(e) repayment of loan; and

(f) general corporate purposes.

Further, we believe that listing will enhance our brand name and create a public market for our Equity Shares.

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

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

(in Rs. million)

Particulars	Amount*
Gross proceeds of the Issue	[●][#]
Issue related expenses	[●]
Net Proceeds (Gross proceeds of the Issue less Issue related expenses)	[●]

**To be incorporated at the time of filing of the Prospectus*

[#] *Includes, the proceeds if any, received pursuant to the Pre-IPO Placement*

The details of the utilization of Net Proceeds will be as per the table set forth below:

(in Rs. million)

S. No.	Expenditure Items	Total Estimated Cost	Amount deployed as of February 17, 2011*	Amount to be financed from Net Proceeds	Estimated schedule of deployment of Net Proceeds for Fiscal			
					February 21 to March 31, 2011	2012	2013	2014
1.	Expansion of pre-school business	420.00	7.10	412.90	74.32	206.45	82.58	49.55
2.	Acquisition of office space	135.00	24.60	110.40	15.00	95.40	-	-
3.	Procurement of exclusivity rights to provide educational services	270.00	113.98	156.02	35.50	120.52	-	-
4.	Construction of infrastructure for an educational complex in Rajasthan and Gujarat	402.70	2.20	400.50	-	242.50	126.40	31.60
5.	Repayment of loans	285.87	-	285.87	-	285.87	-	-
6.	General corporate purposes	N.A.	N.A.	[●]	[●]	[●]	[●]	[●]
	Total			[●]				

**As per the certificate from M/s B. D. Modi & Co., Chartered Accountants dated February 18, 2011.*

Other than the valuation reports dated December 17, 2010 and December 16, 2010 provided by Yardi Prabhu Consultants & Valuers Private Limited ("**YPCVPL**") and Muzoomdar Associates Private Limited ("**MAPL**") respectively, in relation to, acquisition of Registered and Corporate Office space, on which we have relied, the fund requirements and deployment thereof are based on the estimates of our management and have not been appraised by any bank, financial institution or other independent third party. These are based on current circumstances of our business and are subject to change in light of changes in external circumstances or costs, or in our financial condition, business or strategy, as discussed further below. Our management, in response to the competitive and dynamic nature of the industry, will have the discretion to revise its business plan from time to time and consequently our funding requirements and deployment of funds may also change. This may also include rescheduling the proposed utilization of the Net Proceeds and increasing or decreasing expenditure for a particular object vis-à-vis the utilization of Net Proceeds. Refer to section titled "Risk Factors – *The funding requirements of our Company and the deployment of Net Proceeds are based on management estimates and have not been independently appraised by any bank or financial institution and may be revised from time to time*" at page xx.

In case of variations in the actual utilization of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in this Issue, subject to applicable law. If surplus funds are unavailable or in case of cost overruns, the required financing will be through our internal accruals, additional debt or equity arrangements as required. The entire requirement of funds as set out above will be met through the Net Proceeds. In the event that estimated utilization out of the Net Proceeds in a Fiscal is not completely met, the same shall be utilized in the next Fiscal.

Our Company may incur expenditure towards any of the objects of the Issue which, pending receipt of the Net Proceeds, would be financed by way of its internal accruals or from financing facilities availed from the banks. Such expenditure, if incurred, would be recouped from the Net Proceeds of the Issue.

Details of the objects

I. Expansion of pre-school business

We intend to expand our pre-school business by launching 120 new pre-schools in various parts of India by Fiscal 2014. Accordingly, we propose to deploy Rs. 412.90 million from the Net Proceeds for establishing 120 pre-schools in various cities by Fiscal 2014 ("**Project Pre-schools"**). All the Project Pre-schools will be operated by our Company and the premises for the pre-schools will be taken on lease or leave and license basis. The size of our Project Pre-schools will vary between 1,000 and 4,000 square feet. The list of cities where our Project Pre-schools shall be launched and the year of roll out is as set out below:

Cities and areas	No. of Project Pre-schools	Estimated area (in square feet)	Expected period for launch
National Capital Region	25	50,000	Fiscal 2012 – 2014
Kolkata	25	50,000	Fiscal 2012 – 2014
Mumbai	20	40,000	Fiscal 2012 – 2014
Pune	10	20,000	Fiscal 2012 – 2014
Hyderabad	10	20,000	Fiscal 2012 – 2014
Bangalore	10	20,000	Fiscal 2012 – 2014
Jaipur	05	10,000	Fiscal 2012 – 2014
Patna	05	10,000	Fiscal 2012 – 2014
Chandigarh	05	10,000	Fiscal 2012 – 2014
Kochi	05	10,000	Fiscal 2012 – 2014

We have entered into letters of intent to obtain properties on leave and license basis for 16 Project Pre-schools, details of which are as below:

S. No.	City	Area/Location	Area (in square feet)	Term of license deed

S. No.	City	Area/Location	Area (in square feet)	Term of license deed
1.	Pune	Acacia Garden IV, Plot No. 2, Magarpatta City, Pune	2,400	5 years
2.	Mumbai	Mohameddin House, 1st Floor Gala No. 2, behind Shaffi Mansion, L.J. Road, Mahim (W), Mumbai	450*	5 years
3.	Kolkata	Northern Wing, Ground Floor, 43/3 Hazra Road, Kolkata	2,000	2 year 3 months
4.	Kolkata	17/A, Jadavpur Central Road, Kolkata	1,650	5 years
5.	Mumbai	Shop No. 21, 22 and 23 Rajhans Complex, 2nd Road, Sriprastha, Nallasopara (West)	803	5 years
6.	Mumbai	Commercial Premises Nos. 2/3/4/5/6/7/8/9/10, 1st Floor, Mahavir Krupa, Nallasopara (East), Thane	3,000	5 years
7.	Kolkata	Ground Floor, AD 84, Sector I, Salt Lake, Kolkata	1,700	3 years 3 months
8.	Kolkata	36+37/3, B.G. Road, Shibpur, Ground Floor, Howrah, Kolkata	1,700**	4 years 11 months
9.	Kolkata	J.L. No. 2, R.S. No. 140, Touzi No. 2998, Jogardanga, Mouza Gopalpur, Rajarhat, North- 24 Parganas, Kolkata	3000**	5 years
10.	Kolkata	Ground Floor, BG-13, Sector II, Salt Lake City, Kolkata	1,850	3 years 3 months
11.	Kolkata	Ground Floor, 162/A/57, Lake Gardens, Police Station- Lake, Kolkata	1,350	5 years
12.	Hyderabad	Road No. 37, Vivekanandanagar Colony, Kukatpally, Hyderabad	1200	11 months
13.	Mumbai	Swastik Residency, Row House No.3, Ghodbunder Road, Thane (West)	1403***	5 years
14.	Kolkata	53/1/14, Bon Bihari Bose Road, Howrah	3,000	4 year 11 months
15.	Kolkata	537, Rabindra Sarani	1480**	5 years
16.	Kolkata	8/1A Hazra Road	1500**	5 years
		Total	**25,636**	

** reflects additional area obtained in an existing pre-school*
*** reflects the built-up area*
****reflects the carpet area*

Estimated cost of establishment and deployment of funds

The break-down of estimated cost for establishment of a Project Pre-school of an average size of 2,000 square feet is given below:

(in Rs. million)

S. No.	Particulars	*Estimated costs
1.	Civil work	0.45
2.	Electrical installations	0.15
3.	Painting and polishing	0.30
4.	Rental deposit	0.40
5.	Furniture and fixtures	2.00
6.	Air conditioners	0.06
7.	Computer and security systems	0.06
8.	Professional fees	0.07
	Total	**3.50**

**as per quotation given by Jindel & Associates, Architects dated December 15, 2010.*

Methodology for computation of estimated cost of establishment of the Project Pre-schools

The estimated cost for establishment of the Project Pre-schools primarily comprises of expenditures on interior designing, purchase of furniture, toys, and teaching-aids. Since these items are standard in nature, the estimated costs remain largely the same for similar sized pre-schools, irrespective of their location. Since the Project Pre-schools would vary in area from 1,000 square feet to 4,000 square feet, for estimating the average cost of establishment of a Project Pre-school has been estimated on the basis of an area of 2,000 square feet.

II. Acquisition of office space

We have currently leased property for our Registered and Corporate Office from our Promoters, Mr. Rajesh Bhatia and Mrs. Geeta Bhatia, and propose to acquire it by utilising Rs. 110.40 million from the Net Proceeds. Accordingly, we have entered into an agreement to purchase dated December 28, 2010 with Mr. Rajesh Bhatia and Mrs. Geeta Bhatia, under which we are required to pay a consideration of Rs. 135.00 million for purchasing this property.

For the purposes of determining the consideration for acquisition of the Registered and Corporate Office space, we have appointed two valuers namely, YPCVPL and MAPL. YPCVPL and MAPL have through their reports dated December 17, 2010 and December 16, 2010, respectively, valued the Registered and Corporate Office property at Rs. 124.01 million and Rs. 141.96 million, respectively. Based on the valuation reports, we have agreed to purchase the Registered and Corporate Office space at Rs. 135.00 million.

Our Promoters have through two agreements for sale dated December 31, 2005 and September 5, 2006 agreed to purchase the Registered and Corporate Office property from Orchid Hotels Private Limited ("**Developer**"). In terms of these agreements, the Developer agreed to transfer all rights, title and interest in land together with the building to a cooperative society to be formed by the various purchasers of the building (including our Promoters). The execution of such conveyance is currently pending. However, the Developer has by letter dated February 15, 2011 further confirmed that, (i) our Promoters are in lawful possession of the Registered and Corporate Office; (ii) our Promoters have paid the entire consideration arising from the agreements for sale, and there are no outstanding dues against our Promoters; and (iii) rights of our Promoters arising from the agreements for sale are transferable in nature.

III. Procurement of exclusivity rights to provide educational services

As part of our business expansion plans, we intend to provide educational services to seven additional K-12 schools in India by Fiscal 2013. We propose to deploy Rs. 156.02 million out of the Net Proceeds in procuring educational service contracts on exclusive basis for three such K-12 schools ("**Project Schools**") for a period of 30 years.

For our Project Schools, we have entered into supplemental agreements ("**Supplemental Agreements**") with certain K-12 school operators for grant of exclusivity rights as below:

(in Rs. million)

Name of the trust	**Location of Project School**	**Date of the Supplemental Agreement***	**For grant of exclusivity rights**		**Amount to be utilised from February 21, 2011 to March 31, 2011**	**Amount to be utilised in Fiscal 2012**
			Amount deployed as of February 17, 2011	**Amount to be paid**		
Bhartiya Vidhya Mandir Samiti	Jhunjhunu	September 29, 2010	5.98	94.02	20.00	74.02
Vidya Bharti Sansthan	Jaipur	June 10, 2010	108.00	12.00	3.00	9.00
Mira Education Trust	Vadodara	January 1, 2011	NIL	50.00	12.50	37.50
		Total	**113.98**	**156.02**	**35.50**	**120.52**

**The Supplemental Agreements are valid for a period of 30 years from the date of such Supplemental Agreement.*

As per the Supplemental Agreements, our Company will provide educational services in accordance with the terms and conditions laid down in the service agreement. For further details of service agreement, see section titled "*Our Business*" and "*History and Certain Corporate Matters*" at pages 100 and 112.

IV. Construction of infrastructure for two educational complexes, each in Rajasthan and Gujarat

We intend to set-up educational complexes having seating capacity of 3,000 students and 1,200 students in Rajasthan and Gujarat, respectively. These educational complexes will consist of classrooms and also facilities such as accommodation for students, library, computer laboratory, science laboratory, guest house for visiting faculty, primary health centre, auditorium, canteen, cafeteria, indoor and outdoor recreation, staff quarters, provision for utilities like departmental store, bank facilities etc. We estimate the total cost for setting up of these educational complexes will be approximately Rs. 402.70 million out of which we intend to fund Rs. 400.50 million from the Net Proceeds.

Over the land proposed to be acquired in Rajasthan and Gujarat, we estimate to develop education complexes with a total developable area of 200,000 square feet and 52,000 square feet, respectively.

Educational complex in Rajasthan

We have identified the proposed site for the construction of the complex in Rajasthan and have entered into an agreement to sell with the land owner. Details of the proposed property and the agreement are as under:

(in Rs. million)

Date of agreement to sell	City Area/Location	Area (in square feet)	Description of property	Total cost	Amount deployed as of February 17, 2011	Amount to be paid in Fiscal 2011
February 17, 2011	Jhunjhunu, Rajasthan	143,644	Village Desusar	12.50	1.10	11.40

The details of the break-down of the cost for the development of the educational complex at Rajasthan are given below:

(in Rs. million)

S. No.	Particulars	Total cost*	Amount deployed as of February 17, 2011
1.	Land development	20.00	NIL
2.	Civil works	200.00	NIL
3.	Furniture & fixtures	15.00	NIL
4.	Miscellaneous expenses & others	0.70	NIL
5.	Equipment	1.80	NIL
6.	**Total**	**237.50**	NIL

**as per quotation given by Dalvi Associates, Architects dated January 22, 2011.*

Educational complex in Gujarat

We have identified the proposed site for the construction of the complex in Gujarat, and have entered into an memorandum of understanding with the land owner. Details of the proposed property and the memorandum of understanding are as under:

(in Rs. million)

Date of memorandum of understanding	City Area/Location	Area (in square feet)	Description of property	Total cost	Amount deployed as of February 17, 2011	Amount to be paid in Fiscal 2011
January 2, 2011	Vadodara, Gujarat	53,000	Village Atladra	74.20	1.10	73.10

The details of the break-down of the cost for the development of the educational complex at Vadodara, Gujarat are given below:

(in Rs. million)

S. No.	Particulars	Total cost*	Amount deployed as of February 17, 2011
1.	Land development	5.00	NIL
2.	Civil works	62.40	NIL
3.	Furniture & fixtures	10.00	NIL
4.	Miscellaneous expenses & others	0.50	NIL

S. No.	Particulars	Total cost*	Amount deployed as of February 17, 2011
5.	Equipment	0.60	NIL
6.	**Total**	**78.50**	NIL

**as per quotation given by Dalvi Associates, Architects dated January 22, 2011.*

(1) Land development

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

(2) Civil works

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

(3) Furniture and fixtures

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

(4) Miscellaneous expenses

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

(5) Equipment

We are required to make investments in equipment like generator, panel boards, computer automation, projectors and promethean boards, due to the nature of the integrated campus we intend to develop. We propose to purchase all the equipment from different suppliers.

We do not propose to purchase any used or second hand equipment. Our Promoters, Directors and Key Managerial Personnel do not have any interest in the proposed acquisition of the equipment or in suppliers from whom the quotations have been received or equipment will be purchased.

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

V. Repayment of loan availed by our Company

Our Company has availed debt facilities from certain banks and financial institutions. As of February 16, 2011 the principal loan amount outstanding against our Company aggregated Rs. 285.87 million. Our Company intends to utilise an amount of Rs. 285.87 million out of the Net proceeds to repay entire outstanding loan amount availed by us from Indian Bank during Fiscal 2012.

Details of the loans proposed to be repaid out of the Net Proceeds are provided in the table below:

(in Rs. million)

Name of the lender	Date of loan agreement	Nature of loan facility*	Sanctioned amount*	Outstanding loan amount as of February 17, 2011*
Indian Bank	Sanction letter dated November 30, 2010 against term deposit	Overdraft against fixed deposit	243	241.49

Indian Bank	Sanction letter dated December 29, 2010	Overdraft secured	50	44.38
		Total	293	285.87

**As per certificate from M/s B. D. Modi, Chartered Accountants dated February 18, 2011.*

The loan agreements mentioned above do not contain any pre payment penalty.

For further details in relation to the terms and conditions under the loan agreements, see section titled "*Financial Indebtedness*" at page 153.

VI. General corporate purposes

The Net Proceeds will be first utilised towards the aforesaid objects of the Issue and the balance is proposed to be utilized for general corporate purposes, including but not limited to brand building exercises and strengthening of our marketing capabilities, meeting working capital requirements and various inorganic opportunities and any form of exigencies faced by our Company subject to compliance with the necessary provisions of the Companies Act.

Our management, in response to the competitive and dynamic nature of the industry, will have the discretion to revise its business plan from time to time, and consequently, our funding requirement and deployment of funds may also change. This may also include rescheduling the proposed utilisation of Net Proceeds and increasing or decreasing expenditure for a particular object vis-à-vis the utilisation of Net Proceeds. In case of a shortfall in the Net Proceeds, our management may also explore a range of options including utilising our internal accruals or seeking debt from future lenders. Our management expects that such alternate arrangements would be available to fund any such shortfall.

In accordance with the policies of our Board, our management will have flexibility in utilizing the proceeds earmarked for general corporate purposes.

Means of Finance

We propose to meet our expenditure towards the objects of the Issue entirely out of the proceeds of the Issue and hence, no amount is proposed to be raised through any other means of finance. Accordingly, in terms of Clause VII C of Part A of Schedule VIII of the SEBI Regulations (which requires firm arrangements of finance through verifiable means for 75% of the stated means of finance, excluding the amount to be raised through the proposed issue) does not apply. In case of a shortfall in the Net Proceeds, we may explore a range of options including utilizing our internal accruals, and/or seeking additional debt from existing and or other lenders.

Expenses of the Issue

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

(in Rs. million)

Activity	Expense*	As a % of Total Issue Expenses*	As a % of Issue*
Fees to the lead managers	[●]	[●]	[●]
Fees to the bankers to Issue	[●]	[●]	[●]
Underwriting, brokerage and selling commission			
Advertising, marketing, printing, stationery, distribution and postage expenses	[●]	[●]	[●]
Fees to advisors	[●]	[●]	[●]
Registrar to the Issue's fees	[●]	[●]	[●]
Other expenses (grading agency, etc.)	[●]	[●]	[●]
Total estimated Issue expenses	[●]	[●]	[●]

**To be incorporated at the time of filing of the Prospectus.*

Interim use of funds

We, in accordance with the policies established by the Board, will have flexibility in deploying the Net Proceeds. The particular composition, timing and schedule of deployment of the Net Proceeds will be determined by us based upon the development of the projects. Pending utilization for the purposes described above, we intend to temporarily invest the funds from the Issue in interest bearing liquid instruments including deposits with banks and investments in mutual funds and other financial products, such as principal protected funds, derivative linked debt instruments, other fixed and variable return instruments, listed debt instruments and rated debentures.

Bridge Loan

We have not raised any bridge loans which are required to be repaid from the Net Proceeds.

Monitoring Utilization of Funds

As the size of the Issue will not exceed Rs. 5,000 million, the appointment of monitoring agency would not be required as per Regulation 16 of the SEBI Regulations. Our Board will monitor the utilization of the proceeds of the Issue. Our Company will disclose the details of the utilization of the Issue proceeds, including interim use, under a separate head in our financial statement specifying the purpose for which such proceeds have been utilized or otherwise disclosed as per the disclosure requirements of our listing agreements with the Stock Exchanges and in particular, clause 49 of the Listing Agreement. The statement shall be certified by our Auditors. Further, in terms of clause 43A of the Listing Agreement, we will furnish to the Stock Exchanges on a quarterly basis, a statement indicating material deviations, if any, in the use of proceeds from the objects stated in the DRHP. Further, this information shall be furnished to the Stock Exchanges along with the interim or annual financial results submitted under clause 41 of the Listing Agreement and shall be published in the newspapers simultaneously with the interim or annual financial results, after placing it before the Audit Committee in terms of clause 49 of the Listing Agreement.

Except for payment of funds towards acquisition of Registered and Corporate Office and for payments to be made in normal course of our business, no part of the proceeds from the Issue will be paid by our Company as consideration to our Promoters, Directors, Promoter Group entities and key managerial employees.

BASIS FOR THE ISSUE PRICE

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

Qualitative Factors

Competitive Strengths

We believe we have the following competitive strengths:

a) Focus on self-operated pre-schools;
b) Quality education through standardized and innovative teaching methods;
c) Qualified and experienced staff;
d) Brand awareness and geographical presence; and
e) Scalable business model.

For further details regarding some of the qualitative factors, which form the basis for computing the Issue Price, please refer to the sections entitled "*Our Business - Strengths*" and "*Risk Factors*" at pages 93 and ix, respectively.

Quantitative Factors

Information presented in this section is derived from our restated audited financial statements prepared in accordance with the Companies Act and Indian GAAP.

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

1. Basic and Diluted Earnings per Share ("EPS")

Period ended	Restated Basic EPS (Rs.)	Restated Diluted EPS (Rs.)	Weight
2010	1.57	1.56	3
2009	0.41	0.41	2
2008	(0.34)	(0.34)	1
Weighted Average	0.87	0.86	

The restated Basic and Diluted EPS for the period ended December 31, 2010 is Rs. 3.22.

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

S. No	Particulars	Basic EPS	Diluted EPS
1	P/E ratio based on Basic and Diluted EPS for the year ended March 31, 2010 at the Floor Price:	[●]	[●]
2	P/E ratio based on Basic and Diluted EPS for the year ended March 31, 2010 at the Cap Price:	[●]	[●]
3	Industry P/E		
A	Highest	24.25	
B	Lowest	11.74	
C	Industry Composite	16.74	

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

3. Return on Net Worth (RoNW)

Period ended	(%)	Weight
2010	4.22	3
2009	1.16	2
2008	(2.34)	1
Weighted Average	**2.11**	

The RoNW for the period ended December 31, 2010 is 5.65%.

4. Minimum Return on Total Net Worth after Issue needed to maintain Pre-Issue EPS for the year ended March 31, 2010

Based on Basic and Diluted EPS

At the Floor Price – [●] % and [●] % based on Basic EPS and Diluted EPS respectively.
At the Cap Price – [●] % and [●] % based on Basic EPS and Diluted EPS respectively.
At the Issue price – [●] % and [●] % based on Basic EPS and Diluted EPS respectively.

5. Net Asset Value

NAV as at March 31, 2010 : Rs. 35.32 per Equity Share
Issue price : Rs. [●] per Equity Share
NAV after the Issue : Rs. [●] per Equity Share

6. Comparison with listed industry peers*

Name of the Company	For the year ended March 31, 2010						
	Face Value (Rs.)	Total Income (1) (Rs. in million)	Basic EPS (2) (Rs.)	RoNW (3) (%)	NAV (4) (Rs.)	P/E (5)	EV/EBITDA (6) (Rs.)
Aptech @	10.00	1,628.22	(4.80)	(11.2)	42.90	N.A	16.39
Career Point ^	10.00	658.42	13.17	13.4	91.88	24.25	15.64
Core Projects	2.00	8,723.78	18.71	19.2	90.85	15.10	10.63
Educomp	2.00	11,650.15	29.83	15.0	193.55	14.67	7.24
Everonn	10.00	2,939.67	30.06	17.8	169.27	17.92	8.43
NIIT	2.00	12,036.58	4.25	13.9	30.68	11.74	7.42
Zee Learn ^^		N.A	N.A	N.A	N.A	N.A	N.A
Industry Composite **						**16.74**	**10.96**

@ The financials as on March 31, 2010 were for a period of 15 months from January 1, 2009 to March 31, 2010 owing to a change in the financial year end from December to March.
^ The financials and share capital data as on March 31, 2010 have been sourced from the restated consolidated financials disclosed in the prospectus dated September 24, 2010.
^^ The financials for FY 10 are not available.
*** Industry composite is calculated as the arithmetic average P/E and EV/EBITDA of the Industry peer set provided above*
Note 1: Total Income is as sourced from the annual reports of the companies
Note 2: Basic EPS refer to the basic EPS sourced from the annual reports of the companies
Note 3: RoNW has been computed as net profit after tax divided by the net worth of these companies. Net worth has been computed as sum of share capital and reserves
Note 4: NAV is computed as the closing net worth of these companies, computed as per Note 4, divided by the closing outstanding number of fully paid up equity shares as on March 31, 2010, in the Annual reports
Note 5: P/E Ratio has been computed as the closing market prices of the companies on the BSE sourced from the BSE website as on February 11, 2011, as divided by the basic EPS provided under Note 2
Note 6: EV/EBITDA has been computed as the ratio of Enterprise value to EBITDA. Enterprise value is calculated as the sum of market capitalization of the company as on February 11, 2011, the loans outstanding on the balance sheet as on March 31, 2010 less the cash and bank balances on the balance sheet as on March 31, 2010.
**Based on the certificate dated February 19, 2011 from Jogish Mehta & Co.*

7. The Issue price will be [●] times of the face value of the Equity Shares.

The Issue Price will be determined by our Company in consultation with the BRLMs on the basis of the demand from investors for the Equity Shares through the Book Building Process.

STATEMENT OF TAX BENEFITS

The information provided below sets out the possible tax benefits available to the Company and the Equity Shareholders in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of equity shares, under the current tax laws presently in force in India. It is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. Investors are advised to consult their own tax consultant with respect to the tax implications of an investment in the Equity Shares particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail.

YOU SHOULD CONSULT YOUR OWN TAX ADVISORS CONCERNING THE INDIAN TAX IMPLICATIONS AND CONSEQUENCES OF PURCHASING, OWNING AND DISPOSING OF EQUITY SHARES IN YOUR PARTICULAR SITUATION.

Levy of Income Tax

As per the provisions of the Income Tax Act, 1961 ("Act") taxation of a person is dependant on its tax residential status. The Indian tax year runs from April 1 to March 31.

In general, in the case of a person who is "resident" in India in a tax year, its global income is subject to tax in India. In the case of a person who is "non-resident" in India, only the income that is received or deemed to be received or that accrues or is deemed to accrue or arise to such person in India is subject to tax in India. In the instant case, the income from the Equity Shares of the Company would be considered to accrue or arise in India, and would be taxable in the hands of all persons irrespective of residential status. However, relief may be available under applicable Double Taxation Avoidance Agreement ("DTAA") to certain non-residents.

An **individual** is considered to be a **resident** of India during any financial year, if he or she is in India in that year for:

- A period or periods amounting to 182 days or more; or
- 60 days or more if within the 4 preceding years, he/she has been in India for a period or periods amounting to 365 days or more; or
- 182 days or more, in the case of a citizen of India or a person of Indian origin living abroad who visits India; or
- 182 days or more, in the case of a citizen of India who leaves India for the purposes of employment outside India in any previous year.

A **Hindu undivided Family (HUF), firm or other association of persons (AOP)** is resident in India except where the control and management of its affairs is situated wholly outside India in a financial year.

A "**company"** is "**resident**" in India if it is formed and registered in accordance with the Indian Companies Act or if the control and management of its affairs is situated wholly in India in a financial year.

A "**firm**" or "**association of persons**" is resident in India except where the control and management of its affairs is situated wholly outside India in a financial year.

A "**Non-Resident**" means a person who is not a resident in India.

A person is said to be **not ordinarily resident** in India in any financial year, if such person is:

- a non-resident in India in 9 out of the 10 financial years preceding that year, or has during the 7 financial years preceding that year been in India for a period of, or periods amounting in all to, 729 or less; or
- a Hindu undivided family whose manager has been a non-resident in India in 9 out of the 10 financial years preceding that year, or has during the 7 financial years preceding that year been in India for a period of, or periods amounting in all to, 729 or less.

As per the taxation laws in force, the tax benefits / consequences, as applicable, to Tree House Education & Accessories Limited and its Equity Shareholders investing in the Equity Shares are summarized below:

1 BENEFITS AVAILABLE TO THE COMPANY - UNDER THE INCOME-TAX ACT, 1961 ("the Act")

1.1 Credit for MAT

Under Section 115JAA(2A) of the Act, tax credit shall be allowed in respect of MAT paid under Section 115JB of the Act for any FY commencing on or after April 1, 2006. Credit eligible for carry forward is the difference between MAT paid and the tax computed as per the normal provisions of the Act. Such MAT credit shall not be available for set-off beyond 10 years immediately succeeding the year in which the MAT credit initially arose.

General Tax Benefits

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

Under Section 10(34) of the Act, income by way of "dividends" received on the shares of the domestic company is exempt from income tax in the hands of shareholders. However, no deduction is permitted in respect of expenditure incurred in relation to income which is not chargeable to tax. The expenditure relatable to "exempt income" needs to be determined in accordance with the provisions specified in Section 14A of the Act read with Rule 8D of the Income Tax Rules, 1962 ("Rules").

In case dividends are declared by the Company, the Company will be liable to pay Dividend Distribution Tax (''DDT") at 16.60875 per cent (tax rate of 15 per cent plus surcharge of 7.5 per cent and education cess of 3 per cent) on the total amount distributed as dividends. However, in calculating the amount of dividend on which DDT is payable, the same shall be reduced by dividend, if any, received by the Company during the FY, where:

- such dividend is received from subsidiary of the Company (A company shall be a subsidiary of another company, if such other company, holds more than half in nominal value of the equity share capital of the company);
- such subsidiary has paid tax under this Section on such dividend; and
- the Company is not a subsidiary of any other company.

1.3 Under Section 10(35) of the Act, any income received in respect of the units of a Mutual Fund specified in Section 10(23D) of the Act; or units from the Administrator of the specified undertaking; or units from the specified company, as defined in Explanation to Section 10(35) of the Act, is exempt from tax.

1.4 Under Section 32(1) of the Act, the Company can claim depreciation allowance at the prescribed rates on tangible assets such as building, plant and machinery, furniture and fixtures, etc and intangible assets defined to include patent, trademark, copyright, know-how, licenses, franchises or any other business or commercial rights of similar nature, if such intangible assets are acquired after 31st March 1998.

1.5 Under Section 32(2) of the Act, where full effect cannot be given to any depreciation allowance under Section 32(1) of the Act in any FY, owing to there being no profits or gains chargeable for that FY, or owing to the profits or gains chargeable being less than depreciation allowance, then, subject to the provisions of Section 72(2) of the Act, depreciation allowance or the part of depreciation allowance to which effect has not been given, as the case may be, shall be added to the amount of the depreciation allowance for the following FY and deemed to be part of that depreciation allowance, or if there is no such depreciation allowance for that FY, be deemed to be the depreciation allowance for that FY, and so on for the succeeding FYs.

1.6 Capital Gains

1.6.1 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 or zero coupon bonds will be considered as long-term capital assets if they are held for a period exceeding 12 months.

1.6.2 Under Section 10(38) of the Act, long term capital gains arising to a shareholder on transfer of shares in the company or units of an equity oriented fund are exempt from tax, where the sale transaction has been entered into on a recognized stock exchange of India and Securities Transaction Tax ("STT") has been paid on the same. However, profits on transfer of above referred long term capital assets shall not be reduced in computing the "book profits" for the purposes of computation of MAT under Section 115 JB of the Act.

1.6.3 Section 48 of the Act, which prescribes the mode of computation of capital gains, provides for deduction of cost of acquisition / improvement and expenses incurred wholly and exclusively in connection with the transfer of a capital asset from the sale consideration to arrive at the amount of capital gains. However, second proviso to Section 48 of the Act permits substitution of cost of acquisition / improvement with the indexed cost of acquisition / improvement, thereby adjusting the cost of acquisition / improvement by a cost inflation index, as prescribed.

1.6.4 Under Section 112 of the Act, long term capital gains, [other than those exempt under Section 10(38) of the Act] arising on transfer of listed equity shares in the company, would be subject to tax at a rate of 20 per cent (plus applicable surcharge and education cess) after indexation or 10 per cent (plus applicable surcharge and education cess) without indexation, at the option of the shareholder, if the transfer is made after listing of shares.

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

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

The investment made in such bonds during any financial year cannot exceed Rs.5,000,000.

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

Since long term capital gains arising under Section 10(38) of the Act are not taxable, there is no requirement for making investment under Section 54EC of the Act in such cases.

1.6.6 Under Section 111A of the Act short-term capital gains arising on transfer of equity share in a company would be taxable at 15 per cent (plus applicable surcharge and education cess) where such transaction of sale is entered on a recognized stock exchange in India and STT has been paid on the same. Short-term capital gains arising from transfer of shares in the Company, other than those covered by Section 111A of the Act, would be subject to tax under the normal provisions of the Act

1.7 Under Section 72(1) of the Act, where for any FY, the net result of the computation under the head "Profits and Gains of Business or Profession" is a loss to the Company (not being a loss sustained in a speculation business), then to the extent to which such loss cannot be set off against income from any other head of income for the same year, it shall be eligible to be carried forward and available for set off only against income from business under head "Profits and Gains of Business or Profession" for subsequent years. As per Section 72(3) of the Act, the loss so carried forward can be set off subject to a limit of 8 FYs immediately succeeding the FY for which the loss was first computed. However, as per Section 80 of the Act, only a loss which has been determined in pursuance of a return filed within the due date in accordance with the provisions of Section 139(3) of the Act shall be carried forward and set off under Section 72(1) of the Act.

2 BENEFITS AVAILABLE TO RESIDENT SHAREHOLDERS UNDER THE ACT

2.1. **Dividends exempt under Section 10(34) of the Act**

Under Section 10(34) of the Act, income by way of “dividends” received on the Equity Shares of the Company is exempt from income tax in the hands of shareholders. However, the Company will be liable to pay DDT at 16.60875 per cent (tax rate of 15 per cent plus surcharge of 7.5 per cent and education cess of 3 per cent) on the total amount distributed as dividends. As a result, no taxability arises in the hands of the shareholders in respect of dividends received from the Indian Company. No deduction is permitted in respect of expenditure incurred by any person in relation to income which is not chargeable to tax. The expenditure relatable to “exempt income” needs to be determined in accordance with the provisions specified in Section 14A of the Act read with Rule 8D of the Rules.

2.2. **Capital gains**

2.2.1. Capital assets may be categorized into short term capital assets and long term capital assets, based on the period of holding. Equity Shares held in the Company 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 such assets held for more than 12 months are considered as "long term capital gains". Capital gains arising on sale of said assets held for 12 months or less are considered as "short term capital gains".

2.2.2. Section 48 of the Act prescribes the mode of computation of capital gains, and provides for deduction of cost of acquisition / improvement and expenses incurred wholly and exclusively in connection with the transfer of a capital asset from the sale consideration to arrive at the amount of capital gains. However, second proviso to Section 48 of the Act permits substitution of cost of acquisition / improvement with the indexed cost of acquisition / improvement, thereby adjusting the cost of acquisition / improvement by a cost inflation index, as prescribed.

2.2.3. Under Section 10(38) of the Act, long term capital gains arising to a shareholder on transfer of Equity Shares in the Company **or a unit of an equity oriented fund** are exempt from tax, where the sale transaction has been entered into on a recognized stock exchange of India and STT has been paid on the same.

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

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

The investment made in such bonds during any financial year cannot exceed Rs.5,000,000.

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

Since long term capital gains arising under Section 10(38) of the Act are not taxable, there is no requirement for making investment under Section 54EC of the Act in such cases.

2.2.5. Under Section 54F of the Act and subject to the conditions specified therein, long-term capital gains [other than those exempt from tax under Section 10(38) of the Act] arising to an individual or a Hindu Undivided Family (“HUF”) on transfer of Equity Shares of the Company will be exempt from capital gains tax subject to certain conditions, if the net consideration from transfer of such shares are used for purchase of residential house property within a period of 1 year before or 2 years after the date on which the transfer took place or for construction of residential house property within a period of 3 years after the date of such transfer.

Since long term capital gains arising under Section 10(38) of the Act are not taxable, there is no requirement for making investment under Section 54F of the Act in such cases.

2.2.6. Under Section 112 of the Act, long term capital gains, [other than those exempt under Section 10(38) of the Act] arising on transfer of listed Equity Shares in the Company, would be subject to tax at a rate of 20 per cent (plus applicable surcharge and education cess) after indexation or 10 per cent (plus applicable surcharge and education cess) without indexation, at the option of the shareholder, if the transfer if made after listing of shares.

2.2.7. Under Section 111A of the Act, short-term capital gains arising on transfer of Equity Share in the Company would be taxable at 15 per cent (plus applicable surcharge and education cess) where such transaction of sale is entered on a recognized stock exchange in India and STT has been paid on the same. Short-term capital gains arising from transfer of Equity Shares in the Company, other than those covered by Section 111A of the Act, would be subject to tax under the normal provisions of the Act.

2.3. **Business Profits**

2.3.1. Where Equity Shares form part of stock-in-trade, any income realized from disposition of the equity shares will be chargeable under the head "Profit and gains of business or profession", as per the provisions of the Act.

2.3.2. Please note that the characterization of the gains/losses, arising from sale of Equity Shares, as "capital gains" or "business income" would depend on the nature of holding in the hands of the shareholder and various factors connected with the facts of the same.

2.3.3. As per Section 36(xv) of the Act, an amount equal to the STT paid by the assessee in respect of the taxable securities transactions entered into in the course of his business during the financial year will be allowable as deduction, if the income arising from such taxable securities transactions is included in the income computed under the head "Profits and gains of business or profession".

2.4. Any Income received by any person for or an behalf of the New Pension System Trust established on 27/02/2008, under the Indian Trust Act, 1882 (2 of 1882) is exempt from tax and any dividend paid to any person for, or on behalf of said Trust is not subject to DDT.

3 **BENEFITS AVAILABLE TO NON-RESIDENTS (OTHER THAN FOREIGN INSTITUTIONAL INVESTORS) UNDER THE ACT**

3.1. **Dividends exempt under Section 10(34) of the Act**

3.1.1. Under Section 10(34) of the Act, income by way of "dividends" received on the Equity Shares of the Company is exempt from income tax in the hands of shareholders. However, the Company will be liable to pay DDT at 16.60875 per cent (tax rate of 15 per cent plus surcharge of 7.5 per cent and education cess of 3 per cent) on the total amount distributed as dividends. As a result, no taxability arises in the hands of the shareholders in respect of dividends received from the Indian Company. No deduction is permitted in respect of expenditure incurred by any person in relation to income which is not chargeable to tax. The expenditure relatable to "exempt income" needs to be determined in accordance with the provisions specified in Section 14A of the Act read with Rule 8D of the Rules.

3.2. **Capital gains**

3.2.1. Capital assets may be categorized into short term capital assets and long term capital assets, based on the period of holding. Equity Shares held in the Company 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 such assets held for more than 12 months are considered as "long term capital gains". Capital gains arising on sale of said assets held for 12 months or less are considered as "short term capital gains".

3.2.2. Under Section 10(38) of the Act, long term capital gains arising to a shareholder on transfer of Equity Shares in the Company are exempt from tax, where the sale transaction has been entered into on a recognized stock exchange of India and STT has been paid on the same. However, in case of shareholder being a company, profits on transfer of above referred long term capital asset shall not be reduced in computing the "book profits" for the purposes of computation of MAT under Section 115 JB of the Act.

3.2.3. Under the first proviso to Section 48 of the Act, in computing the capital gains arising from transfer of Equity Shares of the Company acquired in convertible foreign exchange, protection is provided to a non resident shareholder from fluctuations in the value of rupee in terms of foreign currency in which the original investment was made. Cost indexation benefits will not be available in such a case. The capital gains/ loss in such a case is computed by converting the cost of acquisition, sales consideration and expenditure incurred wholly and exclusively in connection with such transfer into the same foreign currency which was utilized in the purchase of the Equity Shares.

3.2.4. Under Section 112 of the Act, long term capital gains, [other than those exempt under Section 10(38) of the Act] arising on transfer of listed Equity Shares in the Company, would be subject to tax at a rate of 20 per cent (plus applicable surcharge and education cess) after indexation or 10 per cent (plus applicable surcharge and education cess) without indexation, at the option of the shareholder, if the transfer if made after listing of shares. However, there are divergent views given by the Indian judicial authorities in this regard.

3.2.5. Under Section 54EC of the Act and subject to the conditions specified therein, long-term capital gains arising on the transfer of Equity Shares of the Company would be exempt from tax if such capital gains is invested within 6 months after the date of such transfer in specified assets, being bonds issued by (to the extent permitted under prevalent laws):

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

The investment made in such bonds during any financial year cannot exceed Rs.5,000,000.

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

Since long term capital gains arising under Section 10(38) of the Act are not taxable, there is no requirement for making investment under Section 54EC of the Act in such cases.

3.2.6. Under Section 54F of the Act and subject to the conditions specified therein, long-term capital gains [other than those exempt from tax under Section 10(38) of the Act] arising to an individual or a HUF on transfer of Equity Shares of the Company will be exempt from capital gains tax subject to certain conditions, if the net consideration from transfer of such shares are used for purchase of residential house property within a period of 1 year before or 2 years after the date on which the transfer took place or for construction of residential house property within a period of 3 years after the date of such transfer.

Since long term capital gains arising under Section 10(38) of the Act are not taxable, there is no requirement for making investment under Section 54F of the Act in such cases.

3.2.7. Under Section 111A of the Act, short-term capital gains arising on transfer of Equity Share in the Company would be taxable at 15 per cent (plus applicable surcharge and education cess) where such transaction of sale is entered on a recognized stock exchange in India and STT has been paid on the same. Short-term capital gains arising from transfer of Equity Shares in the Company, other than those covered by Section 111A of the Act, would be subject to tax under the normal provisions of the Act

3.3. **Business Profits**

3.3.1. Where the Equity Shares form part of stock-in-trade, any income realized from disposition of the equity shares will be chargeable under the head "Profit and gains of business or profession" as per the provisions of the Act.

3.3.2. Please note that the characterization of the gains/losses, arising from sale of Equity Shares, as capital gains or business income would depend on the nature of holding in the hands of the shareholder and various factors connected with the facts of the same.

3.3.3. As per Section 36(xv) of the Act, an amount equal to the STT paid by the assessee in respect of the taxable securities transactions entered into in the course of his business during the previous year will be allowable as deduction, if the income arising from such taxable securities transactions is included in the income computed under the head "Profits and gains of business or profession".

3.4. As per Section 90(2) of the Act, provisions of the DTAA between India and the country of residence of the non-resident would prevail over the provisions of the Act, to the extent they are more beneficial to the non-resident.

3.5. **Special benefit available to Non-resident Indian Shareholders**

Where Equity Shares of the Company have been subscribed by Non-Resident Indians ("NRI") i.e. an individual being a citizen of India or person of Indian origin who is not a resident, in convertible foreign exchange, they have the option of being governed by the provisions of Chapter XIIA of the Act, which *inter alia* entitles them to the following benefits:

3.5.1. Under Section 115E of the Act, where the total income of a NRI includes capital gains arising from the transfer of long term capital asset, being Equity Shares in the Company subscribed in convertible foreign exchange, such capital gains shall be taxed at a concessional rate of 10 per cent (plus applicable surcharge and education cess). The benefit of indexation of cost would not be available.

3.5.2. Under provisions of Section 115F of the Act, any long term capital gains arising from the transfer of a foreign exchange asset arising to a NRI shall be exempt from tax if the entire net consideration is reinvested in specified assets within six months of the date of the transfer. If only a part of the net consideration is reinvested, the exemption shall be proportionately reduced. The amount so exempted shall be chargeable to tax as "capital gains" subsequently, if the specified assets are transferred or converted into money within three years from the date of their of acquisition. The taxability shall arise in the year in which the transfer or conversion, as the case may be, takes place.

3.5.3. Under the provisions of Section 115G of the Act, NRI's are not required to file a return of income under Section 139(1) of the Act, if the income chargeable under the Act consists of only investment income or capital gains arising from the transfer of specified long term capital asset or both, arising out of assets acquired, purchased or subscribed in convertible foreign exchange provided appropriate tax has been deducted there from, as per the provisions of Chapter XVII-B of the Act.

4 BENEFITS AVAILABLE TO A FOREIGN INSTITUTIONAL INVESTOR ("FII") UNDER THE ACT

4.1. **Dividends exempt under Section 10(34)**

Under Section 10(34) of the Act, income by way of "dividends" received on the Equity Shares of the Company is exempt from income tax in the hands of shareholders. However, the Company will be liable to pay DDT at 16.60875 per cent (tax rate of 15 per cent plus surcharge of 7.5 per cent and education cess of 3 per cent) on the total amount distributed as dividends. As a result, no taxability arises in the hands of the shareholders in respect of dividends received from the Indian Company. No deduction is permitted in respect of expenditure incurred by any person in relation to income which is not chargeable to tax. The expenditure relatable to "exempt income" needs to be determined in accordance with the provisions specified in Section 14A of the Act read with Rule 8D of the Rules.

4.2. **Capital gains**

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4.2.1. Under Section 10(38) of the Act, long term capital gains arising to a shareholder on transfer of Equity Shares in the Company are exempt from tax, where the sale transaction has been entered into on a recognized stock exchange of India and STT has been paid on the same. However, in case of companies, long term capital gain so earned may be required to be taken into account in computing the book profit for the purpose of computation of MAT under Section 115JB of the Act.

4.2.2. Under Section 54EC of the Act and subject to the conditions specified therein, long-term capital gains arising on the transfer of Equity Shares of the Company would be exempt from tax if such capital gains is invested within 6 months after the date of such transfer in specified assets, being bonds issued by (to the extent permitted under prevalent laws):

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

The investment made in such bonds during any financial year cannot exceed Rs.5,000,000.

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

Since long term capital gains arising under Section 10(38) of the Act are not taxable, there is no requirement for making investment under Section 54EC of the Act in such cases.

4.2.3. Under Section 115AD(1)(ii) of the Act, short term capital gains on transfer of Equity Shares shall be chargeable at 30 per cent or 15 per cent (where such transaction of sale is entered on a recognized stock exchange in India and STT has been paid on the same), as the case may be. The above rates are to be increased by applicable surcharge and education cess.

Under Section 115AD(1)(iii) of the Act, long term capital gains arising from the transfer of Equity Shares (in cases not covered under Section 10(38) of the Act) of a Company shall be taxable at 10 per cent (plus applicable surcharge and education cess). It is to be noted that the benefits of indexation and foreign currency fluctuations are not available to FIIs.

However, where the Equity Shares form a part of stock-in-trade, any income realised in the disposition of such Equity Shares may be treated as business profits, taxable in accordance with the DTAA between India and the country of tax residence of the FII. The nature of income is usually determined on the basis of the substantial nature of the transactions, the manner of maintaining books of account, the magnitude of purchases, sales and the ratio between purchases and sales and the holding, etc. If the income realised from the disposition of Equity Shares is chargeable to tax in India as "business income", FIIs could claim deduction under Section 36(xv) of the Act with respect to STT paid on purchase/sale of Equity Shares while computing taxable income. Business profits may be subject to tax at the rate of 30 per cent / 40 per cent (depending on the type of FII) plus applicable surcharge and education cess on a net basis.

4.2.4. As per Section 90(2) of the Act, provisions of the DTAA between India and the country of residence of the FII would prevail over the provisions of the Act to the extent they are more beneficial to the FII. Where FII treat the income realized from disposition of Equity Shares as business profits and it does not have permanent establishment in India, such income of FII may not be subject to tax in India.

4.3. **Tax Deduction At Source**

Generally, in case of non residents, tax, (including surcharge and education cess) on the capital gains, if any, is withheld at the source by the buyer in accordance with the relevant provisions of the Act. However, no deduction of tax is required to be made from any income by way of capital gains arising from the transfer of securities (referred to in Section 115AD of the Act) payable to FIIs.

5 BENEFITS AVAILABLE TO MUTUAL FUNDS UNDER THE ACT

As per the provisions of Section 10(23D) of the 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, would be eligible for exemption from income tax on their income, subject to the fulfillment of specific conditions.

6 SECURITIES TRANSACTION TAX ('STT')

All transactions entered into on a recognized stock exchange in India will be subject to STT levied on the transaction value at applicable rates. In case of purchase / sale of Equity Shares is settled by way of actual delivery or transfer of the Equity Shares, STT will be levied at 0.125 per cent on both the buyer and seller of the Equity Shares. For sale of Equity Shares settled otherwise than by way actual delivery or transfer of the Equity Share, STT will be levied at 0.025 per cent on the seller of the Equity Share. The STT can be claimed as deduction while computing taxable business income as per the provisions of the Act, provided the gains on the transactions are offered to tax as business income and not as capital gains.

7 CAPITAL LOSS

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

8 DTAA BENEFITS

An investor has an option to be governed by the provisions of the Act or the provisions of DTAA that India has entered into with the country of residence of the investor, whichever is more beneficial.

9 IMPLICATIONS OF GIFT UNDER THE ACT

9.1. As per Section 56(2)(vii) of the Act, any property, other than immovable property, received by an individual/ HUF:

a. without consideration, where the aggregate fair market value of such property exceeds Rs. 50,000, then such aggregate fair market value; or

b. for a consideration which is less than the aggregate fair market value of such property by more than Rs.50,000, then such difference between the fair market value and the actual consideration received

would be taxable as income from "other sources". "Property" has been defined to mean specific capital assets including shares and securities. However, this is not applicable where shares are received from certain specific persons (such as relatives, etc.) and/ or in specified circumstances (on occasion of marriage etc.), as mentioned in Section 56(2)(vii) of the Act.

10 BENEFITS AVAILABLE UNDER THE WEALTH-TAX ACT, 1957

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

11 BENEFITS AVAILABLE UNDER THE GIFT-TAX ACT, 1958

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

Notes:

- *The above Statement of Possible Direct Tax Benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of equity shares;*
- *The above Statement of Possible Direct Tax Benefits sets out the possible tax benefits available to the Company and its shareholders under the current tax laws (i.e. Act as amended by the Finance Act 2010 and Wealth Tax Act, 1957) presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws;*
- *This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, the changing tax laws, each investor is advised to consult his or her/ its own tax consultant with respect to the specific tax implications arising out of their participation in the issue;*
- *In respect of non-residents, the tax rates and the consequent taxation mentioned above shall be further subject to any benefits available under the DTAA, if any, between India and the country in which the non-resident has fiscal domicile; and*
- *The stated benefits will be available only to the sole/first named holder in case the shares are held by joint shareholders*
- *Please note that we have not considered the provisions of Direct Taxes Code 2010 for the purposes of this Statement.*

SECTION IV – ABOUT THE 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 Pre-school and K-12 Education in India, December 2010 cited in this section was commissioned by and prepared for our Company ("**CRISIL Report**").*

CRISIL limited has used 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/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 Rating Division, which may, in its regular operations, obtain information of a confidential nature that is not available to CRISIL Research.

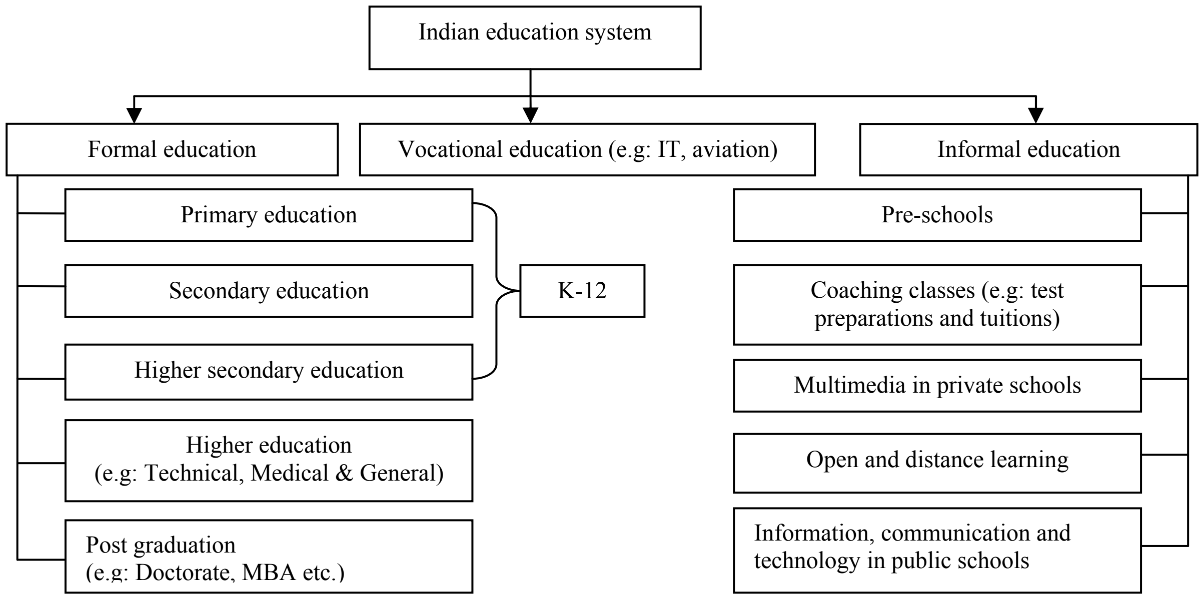
Overview of the Indian Education System

In terms of population, India is one of the world's youngest nations with a majority of its population (585 million, according to industry sources) in the 0-24 years age bracket (*Source: CRISIL Report*).

Over the last few decades, there has been a healthy growth in the literate population in India, with the literacy rate being around 71% in 2008 (*Source*: *2001 & NSS 61st and 64th Round Survey Report*). The literacy rate in India, however, does not reflect the educational level. In 2007-08, 60%of the rural population was literate, however only 50% had completed primary education and 8% had finished their higher secondary education. Graduates accounted for only 3-4% of the rural population (*Source*: *NSSO Report: Education in India 2007-08, as quoted in CRISIL Report*).

India spends nearly 3.5% of its gross domestic product on education (*Source*: *NSSO Report: Education in India 2007-08*). The central government has been investing in promoting literacy and education; however its efforts remain largely focused on elementary schooling (*Source: CRISIL Report*). Secondary and higher education have not been key priorities for the central government as in the opinion of the central government it is necessary to first create adequate infrastructure and provide incentives to universalise elementary education (*Source: CRISIL Report*).

The education system in India comprises of formal, vocational and informal education. While all levels of formal education are highly regulated and fall under the purview of Ministry of Human Resource Development, Government of India (MHRD), non-formal education is unregulated. The different aspects of formal, vocational and informal education are depicted below:

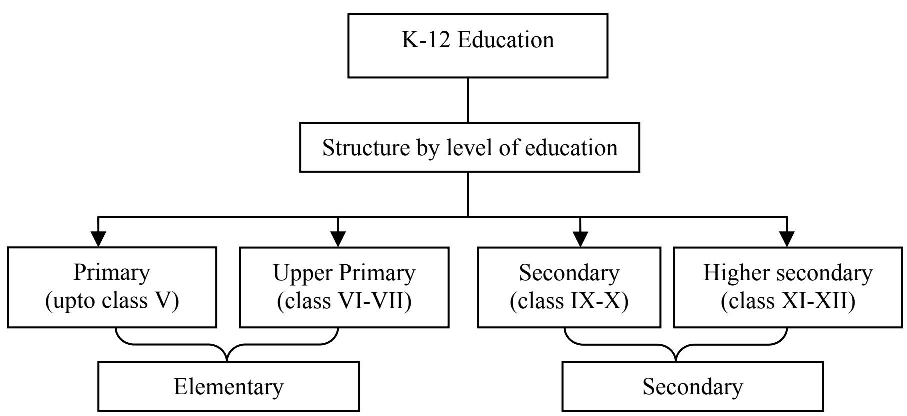


A. Formal Education:

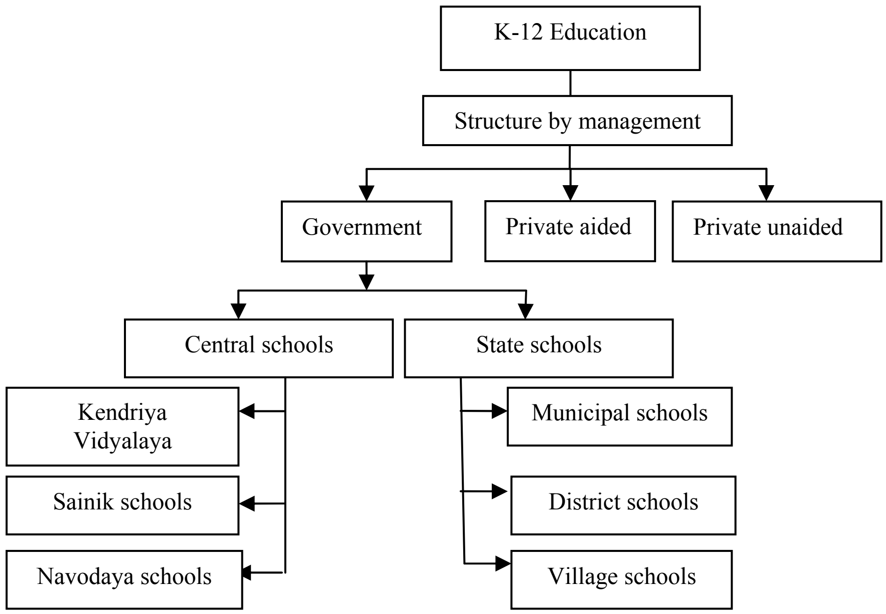
Formal education comprises of K-12 (mainly schools), higher education and post graduation. This segment is highly regulated by various statutory bodies formed by central and state governments.

K-12 Education:

The K-12 segment represents education from kindergarten to class XII and forms the largest segment within the education space in India (*Source: CRISIL Report*). K-12 schools in terms of level of education can be categorized as shown in the chart below:



K-12 education in India is delivered primarily through schools that are affiliated with CBSE, ICSE, state government education boards and other international education boards. These schools are either run by government or by the private sector. Schools in this segment can be categorised as shown in the chart below:



K-12 schools either are central or state government institutions or institutions owned and managed by societies, non-for-profit companies, and trusts. Although there are a large number of private schools in existence in India, the significance attached to primary education by the central government has resulted in a large number of government managed schools. However, as the level of education rises, government ownership reduces (*Source: CRISIL Report*).

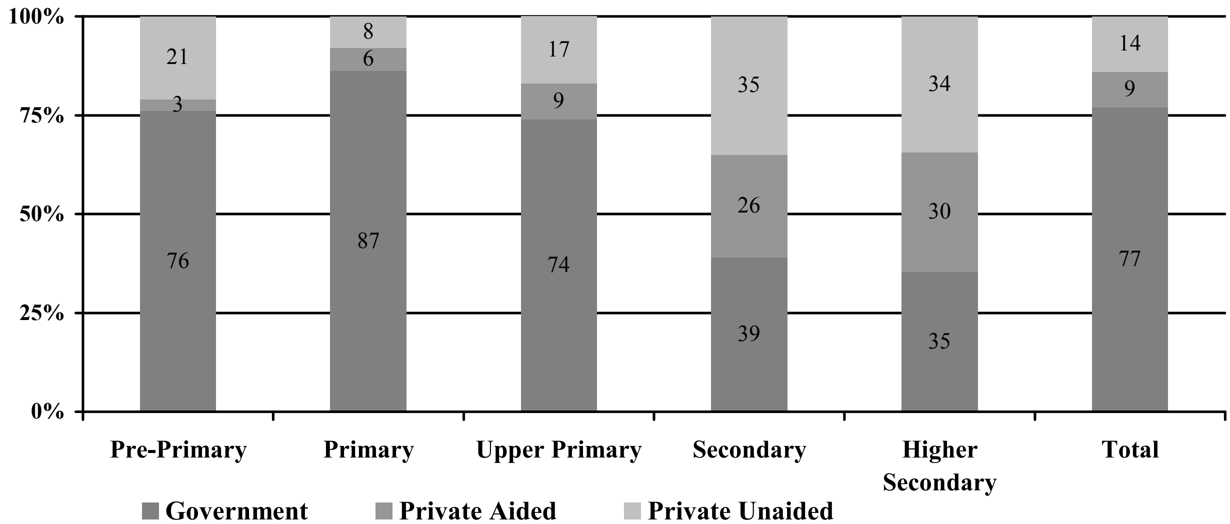
In terms of ownership, Kendriya Vidyalayas, Sainik schools and Navodaya schools fall under the central government. The Kendriya Vidyalaya Sangathan is an autonomous organization under the MHRD. Sainik schools were established as a joint venture between the central and the state governments which is governed by the Sainik Schools Society under the Ministry of Defence. Further, the Navodaya Vidyalaya Samiti is an autonomous organization under the MHRD.

The state governments operate schools in cities, towns, and villages in their respective states to facilitate access to education to people who cannot afford to enroll their children in private schools. Majority of these schools are run by the state governments in conjunction with local bodies.

Details of the break-down of K-12 schools as per management for the year 2007-08 is as given below:

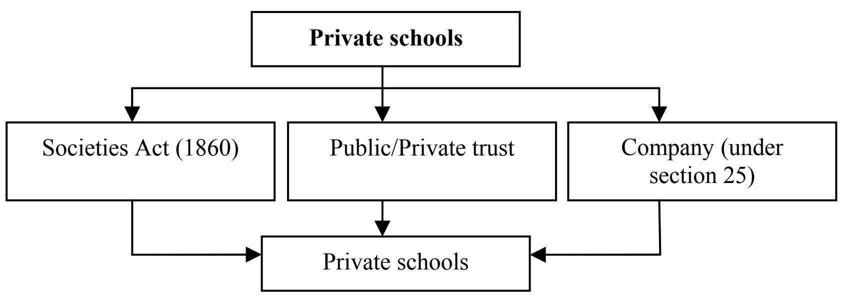
Level of education	Government owned	Private with government aid	Private unaided
Pre-primary	50,206	2,243	13,716
Primary	683,282	45,379	59,166
Upper-primary	239,328	30,241	55,605
Secondary	44,687	29,719	39,417
Higher secondary	20,903	17,910	20,353
Total	**1,038,407**	**125,492**	**188,257**

(*Source: MHRD, as quoted in CRISIL Report*)



(*Source: MHRD, as quoted in CRISIL Report*)

Private schools are generally set up by private trusts, societies, or not-for-profit. The organisation structure of K-12 schools based on private ownership is depicted in the chart below:



The private school segment is highly fragmented, with very few players having a chain of schools nationwide. A few examples of such schools include:

- Delhi Public School - run by Delhi Public School Society, it currently has approximately 150 branches (primarily concentrated in North India);
- Kidzee High - is part of Zee Interactive Learning Solutions and currently has 23 branches;
- Millennium Schools - is part of Educomp Solutions and currently has approximately 11 schools under operation; and
- Billabong High - is part of Kangaroo Kids and currently has six schools under operation.

(*Source: CRISIL Report*)

The presence of private players in the K-12 segment has been increasing due to the need for quality education and better infrastructure, which are found lacking in several government-owned institutions. Private sector enrolments in the K-12 segment rose steadily at a CAGR of about 11% to 2007-08 from 2001-02. The number of private institutions also grew at a CAGR of 10.2% to 0.30 million in 2007-08 from 0.17 million in 2001-02. CRISIL research estimates that number of enrolments in the K-12 segment will rise to 275 million in 2015-16 from 225 million in 2007-08 and private sector enrolments to touch 127.3 million during that period. During the same period, gross enrolment ratio (GER) for K-12 is expected to increase from 67% to 85%.
(*Source: CRISIL Report*)

Further, CRISIL research estimates the number of institutes in K-12 segment to increase to 1.62 million in 2015-16 from 1.36 million in 2007-08 and the total number of private institutions to further reach 0.43 million by 2015-16. While private institutes are projected to grow at a CAGR of 4.7%, public institutes are projected to grow at 1.3%. CRISIL research expects investments worth around Rs. 2.6 trillion to flow into the K-12 educational services industry from 2010–11 to 2014–15, as against Rs. 2.1 trillion in the previous 5 years. (*Source: CRISIL Report*)

Initiatives by the Central Government in K-12 Education

The central government implements a number of programmes for achievement of the Education for All (EFA) goals, which encompass early childhood care and education, primary education, girls' education, as also adult education. The programmes implemented by the central government for the achievement of EFA goals, include The Right of Children to Free and Compulsory Education Act, 2009 ("**RTE Act**"), Sarva Shiksha Abhiyan (SSA) and Mid Day Meal Scheme (MDM) which are described below:

1. The RTE Act which was notified on August 27, 2009 came into effect from April 1, 2010. The RTE Act provides for free and compulsory education to all children between the ages of six to fourteen years.

   The RTE Act provides children in the 6-14 years age group, the legal entitlement to free and compulsory education. It lays down, *inter alia,* norms and standards for infrastructure, pupil teacher ratios for the primary and upper primary stage of education, academic responsibilities of teachers and principals for the teaching and learning process. The RTE Act has considerable implications for the implementation strategies of SSA. Steps have been initiated by the central government to harmonise the vision, strategy and norms under SSA with the RTE mandate. *(Source: MHRD Annual Report 2009-10)*

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

   SSA is being implemented in partnership with state governments to cover the entire country and address the needs of 192 million children in 1.1 million habitations. *(Source: MHRD Annual Report 2009-10)*

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

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

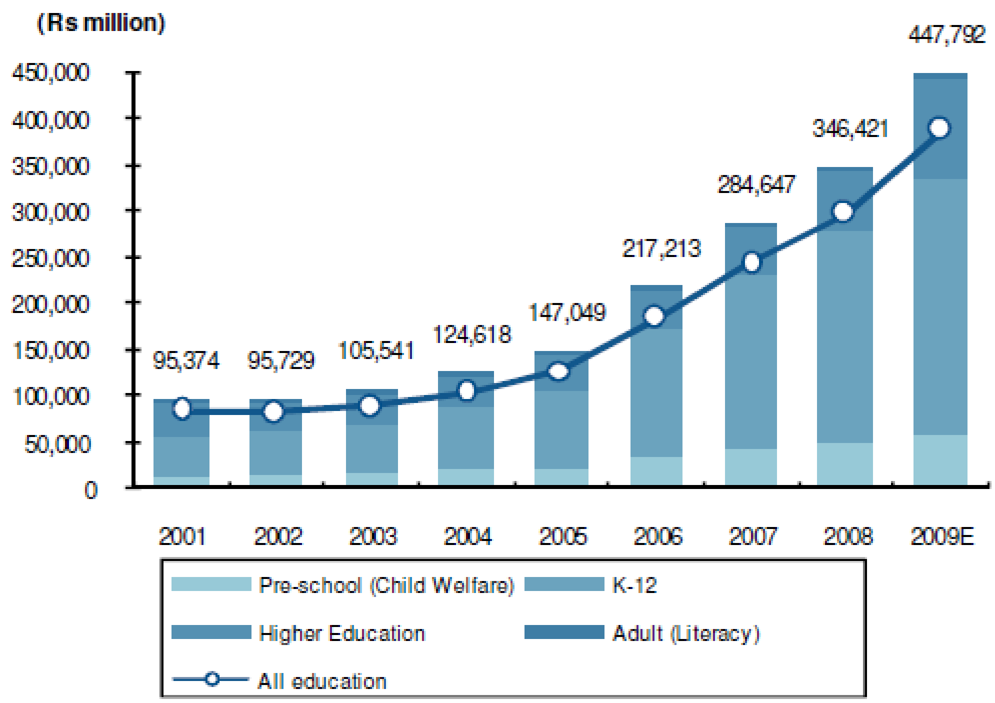
   SSA has not only been able to improve access to 99% of the households to primary education but have also been able to reduce "out of school" children to 3-4% of 6-14 years age group.

3. MDM is the world's largest school feeding programme reaching out to over 120 million children in over 1.27 million schools/Education Guarantee Scheme (EGS) centres across the country. From 2008-09, i.e. with effect from April 1, 2008, the programme covers all children studying in government, local body and government-aided primary and upper primary schools and the EGS/Alternative and Innovative Education (AIE) centres of all areas across the country. 84.1 million primary students and 33.6 million upper primary students i.e. a total of 117.7 million students are estimated to have benefited from MDM during 2009-10. (*Source*: *website-education.nic.in viewed on February 19, 2011*)

In addition to central government's initiatives for primary education, the central government has also taken various initiatives for secondary education. Secondary education serves as a bridge between primary and higher education and prepares young persons between the age group of 14 to 18 years for entry into higher education or work situations. To meet the growing demand for access to secondary education, some of the major initiatives proposed to be taken by the central government during Eleventh Five Year Plan include launching the scheme of Rashtriya Madhyamik Shiksha Abhiyan, setting up of 6000 model schools, and National Means cum Merit Scholarship scheme. *(Source: MHRD Annual Report 2008-09 and websites - ssa.nic.in and education.nic.in viewed on February 19, 2011)*

Government expenditure on K-12 education

Over the last decade, with growing focus on literacy and primary education, the central government's outlay on education has increased at a CAGR of approximately 20 per cent. From 2004–05 to 2008–09, allocations have accelerated, recording a CAGR of approximately 30% as depicted below:



(*Source: Planning Commission, as quoted in CRISIL Report*)

In the Eleventh Five Year Plan, the central government has earmarked Rs. 2,700 billion for the education sector. 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 central government has been making dedicated efforts to promote literacy and elementary education, resulting in highest spend on this sector. 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 Report*)

The increased focus on education has resulted in the K-12 enrolments in the public institutions to grow steadily at a CAGR of about 6% from 2001-02 to 2007-08. The number of public institutions also increased at a CAGR of 7.1% to 1.07 million in 2007-08 from 0.71 million in 2001-02. The total gross enrolment ratio (GER = total enrolments / total number of students in the corresponding age bracket) improved to 67% in 2006-07 from 46% in 2001-02. While GER for elementary education rose to 77% in 2007-08 from 50% in 2001–02, GER for secondary education went up to 39%t in 2007-08 from 32% in 2001-02. (*Source: CRISIL Report*)

In addition to the central government, state governments in India also spend on education. Over the last few years, state governments' expenditure on education has increased. Given below is the table depicting the state government spend on education:

(*Rs. in Billion*)

Segment	2005-06	2006-07	2007-08

Elementary education	402.4	479.6	529.4
Secondary education	270.8	325.9	352.3
University & Higher education	165.9	199.2	216
Adult education	1.5	1.8	1.9
Technical education	59.5	67.4	80.2
Total	**900.2**	**1,073.90**	**1,179.80**

(Source: Indiastat, as quoted in CRISIL Report)

B. Informal Education:

Informal education includes pre-schools and coaching classes for competitive exams. This type of education is not governed by any regulatory authority.

Pre-schools:

Pre-schools or playschools traditionally cater to children in the age group of two to four years. Pre-schools as a concept is relatively new in India and largely remains an urban phenomenon. Increasing awareness among parents (about the benefits of quality pre-school education) and rising disposable income have been boosting penetration levels in this segment.

The pre-school market which is estimated by CRISIL to be at Rs. 43,200 million, is still in its nascent stage. The pre-school market is highly fragmented and unorganised in nature owing to the low entry barriers and low investment levels required in the sector. Unlike schools, colleges and higher educational institutions (which are restricted by law from functioning as "for-profit" ventures), pre-schools are not prohibited to make profits.

CRISIL Report estimates that the organised sector contributed 11% to the total pre-school market of Rs. 43,200 million in 2009–10.

Business models

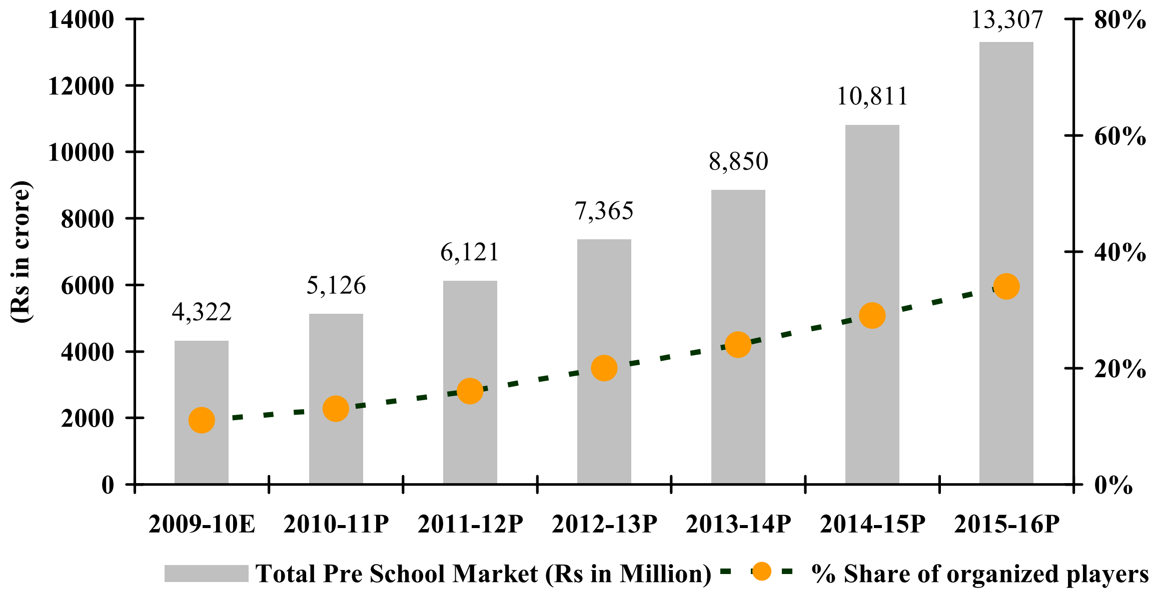
Companies operating pre-schools either adopt a franchisee model or self-operated model for pre-schools.

Franchisee model: A company expands its operations and extends its brand name through franchise, in lieu of which, it is paid a franchise fee and a royalty fee. The royalty fees, which is based on the total fee generated by the school in a year, can range anywhere between 5% and 30%. Franchising enables the company in not only sharing of expenses, but also knowledge, experience, brand image, and technical expertise. Majority of large pre-school chains have adopted the franchise route for rapid growth.

Company-owned model: This model facilitates the company to maintain quality, hygiene, and safety control across its pre-schools. A few companies such as Camlin and Birla Edutech are planning to enter the pre-school market with the company-owned model.

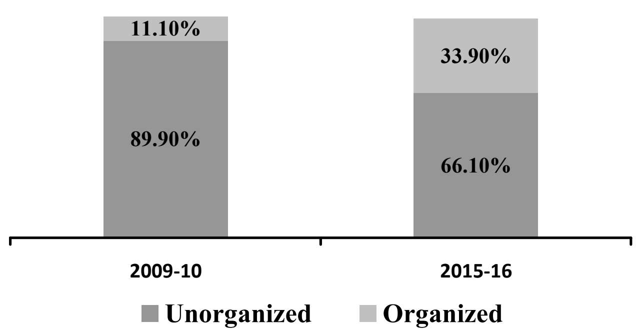
Future outlook for pre-schools

CRISIL Report projects the pre-school market to grow at a CAGR of 20.6% to reach Rs. 133 billion in 2015-16 from Rs. 43,200 million in 2009-10. This will be primarily driven by increasing penetration levels in the industry.



(Source: CRISIL Report)

The share of the organised market is expected to increase from 11% in 2009-10 to 34% in 2015-16 owing to rising awareness of quality preschool education, expansion plans of existing players and the entry of more organised players in the preschool sector. CRISIL Report projects the organised market will grow at a CAGR of approximately 45% to reach Rs. 45,000 million in 2015-16 from Rs. 4,800 million in 2009-10. Given below is a chart representing the future outlook for organised pre-school market:



(*Source: CRISIL Report*)

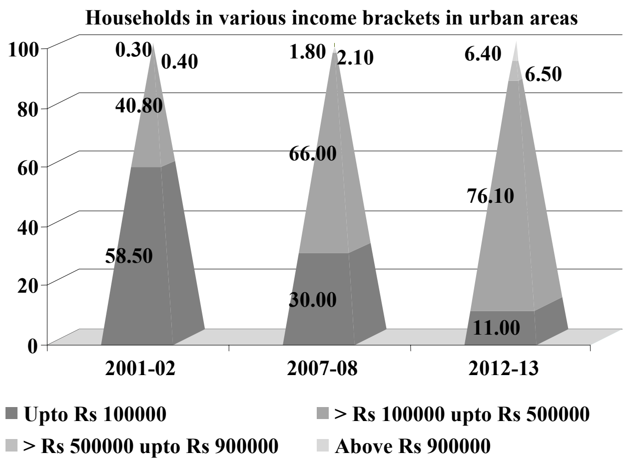
C. Growth Drivers in the Education Sector

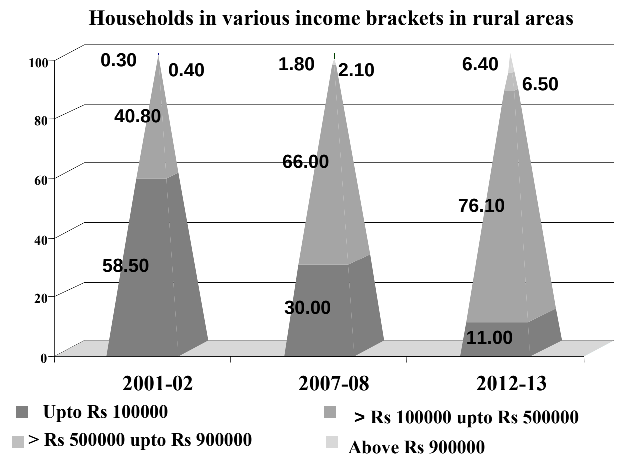
Government initiatives to improve literacy rate

In order to improve the literacy rate in India, plans like SSA, MDM have been introduced by the central government. The increased focus on education has resulted in the K-12 enrolments in public institutions to grow steadily at a CAGR of about 6% from 2001-02 to 2007-08. The number of public institutions also increased at a CAGR of 7.1% to 1.06 million in 2007-08 from 0.71 million in 2001-02. The total GER improved to 67% in 2006-07 from 46 % in 2001-02. While GER for elementary education rose to 77% in 2007-08 from 50% in 2001–02, GER for secondary education went up to 39% in 2007-08 from 32% in 2001-02. (*Source*: *CRISIL Report*)

Changes in the Indian economy

Structural changes in the Indian economy such as urbanisation and rising disposable income coupled with increasing emphasis on education by parents is expected to accelerate the household expenditure on education. By 2012-13, of a total of 69 million households in urban areas, nearly 52 million are expected to belong to the Rs. 0.1-0.5 million income bracket as compared to 21 million households 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 Report*). This transition of households from lower income to higher income bracket will provide an impetus to spend on education by private households.





(*Source*: *CRISIL Report*)

In real terms, the private household expenditure has doubled between 1999-2000 and 2007-08. In per capita terms, expenditure has increased by 1.8 times during the same period, while as a proportion of the total household expenditure, the share of education grew from 1.8% in 1999-2000 to 2.5% in 2007-08 (*Source*: *CRISIL Report*).

Increased private sector investment

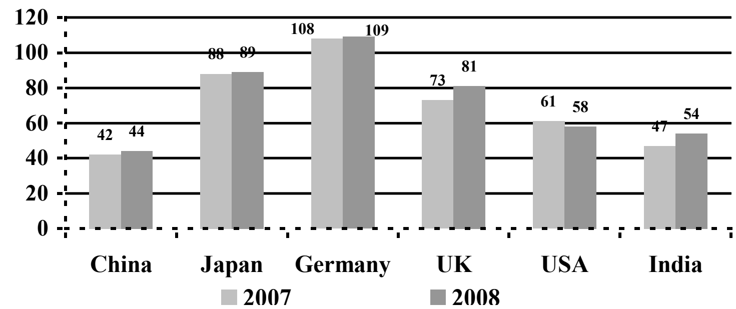
The presence of private players in the K-12 sector has been increasing due to the need for quality education and better infrastructure, which are found lacking in several government-owned institutions.

The numbers of private institutions grew at a CAGR of 10.2% to 0.30 million in 2007-08 from 0.17 million in 2001-02 (*Source*: *CRISIL Report*). CRISIL Report projects the total number of private institutes to further reach 0.43 million by 2015-16 and private sector enrolments to touch 127.3 million during that period. The share of private institutions in the K-12 segment will gradually rise to 26% in 2014-15 from 19% and 23% in 2004-05 and 2009-10, respectively. However, CRISIL Report projects that their share of enrolments will rise at a much faster pace to touch 46% in 2014-15 from 36% and 41% in 2004-05 and 2009-10, respectively. This has been attributed to the higher enrolments per institution in private schools (288 in 2009–10) as against public schools (132 in 2009–10).

Increasing penetration level in pre-school industry

The pre-school industry currently has a low penetration level, with only 10–15% of the urban population in the 2–4 years age bracket enrolled in pre-schools in the country. (*Source*: *CRISIL Report*) However, with greater thrust on education and increasing awareness about the necessity of quality pre-school education, the penetration level is set to rise, thus resulting in growth of the pre-school industry. The pre-primary GER of India is low when compared to other major countries in the world. However, the number has seen a significant rise from 47% in 2007 to 54% in 2008 as shown below:

Pre Primary GER of major countries



(Source: CRISIL Report)

OUR BUSINESS

In this section, unless the context requires otherwise, any reference to the terms "we", "us" and "our" refers to our Company.

Business Overview

We are one of the leading providers of educational services in India. We operate the largest number of self-operated pre-schools in India. *(Source: CRISIL Report)* As of December 31, 2010, we have 177 pre-schools under the brand name of "Tree House" across 23 cities in India. Of our 177 pre-schools, 108 are operated by our Company, or self-operated, and the rest are operated through our franchisees. The self-operated pre-schools serve more than 5,000 students, which does not include the students at our franchisee operated pre-schools, primarily in the age group of 1.5 to 6 years. In recent years, we have branched into providing educational services to K-12 schools and as of December 31, 2010, we provide such services to 12 schools which have over 5,000 students, in 4 cities in India.

In our pre-schools, we offer standardized services and innovative teaching methodologies. We offer playschool and nursery facilities, vacation camps, mother-toddler classes, hobby classes, day care facilities and teacher training course at our pre-schools. Of all the courses and facilities offered by us at our pre-schools, a few including mother-toddler classes and teacher training course are only available at select pre-schools. As of December 31, 2010, we have a team of more than 350 teachers at our self operated pre-schools. We provide continuous training to all our pre-school teachers on teaching methodologies and early child care, to keep abreast with the changes in teaching methods and student needs. Our pre-schools are largely concentrated in the states of Maharashtra, Gujarat, Karnataka, Rajasthan and Andhra Pradesh.

For our franchisee operated pre-schools, we receive a fixed non-refundable onetime upfront fee and a service fee annually from the franchisees for the use of our brand and teaching methodologies. In Fiscal 2010 and for nine months period ended December 31, 2010, our revenue from self-operated pre-schools was Rs. 134.69 million and Rs. 178.83 million, respectively and from the franchisee-operated pre-schools was Rs. 61.02 million and Rs. 15.62 million, respectively.

We provide a wide variety of educational services to K-12 schools which include, designing curriculum and providing teaching aids, supplying methods for imparting education, organising extra-curricular activities for students and teacher training. Our Company generates revenue by way of service or consultancy fees which is usually based on, (i) per child admitted to the school, for services forming part of service agreement; and (ii) lump-sum basis for services beyond the scope of service agreement. We have contracted to provide educational services to additional seven K-12 schools, based in Jaipur, Jhunjhunu, Vadodara and such other cities that will be identified by the K-12 school operators, by Fiscal 2013. In Fiscal 2010 and for nine months period ended December 31, 2010, our revenue from providing educational services to K-12 schools was Rs. 7.04 million and Rs. 87.19 million, respectively.

Our Company has been ranked amongst the 100 Small Business of the year 2010 in the annual survey conducted by the Franchising World.

Our revenues for Fiscal 2010 was Rs. 218.71 million representing growth at a CAGR of 100.77% from Fiscal 2008 and profit after tax for Fiscal 2010 was Rs. 25.99 million compared to a loss of Rs. 1.91 million in Fiscal 2008. Our revenues and profit after tax for the nine months period ended December 31, 2010 were Rs. 305.73 million and Rs. 70.78 million, respectively.

STRENGTHS

Focus on self-operated pre-schools

Our business model is focussed on operations primarily through self-operated pre-schools. As of December 31, 2010, we have 177 pre-schools under the brand name of "Tree House", of which 108 are self-operated which represents 61% of our pre-schools. We principally open self-operated pre-schools in metro cities within India. According to CRISIL research, company-owned model of pre-schools have certain key advantages over the franchisee model. The company-owned model helps a company to maintain quality, hygiene and safety control. (*Source: CRISIL Report)* Further, a higher percentage of self-operated pre-schools help us in introducing newer teaching aids and planning the infrastructure of our pre-schools.

Quality education through standardized and innovative teaching methods

In a sector which is largely unorganised in India, we have adopted standardized and innovative methods for quality education at our pre-schools. We implement a standardized curriculum across our pre-schools. Our curriculum provides a breakdown of the day-to-day activities on a minute-by-minute basis to be implemented by the teachers. The courses are taught through a combination of the montessori and play-method using tools and equipment along with plays and songs. We also use multimedia training devices for teaching at certain pre-schools.

To ensure quality education, we maintain an average teacher student ratio of 1:14 at our self-operated pre-schools. We train our teachers in-house, and employ supervisors and quality control team to monitor the services in our pre-schools and curriculum designers to design our curriculum. We also provide training to parents for preparing their children to undergo a transition from home to schools.

Further, as a part of our educational services to K-12 schools, we have introduced novel teaching aids supported by technology to improve the quality of education imparting methods in the K-12 schools. We have introduced interactive whiteboards in our classrooms which inculcate adoption of technology at a very early age in the students and the same technology is used across the K-12 schools. Also our methodologies include making students an active participant in the learning of a subject by seeking their inputs during the delivery of lectures. The curriculum aids and the teaching methods enhance students' retention capabilities and easy understanding of concepts.

Qualified and experienced staff

We believe that our qualified and experienced teachers contribute to our success. As of December 31, 2010, we have 366 teachers employed in our self-operated pre-schools. Our teaching staff is selected based on their qualifications and training in managing children. A significant number of teachers employed at our self-operated pre-schools are qualified in early childhood education. We lay emphasis on continual training and development of our teachers. Our ongoing training programmes ensure that all our pre-school teachers undergo training on our teaching methodologies and skills to keep them abreast of the changes in pre-schooling and student needs. Our senior management including our executive Director take part in workshops to gain knowledge of the latest practices in pre-primary education.

Brand awareness and geographical presence

We have been successful in establishing "Tree House" as a brand which we believe is recognized in the market for pre-schools and its quality teaching methods. Our first pre-school was set up in 2003 which served 51 students and as of December 31, 2010, we have grown to 177 pre-schools, out of which 108 self-operated pre-schools serve more than 5,000 students.

We believe we have a proven track record of delivering quality pre-school education which has helped us grow our geographical presence across the country. The brand awareness serves in attracting talent to our Company and aids in increasing enrolments for our pre-schools. We have increased our presence by opting to establish self-operated pre-schools in metro cities and franchisee operated pre-schools in non-metro cities. We are selective in appointing franchisees to operate our pre-schools. We lay emphasis on the qualification criteria set by us to ensure the franchisees maintain quality in methods and standards for operating the pre-schools. This contributes towards sustaining our brand name.

Scalable business model

We believe our business model is scalable as we have expanded our presence from 1 city in 2003 to 23 cities in 2010. The number of students in our self-operated pre-schools increased from 51 in 2003 to 5,124 students as of December 31, 2010. In a similar manner, the number of teachers at our self-operated pre-schools increased to 366 as of December 31, 2010 from four in 2003. Towards this end, we follow a standard design and architecture across our pre-schools. Further, we follow a central procurement process for furniture, toys and teaching aids. Our model of centrally procuring all the material for our pre-schools assists us in economizing our costs. The uniformity adopted by us in running our pre-schools aids in making our business scalable. Our homogeneous pre-schools ensure seamless transfer of a child to any of our pre-schools.

CRISIL research has estimated the pre-school market size to be Rs. 43,200 million in 2009-10. (*Source: CRISIL Report*) Further, it projects the share of organized pre-school market to increase from 11% in 2009-10 to 34% in 2015-16. We believe scalability of our business model would help us benefit from this growth in our industry.

STRATEGY

Our goal is to maintain our leadership in the business of self-operated pre-schools in India and to emerge as a significant player in providing educational services to K-12 schools in India, by continuing to pursue the following growth strategies:

Enter new geographical markets and further deepen our presence in existing markets

We propose to continue growing our pre-schools through geographic expansion. CRISIL research projects the pre-school market to grow at a CAGR of 20.6% to reach Rs. 133 billion in 2015-16 from Rs. 43,200 million in 2009-10. (*Source: CRISIL Report*) To capitalize on such growth we intend to establish and expand our pre-schools in various cities and towns in India. We propose to open additional 120 self-operated pre-schools across India by Fiscal 2014. For details of expansion of our pre-schools, please see section titled "*Objects of the Issue*" at page 64.

Further, we foresee a significant market opportunity for quality education in K-12 schools in India. CRISIL research estimates that number of enrolments in the K-12 segment will rise to 275 million in 2015-16 from 225 million in 2007-08. During the same period, gross enrolment ratio for K-12 schools is expected to increase from 67% to 85%. (*Source*: *CRISIL Report*) We propose to enter into contracts with several K-12 school operators for providing educational services to K-12 schools. In addition to the 12 K-12 schools as of December 31, 2010, we propose to start providing educational services to additional seven K-12 schools by Fiscal 2013.

Our pre-schools to supplement the enrolments at K-12 schools

We plan to use to our advantage existing relationships with our pre-school students and their parents by encouraging students to join K-12 schools where we provide educational services. Several of our pre-schools operate close to the K-12 schools to which we provide educational services. As we expand our presence in the market by providing educational services to additional K-12 schools, the students completing pre-schooling with us will act as potential feeders to these K-12 schools.

Pursue strategic acquisitions and partnerships

As a strategy, we primarily operate our pre-schools through franchisees in non-metro cities. We have franchisee-operated pre-schools primarily in the states of Maharashtra, Rajasthan and Gujarat. In order to expand our business and presence in the market in pre-schools, we continuously evaluate opportunities to acquire existing pre-schools or enter into a franchisee arrangements with partners to run the pre-schools under our brand name. We seek to pursue selective opportunities for providing educational services to K-12 schools to augment our capabilities, broaden our service offerings and increase our geographical presence with the potential targets involved in the education sector whose operations can be scaled up by leveraging our experience.

Continue to provide quality education

We believe that our homogeneous method of teaching across our pre-schools sets us apart from our competition. We believe that quality of education will continue to be an important factor driving the success of our pre-schools. We continuously enhance the quality of teaching methods and the curriculum at our pre-schools. We will continue to maintain a healthy teacher student ratio at our pre-schools to ensure individual attention is given to every child. As of December 31, 2010, the teacher student ratio at our self-operated pre-schools is 1:14.

PRE-SCHOOL BUSINESS

We operate the largest number of self-operated pre-schools in India, according to the CRISIL Report. We set up our first pre-school in 2003. As of December 31, 2010, we have 177 pre-schools under the brand name of "Tree House" across 23 cities in India. Our pre-schools are self-operated or franchisee operated. Out of 177 pre-schools, 108 are self-operated pre-schools which currently serve more than 5,000 students, between the ages of 1.5 years and 6 years.

We believe we offer one of the best in-class curriculum at our pre-schools which is developed in-house by our curriculum development team. The curriculum designed by us is in an easy-to-implement format, which defines the day-to-day activity that needs to be conducted by the teacher on a minute-by-minute basis. In addition, we use multimedia training devices for teaching at certain pre-schools. Further, the Book of Rhymes, Tree House Junior K.G Book, Tree House Nursery Book and Tree House Play School Book that have been developed in-house by us, which forms a part of the curriculum of our pre-schools, have received copyright registration with the Copyright office.

At our pre-schools, we follow a combination of the montessori and play-way method of teaching students. The montessori method uses tools and equipment while the play-way method uses plays, songs and activities, to teach the children. Further, we provide the latest montessori equipment at our pre-schools and ensure that the equipment is upgraded regularly.

Our pre-schools are usually set up on an average area of 2,000 sq. ft. to ensure that the area of the pre-school is spacious for the children. We accept admissions throughout the year for our pre-schools. We accept fees for our courses on a lumpsum and/or on installment basis depending upon the option exercised by the parents.

Further, to assist our pre-school students in securing seats for admissions in pre-primary, our Company has entered into agreements with two schools in Mumbai to reserve seats for our students, subject to our students meeting the criteria and guidelines for admissions as formulated by those schools.

We offer the following courses and activities at our pre-schools:

- *Playgroup* - We offer this course for children between the age group of 1.5 years to 2.5 years for 2 hours daily on weekdays. The course is based on play-way method with an aim to prepare children to attend a school;

- *Nursery* - We offer this two hour course daily on weekdays to children between the age group of 2.5 years to 3.5 years. In this course, we teach children, *interalia*, writing and reading, value education through a combination of the montessori and play-way method. The course is aimed at helping children to undergo a transition to formal school;

- *Vacation camp* - We organize vacation camps during summer for a period of four weeks or diwali or christmas holidays for children between the age group of 2 years to 12 years. We conduct various activities during the camp to ensure that children utilise their time doing constructive things and learning;

- *Junior KG* - We offer this three hour course daily on weekdays to children between the age group of 3.5 years and 4.5 years. We teach this course through a combination of montessori and play-way method to prepare the children for reading, writing and mathematics;

- *Senior KG* - This three hour course is offered daily on weekdays to children between the age group of 4.5 years to 5.5 years. Children are taught English, mathematics and general knowledge, amongst other things to prepare them for formal education, to build their inter-personal skills and to develop their independence;

- *Mother toddler* - This course is specifically designed for toddlers between the age of 7 months to 18 months to stimulate the mental, physical, emotional and social growth of a toddler. The course is usually for a period of one year which is held thrice a week for a duration of one hour;

- *Teacher training* - This three month course is offered by us to women only. The course comprises of theory classes and practical internship at our pre-schools. Additionally, we conduct workshops and provide interactive learning for candidates. The course provides qualifications to be a teacher at a pre-school;

- *Activity or hobby class* - We offer activities which includes dance (western / Indian / classical), music, art and craft, yoga, spoken English and Mathematic workshops at some of our select pre-schools; and

- *Day care services* - We offer day care services at some of the self-operated pre-schools under the brand name "Muskaan". These services are usually offered for children who attend our pre-schools and continue to remain at our pre-schools after their course till such time that their parents are able to attend to them.

  For the day care services operated and managed by the centre head, our Company enters into an agreement with them. We, jointly with the centre head, decide the structure of the services, operating policies and various activities to be conducted at the day care. A centre head is responsible for collecting fees for the day care services and pays us a percentage of the "net income" (gross revenue less day care related expenses), as service fees in consideration of us permitting the centre head to operate and manage the day care at our premises.

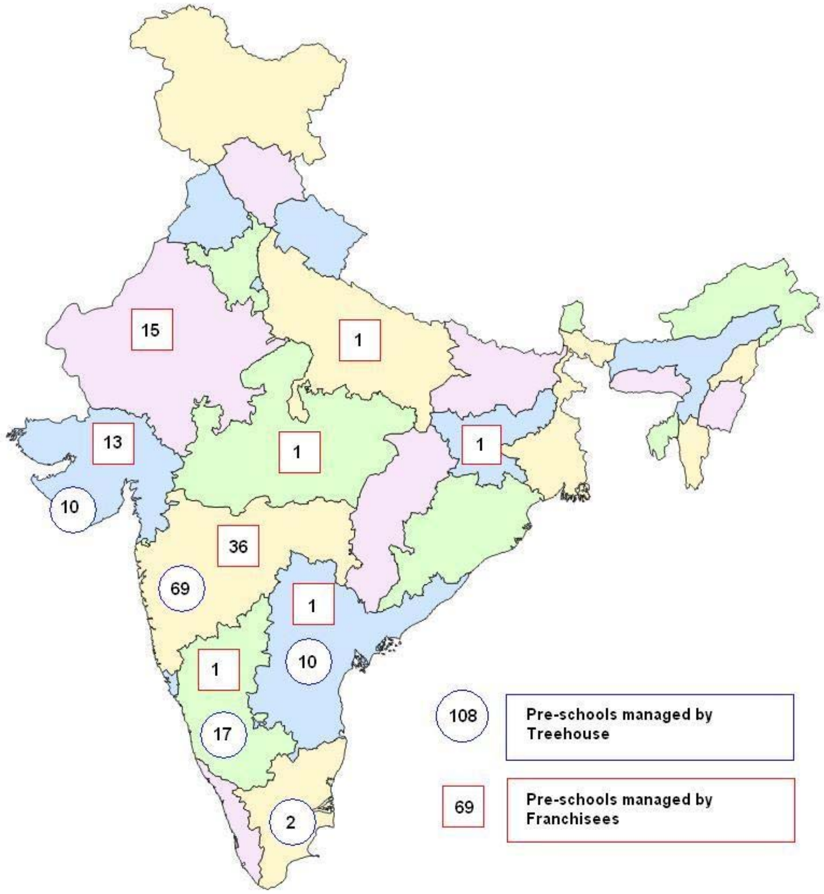
From the courses and facilities offered by us at our pre-schools, Junior K.G, Senior K.G, mother toddler classes, teacher training course, activity or hobby class and day care services are only available at select pre-schools.

Arrangements for self-operated pre-schools

Leave and license agreements: For our self-operated pre-schools, we usually take properties on leave and license basis for a period of three years to five years. In addition to the leave and license agreement, we enter into amenities agreement with the owner of the property for providing amenities such as furniture, fixtures and fittings.

Conducting agreements: As of December 31, 2010, for six of our self-operated pre-schools, we have entered into a conducting agreement with the owner of the premises, for a period of five years. We, as the conductor, operate the pre-schools at the premises of the owner and are responsible for the day to day working and operations of the pre-school along with the authority to decide the fees and collect the fees for the pre-schools. We pay the owner royalty as consideration, which is usually a percentage of the gross fee, for the owner permitting us to conduct, operate and manage the pre-school at their premises.

Following is the map reflecting our pre-schools state-wise in India:



Franchisee operated pre-schools

Our first franchisee operated pre-school was established in 2007. Since then, the number of our franchisee operated pre-schools has increased to 69, as of December 31, 2010. We usually choose to open self-operated pre-schools in metro cities within India and enter into agreements with franchisees to operate franchisee operated pre-schools in non-metro cities in India. We are selective in appointing a franchisee to operate a franchisee operated pre-school and the foremost criteria for appointing a franchisee is the personal commitment to operate a pre-school. Our franchisees are selected by our identification team which interviews the franchisee before formalising the arrangement with it.

We select a franchisee, *interalia*, by applying the following qualification criteria:

- the franchisee will be required to have a space of at least 1000 sq ft for the pre-school;
- the franchisee will be required to obtain all the necessary approvals for operating the pre-school;
- the franchisee will be required to create the interiors of the pre-school at its own cost as per the specifications provided by us; and
- the franchisee is required to appoint teachers and other staff for the pre-school before the beginning of the academic session.

For the operation of our franchisee operated pre-schools, we enter into service agreements with the franchisees. The term of the service agreements is typically five years. The franchisees pay us a one-time upfront consultancy fee, and service fees which are paid monthly, quarterly or annually. The consultancy fee, however, is recognised as revenue at the time of signing the service agreements as it is for the services already rendered, which is received by us through post-dated cheques. The service fee, on the other hand, is a percentage of gross revenue of the franchisee operated pre-schools which includes admission fees, day care fees, tuition fees and all other charges collected by the franchisee from the users of the franchisee operated pre-school. Further, we receive separate fees towards each student kit provided by our Company to the franchisee operated pre-school.

Under the terms of the service agreement, we usually provide the following services to the franchisee operated pre-school:

- share the information and details of the methods, systems and processes created and developed by our Company for running the pre-school classes;
- permit the use of the manual and the method developed by our Company for running classes at the pre-schools;
- permit the use of the materials and trade secrets and confidential information developed by our Company for running the classes; and
- hold discussions from time to time for implementation of the methods developed by our Company at the pre-schools.

Our Company provides the curriculum to franchisee operated pre-school on an annual basis along with regular updates on the curriculum. Further, we provide training to all the teachers of the franchisee operated pre-schools. Our Company has a dedicated franchisee service team which provides support to the franchisee operated pre-schools. We regularly monitor the pre-schools operated by the franchisee to ensure that they maintain the pre-schools in accordance with our standardized methods, systems and processes.

Central procurement of materials

To achieve economies of scale, our Company procures all the material including books, toys, stationery and furniture for its pre-schools centrally through its corporate office. Our procurement department oversees the purchases and printing of all the materials for our pre-schools at competitive rates from vendors.

Continuous teacher training program

We continuously train the teachers at our pre-schools to update them on our curriculum, method and systems to be followed at our pre-schools. Our teachers are provided training on early childhood education by us. We believe that our teachers are one of the key differentiating factors for our pre-school business. We conduct workshops, seminars and invite guest lectures to train our teachers. To facilitate our teacher training program, we have appointed Dr. Prerana Mohite, who headed the Department of Human Development and Family Studies and was the director for Early Child Development, at Maharaja Sayajirao University of Baroda, as honorary advisor to our Company, for conducting training on early childhood education, workshops and seminars on early childhood education along with assisting in designing the curriculum for our pre-schools.

Marketing

We rely on print and outdoor media to meet our marketing and brand recognition goals. We regularly publish our advertisements in daily publications to spread brand awareness. In the advertisements, we highlight the key benefits of our pre-school to parents and children. Further, we advertise on hoardings in many cities during the commencement of academic sessions when we expect an increase in student enrolments.

For micro marketing around the location of our pre-schools, we usually place banners and signboards in the areas around our pre-schools. Such marketing creates brand awareness with the parents around the neighbourhood which may prompt walk in enquiries for our pre-school.

In addition to the above, we also distribute pamphlets, advertise on radio, television and inter-city buses for our pre-schools.

EDUCATIONAL SERVICES TO K-12 SCHOOLS

We are also engaged in providing educational services, on exclusive basis, to K-12 schools in India. We enter into services agreements with the K-12 school operators for providing such services, and are required to pay a one-time fee to obtain the exclusivity rights.

We started providing educational services in November 2008 to a school in Vadodara, and as of December 31, 2010, we provide educational services to 12 K-12 schools. In addition, we have entered into agreements to provide educational services to seven K-12 schools by Fiscal 2013.

The educational services which we provide to the K-12 school operators include:

a) providing curriculum and teaching aids, including literary, artistic and musical works, used in imparting education and training to the students of the K-12 school or courses run by the K-12 school;
b) providing facilities or services for improvement in the educational standards;
c) supplying methods for imparting education;
d) ensuring optimum utilization of the infrastructural and educational resources of the K-12 school;
e) training the employees for effective management of the K-12 school;
f) improving the intellectual level of its students;
g) applying holistic approach towards education by carrying out amendments to the methodology adopted by the K-12 school;
h) ensuring optimum services from the employees of K-12 school;
i) providing unique extra-curricular activities for the students; and
j) assisting in creating a brand goodwill for the K-12 school along with other ancillary services.

Details of the K-12 schools to which we currently provide educational services are given below:

Name of the K-12 school operator	Name of K-12 Schools
Dixit Education Society	(1)Arya Cambridge International School, Thane (2) Arya Cambridge International School, Kalyan
Mira Education Trust	(1) Mira School, Atladara, Baroda-1 (2) Mira School, Atladara, Baroda-2
Bharti Vidhya Mandir Samiti, Jhunjhunu	(1) Bhartiya Vidhyarthi Mandir, Hindi medium, Jhunjhunu (2) Bhartiya Vidhyarthi Mandir, English medium, Jhunjhunu
Vidhya Bharti Sansthan	(1) Vidya Bharti Public School, Todi Nagar, Sikar (2) Vidya Bharti Senior Secondary School, Sikar (3) Vidya Bharti Public School, Civil Lines, Sikar (4) Vidya Bharti Girls Secondary School, Sikar (5) S.B.S. Vidya Bharti Secondary School, Sikar (6) Vidya Bharti Public School, Extn. -1, Fatehpur Road and Extn. – II, Nawalgarh Road, Sikar

The usual term of our services agreement is 30 years. In consideration of the services provided by us, a K-12 school operator during the term of the agreement pays us a service or consultancy fee, annually, as agreed, for every child, admitted or enrolled with the K-12 school or for courses conducted by the K-12 school. Such service or consultancy fee is subject to a minimum amount payable by the K-12 school operator to us. Further, as per the terms of the service agreement, we are provided access to inspect the K-12 schools to ensure that the schools are utilizing the educational services appropriately. The agreement restricts the K-12 school operators from availing educational services from any other person during the term of the agreement.

DEVELOPING INFRASTRUCTURE FACILITIES FOR EDUCATIONAL PURPOSES

We propose to expand our business by developing infrastructure facilities for educational purposes and leasing such infrastructure facilities to K-12 school operators. These educational complexes will include classrooms, living accommodation for students, library, computer laboratory, primary health centre along with indoor and outdoor recreation. The land for creation of such infrastructure facilities will be owned or leased by us.

We set up our first educational complex in Vadodara, which we have currently leased to Mira Education Trust for a period of 30 years. In consideration of the lease, we receive a fixed sum of lease rent from Mira Education Trust.

We propose to develop educational complexes at Jhunjhunu, Rajasthan and Vadodara, Gujarat to further lease it out to K-12 school operators. For details in relation to development of infrastructure facilities at Jhunjhunu and Vadodara, see section titled "*Objects of the Issue*" at page 66.

INTELLECTUAL PROPERTY

Our Company was assigned the rights of the trademarks "Tree House" and "From roots to wings". These trademarks were originally registered in the name of our Promoter, Geeta Bhatia and subsequently through the slump sale agreement dated April 1, 2007 the rights to use the trademarks were assigned to us.

Further, pursuant to an agreement for assignment of rights dated March 30, 2009, our Company, assigned and transferred all the rights pertaining to an album titled "nursery rhymes album" comprising of poems and songs for children produced by the Company, to Bennett, Coleman & Co. Ltd, for a royalty payable to us. The "nursery rhymes album" is offered by us as a part of the student kit to the students of our pre-schools.

For other details of our intellectual properties, please refer to section titled "*Government and other Approvals*" at page 168.

INSURANCE

We have taken insurance to cover different risks including fire and other perils policy for the self-operated pre-schools. Our operations are subject to hazards inherent to the education business, such as risks of terrorist attacks, riots, fire, earthquake, flood and other *force majeure* events. This includes hazards that may cause injury and loss of life, damage and destruction of property, equipment and environmental damage. Further, we have taken directors liability insurance for our Directors. Our insurance policies may not be sufficient to cover our economic losses.

Details of the insurance policies taken by us are given below:

Nature of policy	Nature of coverage	Insured amount *(in Rs.)*
Standard fire and special perils policy	Insurance against any loss of money due to damage caused by fire, act of terrorism, earth quake, house breaking, impact damage due to any rail/road vehicles, fork lifts, cranes etc	236,562,143*
Directors' & officers' liability insurance policy	Loss arising from any claim against the directors/officers by way of any wrongful act committed in the capacity of director or officer	84,000,000

**The insurance of Rs. 20,000,000 includes insurance for our property situated at Mira School, Vadodara where both our pre-school and the K-12 school to which we provide services are located.*

TEACHING STAFF

As of December 31, 2010, our teaching staff consists of 366 members with relevant teaching experience coupled with certain standards laid out by us.

We attract our teaching staff through referrals by our current teaching staff, advertisements, and prospective members discovering us. We require each of our teachers to undergo the teacher training conducted by us. Our teachers are trained at early childhood education and are passionate about children and teaching. We believe that the quality of our teaching staff is critical to our success, particularly since the teachers have the largest amount of interaction with our students. Our academic management team administers the content delivery of each of the teachers.

EMPLOYEES

In addition to 366 teaching staff, as of December 31, 2010, we have employee strength of 145 non-teaching staff members administering our academic, technology, service and business operations. Our business operations are driven primarily by our employees.

We have not experienced any labour related problems or disruptions and our management considers its relations with employees to be good. Our relationship with our employees has been positive and our operations have not been interrupted by any work stoppage, strike, demonstration or other labor disturbances.

COMPETITION

The pre-school industry is highly competitive and unorganised, with no single company controlling significant market share in the business. We face competition from both organized and unorganized players in the market. Our main competitors are other organized companies in the pre-school business. We compete under the brand name "Tree House". Amongst the organized players, we consider Kidzee, Euro Kids, Roots to Wings and Kangaroo Kids as major competitors for our pre-school business. Competition is generally based on the location, the type of courses offered, the quality of instruction, reputation and course fees. We believe that we are able to compete effectively in the markets with our presence because of the quality of instruction, the strength of our brand equity and our reputation.

The market for providing educational services to K-12 schools is highly fragmented and hence, we face competition from local players like Educomp, Career Launcher and Everonn for this business.

PROPERTIES

Our Registered Office and Corporate Office situated at Mumbai is rented to us by our Promoters pursuant to a leave and license agreement dated December 13, 2010 for a period of 11 months expiring on October 31, 2011. We propose to purchase the office space from our Promoters for which we have entered into an agreement for sale dated December 28, 2010 with our Promoters. For further details of the acquisition of the Registered and Corporate Office, see section titled "*Objects of the Issue*" at page 66.

We own the property at Khar (West), Mumbai where our godown is situated. The premise was purchased by us from our Promoters pursuant to deed of transfers dated February 25, 2010. Further, we have rented a godown at Andheri (West), Mumbai.

The property for our educational complex in Vadodara, which is currently leased to Mira Education Trust, is owned by us. We purchased this premise pursuant to a deed of sale dated November 6, 2008.

REGULATIONS AND POLICIES

The following description is a summary of certain sector specific laws and regulations in India, which are applicable to our Company. 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.

CENTRAL LAWS

The Foreign Educational Institutions (Regulation of Entry and Operations) Bill, 2010

The Central Government has introduced the Foreign Educational Institutions (Regulation of Entry and Operations) Bill, 2010 ("**Bill**") for regulation and entry of foreign educational institutions in India. In terms of the Bill, any foreign university intending to impart foreign education in India, shall submit an application, for being recognised as such to the Registrar.

In terms of the Bill, those foreign educational institutions will be accredited which have been offering educational services for atleast 20 years in the country of incorporation/establishment. Further, such foreign educational institutions should offer educational services in India through conventional methods of teaching, and not through the distant learning mode in India.

Besides, the Bill grants recognition to not only standalone foreign educational institutions but also to those foreign educational institutions, which maybe established in collaboration or partnership with any Indian educational institution.

The foreign educational institutions will be required to comply with the following regulations under the Bill:

- Foreign educational institutions should apply for grant of recognition to the concerned Registrar;
- The foreign educational institutions should respond to all the inquiries made by the Registrar;
- They should be notified by the Central Government as foreign educational institutions;
- The foreign educational institutions should ensure that they maintain a corpus of not less than fifty crores rupees or such sum as maybe notified from time to time by the Central Government.

Under the Bill, the foreign educational institutions will also need to comply with the norms laid down by the University Grants Commission and to submit a report of its activities from time to time to the University Grants Commission. If the foreign educational institution is in violation of the norms laid down by the University Grants Commission or any other laws for the time being in force in India, then, the University Grants Commission after giving a reasonable opportunity of being heard to the foreign educational institution, may, recommend to the Central Government for withdrawal or recognition and rescission of such foreign educational institution.

STATE LAWS

The laws relating to the establishment of pre-schools and K-12 schools in Maharashtra, Rajasthan, Karnataka and Gujarat are summarized below:

<u>Maharashtra</u>

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 or nursery school), a college or any other institution whether managed by Government, local authority, a university or a 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 term capitation fee has been ascribed to mean any amount, by whatever name called, whether in case or kind paid or collected directly or indirectly, in excess of the prescribed or, as the case may be approved rates of fees regulated by the Government under the Act. 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 management is permitted to collect or accept donations in good faith for opening of new educational institutions, or for developmental purposes, or for creation of endowment fund scholarships, prizes etc., without reserving any seats in consideration thereof. If in accepting such donation, any seat is reserved for a student, it is deemed to collection of capitation fees and hence constitutes a contravention under the provisions of the Act.

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. Where an offence under the Act is committed by a company, every person, who at the time when the offence was committed, was in charge of, and was responsible to the company for the conduct of the offence shall be liable to be proceeded against and punished accordingly.

The Bombay Shops and Establishments Act, 1948 ("Shops Act")

The Bombay Shops and Establishments Act, 1948 was enacted to consolidate and amend the law relating to the regulation of conditions of work and employment in shops, commercial establishments, residential hotels, restaurants, eating houses, theatres, other places of public amusement or entertainment and other establishments.

The definition of commercial establishment under the Shops Act includes an establishment which carries on any business, trade or profession or any work in connection with or ancillary to any business, trade or profession. The Shops Act regulates the opening and closing hours of commercial establishments, daily and weekly hours of work, spread-overs, holidays, leave, payment of wages, health and safety measures and the like. The Shops Act also makes certain special provisions for women employed in such commercial establishments and provides for the appointment of inspectors for the purpose of carrying out the provisions of this Act. The contravention of different provisions of the Shops Act is punishable with fines prescribed under the Act. The Shops Act as applicable to the state of Gujarat is in force in the state of Gujarat.

Rajasthan

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

The Shops and Establishment Act was introduced to ensure that commercial establishments are registered under this Act. The term shop under the Shops and Establishment Act is broadly defined to mean any premises where any trade or business is carried on or where services are rendered to customers, and includes offices, storerooms, godowns, or warehouses, whether in the same premises or otherwise used in connection with such trade or business. The Shops and Establishment Act also defines commercial establishment as an establishment or administrative service in which persons employed are mainly engaged in office work.

Under its wide ambit, the Shops and Establishment Act provides for the registration of all establishments and regulation of daily and weekly hours of work, overtime work, interval for rest, opening and closing hours, weekly holidays, leave, payment of wages and advances and prohibits employment of children in establishments, while making special provisions for women and children between the ages of 12 and 15. The Act provides for a host of benefits to women employed in shops and commercial establishments including maternity leave, maternity benefit, right of absence during pregnancy and intervals for nursing the child. Further, the Shops and Establishment Act also prohibits the employment of a woman six weeks following the day on which she delivers a child.

The Shops and Establishment Act also provides for the appointment of inspectors for enforcement of its provisions and lays down their powers and duties. The violations of various provisions are punishable with such fine as are prescribed under the Shops and Establishment Act.

Karnataka

The Karnataka Shops and Establishments Act, 1961 (the "KSE Act")

The KSE Act has been enacted with a view to regulate the conditions of work and employment in shops and commercial establishments in the State of Karnataka. The term shops under the KSE Act has been widely defined to mean any premises where any trade or business is carried on or where services are rendered to customers, and includes offices, storerooms, godowns, or warehouses, whether in the same premises or otherwise. Further, the definition of commercial establishments under the KSE Act also includes an establishment or administrative service in which persons employed are mainly engaged in office work.

The Act regulates the opening and closing hours of commercial establishments, daily and weekly hours of work, interval for rest, spread-overs, weekly holidays, leave, and payment of wages among others. The Act also makes certain special provisions for women and young persons employed in such commercial establishments and provides for the appointment of inspectors for the purpose of carrying out the provisions of the KSE Act. The contravention of different provisions of the KSE Act is punishable with fine as prescribed under the KSE Act and employment of a child in any establishment is punishable with imprisonment.

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

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

Central Board of Secondary Education Affiliation

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

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

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

- school must have prior affiliation or formal recognition from the State or Union Territory Government;
- a no objection certificate should be obtained from the State Government for affiliation of the school with the CBSE Board;
- school must have atleast 2 acres of land (out of which atleast one acre should be through ownership or through a lease in favour of the school for thirty years) and a building constructed on a part of land and proper playgrounds on the remaining land;
- in metropolitan cities with a population exceeding 2.5 million, the land should not be less than one acre with adequate building and arrangement for imparting physical and health education facilities for conducting games to the satisfaction of the CBSE Board;
- the trust or the society or the section 25 company registered the Companies Act should be on a non-proprietary character and should run the school on a not for profit basis; and
- schools managed directly by Public Sector Undertaking (**"PSU"**) or by reputed societies under financial control of these PSUs may apply for permanent affiliation and all other schools get a provisional affiliation. If a school wishes to get permanently affiliated with the CBSE Board, then, after the expiry of the provisional affiliated

period of three years, it may ask the Board to grant it permanent affiliation on the basis of the fulfillment of certain condition which may be laid down by the CBSE Board.

Council for the Indian School Certificate Examinations

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

- the school has to obtain a no objection certificate from the state in which the school is to be set-up;
- if the school is started as an affiliating entity from class VI, then, the school must leave sufficient time for the purpose of preparing candidates and presenting them, in the first instance for the Indian School Certificate of Secondary Education;
- the school has to be run either as a registered society under the Societies Registration Act, 1860 or a trust or a section 25 company under the Companies Act and it must not be run for profit;
- the school must have a properly constituted governing body or managing committee which is responsible to and under the control of the society or trust or company;
- the medium of instruction in the school has to be English and special emphasis has to be placed on oral English, as a really high standard is required to be maintained;
- the school should have two acres of land with suitable buildings constructed on the land along with proper playgrounds with adequate facilities;
- in metropolitan cities with a population exceeding 2.5 million, the land should not be less than one acre with adequate building and arrangement for imparting physical and health education facilities for conducting games to the satisfaction of the ISC Council;
- schools will initially be granted provisional affiliation and after the end of a period of three years, they can apply to the ISC Council for permanent affiliation which will be decided by the ISC Council on the basis of the performance of the school; and
- the ISC Council may have the power to withdraw the affiliation of a school or temporarily suspend affiliation, if the ISC Council is satisfied that the school concerned is not fit to continue as an affiliated school.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief History of our Company

Our Company was originally incorporated as a private limited company on July 10, 2006 under the name Tree House Education & Accessories Private Limited.

Pursuant to a special resolution of our shareholders in an EGM on December 13, 2010, our Company was converted to a public limited company and a fresh certificate of incorporation consequent to the change of status was granted on December 22, 2010 by the RoC.

One of our Promoters, Mrs. Geeta Bhatia, had been in the business of running nursery and pre-school education centres since 2003 and the business was being administered under proprietorship firm of M/s Tree House. In Fiscal 2007, the proprietorship firm was acquired by our Company through a slump sale agreement dated April 1, 2007 ("**Slump Sale Agreement**"). For more details on the Slump Sale Agreement, please see the section titled "*History and Certain Corporate Matters - Slump sale*" at page 109.

Our Main Objects

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

1. To establish, promote, maintain, organise, undertake, develop, conduct and to run in India or abroad Playschools, Kindergartens, Kid education Parks, pre-primary schools, play gardens, play groups, Nursery, Junior JG, Senior KG or education Institution, physical Training education, artistic education, of any sort and all types of education facilities to kids and to appoint franchisee/agents in India or abroad and to undertake the management of the existing proprietary/partnership/company of Tree House Play Group and to undertake the management of companies having objects in part similar to those of this Company in India or abroad and to take all necessary steps for registering the Company as may be thought fit and to take/receive royalty/commission from the above activities and business.

2. To provide, establish, maintain, develop, run, operate and manage facilities to provide and sell all types of kid accessories in any part of India and /or abroad through company owned stores/facilities or company appointed franchisees/franchise facilities.

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

Amendments to our Memorandum of Association

Since incorporation of our Company, the following changes have been made to our Memorandum of Association:

Date of shareholders approval	Nature of alteration
June 2, 2008	Increase in authorized capital of our Company from Rs. 100 million to Rs. 150 million.
December 24, 2008	Increase in authorized capital of our Company from Rs. 150 million to Rs. 160 million.
June 22, 2009	Increase in authorized capital of our Company from Rs. 160 million to Rs. 200 million.
May 10, 2010	Increase in authorized capital of our Company from Rs. 200 million to Rs. 300 million.
December 13, 2010	Change of name to Tree House Education & Accessories Limited.
December 13, 2010	Increase of minimum paid up share capital from Rs. 0.1 million to Rs. 0.5 million.
December 13, 2010	Increase in authorized capital of our Company from Rs. 300 million to Rs. 350 million.

Changes in the Registered Office of our Company

Our Company shifted its registered office from 203-206, 2nd Floor, Shalimar Morya Park, off Andheri-Oshiwara, New Link Road, Andheri (West), Mumbai 400 053 to 702 C, Morya House, Off New Link Road, Andheri (West), Mumbai 400 053, vide Board resolution dated July 1, 2009 due to administrative convenience.

Total Number of Shareholders of our Company

As of the date of filing of this DRHP, the total number of holders of Equity Shares is 29. For more details on the shareholding of the members, please see the section titled "*Capital Structure*" at page 48.

Major Events and Milestones

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

Calendar Year	Details
2007	Acquisition of proprietorship firm M/s Tree House.
2007	Launched first franchisee pre-school as a part of our expansion plans.
2008	Launched teacher training program.
2008	Received investment of Rs. 500 million* from Matrix Partners India Investment Holdings, LLC.
2008	Started providing educational services and infrastructure facilities to K-12 schools.
2008	Started day care centres under the name 'Muskaan'.
2010	Received investment of Rs. 310 million and Rs. 90 million from FC VI India Venture (Mauritius) Limited and Matrix Partners Investment Holding, LLC, respectively.
2010	Conversion into a public limited company.

** Matrix Partners India Investment Holdings, LLC invested Rs. 500 million in our Company within a period of 14 months.*

Time/cost overrun

We have not experienced any time and cost overrun in the past.

Strike and lock-outs

We have not experienced any strike, lock-outs and labour unrest in the past.

Changes in activities of our Company

There have been no changes in the activities of our Company since its incorporation, which may have had a material effect on our profits or loss, including discontinuance of our lines of business, loss of agencies or markets and similar factors.

Capital raising (Equity/ Debt)

Our equity issuances in the past and availing of debts as of February 16, 2011, have been provided in sections titled "*Capital Structure*" and "*Financial Indebtedness*" at pages 48 and 153, respectively. Further, our Company has not undertaken any public offering of debt instruments since its inception.

Business and management

For details of our Company's business, the description of our activities, market segment, the growth of our Company, standing of our Company with reference to the prominent competitors with reference to our services and geographical segment, see section titled "*Our Business*" at page 93.

For details of the management of our Company and our managerial competence, see section titled "*Our Management*" at page 113.

Injunctions or Restraining Order against our Company

There are no injunctions or restraining order against our Company.

Acquisition of business

Slump sale

A business combination resulted in M/s Tree House (the "**Transferor**") being taken over by our Company. Pursuant to the business combination, 5.50 million Equity Shares were issued to Mrs. Geeta Bhatia, one of the Promoters of our Company.

Given below is a summary of the salient terms of the agreement by virtue of which the undertaking of the Transferor was transferred to our Company:

a) With effect from April 1, 2007, the entire business, assets, liabilities, obligations, licenses, trademarks etc. of the Transferor as a going concern were transferred and vested in our Company;

b) our Company was authorized to carry on the business which was earlier carried out by the Transferor;

c) all contracts, deeds, bonds, agreements, arrangements, other instruments, suits and other legal proceedings, were transferred in favour of our Company; and

d) all employees of the Transferor became employees of our Company.

Share Purchase and Shareholders' Agreements

Share subscription agreement dated August 13, 2008 (the "SSA-2008"), the first addendum dated January 14, 2009 and the second addendum dated July 15, 2009 entered between our Company, our Promoters and Matrix Partners India Investment Holdings, LLC("Matrix Partners")

Subscription details

As per the terms of the SSA-2008 and the addendums, our Company issued and allotted 6,334,099 Series A shares and 1,582,568 Series A1 shares to Matrix Partners. Pursuant to a shareholders' resolution dated January 16, 2009, 1,582,568 Series A1 Equity Shares held by Matrix Partners were reclassified as 1,582,568 Series A Equity Shares, ranking pari passu with Equity Shares and Series A Equity Shares with respect to voting rights and dividend rights. Subsequently, pursuant to a shareholders' resolution dated December 13, 2010, 7,916,667 Series A Equity Shares held by Matrix Partners and 3,618,927 Series B Equity Shares held by Matrix Partners and Foundation have been reclassified as 11,535,594 Equity Shares, ranking pari passu with the Equity Shares.

Investor's rights

Further, the SSA-2008 entitles Matrix Partners to appoint a representative to be a director on our Board.

Termination

The SSA-2008 can be terminated by mutual consent of the parties in writing; or in case of material breach, misrepresentation or insolvency of Matrix or our Company.

For further details in relation to nullification of management rights under SSA-2008, please refer to "*Termination Agreement*" at page 111.

Subscription agreement dated May 11, 2010 entered between our Company, our Promoters, Matrix Partners, FC VI India Venture (Mauritius) Limited ("Foundation") and existing shareholders (as defined under the agreement) of our Company (the "SSA")

Subscription details

As per the terms of the SSA, our Company issued and allotted 814,259 fully paid-up Series B Equity Shares to Matrix Partners at a price of Rs. 110.53 per Series B Equity Share aggregating to a sum of Rs. 90.00 million. Our

Company also issued and allotted 2,804,668 fully paid-up Series B Equity Shares to Foundation at a price of Rs. 110.53 per Series B Equity Share aggregating to a sum of Rs. 310 million. Our Company was required to issue and allot 500,000 Equity Shares to one of our Promoter, Mr. Rajesh Bhatia. However, Mr. Bhatia by waiver letter dated January 21, 2011 has waived his rights arising directly and indirectly from the SSA in relation to issue, allotment and subscription of 500,000 Equity Shares of our Company. Pursuant to a shareholders' resolution dated December 13, 2010, 7,916,667 Series A Equity Shares held by Matrix Partners and 3,618,927 Series B Equity Shares held by Matrix Partners and Foundation have been reclassified as 11,535,594 Equity Shares, ranking pari passu with the Equity Shares.

Shareholders agreement dated May 11, 2010 entered between our Company, our Promoters, Matrix Partners, Foundation and existing shareholders of our Company (the "SHA")

Pursuant to the SSA, our Company, our Promoter, Matrix Partners, Foundation and the existing shareholders of our Company entered into the SHA.

Some of the main provisions of the SHA are summarized as under:

Transfer Restrictions: As per the SHA, our Promoters are required to hold such number of Equity Shares as mandated under SEBI Regulations. Further, Matrix Partners and Foundation can acquire further Company securities and also transfer their securities to any person without any restrictions. In case of transfer of securities to any other person other than our Promoters, Matrix Partners and Foundation are required to ensure that such person executes a deed of adherence.

Liquidation Preference: In the event of liquidation, dissolution and winding up of our Company, the holders of Series A and Series B Equity Shares are entitled to receive an amount as per the formula provided under the SHA, in priority to receipt of any amount by the other shareholders.

Right of First Refusal: As per the SHA, if any one or more of the Promoters and/or existing shareholders propose to transfer any Equity Shares held by them to any person other than Matrix Partners or Foundation (collectively the "**Investors**"), then such Promoters and/or existing shareholders are required to give a written notice to the Investors. The SHA further provides the Investors with the right, but not the obligation, to purchase by itself or through an affiliate such Equity Shares for the determined consideration.

Tag Along Rights: Each Investor has a right, but not an obligation to sell their respective Investor pro-rata shareholding or such number of Equity Shares (which is less than the Investor pro-rata shareholding) to the proposed transferee along with the Promoters and/or existing shareholders on terms no less favorable than the terms offered by the Promoters and/or existing shareholders. Such right is not available to an Investor in case he has exercised the right of first refusal.

However, in case any one of the Investors has exercised the right of first refusal, then the other Investor is not entitled to the tag along right with respect to any right of first refusal shares that are being sold to the Investor or its affiliates pursuant to the right of first refusal.

Right of First Offer: In case either Investor intends to sell any Investor securities held by it, such Investor is required to give a notice of such intention to the Promoters representatives stating the number of Investor securities intended to be sold by the relevant Investor.

Pre-emptive rights in case of new issues of Company securities: As per the SHA, in case our Company proposes to issue new securities (including by way of rights issue or preferential issue but other than issue of Equity Shares pursuant to an employee stock option scheme) in favour of any shareholders or any other person, it is required to offer such number of Company securities to each Investor such that the proportionate shareholding of each Investor in the Company is maintained. The Investors have the right but not the obligation to purchase any or all of the Company securities so offered. Under the SHA, our Company and our Promoters have agreed that the proposed issue of new securities shall be made at a price per Company security which is not less than the subscription price.

Composition of the Board: The SHA provides that our Board shall comprise of eight directors, including one nominee director appointed by each of the Investors. Further, in terms of the SHA, three non-executive independent directors are required to be appointed on the Board with the approval of the Investors. Further, the nominee directors are required to be appointed on all the committees and sub-committees of our Board, including the audit committee, and such directors are not liable to retire by rotation.

Quorum of the Board: As per the SHA, three directors would constitute a quorum in board meetings of our Company, which would include the nominee directors appointed by the Investors. Affirmative written consent is needed from the Investors for specific matters provided in the SHA.

Drag Along Rights: Under the terms of the SHA, if one or more existing shareholders, individually or collectively hold more than 50% of the total issued and paid-up share capital of the Company, receives a bonafide offer in good faith from any person other than our Promoters or Investors for purchase of more than 50% of the total issued and paid-up share capital of our Company, then such existing shareholder may send a drag along notice to the other existing shareholders requiring them to sell all but not less than all of its/their Equity Shares. As per the SHA, such right can be exercised only if at least one of the existing shareholders consists of the Investors.

Initial public offering (as defined under SHA), Exit and Buy-Back: Under the terms of the SHA, our Promoters are required to provide or cause to provide a suitable exit to the Investors within five years or such period as agreed between the parties by means of a qualified initial public offering of our Company. A qualified initial public offering under the SHA means, a firmly underwritten public offering with a pre-IPO (as defined under the SHA) share valuation of at least Rs. 175 per Equity Share on either (i) the BSE; or (ii) the NYSE; or (iii) NASDAQ, with gross proceeds to our Company of not less than Rs. 1 billion. In case the qualified initial public offering is not consummated, the Investors shall have the right to require our Company to buy-back their Equity Shares.

Affirmative voting rights: Our Company is mandated to obtain affirmative written consent from Matrix Partners and Foundation on certain matters. Some of these matters include:

- material alteration of rights, preferences or privileges of Series A or Series B shares or reclassification, alteration or amendment of any existing security that is junior to or pari passu with such shares;
- any redemption or buy back of securities in our Company;
- declaration of dividends or investment in excess i.e, treasury funds outside of fixed deposits;
- change in number of authorized Directors; and
- any employee stock option plan/incentive pool increases, allocation or issuances.

Termination

The SHA can be terminated by mutual consent of the parties in writing; or by the non-defaulting party upon the occurrence of an event of default (as defined under the SHA); or on completion of the sale or purchase; or on expiry of the agreement as contemplated under the SHA.

Termination agreement dated February 16, 2011 entered between our Company, our Promoters, Matrix Partners, Foundation and existing shareholders of our Company

We have entered into a termination agreement dated February 16, 2011 with our Promoters, Matrix Partners, Foundation and the existing shareholders of our Company as defined under the agreement. Pursuant to the terms of the agreement, upon filing of the Prospectus with the ROC subsequent to determination of the final price for the Issue, the SHA dated May 11, 2010 will be terminated along with nullification of the management rights provided under SSA-2008 and SSA dated May 11, 2010. The agreement ensures that all shareholders of our Company enjoy *pari passu* rights in our Company. The termination agreement further provides that in case our Company is not able to get its shares listed on the Stock Exchanges on or before September 30, 2011, the termination agreement shall ipso facto stand terminated.

Subsidiaries of our Company

Our Company does not have any subsidiary.

Joint Venture

JT Infrastructure Private Limited

Our Company and M/s Jayshree Builders entered into a joint venture agreement dated September 21, 2010 pursuant to which the parties agreed to form or acquire a private limited company with the name JT Infrastructure Private Limited. JT Infrastructure Private Limited was set up for the purpose of providing educational infrastructure and other such related activities with emphasis in the field of education. The principal office of the joint venture is at 702 'C', Morya House, Off New Link Road, Andheri (West), Mumbai 400 053. As of December 31, 2010, our Company and M/s Jayshree Builders hold a participation interest of 50% each in the joint venture.

Our Company and M/s Jayshree Builders are entitled to nominate two directors each to the board of JT Infrastructure Private Limited and the Chairman shall be nominated from the two directors appointed by our Company. Our Company and M/s Jayshree Builders can not transfer any shares held in JT Infrastructure Private Limited to a third party for a period of three years from March 31, 2012. There are no accumulated profits or losses of JT Infrastructure Private Limited which have not been accounted for by our Company.

Accumulated profits or losses not accounted for

Our Company does not have any subsidiary and there are no profits or losses of subsidiary not accounted for by our Company.

Other agreements

*Non-compete agreement entered between our Company and Madhav Education and Research Institute India Private Limited ("**Madhav**")*

We have entered into a non-compete agreement dated January 31, 2011 with our Group Company, Madhav. Pursuant to the terms of the agreement, in lieu of consideration of Rs. 25,000, Madhav has agreed not to run kindergarten and pre-schools wherein education is imparted for play group, nursery, junior kindergarten and senior kindergarten or provide facilities or management services or other such services including but not restricted to infrastructural, environmental services etc. for improvement in the educational standards of the students of the educational institutes. Further, Madhav has agreed not to undertake any such activity/business which directly or indirectly competes with the business pursued by our Company. The agreement is valid for a period of five years.

Service agreements entered between our Company and K-12 school operators

Our Company has entered into service agreements with certain K-12 school operators to provide services to K-12 schools. The usual term of such service agreements is 30 years. For further details in relation to these agreements, see section titled "*Our Business-Educational Services To K-12 Schools*" at page 99.

Deed of assignment of trademark along with goodwill entered between our Company and our Promoter Mrs. Geeta Bhatia

Pursuant to the Slump Sale Agreement, we have also entered into a deed of assignment of trademark along with goodwill dated August 25, 2008 with Mrs. Geeta Bhatia. The deed assigns, transfers and grants the right, title and interest in the trademark "TreeHouse" and other intellectual property rights along with the goodwill to our Company.

Strategic and Financial Partnerships

Our Company does not have any strategic and financial partnerships.

OUR MANAGEMENT

Under the Articles of Association, our Company is required to have not less than three Directors and not more than 12 Directors. Our Company currently has eight Directors.

Our Board

The following table sets forth details regarding our Board of Directors as on the date of this DRHP:

Name, Designation, Father's Name, Date of Appointment, Term, Occupation, Address and DIN	Age (Years)	Status of Director in our Company	Other Directorships
Mr. Sanjaya Kulkarni *Chairman* S/o Mr. Shrikrishna Kulkarni **Date of Appointment:** Appointed as an additional Director on August 13, 2008. Re-appointed as Director on September 30, 2009. Appointed as Chairman on September 28, 2010 **Term:** Liable to retire by rotation **Occupation**: Business **Address**: A-12, Technocrat Society Twin Tower Lane, Prabhadevi Mumbai 400 025 India **DIN:** 00102575	61	Independent	1. TPL Plastech Limited; 2. UTV Global Broadcasting Limited; 3. UTV Software Communications Limited; 4. S.L. Poultry Private Limited; 5. Indian Direct Equity Advisors Private Limited; 6. Time Technoplast Limited; 7. Pro Capital Advisors Private Limited; 8. NED Energy Limited; 9. YPA (Thailand) Limited 10. Iprof Learning Solutions Private Limited; 11. Agro Tech Foods Limited; and 12. Mastek Foundation.
Mr. Rajesh Bhatia *Managing Director* S/o Mr. Doulatram Bhatia **Date of Appointment:** Originally appointed as the first Director and Chairman of our Company on July 10, 2006. He was then re-appointed as the Managing Director pursuant to Board resolution dated April 1, 2008 **Term:** Five years **Occupation**: Business **Address**: 202, 2nd floor, Morya Regency Dr. Ambedkar Road, Khar (West)	41	Executive	1. Madhav Education and Research Institute India Private Limited; 2. Khemi Investments and Consultancy Private Limited; 3. Rage Share and Stock Brokers Private Limited; and 4. JT Infrastructure Private Limited.

Name, Designation, Father's Name, Date of Appointment, Term, Occupation, Address and DIN	Age (Years)	Status of Director in our Company	Other Directorships
Mumbai 400 052 India **DIN:** 00074393			
Mr. Vishal Shah *Director* S/o Mr. Dipak Shah **Date of Appointment:** Appointed as an additional Director on August 13, 2008. Re-appointed as Director on September 30, 2009 **Term:** Five years **Occupation**: Business **Address**: 503-B, Gazdar Apartments Juhu Tara Road Mumbai 400 049 India **DIN:** 01153074	39	Executive	1. Dhiranand Engineers Private Limited; and 2. JT Infrastructure Private Limited.
Mrs. Geeta Bhatia *Director* D/o Mr. Girdhari Bhatia **Date of Appointment:** Appointed as first Director of the Company on July 10, 2006 **Term:** Liable to retire by rotation **Occupation**: Business **Address**: 202, 2nd floor, Morya Regency Dr. Ambedkar Road, Khar (West) Mumbai 400 052 India **DIN:** 00074444	37	Non-Executive	1. Madhav Education and Research Institute India Private Limited; 2. Khemi Investments and Consultancy Private Limited; 3. Rage Share and Stock Brokers Private Limited; and 4. JT Infrastructure Private Limited.
Mr. T.S. Sarangpani *Director* S/o Mr. Shrinivasan Tirunoncoil **Date of Appointment:** Appointed as an additional Director on August 13, 2008. Re-appointed as	62	Independent	Nil

Name, Designation, Father's Name, Date of Appointment, Term, Occupation, Address and DIN	Age (Years)	Status of Director in our Company	Other Directorships
Director on September 30, 2009 **Term:** Liable to retire by rotation **Occupation**: Business **Address**: D-802, Spectra Cypress, Vartur Main Road, Tubarahalli Bangalore 560 066 India* **DIN:** 01453050			
Mr. Parantap Dave *Director* S/o Mr. Priyakant Dave **Date of Appointment:** Appointed as an additional Director on August 13, 2008. Re-appointed as Director on September 30, 2009 **Term:** Liable to retire by rotation **Occupation**: Business **Address**: 9, Bharat Mahal 37, Lajpatrai Road Vile Parle (West) Mumbai 400 056 India **DIN:** 00019472	49	Independent	1. Mas Service Limited; 2. Spectrum International Private Limited; and 3. Dhanipa Management Services Private Limited.
Mr. Ashu Garg *Nominee Director* S/o Mr. Ramesh D. Garg **Date of Appointment:** May 13, 2010 **Term:** Liable to retire by rotation **Occupation**: Service **Address**: 6/5 Shanti Niketan New Delhi India **DIN:** 01980048	40	Nominee	1. Vienova Technology Private Limited; 2. Agni Property Services Private Limited; 3. Aspire Human Capital Management (Private) Limited; 4. Tubemogul Inc.; and 5. Conviva, Inc.

Name, Designation, Father's Name, Date of Appointment, Term, Occupation, Address and DIN	Age (Years)	Status of Director in our Company	Other Directorships
Mr. Rishi Navani *Nominee Director* S/o Mr. Omprakash Navani **Date of Appointment:** Appointed as an additional Director on August 13, 2008. Re-appointed as Director on September 30, 2009 **Term:** Liable to retire by rotation **Occupation**: Service **Address**: 7, Om Ratan 70, Pochkhanawala Road, Worli Mumbai 400 025 India **DIN:** 01758427	37	Nominee	1. Brand Marketing (India) Private Limited; 2. FIITJEE Limited; 3. Siesta Hospitality Services Limited; 4. Ver se Innovation Private Limited; and 5. Matrix India Asset Advisors Private Limited.

** The Company has filed form DIN 4 dated February 15, 2011 for change in address.*

Brief profile of our Directors

Mr. Sanjaya Kulkarni is the Chairman and an independent Director of our Company. He holds a bachelor of technology degree from Indian Institute of Technology, Mumbai and masters of business administration from Indian Institute of Management, Ahmedabad. Mr. Kulkarni has approximately 30 years of experience in the financial services and consumer durables industry. He has worked for Citibank, India from 1973-1980 and was involved in investment banking and managing corporate relationships. He was also the Chairman of the Equipment Leasing Association from 1993-1995. Mr. Kulkarni previously managed Century Direct Fund, one of the earliest private equity funds for investment in growth companies in India and also promoted 20th Century Finance Corporation Limited. He was not paid any remuneration or sitting fee for Fiscal 2010.

Mr. Rajesh Bhatia is the Managing Director of our Company. He holds a bachelor of engineering degree in computer science from MS University, Baroda and masters of business administration in marketing management from Pune University. Mr. Bhatia has approximately seven years of experience in the education industry. He has been associated with our Company since its inception. He oversees the day to day operations of our Company. The remuneration paid to him for Fiscal 2010 was Rs. 1,800,000.

Mr. Vishal Shah is an executive Director of our Company. He holds bachelor of commerce degree from Mumbai University and masters of business administration in finance from Narsee Monjee Institute of Management Studies, Mumbai. Mr. Shah has approximately six years of experience in the education industry. He worked with Apple Finance Limited as trainee in 1994-1996. In 1996, he joined Indsec Securities and Finance Limited as an assistant vice president. He has been associated with our Company since its inception in 2007. He oversees the marketing and administration department of our Company. His responsibilities include marketing, setting up of new centers, identifying properties for expansion, appointing franchisees and procurement. The remuneration paid to him for Fiscal 2010 was Rs. 1,200,000.

Mrs. Geeta Bhatia is a non-executive Director of our Company. She holds a bachelor of commerce degree from Mumbai University. Mrs. Bhatia has approximately seven years of experience in the education industry. She has been awarded order of merit for montessori education and has been honored by the Indian Council of Management Executives, Mumbai as a samajshri in recognition of services rendered to the public. She was not paid any remuneration or sitting fee for Fiscal 2010.

Mr. T.S. Sarangpani is an independent Director of our Company. He holds a bachelor of engineering degree and masters of business administration from the University of Madras. Mr. Sarangpani has approximately 32 years of experience in the financial services industry. He started his career with ICICI Bank Limited. After spending seven years with them in the project finance area, he moved to the manufacturing industry where he worked at International Instruments, Bangalore and Nuchem Plastics, New Delhi. Since 1990, Mr. Sarangpani was associated with the financial services industry in areas such as venture capital, setting funds for international investors and investing in India, and investment banking with emphasis in corporate finance. During this period, he was associated with the 20th Century Venture Capital, TAIB Bank in Bahrain, West Merchant Bank at London, and WestLB, a Germany based commercial bank. He was not paid any remuneration or sitting fee for Fiscal 2010.

Mr. Parantap Dave is an independent Director of our Company. He holds a bachelor of commerce degree and is a chartered accountant. Mr. Dave has 25 years of experience in the field of finance, banking, accounts, audit, taxation, legal, project and general management and commercial matters. Mr. Dave started his career on guiding individuals and corporates on managing their investible surplus on the capital market. This endeavor was further extended to include transacting for placement of commercial paper, advising clients on the initial public offering process, and wealth management. The resultant exposure to various business segments metamorphosed into a bouquet consulting firm, Argent Advisors, which provides corporate advisory to small and medium enterprises on strategy from incubation to initial public offering, from concept to capital, from vision to valuation. Mr. Dave enables business entities in securing funds, both in form of venture capital/ private equity and public equity. He was not paid any remuneration or sitting fee for Fiscal 2010.

Mr. Ashu Garg is a nominee Director on our Board. He holds a bachelor of technology degree from Indian Institute of Technology, Delhi and masters of business administration from Indian Institute of Management, Bangalore. Mr. Garg is a venture partner at Foundation Capital, and is the nominee Director on behalf of FC VI India Venture (Mauritius) Limited. Most recently, he was a general manager with Microsoft's on-line services business, where he was responsible for strategy and business management for the Digital Advertising Solutions Business Group. Prior to his work with Microsoft, Mr. Garg worked with McKinsey & Company in Palo Alto and India, where he served early and growth stage companies in digital media, software/software services, healthcare, and consumer services on a range of growth-related issues. He also co-founded Aptech Internet, an Indian online services startup, in partnership with Aptech Limited. Mr. Garg has also worked with Hindustan Unilever in India. He is a TiE Charter Member, and a member of the Indian Angel Network. He was not paid any remuneration or sitting fee for Fiscal 2010.

Mr. Rishi Navani is a nominee Director on our Board. He holds a bachelor of arts degree from Northwestern University and masters of business administration from Wharton School at the University of Pennsylvania, where he graduated as a palmer scholar. Mr. Navani has over 10 years of experience investing in the Indian market. He is the co-founder and managing director at Matrix India Asset Advisors Private Limited, and is the nominee Director on behalf of Matrix Partners India Investment Holdings, LLC. Previously, he was the managing director at WestBridge Capital Partners. Mr. Navani was a member of the investment team at Apax Partners and Indocean Ventures, an affiliate of Soros Fund Management and Chase Capital Partners. He has also worked in management consulting at A.T. Kearney and McKinsey & Company. He was not paid any remuneration or sitting fee for Fiscal 2010.

Remuneration details of our Directors:

a) Remuneration details of our executive Directors for Fiscal 2010

Apart from their remuneration as mentioned above, our executive Directors are also entitled to the following perquisites:

(1) **Mr. Rajesh Bhatia** was originally appointed as the first Director and Chairman of our Company on July 10, 2006. He was then re-appointed as the Managing Director pursuant to a Board resolution dated April 1, 2008. The remuneration payable to him as the Managing Director of our Company has been determined, with effect from April 1, 2008 pursuant to the employment agreement dated May 8, 2009 entered between our Company and Mr. Bhatia for a period of five years and is constituted as under:

(a) Salary: Rs. 150,000 per month (inclusive of the perquisites listed below):
   i. House rental allowance of Rs. 40,000 per month;
   ii. Educational allowance of Rs. 3,000 per month;
   iii. Conveyance allowance of Rs. 12,000 per month, including a Company car with driver for use on official duties; and
   iv. Productivity allowance of Rs. 35,000 per month.

(b) 26 days leave with full salary for every calendar year.

(c) Entertainment and travelling expenses incurred in connection with the Company's business.

(2) **Mr. Vishal Shah** was originally appointed as an additional Director of our Company on August 13, 2008 and was re-appointed as a Director pursuant to shareholders resolution in the EGM dated September 30, 2009. The remuneration payable to him as a Director of our Company has been determined, with effect from November 1, 2010 pursuant to the employment agreement dated November 17, 2010 entered into between our Company and Mr. Shah for a period of five years and is constituted as under:

(a) Salary: Rs. 125,000 per month (inclusive of the perquisites listed below).
   i. House rental allowance of Rs. 25,000 per month;
   ii. Educational allowance of Rs. 10,000 per month;
   iii. Conveyance allowance of Rs. 15,000 per month, including a Company car with driver for use on official duties; and
   iv. Productivity allowance of Rs. 25,000 per month.

(b) 30 days leave with full salary for every calendar year.

(c) Entertainment and travelling expenses incurred in connection with the Company's business.

b) Remuneration details of our non-executive and independent Directors for Fiscal 2010

Our non-executive and independent Directors were not paid any remuneration/sitting fees for Fiscal 2010.

Shareholding of Directors in our Company

Our Articles do not require our Directors to hold any qualification shares in our Company. For details of shareholding of our Directors in our Company, see section titled "*Capital Structure*" at page 55.

Details of current and past directorship(s) in listed companies whose shares have been / were suspended from being traded on the BSE / NSE and reasons for suspension

Except for Mr. Parantap Dave, none of our Directors are currently or have been, in the past five years, on the board of directors of a listed company whose shares have been or were suspended from being traded on the NSE or BSE.

Mr. Parantap Dave was an alternate director on the board of Multi Arc India Limited from July 26, 2001 to June 3, 2008. The shares of Multi Arc India Limited were listed on BSE. These shares were suspended from being traded on the BSE on February 12, 2003 for 15 months and 16 days due to default in calculation of pricing for issue of shares under preferential issue of share. The suspension was subsequently revoked on May 31, 2004.

Details of current and past directorship(s) in listed companies which have been/ were delisted from the stock exchange(s) and reasons for delisting

None of our Directors are currently or have been on the board of directors of a public listed company whose shares have been or were delisted from being traded on any stock exchange.

Relationships between our Directors

Except for Mr. Rajesh Bhatia and Mrs. Geeta Bhatia who are husband and wife, none of our other directors are related to each other.

Details of service contracts

Except as otherwise provided in this section, there are no service contracts entered into with any Directors for provision of benefits or payments of any amount upon termination of employment.

Interest of Directors

All of our Directors may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of our Board or a committee thereof, as well as to the extent of other remuneration and reimbursement of expenses, if any, payable to them under our Articles, and to the extent of remuneration, if any, paid to them for services rendered as an officer or employee of our Company.

Our Directors may also be regarded as interested in Equity Shares, if any, held by them or that may be subscribed by or allotted to the companies, firms, trusts, in which they are interested as directors, members, partners, trustees and promoters, pursuant to this Issue. All our Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares.

Further, our Promoter Directors are interested to the extent of rentals received from our Company against licensing of properties owned by them. Details of the leave and license agreements are provided below:

S. No.	Date of agreement	Description of property	Area (in square feet)	Tenure
1.	December 13, 2010	Shop Nos. 16-19, Samaan Complex, Opposite Nalanda Complex, Judges Bungalow Road, Vastrapur, Ahmedabad	3,000	11 months from December 1, 2010 to October 31, 2011
2.	December 13, 2010	No. 702-704, 'C' Morya House , Off New Link Road, Near Infinity Mall, Andheri (West) Mumbai	5,905	11 months from December 1, 2010 to October 31, 2011
3.	December 13, 2010	Vijay Park Society, Lunckui, Navsari, Gujarat	2,000	11 months from December 1, 2010 to October 31, 2011
4.	December 13, 2010	Shop Nos. 22, 25-29, Silver Birch, Opposite Redwoods, Yogi Hills, Mulund (West), Mumbai	3,800	11 months from December 1, 2010 to October 31, 2011
5.	December 13, 2010	Row House # 1, Rashmi Villa, Rashmi Nagar, Nallasopara Link Road, Vasai East, Thane	1,800	11 months from December 1, 2010 to October 31, 2011
6.	December 13, 2010	Shop No. 12, Safal Pegasus, Prahlad Nagar, Ahmedabad	1,224	11 months from December 1, 2010 to October 31, 2011
7.	December 13, 2010	Shop No. 7 and 8, Ground Floor, Radhe Krishna Building, Near Shah & Moraj Residency, Off Palm Beach Road, Sector 16A,Sanpada, Navi Mumbai	1,200	11 months from December 1, 2010 to October 31, 2011
8.	December 13, 2010	Plot No. 71, Group IV, Sector 07, Behind D' mart, Koparkhairne, Navi Mumbai	1,500	11 months from December 1, 2010 to October 31, 2011
9.	December 13, 2010	Shop Nos. 1-7, Building No. 4, Ground Floor, Buddhadev Vihar, Next to Hill Garden Society, Opposite Tikuji – Ni- Wadi, Chitalsar, Manpada, Thane	4,000	11 months from December 1, 2010 to October 31, 2011
10.	December 13, 2010	Shop Nos. 10/120/ 121, Hallmark Vasant Oscar, L.B.S. Marg, Mulund (West), Mumbai	1,600	11 months from December 1, 2010 to October 31, 2011
11.	December 13, 2010	Ground Floor, Ishaan Hospital Building, Opposite Only Parathas, Jethalpur Road, Vadodara	3,000	11 months from December 1, 2010 to October 31, 2011
12.	December 13, 2010	Shop Nos. 4,5,6 and 7, Radhamit, Near Vazirani Sports Academy, Sector 18, Nerul, Navi Mumbai	1,500	11 months from December 1, 2010 to October 31, 2011
13.	December 13, 2010	Ground Floor, Marve Grace CHSL, Near Malwani Fire Brigade, Malad (West), Mumbai	1,500	11 months from December 1, 2010 to October 31, 2011
14.	December 13, 2010	Shastri Nagar, Building No. 8, Ground Floor, Behind Vibgyor High School, Link Road, Mumbai	3,000	11 months from December 1, 2010 to October 31, 2011
15.	December 13, 2010	Flat No. 1, Shri Anmol Shantinagar CHS Building, Building B 21, Sector IX, Shanti Nagar, Mira Road (East), Thane	700	11 months from December 1, 2010 to October 31, 2011
16.	December 13, 2010	Shop Nos. 3,4,5, Flat No. 102/103, Amisha Building, Plot No. 8, Ground Floor, Sector 8, Near Charkop Police Station, Charkop, Kandivali (West),	4,300	11 months from December 1, 2010 to October 31, 2011

		Mumbai		
17.	December 13, 2010	105 and 106, 1st Floor, Sanskar Building, Panchpakhadi, Thane	1,500	11 months from December 1, 2010 to October 31, 2011
18.	December 13, 2010	Flat A-3/4, Broadway Avenue Complex, Mira Road (East), Thane	650	11 months from December 1, 2010 to October 31, 2011
19.	December 13, 2010	Shop 17/18, Ground Floor, ARM Enclave, Plot No. 11, Sector 7, Khargar, Navi Mumbai	2,000	11 months from December 1, 2010 to October 31, 2011
20.	December 13, 2010	Flat No E 2-3, Gokul Samarpan-I, Gokul Township, Off Agashi Road, Near Mujlibhai Mehta School, Bolinj, Virar (West)	2,000	11 months from December 1, 2010 to October 31, 2011
21.	December 13, 2010	Flat Nos. 1 and 2, J Building, Goddev village, New Golden Nest, Off Mira Bhayandar Road, Bhayandar, Thane	1,224	11 months from December 1, 2010 to October 31, 2011

Interest in promotion of our Company

Except for Mr. Rajesh Bhatia and Mrs. Geeta Bhatia, none of our Directors have any interest in the promotion of our Company.

Interest in the property of our Company

Except as disclosed in the sections titled "*Financial Statements – Related Party Transactions*" and "*Objects of the Issue*" at pages F-14 and 66, our Directors do not have any interest in any property acquired by or proposed to be acquired by our Company two years prior to filing of this DRHP.

Interest in transactions involving acquisition of land

Except as disclosed in the section titled "*Financial Statements – Related Party Transactions*" and "*Objects of the Issue*" at pages F-14 and 66, our Directors are not interested in any transaction with our Company involving acquisition of land, construction of building or supply of any machinery.

Interest in the business of our Company

Except as stated in the section titled "*Financial Statements – Related Party Transactions*" at page F-14, and to the extent of shareholding in our Company, our Directors do not have any other interest in the business of our Company.

Changes in our Board during the last three years

Except for the following, there have been no other changes in our Board during the last three years:

S. No.	Name of Director	Date of Appointment	Date of Cessation	Reason
1.	Mr. Rishi Navani	August 13, 2008	-	Appointed as a nominee Director
2.	Mr. Sanjaya Kulkarni	August 13, 2008	-	Appointed as an additional Director
3.	Mr. Parantap Dave	August 13, 2008	-	Appointed as an additional Director
4.	Mr. Ashu Garg	May 13, 2010	-	Appointed as a nominee Director
5	Mr. Vishal Shah	August 13, 2008	-	Appointed as an additional Director
6.	Mr. T.S. Sarangpani	August 13, 2008	-	Appointed as an additional Director

Corporate Governance

The provisions of the Listing Agreement with respect to corporate governance and the SEBI Regulations in respect of corporate governance will be applicable to our Company immediately upon the listing of the Equity Shares on the Stock Exchanges. Our Company has complied with the corporate governance code in accordance with clause 49 of

Listing Agreement, particularly, in relation to appointment of independent Directors on our Board and constitution of the audit committee, the shareholders' grievance committee and the remuneration committee. The Board functions either as a full board or through various committees constituted to oversee specific operational areas. Our Company undertakes to take all necessary steps to continue to comply with all the requirements of clause 49 of the Listing Agreement.

As per clause 49 of the Listing Agreement, where the chairman of the board is a non-executive director, at least one-third of the board should comprise of independent directors. Currently, our Board has eight Directors of which the Chairman of the Board is a non-executive Director, along with two more non-executive and independent Directors, which is in compliance with the requirements of clause 49 of the Listing Agreement.

In terms of clause 49 of the Listing Agreement, our Company has constituted the following committees:

1. Audit Committee;
2. Shareholders' Grievance Committee; and
3. Remuneration Committee.

Audit Committee

The audit committee was constituted by our Directors at the Board meeting held on October 24, 2008 and was re-constituted by our Board in their meeting dated November 17, 2010 ("**Audit Committee**"). The Audit Committee comprises of the following members:

S. No.	Name of the Member	Designation	Nature of Directorship
1.	Mr. Sanjaya Kulkarni	Chairman	Independent and non-executive
2.	Mr. Rajesh Bhatia	Member	Executive
3.	Mr. Parantap Dave	Member	Independent and non-executive

Scope and terms of reference: The Audit Committee will perform the following functions with regard to accounts and financial management:

a) investigating into any matter in relation to the items specified in Section 292A of the Companies Act, 1956 or referred to it by our Board and for this purpose, shall have full access to information contained in the records of our Company and external professional advice, if necessary;
b) overseeing our Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are accurate, sufficient and credible;
c) recommending to our Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor, internal auditor or fixation of the audit fees and approving payments for any other services;
d) approval of payment to statutory auditors for any other services rendered by the statutory auditors;
e) reviewing with the management, the annual financial statements before submission to our Board for approval, with particular reference to:

    i. matters required being included in the Directors' responsibility statement to be included in our Board's report in terms of clause (2AA) of the Section 217 of the Companies Act, 1956;
    ii. changes, if any, in accounting policies and practices and reasons for the same;
    iii. major accounting entries and significant adjustments made in the financial statements arising out of audit findings;
    iv. compliance with listing and other legal requirements relating to financial statements;
    v. the going concern assumption;
    vi. compliance with accounting standards;
    vii. disclosure of any related party transactions, i.e transaction of our Company of material nature, with Promoters or the management, their subsidiaries or relatives, etc., that may have potential conflict with the interest of our Company at large; and

viii. qualifications in the draft audit report, if any.

f) reviewing with the management, the quarterly, half-year, nine months and annual financial statements, stand alone as well as consolidated before submission to our Board for approval;
g) reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to our Board to take up steps in this matter;
h) reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems;
i) reviewing the adequacy of internal audit systems and internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
j) discussion with internal auditors any significant findings and follow up there on;
k) 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 our Board;
l) discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
m) to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of nonpayment of declared dividends) and creditors;
n) reviewing reports furnished by the internal auditors and statutory auditors and ensuring suitable follow-up thereon;
o) reviewing the appointment and the terms of remuneration of chief internal auditor of our Company;
p) reviewing our Company's financial and risk management policies;
q) reviewing with the management and the statutory auditors anticipated changes in the accounting standards;
r) to review the functioning of the whistle blower mechanism, in case the same exists;
s) it shall ensure compliance of internal control systems;
t) approval of appointment of chief financial officer or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
u) review the financial statements, in particular, the investments made by the unlisted subsidiary company;
v) carry out any other function as is mentioned in the terms of reference of the Audit Committee; and
w) any other role or function as may be required by the stock exchanges or under the Companies Act or any other regulation from time to time.

Shareholders' Grievance Committee

The shareholders' grievance committee was constituted by our Directors at the Board meeting held on December 15, 2010 ("**Shareholders' Grievance Committee**"). The Shareholders' Grievance Committee comprises of the following members:

S. No.	Name of the Member	Designation	Nature of Directorship
1.	Mr. Parantap Dave	Chairman	Independent and non-executive
2.	Mr. Sanjaya Kulkarni	Member	Independent and non-executive
3.	Mrs. Geeta Bhatia	Member	Non-executive

Scope and terms of reference: The Shareholders' Grievance Committee has been constituted to do the following acts:

a) investigate in to any matter in relation to transfer of securities or referred to it by our Board and for this purpose, it shall have full access to information contained in the records of our Company and external professional advice, if necessary;
b) investigate any activity within its terms of reference;
c) seek information from any employee;

d) seek information from share transfer agents;
e) obtain outside legal or other professional advice;
f) secure attendance of outsiders with relevant expertise, if it considers necessary;
g) approve issue of duplicate / split / consolidated share certificates and to oversee and review all matters connected with the transfer, transmission and issue of securities;
h) approve share transfer / transmission of securities periodically, whether by circular resolution or otherwise;
i) look in to redressing of shareholders' and investor complaints like transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends, etc.;
j) oversee the performance of the registrar and transfer agents and recommend measures for overall improvement in the quality of investor services;
k) allotment and listing of shares;
l) review of cases for refusal of transfer / transmission of shares and debentures;
m) to approve the dematerialization of shares and rematerialisation of shares;
n) to review from time to time overall working of the secretarial department of our company relating to the shares of our company and functioning of the share transfer agent and other related matters;
o) reference to statutory and regulatory authorities regarding investor grievances; and
p) otherwise ensure proper and timely attendance and redressal of investor queries and grievances.

Other Committees

IPO Committee

The IPO committee was constituted by our Directors at the Board meeting held on February 4, 2011 ("**IPO Committee**"). The IPO Committee comprises of the following members:

S. No.	Name of the Member	Designation	Nature of Directorship
1.	Mr. Rajesh Bhatia	Chairman	Executive
2.	Mr. Sanjaya Kulkarni	Member	Independent and non-executive
3.	Mr. Parantap Dave	Member	Independent and non-executive

Scope and terms of reference: The IPO Committee has been constituted to decide the terms and conditions of the Issue, finalisation and filing of the Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus with SEBI, the Stock Exchanges and other regulatory bodies as may be required, handling all matter relating to appointment of intermediaries and advisors in relation to the IPO, opening of bank accounts in terms of the escrow or custodian accounts, submitting applications and seeking listing of Equity Shares with the Stock Exchanges, finalising the price band and approving the basis for allocation and confirm allocation of the equity shares to various categories of persons, and do all acts and take all decisions as may be necessary for the purposes of the IPO and listing.

Remuneration Committee

The remuneration committee was constituted by our Directors at the Board meeting held on October 29, 2010 ("**Remuneration Committee**"). The Remuneration Committee comprises of the following members:

S. No	Name of the Member	Designation	Nature of Directorship
1.	Mr. Sanjaya Kulkarni	Chairman	Independent and non-executive
2.	Mr. Parantap Dave	Member	Independent and non-executive
3.	Mrs. Geeta Bhatia	Member	Non-executive

Scope and terms of reference: The Remuneration Committee exercises powers in relation to the matters listed below:

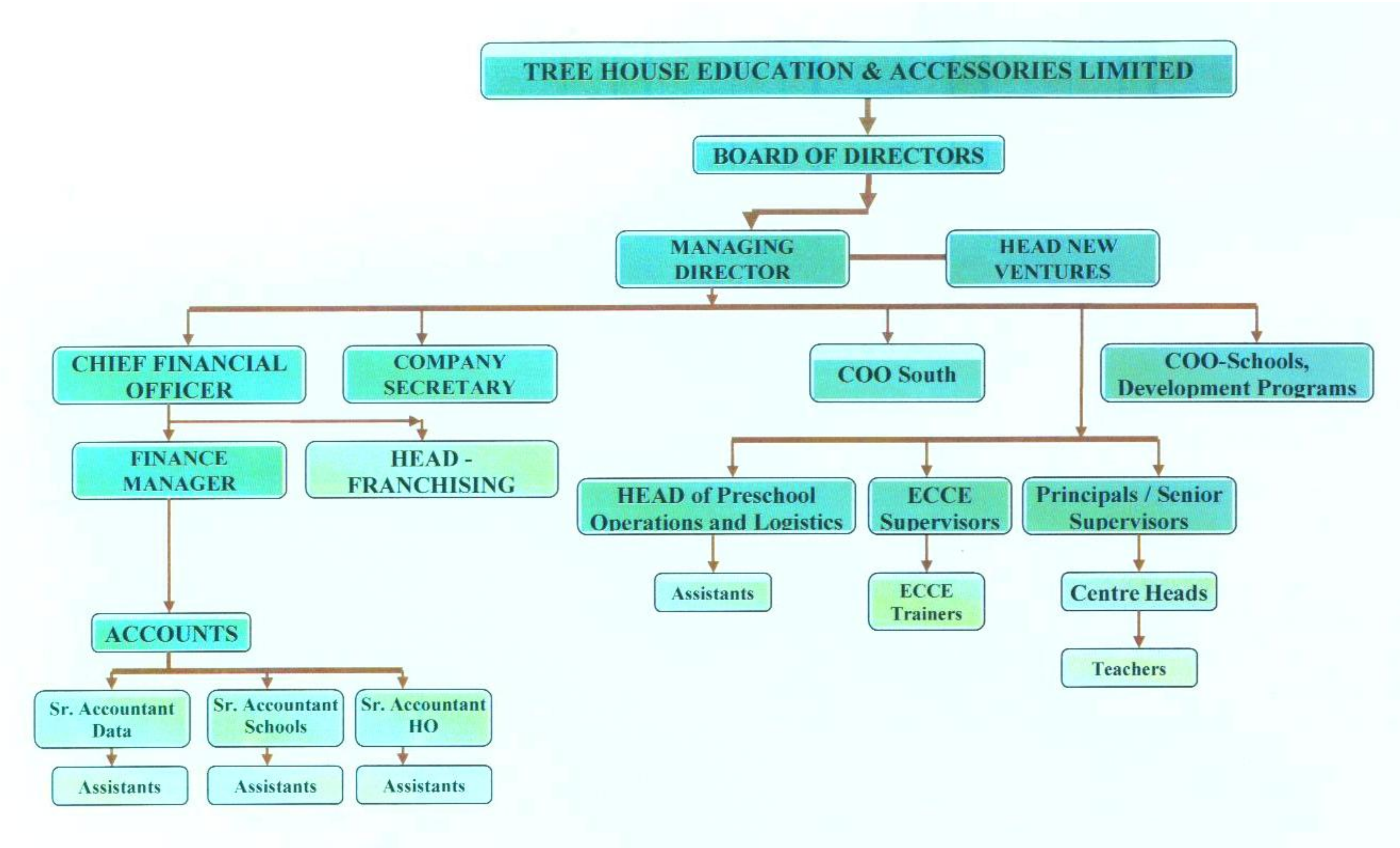
a) prepare and recommend ESOP scheme, trust deed to our Board;

b) determine the number of options to be granted, to each employee and in the aggregate, and the times at which such grants shall be made;
c) determine the vesting and/or lock-in period of the grant made to any employee and/or any conditions subject to which such vesting may take place;
d) determine the employees eligible for participation in the plan;
e) determine the performance parameters for grant of options granted to an employee, under the plan;
f) lay down the conditions under which options granted to or vested in employees may lapse in case of termination of employment for misconduct, etc;
g) determine the exercise period within which the employee should exercise the option and that option would lapse on failure to exercise the option within the exercise period;
h) specify time period within which the employee shall exercise the vested options in the event of termination or resignation of an employee;
i) lay down the procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of change in capital structure and corporate action etc.;
j) provide for the right of an employee to exercise all the options vested in him at one time or at various points of time within the exercise period;
k) lay down the method for satisfaction of any tax obligation arising on the exercise of the option or otherwise including but not limited to procedure and mode of recovering fringe benefit tax;
l) lay down the procedure for cashless exercise of options, if any;
m) provide for the grant, vesting and exercise of options in case of employees who are on long leave or whose services have been seconded/deputed to its subsidiary and/or holding company at the instance of the employer company;
n) frame suitable rules, policies and systems to ensure that there is no violation of:
    - Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, and
    - Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations,1995; and
o) exercise such powers as may be necessary or expedient in connection with the effective and efficient implementation or administration of the plan.

Borrowing powers of our Board

In accordance with provisions of the Companies Act and our Articles, our Board has been authorized to borrow from time to time, any such sum or sums of money for the purposes of the business of our Company, as our Board may in its discretion think fit, provided that the money or monies to be so borrowed together with the sums already borrowed by our Company (apart from the temporary loans obtained from our Company's bankers in the ordinary course of business), may exceed the aggregate of the paid-up capital of our Company and its free reserves, reserves not set apart for any specific purposes, by a sum not exceeding Rs. 1,500 million.

Management Organisational Structure



Key Managerial Personnel

In addition to our Directors, whose details have been provided under the heading "*Brief Profile of our Directors*", the details of our other Key Managerial Personnel, as of the date of this Draft Red Herring Prospectus, are set forth below. All the Key Managerial Personnel are permanent employees of our Company.

Key Managerial Personnel of our Company

Mr. Utsav Shrivastava, 39 years, is the chief financial officer of our Company. He holds a post graduate degree in management from Symbiosis, Pune. He joined our Company on April 1, 2008. He has approximately two years of experience in the area of education industry. Prior to joining our Company, he worked with Centurion Bank of Punjab as the product head-mortgages and personal loans. The remuneration paid to him for Fiscal 2010 was Rs.1,627,840.

Mr. Ravi Warriar, 57 years, is the chief operating officer for southern India in our Company. He holds a bachelor of technology degree in electrical engineering from Indian Institute of Technology, Kanpur and a post graduate diploma in management from Indian Institute of Management, Calcutta. He joined our Company on August 12, 2009. Mr. Warriar has more than 33 years of experience across sectors such as fast moving consumer goods, consumer durables, information technology services and tourism. Prior to working with our Company, he has worked with companies like Hindustan Unilever Limited, Godrej & Boyce Manufacturing Company Private Limited, Dishnet DSL Limited and Singapore Education Board. He has been instrumental in setting up our Company centers across southern India and is responsible for day-to-day management of our Company. The remuneration paid to him for Fiscal 2010 was Rs. 1,011,708.

Mr. V. Sridhar, 43 years, is the chief operating officer for K-12 schools in our Company. He holds a bachelor of science (honors) degree in physics from Ranchi University. Mr. Sridhar has 19 years of experience in the insurance industry. He joined our Company on June 14, 2010. Prior to working with our Company, he has worked with Tata AIG Life Insurance as vice president responsible for the western zone. He manages the K-12 school related activities of our Company. Since he joined our Company on June 14, 2010, no remuneration was paid to him for Fiscal 2010.

Ms. Ketki Hemani, 38 years, is the head of pre-schools division of our Company. She holds a diploma in pre-school education and a diploma in marketing management from Narsee Monjee Institute of Management Studies, Mumbai. She joined our company on June 1, 2006. She has 15 years of experience as a teacher and educational counselor at various reputed preschools in Mumbai. Ms. Hemani manages the day to day operations of the pre-schools. The remuneration paid to her for Fiscal 2010 was Rs. 306,000.

Ms. Deepali Chandrakant Hanchate, 26 years, is the company secretary of our Company. She is an associate company secretary from the Institute of Company Secretaries of India. She joined our Company on June 1, 2010. Ms. Hanchate has four years of experience in legal and secretarial matters. Prior to working with our Company, she worked with ATCO Corporation Limited as a company secretary. Since she joined our Company on June 1, 2010, no remuneration was paid to her for Fiscal 2010.

Relationships between Key Managerial Personnel

None of our Key Managerial Personnel are related to each other.

Details of service contracts of our Key Managerial Personnel

Except for the appointment letters, our Key Managerial Personnel have not entered into any other contractual arrangements with our Company.

Further, all our Key Managerial Personnel mentioned above are officers of our Company vested with executive powers and function at a level immediately below the Board.

Interest of Key Managerial Personnel

Except as disclosed below, none of our Key Managerial Personnel have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and

reimbursement of expenses incurred by them during the ordinary course of business and to the extent of Equity Shares held by them in our Company.
Our Company has entered into agreement dated June 24, 2009 with Ms. Ketki Hemani for running day care centre.

Shareholding of our Key Managerial Personnel

Except Mr. Utsav Shrivastava who holds shares jointly with our Promoters, none of our Key Managerial Personnel have any shareholding in our Company.

Changes in our Key Managerial Personnel

The changes in our Key Managerial Personnel during the last three years are as follows:

S. No.	Name	Date of Appointment	Date of Change/ Cessation	Reason (if any)
1.	Mr. Utsav Shrivastava	August 1, 2008	-	Appointment
2.	Ms. Deepali Chandrakant Hanchate	July 29, 2010	-	Appointment
3.	Mr. V. Shridar	June 14, 2010	-	Appointment
4.	Mr. Ravi Warriar	August 12, 2009	-	Appointment

Bonus or profit sharing plan for our Key Managerial Personnel

There is no bonus or profit sharing plan for our Key Managerial Personnel.

Scheme of employee stock option or employee stock purchase

For details on our employee stock option scheme, please refer to the section titled "*Capital Structure*" at page 56.

Payment of benefit to officers of our Company (non-salary related)

No amount or benefit has been paid or given to any officer of our Company within the two preceding years from the date of filing of the Draft Red Herring Prospectus or is intended to be paid, other than in the ordinary course of their employment.

Except statutory benefits upon termination of their employment in our Company or superannuation, no officer of our Company is entitled to any benefit upon termination of such officer's employment in our Company or superannuation.

Loans taken by Directors / Key Managerial Personnel

Our Directors and Key Managerial Personnel have not taken any loan from our Company which are currently outstanding.

Arrangements and understanding with major shareholders

Except for Mr. Rishi Navani and Mr. Ashu Garg who are nominee Directors of our Company, none of our Directors or Key Managerial Personnel have been appointed as a director or member of senior management pursuant to any arrangement or understanding with our major shareholders, customers, suppliers or others.

OUR PROMOTERS AND GROUP COMPANIES

Promoters

Individuals

The following individuals are the Promoters of our Company:

1. Mr. Rajesh Bhatia; and
2. Mrs. Geeta Bhatia

The details of our Promoters are provided below:

1. Mr. Rajesh Bhatia

Permanent Account Number	AAHPB9438N
Passport Number	E2426369
Voter ID Number	ROL2865699
Bank Account Number	CLSB50003
Address	202, 2nd floor, Morya Regency Dr. Ambedkar Road, Khar (West) Mumbai 400 052 India

For further details relating to Mr. Rajesh Bhatia, including terms of appointment as our Managing Director and other directorships, see the section titled "*Our Management*" at page 113.

2. Mrs. Geeta Bhatia

Permanent Account Number	AAGPB8685G
Passport Number	B2035359
Voter ID Number	ROL2865681
Bank Account Number	CLSB50004
Address	202, 2nd floor, Morya Regency Dr. Ambedkar Road, Khar (West) Mumbai 400 052 India

For further details relating to Mrs. Geeta Bhatia, including terms of appointment as our Director and other directorships, see the section titled "*Our Management*" at page 113.

We confirm that the details of the PAN, bank account numbers and passport numbers of our Promoters will be submitted to the Stock Exchanges at the time of filing the DRHP with the Stock Exchanges.

Interest of the Promoters

Interest in promotion of our Company

Our Company was incorporated by Mr. Rajesh Bhatia and Mrs. Geeta Bhatia. For this purpose, they had subscribed to our Memorandum of Association and to the initial issue of our Equity Shares.

Interest in the property of our Company

Except as disclosed in the sections titled "*Our Business*", "*Financial Statements – Related Party Transactions*" and "*Objects of the Issue*" at page 102, F-14, and 66, respectively, our Promoters do not have any interest in any property acquired by or proposed to be acquired by our Company two years prior to filing of this DRHP.

Interest as member of our Company

Mr. Rajesh Bhatia and Mrs. Geeta Bhatia, our Promoters, hold 3,905,833 and 6,025,000 Equity Shares in our Company and are therefore interested to the extent of their shareholding and the dividend declared, if any, by our Company. Except to the extent of their shareholding in our Company and benefits provided to them, as given in the section titled "*Our Management*" at page 117, they hold no other interest in our Company.

Interest as Director of our Company

Please refer to section titled "*Our Management – Interest of our Directors*" at page 119.

Interest in transactions involving acquisition of land

Except as disclosed in the section titled "*Financial Statements – Related Party Transactions*" and "*Objects of the Issue*" at pages F-14 and 66, our Promoters are not currently interested in any transaction with our Company involving acquisition of land, construction of building or supply of any machinery.

Payment of benefits to our Promoters during the last two years

Except as stated in the section titled "*Financial Statements - Related Party Transactions*" at page F-14, there has been no payment of benefits to our Promoters or Promoter Group during the two years preceding the date of filing of this DRHP.

Confirmations by the Promoters

Our Promoters, including relatives of our Promoters, have confirmed that they have not been detained as wilful defaulters by the RBI or any other Governmental authority and there are no violations of securities laws committed by them in the past or pending against them and our Promoters, including relatives of Promoters, have not been restricted from accessing the capital markets for any reasons, by SEBI or any other authorities.

Related party transactions

Except as disclosed in the section "*Financial Information - Related Party Transactions*" at page F-14, our Company has not entered into any related party transactions with the Promoters or Group Companies and entities.

Promoter Group

Promoter Group Individuals

The following natural persons (being the immediate relatives of our Promoters) form part of our Promoter Group:

Relatives of Mr. Rajesh Bhatia

Relationship	
Father	Mr. Doulatram Bhatia
Mother	Mrs. Radha Bhatia
Brother	Mr. Ashok Bhatia
Sister	Ms. Babita Bhatia
Spouse	Mrs. Geeta Bhatia
Children	Mr. Abhishek Bhatia
Spouse's father	Mr. Girdhari Bhatia
Spouse's mother	Mrs. Kavita Bhatia
Spouse's brother	-
Spouse's sister	-

Relatives of Ms. Geeta Bhatia

Relationship	

Father	Mr. Girdhari Bhatia
Mother	Mrs. Kavita Bhatia
Brother	-
Sister	-
Spouse	Mr. Rajesh Bhatia
Children	Mr. Abhishek Bhatia
Spouse's father	Mr. Doulatram Bhatia
Spouse's mother	Mrs. Radha Bhatia
Spouse's brother	Mr. Ashok Bhatia
Spouse's sister	Ms. Babita Bhatia

Promoter Group companies and entities

The companies and entities forming part of our Promoter Group are as follows:

Companies:

S. No.	Name
1.	Madhav Education and Research Institute India Private Limited
2.	Khemi Investments and Consultancy Private Limited
3.	Rage Shares and Stocks Private Limited

HUFs:

S. No.	Name
1.	Rajesh Bhatia HUF
2.	Girdhari Bhatia HUF

Group Companies and entities

As specified in the SEBI Regulations, the companies, firms and other ventures, promoted by our Promoters, other than our associate companies, which form part of our Group Companies and entities, are as follows:

Companies

S. No.	Name
1.	Madhav Education and Research Institute India Private Limited
2.	Khemi Investments and Consultancy Private Limited
3.	Rage Shares and Stocks Private Limited

Unless otherwise stated, no equity shares of our Group Companies are listed on any stock exchange and they have not made any public or rights issue of securities in the preceding three years.

The details of our Group Companies and entities based on the turnover are as follows:

1. Madhav Education and Research Institute India Private Limited

Madhav Education and Research Institute India Private Limited was incorporated under the Companies Act on September 9, 2002. The registered office of the company is situated at 702 'C', Morya House, Off New Link Road, Andheri (West), Mumbai 400 053. The objects of the company is to establish, maintain, develop, conduct, procure, nursery schools, play gardens, higher education institutions, colleges or to act as education providers of every kind in the fields of technology, industrial, commercial, financial, , medical, legal, management, and other types of management.

Shareholding pattern

Set forth below is the shareholding pattern of Madhav Education and Research Institute India Private Limited as of December 31, 2010:

Name of shareholder	Number of equity shares of Rs. 10 each	% of issued capital

Name of shareholder	Number of equity shares of Rs. 10 each	% of issued capital
Mr. Rajesh Bhatia	5,000	50
Mrs. Geeta Bhatia	5,000	50
Total	10,000	100

Board of directors

The board of directors of Madhav Education and Research Institute India Private Limited as of December 31, 2010, comprises of:

1. Mr. Rajesh Bhatia;
2. Mrs. Geeta Bhatia; and
3. Mr. Girdhari Bhatia.

Financial Performance

The audited financial results of the company for the last three financial years are as follows:

(Rs. in million, except per share data)

Particulars	Fiscal 2010	Fiscal 2009	Fiscal 2008
Sales and other income	2.14	1.83	0.84
Profit/ (Loss) after tax	0.21	0.06	0.82
Equity capital (par value Rs. 10 per share)	0.10	0.10	0.10
Reserves and Surplus (excluding revaluation reserves)	Nil	Nil	Nil
Earnings/ (Loss) per share (basic) (Rs.)	21.31	6.50	81.87
Earnings/ (Loss) per share (diluted) (Rs.)	21.31	6.50	81.87
Net Asset Value	(0.24)	(0.46)	(0.53)

Madhav Education and Research Institute India Private Limited is an unlisted company and has not made any public issue (including any rights issue to the public) in the preceding three years. It has not become a sick company under the meaning of the SICA and is not under winding up. Madhav Education and Research Institute India Private Limited has a negative net worth.

2. Khemi Investments and Consultancy Private Limited

Khemi Investments and Consultancy Private Limited was incorporated under the Companies Act on June 5, 1998. The registered office of the company is situated at 702 'C', Morya House, Off New Link Road, Andheri (West), Mumbai 400 053. The object of the company is to trade and invest in shares, stock, securities in own capacity and on behalf of clients and to offer advisory services to clients for their investments in shares, securities, stock.

Shareholding pattern

Set forth below is the shareholding pattern of Khemi Investments and Consultancy Private Limited as of December 31, 2010:

Name of shareholder	Number of equity shares of Rs. 10 each	% of issued capital
Mr. Rajesh Bhatia	17,200	34.40
Mrs. Geeta Bhatia	32,800	65.60
Total	50,000	100

Board of directors

The board of directors of Khemi Investments and Consultancy Private Limited as of December 31, 2010, comprises of:

1. Mr. Rajesh Bhatia; and
2. Mrs. Geeta Bhatia

Financial Performance

The audited financial results of the company for the last three financial years are as follows:

(Rs. in million, except per share data)

Particulars	Fiscal 2010	Fiscal 2009	Fiscal 2008
Sales and other income	0.98	(0.17)	0.76
Profit/ (Loss) after tax	0.40	(0.35)	0.37
Equity capital (par value Rs. 10 per share)	0.50	0.50	0.50
Reserves and Surplus (excluding revaluation reserves)	0.008	0.008	0.008
Earnings/ (Loss) per share (basic) (Rs.)	8.03	(7.01)	7.46
Earnings/ (Loss) per share (diluted) (Rs.)	8.03	(7.01)	7.46
Net Asset Value	0.27	(0.13)	0.22

Khemi Investments and Consultancy Private Limited is an unlisted company and has not made any public issue (including any rights issue to the public) in the preceding three years. It has not become a sick company under the meaning of the SICA, it is not under winding up and does not have a negative net worth.

3. Rage Shares and Stocks Private Limited

Rage Shares and Stocks Private Limited was incorporated under the Companies Act on November 24, 2006. The registered office of the company is situated at 702 'C', Morya House, Off New Link Road, Andheri (West), Mumbai 400 053. The object of the company is to act as advisors, consultants to public and right issues and to provide advisory services related to investment in shares / stocks / bonds / debentures and government securities.

Shareholding pattern

Set forth below is the shareholding pattern of Rage Shares and Stocks Private Limited as of December 31, 2010:

Name of shareholder	Number of equity shares of Rs. 10 each	% of issued capital
Mr. Rajesh Bhatia	5,000	50
Mrs. Geeta Bhatia	5,000	50
Total	10,000	100

Board of directors

The board of directors of Rage Shares and Stocks Private Limited as of December 31, 2010, comprises of:

1. Mr. Rajesh Bhatia; and
2. Mrs. Geeta Bhatia

Financial Performance

The audited financial results of the company for the last three financial years are as follows:

(Rs. in million, except per share data)

Particulars	Fiscal 2010	Fiscal 2009	Fiscal 2008
Sales and other income	Nil	Nil	Nil
Profit/ (Loss) after tax	Nil	Nil	Nil
Equity capital (par value Rs. 10 per share)	0.10	0.10	0.10

Reserves and Surplus (excluding revaluation reserves)	Nil	Nil	Nil
Earnings/ (Loss) per share (basic) (Rs.)	Nil	Nil	Nil
Earnings/ (Loss) per share (diluted) (Rs.)	Nil	Nil	Nil
Net Asset Value	0.04	0.04	0.06

Rage Shares and Stocks Private Limited is an unlisted company and has not made any public issue (including any rights issue to the public) in the preceding three years. It has not become a sick company under the meaning of the SICA, it is not under winding up and does not have a negative net worth.

Companies from which our Promoters have been disassociated

Our Promoters have not disassociated themselves from any of the companies or firms during the three years preceding the date of the filing of the Draft Red Herring Prospectus.

Common Pursuits/Conflict of Interest

Our Group Company Madhav Education and Research Institute India Private Limited, as disclosed in this chapter, engages in or is authorised under its articles of association to engage in business similar to that of our Company. For further information, see "*Our Promoters and Group Companies*" at page 130.

We have entered into a non-compete agreement with our Group Company Madhav Education and Research Institute India Private Limited. For details of this agreement, see section titled "*History and Certain Corporate Matters – Other Agreements*" at page 112. To this extent, we may have a potential conflict of interest between the said Group Company and our Company.

Related Party Transactions

For details of the related party transactions, see section titled "*Financial Statements - Related Party Transactions*" at page F-14.

Other confirmations

Interest in sales and purchases

Except as disclosed in section titled "*Financial Statements - Related Party Transactions*" at page F-14, there have been no sales and purchases between us and our Group Companies and entities, and associate companies, when such sales or purchases exceed in value in the aggregate 10% of the total sales or purchases of our Company.

Business Interests

Except as disclosed in section titled "*Financial Statements - Related Party Transactions*" at page F-14, none of our Group Companies and entities / associate companies have any business interests in our Company.

Defunct Group Companies

None of our Group Companies has remained defunct and no application has been made to the Registrar of Companies for striking off their name from the register of companies, during the five years preceding the date of filing of this DRHP.

Interest in promotion of our Company

None of our Group Companies and entities were interested in the promotion of our Company.

Interest in the property of our Company

Except as disclosed in the section titled "*Financial Statements – Related Party Transactions*" at page F-14, our

Group Companies and entities do not have any interest in any property acquired by or proposed to be acquired by our Company two years prior to filing of this DRHP.

Interest in the transaction involving acquisition of land

None of our Group Companies and entities were interested in any transaction with our Company involving acquisition of land, construction of building or supply of any machinery.

RELATED PARTY TRANSACTIONS

For details on related party transactions of our Company, see Annexure 4 to the restated audited financial statements, respectively in section titled "*Financial Statements- Related party disclosures*" at page F-14.

DIVIDEND POLICY

Our Company does not have any formal dividend policy. The declaration and payment of dividend are governed by the applicable provisions of the Companies Act and the Articles of Association of our Company and will depend on a number of other factors, including the results of operations, financial condition, capital requirements and surplus, contractual restrictions and other factors considered relevant by our Board.

Our Company has not declared any dividend on the Equity Shares since its incorporation.

SECTION V – FINANCIAL INFORMATION

FINANCIAL STATEMENTS

Auditors' report as required by Part II of Schedule II to the Companies Act, 1956

To
The Board of Directors
Tree House Education & Accessories Limited
702 C, Morya House
Off New Link Road, Near Infinity Mall
Andheri (W), Mumbai 400 053

Dear Sirs,

We have examined the financial information of Tree House Education & Accessories Limited (formerly Tree House Education & Accessories Private Limited) (the 'Company') annexed to this report and initialed by us for identification purposes, for 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 DRHP being issued by the Company in connection with the proposed Initial Public Offering ('IPO') of equity shares (the 'Issue'). 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 ('SEBI') (Issue of Capital and Disclosure Requirements) Regulations, 2009 (the 'SEBI Regulations'), as amended from time to time, issued by SEBI in pursuance of Section 11 of the Securities and Exchange Board of India Act, 1992 and related amendments;

iii) The Guidance Note on the Reports in Company Prospectuses (revised) issued by the Institute of Chartered Accountants of India ('ICAI'); and

iv) In accordance with the terms of reference received from the Company and engagement letter dated 15 December 2010, requesting us to carry out work in connection with the Draft Red Herring Prospectus (DRHP) being issued by the Company relating to IPO.

A. ***Financial Information as per the Audited Financial Statements:***

1. We have examined the attached Statement of restated assets and liabilities (Annexure 2) of the Company as at December 31, 2010 and March 31, 2010, 2009, 2008 and 2007 and the attached Summary statement of restated profits and losses (Annexure 1) and also the Statement of restated cash flows (Annexure 3) for the nine months ended December 31, 2010 and years ended March 31, 2010, 2009, 2008 and 2007, collectively referred to as 'Restated Statements'. These Restated Statements have been arrived at after making such adjustments and regroupings to the financial statements of the Company which are appropriate and are more fully described in 'Impact of changes due to restatement' in Annexure 1A.

2. The Restated figures for the years ended March 31, 2008 and 2007 including the adjustments and regroupings discussed above, have been extracted from the audited financial statements of the Company as of and for the years ended March 31, 2008 and 2007, which have been audited by Jogish Mehta & Co., Chartered Accountants. We have only verified the impact of retrospective adjustments on account of changes in significant accounting policies and estimates, prior period items and regroupings for the years ended March 31, 2008 and 2007. We have not jointly carried out any audit tests or review procedures on the financial statements of the Company for the years ended March 31, 2008 and 2007 and we have relied upon the audited financial statements for the said years audited by Jogish Mehta & Co., Chartered Accountants. The Restated figures as of and for the nine months period ended December 31, 2010 and for the years ended March 31, 2010 and 2009 have been extracted from the audited financial statements of the Company for the nine months period ended December 31, 2010 and years ended March 31, 2010 and 2009, respectively, which have been jointly audited by us.

3. Based on our examination of these Restated Statements, we state that:

a) The Restated Statements have to be read in conjunction with the Statement of significant accounting policies and notes to restated statements given in Annexure 4;

b) The Restated Statements have been restated with retrospective effect, as applicable to reflect the accounting policies being adopted by the Company as at December 31, 2010, as stated in the Statement of significant accounting policies and notes to restated statements given in Annexure 4;

c) The Restated Net profit/(loss) have been arrived at after making such adjustments and regroupings as in our opinion are appropriate in the year to which they relate as described in the 'Impact of changes due to restatement' given in Annexure 1A;

d) The prior period items have been adjusted in Restated Statements in the years to which they relate;

e) There are no exceptional items that require separate disclosure in the Restated Statements; and

f) There are no qualifications in the auditors' reports for the nine months ended December 31, 2010 and years ended March 31, 2010, 2009, 2008 and 2007, which would require adjustment in the Restated Statements.

B. ***Other Financial Information:***

4. We have examined the following financial information in respect of nine months ended December 31, 2010 and years ended March 31, 2010, 2009, 2008 and 2007 of the Company, proposed to be included in the DRHP, as approved by the Board of Directors and annexed to this report:

i) Impact of changes due to restatement (Annexure 1A);
ii) Statement of significant accounting policies and notes to restated statements (Annexure 4);
iii) Statement of restated accounting ratios (Annexure 5);
iv) Restated capitalisation Statement (Annexure 6);
v) Statement of changes in share capital (Annexure 7);
vi) Statement of tax shelters (Annexure 8);
vii) Restated summary of revenue from operations (Annexure 9);
viii) Restated summary of other income (Annexure 10);
ix) Statement of dividend paid/proposed (Annexure 11);
x) Statement of restated sundry debtors (Annexure 12);
xi) Restated statement of quoted and unquoted investments (Annexure 13);
xii) Statement of restated loans and advances (Annexure 14);
xiii) Statement of restated secured and unsecured loans (Annexure 15);
xiv) Statement of restated centre operating expenses (Annexure 16); and
xv) Statement of restated reserves and surplus (Annexure 17).

5. In our opinion, the 'Financial Information as per the Audited Financial Statements' and 'Other Financial Information' mentioned above for the nine months ended December 31, 2010 and years ended March 31, 2010, 2009, 2008 and 2007 have been prepared in accordance with Part II of Schedule II to the Act and the applicable SEBI Regulations.

6. 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 fresh opinion on any of the financial statements referred to therein.

7. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

8. This report is intended solely for your information and for inclusion in the DRHP in connection with the proposed Initial Public Offering of equity shares of the Company and is not to be used, referred to or distributed to anyone for any other purpose without our prior written consent.

For Walker, Chandiok & Co
Chartered Accountants
Firm Registration No: 001076N

per Amyn Jassani
Partner
Membership No: F-46447

Place: Mumbai
Date: February 4, 2011

For Jogish Mehta & Co.
Chartered Accountants
Firm Registration No: 104326W

per Jogish N. Mehta
Proprietor
Membership No: F-38974

Place: Mumbai
Date: February 4, 2011

Annexure 1

Summary statement of restated profits and losses

(Rupees in million)

	Particulars	For the nine months ended December 31, 2010	For the year ended March 31,			For the period July 10, 2006 to March 31, 2007
			2010	2009	2008	
A	**Income**					
	Revenue from operations	290.78	213.75	102.65	54.17	0.98
	Other income	14.95	4.96	3.82	0.09	0.01
	Total income	**305.73**	**218.71**	**106.47**	**54.26**	**0.99**
B	**Expenditure**					
	Centre operating expenses	72.17	63.13	33.27	18.33	3.48
	Employee cost	34.54	29.36	16.67	7.84	0.14
	Administrative and other expenses	54.17	51.06	32.03	19.47	2.22
	Finance charges	4.74	5.76	0.42	-	-
	Depreciation and amortization	34.69	29.27	18.74	9.40	0.04
	Total expenditure	**200.31**	**178.58**	**101.13**	**55.04**	**5.88**
C	**Profit / (Loss) before tax**	**105.42**	**40.13**	**5.34**	**(0.78)**	**(4.89)**
	Provision for taxation					
	- Current tax	24.36	11.54	-	0.63	-
	- Deferred tax charge	10.28	2.60	0.09	1.07	-
	- Fringe benefits tax	-	-	0.13	0.06	-
	- MAT credit entitlement	-	-	-	(0.63)	-
	Net profit / (loss)	**70.78**	**25.99**	**5.12**	**(1.91)**	**(4.89)**

Annexure 1 A

Impact of changes due to restatement

(Rupees in million)

	Particulars	For the nine months ended December 31, 2010	For the year ended March 31, 2010	2009	2008	For the period July 10, 2006 to March 31, 2007
1	**Net Profit / (Loss) after tax as per audited statement of account**	**70.78**	**25.99**	**(2.03)**	**4.09**	**(3.74)**
2	**Adjustments on account of:**					
	Prior period adjustments					
	Revenue adjustment (refer note 1 below)	-	-	5.42	(5.00)	(0.42)
	Preliminary and advertisement expenses adjustment (refer note 2 below)	-	-	1.73	(1.00)	(0.73)
	Total impact of adjustments	**-**	**-**	**7.15**	**(6.00)**	**(1.15)**
	Adjusted net profit / (loss) after tax as per Annexure 1	**70.78**	**25.99**	**5.12**	**(1.91)**	**(4.89)**

Notes:

1. During the year ended March 31, 2008 and for the period July 10, 2006 to March 31, 2007, fee income was erroneously booked in the year of receipt instead of being recognized over the period during which such fees accrue on proportionate basis. Accordingly, for the purpose of the Summary statement of restated profits and losses, the fee income has been recorded in the relevant years.

2. During the year ended March 31, 2008 and for the period July 10, 2006 to March 31, 2007, certain preliminary expenses and advertisement expenses were erroneously booked as capital expenditure and recorded in the balance sheet. Accordingly, for the purpose of the Summary statement of restated profits and losses, the adjustments have been recorded in the relevant years.

3. During the nine months ended December 31, 2010, the Company has regrouped the rental income from lease of building from ‘other income’ to ‘operating income’. Accordingly, for the purpose of the Summary statement of restated profits and losses, the regrouping has been done for all the earlier years / period.

Annexure 2

Statement of restated assets and liabilities

(Rupees in million)

	Particulars	As at December 31, 2010	As at March 31, 2010	2009	2008	2007
A	**Fixed assets**					
	Gross block	637.08	386.66	263.25	91.25	3.41
	Less : Accumulated depreciation and amortization	90.91	56.52	28.13	9.39	0.04
	Net block	**546.17**	**330.14**	**235.12**	**81.86**	**3.37**
	Capital work in progress (including capital advances)	381.83	305.01	155.05	3.51	-
	Total fixed assets – refer note 1 below	**928.00**	**635.15**	**390.17**	**85.37**	**3.37**
B	**Investments** [* Rs. 1,500 (150 shares of Rs.10 each of New India Co-operative Bank)]	**20.59**	**10.15**	*	**-**	**-**
C	**Current assets, loans and advances**					
	Inventories	11.71	2.96	1.57	0.53	-
	Sundry debtors	63.26	69.49	4.22	0.08	-
	Cash and bank balances	369.54	103.44	21.46	1.80	2.80
	Other current assets	11.07	4.38	0.57	-	-
	Loans and advances	195.02	49.75	51.46	10.74	4.37
	Total	**650.60**	**230.02**	**79.28**	**13.15**	**7.17**
D	**Total assets (A+B+C)**	**1599.19**	**875.32**	**469.45**	**98.52**	**10.54**
E	**Loan funds**					
	Secured loans	234.69	119.65	-	-	-
	Unsecured loans	-	0.35	0.35	1.54	3.59
	Total	**234.69**	**120.00**	**0.35**	**1.54**	**3.59**
F	**Deferred tax liability (net)**	**14.04**	**3.76**	**1.16**	**1.07**	**-**
G	**Current liabilities and provisions**					
	Liabilities	87.86	48.00	27.43	14.00	3.39
	Provisions	9.86	5.86	0.38	0.14	-
	Total	**97.72**	**53.86**	**27.81**	**14.14**	**3.39**
H	**Total liabilities (E+F+G)**	**346.45**	**177.62**	**29.32**	**16.75**	**6.98**
	Net worth (D-H)	**1,252.74**	**697.70**	**440.13**	**81.77**	**3.56**
	Represented by					
	Shareholders' funds					
	Equity capital	240.19	174.17	150.41	88.10	0.10
	Share application money	-	82.53	-	0.47	8.35
	Reserves and surplus	1,012.55	441.00	291.40	-	-
	Profit and loss account debit balance	-	-	(1.68)	(6.80)	(4.89)
	Net worth	**1,252.74**	**697.70**	**440.13**	**81.77**	**3.56**

Note:

1. The Company has not revalued any of its fixed assets during the reporting period.

Annexure 3

Statement of restated cash flows

(Rupees in million)

	Particulars	For the nine months ended December 31, 2010	For the year ended March 31, 2010	2009	2008	For the period July 10, 2006 to March 31, 2007
A	**Cash flow from operating activities**					
	Net profit / (loss) before tax	**105.42**	**40.13**	**5.34**	**(0.78)**	**(4.89)**
	Adjustments for :					
	Depreciation and amortization	34.69	29.27	18.74	9.40	0.04
	Assets written off	1.25	3.21	0.28	-	-
	Finance charges	4.74	5.76	0.42	-	-
	Dividend income	-	-	-	(0.01)	-
	Interest income	(14.90)	(4.96)	(3.45)	-	-
	Operating profit / (loss) before working capital changes	**131.20**	**73.41**	**21.33**	**8.61**	**(4.85)**
	Adjustments for -					
	Increase in inventories	(8.75)	(1.39)	(1.04)	(0.53)	-
	(Increase) / Decrease in sundry debtors	6.23	(65.27)	(4.14)	(0.08)	-
	(Increase) / Decrease in other current assets	-	0.17	(0.17)	-	-
	(Increase) / Decrease in loans and advances	(145.90)	2.91	(38.90)	(6.37)	(4.37)
	Increase in liabilities	40.71	20.68	13.69	10.69	3.39
	Cash generated from / (used in) operations	**23.49**	**30.51**	**(9.23)**	**12.32**	**(5.83)**
	Direct taxes paid	(20.36)	(7.37)	(1.96)	-	-
	Net cash from / (used in) operating activities	**3.13**	**23.14**	**(11.19)**	**12.32**	**(5.83)**
B	**Cash flow from investing activities**					
	Purchase of fixed assets / intangible assets (including capital work in progress)	(169.66)	(277.46)	(323.83)	(91.41)	(3.41)
	Payment made for acquiring Business Commercial Rights	(159.12)	-	-	-	-
	Purchase of investments	(10.45)	(10.15)	-	-	-
	Proceeds from sale of fixed assets	-	-	-	-	-
	Interest received	8.21	0.98	3.05	-	-
	Dividend received	-	-	-	0.01	-
	Net cash used in investing activities	**(331.02)**	**(286.63)**	**(320.78)**	**(91.40)**	**(3.41)**
C	**Cash flow from financing activities**					
	Proceeds from issue of shares including securities premium	516.87	149.04	356.42	79.65	0.10
	Share application money received	-	82.53	-	0.48	8.35
	Share issue expenses	(32.61)		(3.18)		
	Proceeds from long term borrowings	-	50.00	-	-	-
	Repayment of long term borrowings	(50.00)	-	-	-	-
	Proceeds from short term borrowings	165.04	69.66	-	-	3.59
	Repayment of short term borrowings	(0.35)		(1.19)	(2.05)	-
	Finance charges paid	(4.96)	(5.76)	(0.42)	-	-
	Net cash provided by financing activities	**593.99**	**345.47**	**351.63**	**78.08**	**12.04**
	Net increase / (decrease) in cash and cash equivalents	**266.10**	**81.98**	**19.66**	**(1.00)**	**2.80**

	Cash and cash equivalents at the beginning of the period/ year	**103.44**	**21.46**	**1.80**	**2.80**	**-**
	Cash and cash equivalents at the end of the period/ year	**369.54**	**103.44**	**21.46**	**1.80**	**2.80**
	Components of cash and cash equivalents					
	Cash in hand	2.23	0.83	0.34	1.14	0.06
	Cheques in hand	-	1.25	0.62	-	-
	Balance with scheduled banks					
	- on Current account	97.31	7.77	7.87	0.66	2.74
	- on Fixed deposit account	270.00	93.59	12.63	-	-
	Total	**369.54**	**103.44**	**21.46**	**1.80**	**2.80**

Notes:

1. The cash flow statement has been prepared under the Indirect Method as set out in Accounting Standard (AS)-3, Cash Flow Statements, as notified under the Companies Act, 1956.

2. Cash and cash equivalents as at December 31, 2010 includes fixed deposits of Rs. 270 million pledged with a bank against working capital loan obtained from them.

Annexure 4

Statement of significant accounting policies and notes to restated statements

1. Background:

(a) Tree House Education & Accessories Limited (the 'Company') (formerly Tree House Education & Accessories Private Limited) was incorporated on July 10, 2006 under the Indian Companies Act, 1956 (the 'Act'). The Company is engaged in providing education and related services including leasing of education infrastructure.

(b) The 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 Statement of restated cash flows for the nine months ended December 31, 2010, years ended March 31, 2010, 2009, 2008 and for the period July 10, 2006 to March 31, 2007 (hereinafter 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 (Issue of Capital and Disclosure Requirements) Regulations, 2009 issued by SEBI.

2. Basis of preparation:

(a) The Restated Summary Statements have been prepared on going concern basis under Historical Cost Convention on the accrual basis of accounting, are in accordance with the applicable requirements of the Companies Act, 1956 (the 'Act') and comply in all material aspects with the Accounting Standards as notified by the Companies (Accounting Standards) Rules, 2006, to the extent applicable. The accounting policies have been consistently applied by the Company.

(b) **Use of estimates:**

The preparation of Restated Summary Statements in conformity with Generally Accepted Accounting Principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of income and expenses of the period / year, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. Examples of such estimates include useful lives of fixed assets, future obligations under employee retirement benefit plans, provision for doubtful debts and advances, etc. Actual results could differ from those estimates. Any revisions to accounting estimates are recognised prospectively in the current and future periods.

3. Significant Accounting Policies:

(a) **Provisions and contingencies**

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. Provisions are determined based on best estimate of the amount required to settle the obligation at the Balance Sheet date. Provisions are reviewed at each Balance Sheet date and adjusted to reflect current best estimates. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

(b) **Fixed assets and depreciation**

Fixed assets are stated at cost, less accumulated depreciation, amortisation and impairment losses, if any. Cost includes all expenses incurred to bring the assets to their present location and condition for their intended use.

Capital advances in respect of Capital work in progress or assets acquired but not ready for use are classified under Capital work in progress.

Depreciation on fixed assets is provided under the straight line method at the rates and in the manner prescribed in Schedule XIV of the Companies Act, 1956 which, as per the management represents the estimated useful life of the assets. Leasehold improvements are amortised on the basis of useful lives of assets or balance lease period, whichever is lower. Individual assets costing Rs. 5,000 or less are depreciated at 100% on a prorata basis.

(c) **Intangibles**

(i) Cost incurred for acquiring brands are capitalized and amortized on a straight-line basis over a period of ten years, being the estimated useful life.

(ii) Goodwill arising from acquisition of business is amortized over the expected useful life, not exceeding ten years.

(iii) Business Commercial rights i.e. "School facilitation service rights" acquired from various Trusts/Societies are capitalized and amortized on a straight line basis over a period of ten years, being the estimated useful life.

(d) **Impairment of Assets**

In accordance with Accounting Standard 28 'Impairment of Assets' as notified by the Companies (Accounting Standards) Rules, 2006, the carrying amounts of the Company's assets are reviewed at each balance sheet date to assess the indication of impairment of assets. On existence of such an indication, the carrying amounts of the Company's assets are reviewed to determine whether there is any impairment. The recoverable amount of the assets is estimated as the higher of its net selling price and its value in use. An impairment loss is recognised whenever the carrying amount of an asset or a cash generating unit exceeds its recoverable amount. Impairment loss is recognised in the Profit and Loss Account.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

A previously recognised impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

(e) **Revenue Recognition**

Income from Services
Revenue is recognized on rendering of services and is recognized only when there are no significant uncertainties as to its measurability or collectability.

In instances where fees are received during a term, revenue is recognized on a proportionate basis for the period which falls under the current reporting period and the balance is shown as advance fees received.

Revenue from consultancy services is recognized on rendering of services, as evidenced from the customers' acknowledgment of services received. In respect of non refundable fee for consultancy services to franchisee towards setting up of its operations, the receipt of service generally coincides with signing of the franchisee service agreement.

Royalty income
Royalty income is recognized as per the franchise agreement at specified percentage of gross revenue earned by the franchisee.

Interest
Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

Sale of goods
The revenue from sale of education aids is recognized on transfer of property in goods which generally coincides with dispatch/delivery to the customer.

(f) **Inventories**

Inventories consist of book kits and other student activity materials. Inventory is valued at lower of cost and net realizable value. Cost is determined on first in first out (FIFO) basis.

(g) **Investments**

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long term investments.

Long-term investments are stated at cost. Provision for diminution in the value of long term investments is made when the decline is other than temporary in nature.

Current investments are stated at lower of cost and market value determined on an individual investment basis.

(h) **Foreign currency transactions**

Transactions in foreign currency are recorded at the exchange rate prevailing on the date of the transaction. Monetary assets and liabilities are translated at the period /year end rate. The difference between the rate prevailing on the date of the transaction and on the date of settlement, as also on the translation of monetary assets and liabilities at the end of the period/year is recognized as income or expense as the case may be for the period / year.

(i) **Borrowing cost**

Borrowing costs attributable to the acquisition and construction of an asset are capitalized as part of the cost of such asset up to the date of such asset being ready for its intended use. Other borrowing costs are treated as revenue expenditure.

(j) **Leases**

Where the Company is the lessee
Leases where the lessor effectively retains substantially all the risks and benefits of ownership during the lease term, are classified as operating leases. Lease rentals in respect of assets taken under an operating lease are charged to the Profit and Loss Account on straight line basis over the initial period of the lease.

Where the Company is the lessor
Assets subject to operating leases are included in fixed assets. Lease income is recognised in the Profit and Loss Account on a straight-line basis over the lease term. Costs, including depreciation are recognised as an expense in the Profit and Loss Account. Initial direct costs such as legal costs, brokerage costs, etc. are recognised immediately in the Profit and Loss Account.

(k) **Taxes on income**

Tax expense comprises both current and deferred taxes. The current charge for income taxes is calculated in accordance with the relevant tax regulations. Deferred income taxes reflect the impact of current year / period timing differences between taxable income and accounting income for the year / period and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date.

Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets are recognised on carry forward of unabsorbed depreciation and tax losses only if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realised against future taxable profits.

Unrecognised deferred tax assets of earlier years are re-assessed and recognised to the extent that it has become reasonably certain / virtually certain that future taxable income will be available against which such deferred tax assets can be realised.

MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified future period. In the year /period in which the Minimum Alternative Tax (MAT) credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in the Guidance Note on Accounting for Credit Available in Respect of Minimum Alternative Tax under the Income tax Act, 1961, issued by the Council of the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the profit and loss account and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income tax during the specified period.

(l) **Employee benefits**

Provident fund:
Company's contributions paid / payable to provident fund authorities are recognised in the profit and loss account of the year / period when the contribution to the fund is due.

Gratuity:
Gratuity is a post employment benefit and is in the nature of a defined benefit plan. The liability recognised in the balance sheet in respect of gratuity is the present value of the defined benefit / obligation at the balance sheet date less the fair value of plan assets, together with adjustments for unrecognised actuarial gains or losses and past service costs. The defined benefit / obligation is calculated at or near the balance sheet date by an independent actuary using the projected unit credit method.

Actuarial gains and losses arising from past experience and changes in actuarial assumptions are charged or credited to the Profit and Loss Account in the year in which such gains or losses arise.

(m) **Share issue expenses**

Share issue expenses are adjusted in the same year / period against the securities premium account as permitted by section 78(2) of the Companies Act, 1956. In case of insufficient balances in the securities premium account, unadjusted share issue expenses are amortized over a period of 5 years. In case subsequently there arises a securities premium balance, unadjusted share issue expenses would not be amortized but will be adjusted against the securities premium account.

(n) **Earnings Per Share**

Basic earnings per share are calculated by dividing the net profit or loss for the year / period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year / period.

For the purpose of calculating diluted earnings per share, net profit or loss for the year / period attributable to equity shareholders and the weighted average number of shares outstanding during the year / period are adjusted for the effects of all dilutive potential equity shares.

4. Capital work-in-progress

Capital work in progress including capital advances comprise of the following:

(Rupees in million)

Particulars	As at December 31, 2010	As at March 31,			
		2010	2009	2008	2007
Advance payment towards acquisition of exclusive rights (Refer note 4(a) below)	195.50	159.12	10.40	-	-
Advance payment towards acquisition of properties (Refer note 4(b) and (c) below)	162.00	141.17	140.00	-	-

Others(Refer note 4 (d) below)	24.33	4.72	4.65	3.51	-
Total	**381.83**	**305.01**	**155.05**	**3.51**	**-**

(a) The Company has made part payment to various educational institutions towards acquisition of exclusive rights for providing facilitation services for schools/courses run currently or to be established in future by the respective educational institutions. The annual income is based on fixed fee per child admitted /enrolled with the schools /courses during the period of the agreement and is subject to minimum guaranteed amount. Currently, these projects have not commenced and accordingly, the payments made are disclosed as capital advances. The agreement will be effective on full payment by the Company of the agreed fixed fee and on commencement of rendering of the facilitation services specified.

(b) The Company has paid advance for acquisition of properties to be used for its operations. The properties are under construction and the Company is in the process of getting the title deeds transferred in its name.

(c) The Company has paid advance of Rs.19.60 million as at December 31, 2010 as part consideration to a Director towards acquisition of office premises.

(d) Other advances as at December 31, 2010 include Rs.18.82 million towards construction of additional floor space at its school building.

5. Joint Venture agreement

The Company has entered into a joint venture agreement with Jayshree Builders ('JB') to construct and rent a school building. As part of the arrangement, the Company and JB have agreed to equally contribute to share capital of JT Infrastructure Private Limited (Formerly known as 'Rage Realty Private Limited'), a company in which both Tree House Education & Accessories Limited and JB have equal shareholding. The Company has contributed Rs. 20.49 million as at December 31, 2010 towards share application money in JT Infrastructure Private Limited.

The Company has a 50% interest in the assets, liabilities, expenses and income of JT Infrastructure Private Limited, a company incorporated in India. The operations have not commenced and the Company's share of the assets and liabilities in the jointly controlled entity are as follows:

(Rupees in million)

Particulars	As at December 31, 2010	As at March 31,			
		2010	2009	2008	2007
Assets	10.26	5.08	-	-	-
Liabilities (includes share application money)	10.00	5.02	-	-	-

6. Managerial Remuneration

(Rupees in million)

Particulars	Nine months ended December 31, 2010	Year ended March 31,			
		2010	2009	2008	2007
Salary and allowances	2.30	3.00	0.92	-	-
Total	**2.30**	**3.00**	**0.92**	**-**	**-**

As the liability for gratuity is provided on actuarial basis for the Company as a whole, the amount pertaining to the director is not ascertainable and, therefore, not included above.

7. Contingent Liabilities (not provided for) and Capital Commitments

(Rupees in million)

Particulars	As at December 31, 2010	As at March 31,			
		2010	2009	2008	2007
Bank guarantees given against loan taken by director	11.45	11.45	11.45	9.19	-
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	278.59	70.72	42.39	1.54	-

8. Gratuity Plan

The following table sets out the status of the gratuity plan for the nine months ended December 31, 2010 and year ended March 31, 2010, 2009, 2008, and 2007 as required under Accounting Standard 15, Employee Benefits (Revised) as notified under the Companies Act, 1956.

(Rupees in million)

Particulars	Nine months ended December 31, 2010	Year ended March 31,			For the period July 10, 2006 to March 31, 2007
		2010	2009	2008	
Changes in defined benefit obligations:					
Defined benefit obligations as at the beginning of the period / year	0.46	0.34	0.08	-	-
Current service cost	0.54	0.27	0.16	0.08	-
Interest cost	0.03	0.02	0.01	-	-
Actuarial (gain)/loss on obligations	0.06	(0.17)	(0.08)	-	-
Present value of defined benefit obligations as at the end of the period / year	1.09	0.46	0.34	0.08	-
Cost for the period / year:					
Service cost	0.54	0.27	0.16	0.08	-
Interest cost	0.03	0.02	0.02	-	-
Expected return on plan assets	-	-	-	-	-
Actuarial (gain)/loss	0.06	(0.17)	0.08	-	-
Total net cost recognized as employee remuneration	0.63	0.12	0.26	0.08	-
Reconciliation of benefit obligation and plan assets:					
Present value of defined benefit obligation as at period / year end (A)	1.09	0.46	0.34	0.08	-
Fair value of plan assets as at period / year end (B)	-	-	-	-	-
Net liability as at period / year end recognized in Balance Sheet (A)-(B)	1.09	0.46	0.34	0.08	-
Assumptions					
Discount rate	8.00%	8.00%	8.00%	8.00%	-
Attrition rate					
Upto age 35 years	20.00%	20.00%	20.00%	20.00%	-
Age 36-40 years	10.00%	10.00%	10.00%	10.00%	-
Age 41-58 years	5.00%	5.00%	5.00%	5.00%	-
Salary escalation rate	6.00%	3.00%	3.00%	10.00%	-

9. Segment information

The activities of the Company comprises of only one business segment i.e. "providing education and related services to other education institutions". The Company operates in only one geographical segment i.e. India. Hence, the Company's financial statements are reflective of the information required by Accounting Standard 17, "Segment Reporting" notified under the Companies Act, 1956.

10. Related party disclosures

11. In accordance with the requirements of Accounting Standard 18, "Related Party Disclosures" notified under the Companies Act, 1956, the related party disclosures are given below:

a. List of related parties

i. Key management personnel (KMP)

Name of the Related Party	Nine months	Year ended March 31,	For the

	ended December 31, 2010	2010	2009	2008	period July 10, 2006 to March 31, 2007
Mr. Rajesh Bhatia	Managing Director	Managing Director	Managing Director	Managing Director	Managing Director
Mr. Vishal Shah	Director	Director	Director	-	-
Mr. Utsav Shrivastava	Chief Financial Officer	Chief Financial Officer	Chief Financial Officer	-	-
Mr. Rakesh Tandon	-	-	Chief Executive Officer (April 1, 2007 to April 30, 2008)	Chief Executive Officer	-

ii. Relatives of key management personnel (with whom transactions have taken place during the period / year)

Name of the Related Party	Nine months ended December 31, 2010	For the year ended March 31,			For the period July 10, 2006 to March 31, 2007
		For the year ended March 31,	For the period July 10, 2006 to March 31, 2007	For the year ended March 31,	
Mrs. Geeta Bhatia	Wife of Rajesh Bhatia	Wife of Rajesh Bhatia	Wife of Rajesh Bhatia	Wife of Rajesh Bhatia	Wife of Rajesh Bhatia

b. Transactions undertaken / balances outstanding with related parties in the ordinary course of business

iii. Key management personnel

Transactions undertaken with related parties in the ordinary course of business

(Rupees in million)

	Particulars	For the nine months ended December 31, 2010	For the year ended March 31,			For the period July 10, 2006 to March 31, 2007
			2010	2009	2008	
1	**Remuneration**					
	Mr. Rajesh Bhatia	1.35	1.80	0.12	-	-
	Mr. Vishal Shah	0.95	1.20	0.80	-	-
	Mr. Utsav Shrivastava	1.16	1.63	1.50	-	-
	Mr. Rakesh Tandon	-	-	0.10	0.72	-
2	**Proceeds from loan taken**					
	Mr. Rajesh Bhatia	-	-	8.16	3.04	2.67
3	**Repayment of loan**					
	Mr. Rajesh Bhatia	-	-	9.34	4.52	-
4	**Rent expense**					
	Mr. Rajesh Bhatia	0.50	0.18	0.16	0.16	-
5	**Lease deposit**					
	Mr. Rajesh Bhatia	4.00	5.00	10.00	-	-
6	**Fixed assets purchased from**					
	Mr. Rajesh Bhatia	-	50.00	-	-	-

7	**Advance towards purchase of fixed assets**					
	Mr. Rajesh Bhatia	19.60	-	-	-	-
8	**Equity subscription**					
	Mr. Rajesh Bhatia	10.08	-	0.98	27.85	0.05
	Mr. Vishal Shah	-	-	2.22	-	-
	Mr. Utsav Shrivastava	-	-	1.50	-	-

Closing balances with related parties in the ordinary course of business

(Rupees in million)

	Particulars	As at December 31, 2010	As at March 31,			
			2010	2009	2008	2007
1	**Lease deposit**					
	Mr. Rajesh Bhatia	19.00	15.00	10.00	-	-
2	**Unsecured loan**					
	Mr. Rajesh Bhatia	-	-	-	1.18	2.67
3	**Creditor**					
	Mr. Rajesh Bhatia	-	-	0.03	0.85	-
4	**Advances**					
	Mr. Rajesh Bhatia	-	0.59	-	-	-
5	**Share application money received**					
	Mr. Rajesh Bhatia	-	62.00	-	-	6.35
6	**Bank guarantee given by Company against loan given to director**					
	Mr. Rajesh Bhatia	11.45	11.45	11.45	11.45	-

iv. Relatives of Key management personnel

Transactions undertaken with related parties in the ordinary course of business

(Rupees in million)

	Particulars	For the nine months ended December 31, 2010	For the year ended March 31,			For the period July 10, 2006 to March 31, 2007
			2010	2009	2008	
1	**Rent expense**					
	Mrs. Geeta Bhatia	0.50	0.18	0.16	0.16	-
2	**Acquisition of business on slump sale**					
	Mrs. Geeta Bhatia	-	-	-	55.00	-
3	**Share application money received**					
	Mrs. Geeta Bhatia	-	-	-	-	2.00
4	**Proceeds from loan taken**					
	Mrs. Geeta Bhatia	-	-	-	0.07	0.28
5	**Repayment of loan**					
	Mrs. Geeta Bhatia	0.35	-	-	-	-

Closing balances with related parties in the ordinary course of business

(Rupees in million)

	Particulars	As at December 31, 2010	As at March 31, 2010	2009	2008	2007
1	**Unsecured loan**					
	Mrs. Geeta Bhatia	-	0.35	0.35	0.35	0.28
2	**Equity subscription**					
	Mrs. Geeta Bhatia	-	-	-	5.25	0.05
3	**Creditors**					
	Mrs. Geeta Bhatia	-	0.05	0.21	0.11	-

12. Operating lease

In case of assets taken on lease

(Rupees in million)

Particulars	For the nine months ended December 31, 2010	For the year ended March 31,			For the period July 10, 2006 to March 31, 2007
		2010	2009	2008	
Lease rent charges of premises and furniture recognized in the Profit and Loss Account	39.82	34.88	20.57	12.31	1.97

Obligation of the Company towards future lease payments:

(Rupees in million)

Particulars	As at December 31, 2010	As at March 31,			
		2010	2009	2008	2007
Not later than one year	52.00	38.88	19.10	12.26	-
Later than one year but not later than five years	106.09	90.26	31.13	24.53	-
Later than five years	-	1.43	1.58	-	-

Significant leasing arrangements:

(a) The period of lease for the premises varies by location and ranges from 3 to 10 years.
(b) Renewal of the lease at the end of the initial term is at mutual consent of both parties.
(c) For leases entered into with the promoters, promoters have a choice to terminate the lease agreement if their shareholding in the Company reduces to less than 50%.
(d) The Company has entered into lease conducting agreements with certain parties where the lease rentals are based on the revenue earned at the respective centers. The expected future lease payments cannot be estimated in respect of these lease conducting agreements and hence future liability in respect of the same have not been disclosed.

In case of assets given on lease

Lease rental income recognised in the Summary statement of restated profits and losses for the reporting period / year in respect of operating leases is as under:

(Rupees in million)

Particulars	For the nine months ended December 31, 2010	For the year ended March 31,			For the period July 10, 2006 to March 31 2007
		2010	2009	2008	

Lease rental income	9.14	11.00	-	-	-

Right of the Company towards future lease payments

(Rupees in million)

Particulars	As at December 31, 2010	As at March 31, 2010	2009	2008	2007
Not later than one year	6.53	6.00	-	-	-
Later than one year but not later than five years	37.17	34.31	-	-	-
Later than five years	306.27	320.15	-	-	-

Significant leasing arrangements:

a. The period of lease for the premises is 30 (Thirty) years.
b. The lease rent shall stand revised by addition of an amount equivalent to 15% of the prevailing rent at the end of every third year.
c. After the expiry of the said initial term of 30 years, the lessee has the sole option to renew the lease term for further period of 30 years.

13. Deferred Tax

(Rupees in million)

Particulars	As at December 31, 2010	As at March 31, 2010	2009	2008	2007
Deferred tax liability on:					
Depreciation and amortization	12.19	3.03	3.09	2.27	-
Provision for rent equalisation	3.25	1.71	-	-	-
Deferred tax assets on:					
Carried forward losses and unabsorbed depreciation	-	-	1.26	1.15	-
Gratuity	0.36	0.15	0.10		-
Others	1.04	0.83	0.57	0.05	-
Deferred tax liability (net)	**14.04**	**3.76**	**1.16**	**1.07**	-

14. Auditors' remuneration (including service tax)

(Rupees in million)

Particulars	For the nine months ended December 31, 2010	For the year ended March 31, 2010	2009	2008	For the period July 10, 2006 to March 31 2007
Statutory audit fees	-	1.32	0.56	0.10	0.02
Tax audit fees	-	0.09	0.05	0.03	-
Other services	5.52	0.16	-	0.16	-
Total	**5.52**	**1.57**	**0.61**	**0.29**	**0.02**

* Other services for the nine months ended December 31, 2010 relates to assurance services for Initial Public Offering (IPO) and hence has been adjusted against Securities Premium Account as part of share issue expenses.

15. Employee Stock Option Plan

The Company has instituted Employees' Stock Option Plan i.e. Treehouse Education Employees' Stock Option Plan 2010 under which stock options will be granted to eligible employees in the subsequent period/s, as approved by the Compensation Committee of the Board of Directors of the Company. Each option entitles the holder to one underlying equity share of face value Rs 10/- each. The scheme was approved by the shareholders at the Annual General Meeting held on September 30, 2010. After obtaining an independent valuation report, the Company has allotted 1,400,000 equity shares of the Company of face value Rs 10 each, at a price of Rs.71 per share (Share premium Rs.61 and Face Value Rs.10 each) to Treehouse Employee Welfare Trust (Trust). The Trust will administer and implement the Employees'

Stock Option Plan (through the compensation committee) in accordance with SEBI guidelines. The Company has granted an interest free loan of Rs. 99,410,000 to the Trust, which has been used by the Trust for subscribing to the equity shares of the Company. As at December 31, 2010, the Company had not made any grant of stock options under the said ESOP. Subsequent, to the Balance Sheet date on January 3, 2011, the Company has granted stock options to the eligible employees of the Company at a price of Rs.71 per share.

Annexure 5

Statement of restated accounting ratios

Particulars	As at and for the nine months ended December 31, 2010	As at and for the Year ended March 31,			As at and for the period July 10, 2006 to March 31, 2007
		2010	2009	2008	
Restated net profit / (loss) after tax (A)	70.78	25.99	5.12	(1.91)	(4.89)
Weighted average number of equity shares outstanding during the period/ year for calculating basic earnings per share (B)	22,013,248	16,577,283	12,426,863	5,579,315	6,767
Weighted average number of equity shares outstanding during the period/ year for calculating diluted earnings per share (C)	22,013,248	16,673,107	12,426,863	5,579,315	6,767
Total number of equity shares outstanding during the period / year (D)	24,018,927	17,416,667	15,041,667	8,810,000	10,000
Net worth (E)	1252.74	615.17	440.13	81.77	3.56
Basic earnings/ (loss) per share (in Rupees) (A/B)	**3.22**	**1.57**	**0.41**	**(0.34)**	**(722.62)**
Diluted earnings/ (loss) per share (in Rupees) (A/C)	**3.22**	**1.56**	**0.41**	**(0.34)**	**(722.62)**
Return on net worth (A/E)	**5.65%**	**4.22%**	**1.16%**	**(2.34)%**	**(137.36)%**
Net asset value per equity share (in Rupees) (E/D)	**52.16**	**35.32**	**29.26**	**9.28**	**356.00**

Notes:

1. The figures for the nine months period ended December 31, 2010 have not been annualized.

2. The Ratios have been computed as below:

$$\text{Earnings per share (in Rupees)} = \frac{\text{Net profit / (loss) attributable to equity shareholders}}{\text{Weighted average number of equity shares outstanding during the period / year}}$$

$$\text{Return on net worth} = \frac{\text{Net profit / (loss) after tax x 100}}{\text{Net worth excluding revaluation reserve, share application money and preference share capital at the end of the period / year}}$$

$$\text{Net Asset Value per Equity Share (in Rupees)} = \frac{\text{Net worth excluding revaluation reserve, share application money and preference share capital at the end of the period/ year}}{\text{Number of equity shares outstanding at the end of the period / year}}$$

3. Earnings per share calculations are done in accordance with Accounting Standard 20, "Earnings Per Share" as

notified under the Companies Act, 1956.

4. Calculation of ratios post issue has not been considered.

Annexure 6

Restated capitalisation statement

(Rupees in million)

Particulars	Pre-Issue as at December 31, 2010	Adjusted for thepost-issue*
Borrowings		
Short term debt	234.69	-
Long term debt	-	-
Total borrowings	**234.69**	**-**
Shareholders' funds		
Share capital	240.19	-
Reserves and surplus	1012.55	-
Total shareholders' funds	**1252.74**	**-**
Long term debt / equity ratio	**NA**	**-**

*The corresponding post issue figures are not determinable at this stage pending the completion of the Book Building Process and hence have not been furnished. The Post issue capitalisation shall be updated before filing the prospectus.

Notes:

The Long term debt/ equity ratio has been computed as under:

Long term debt/ total shareholders' funds

Other Notes:

1. Short term debt is considered as debt due within 12 months from the balance sheet date.
2. Long term debt is considered as debt other than short term debt, as defined above.
3. Working capital loan from bank has been considered as short term debt by management.
4. The figures disclosed above are based on the restated financial statements of the Company.

Annexure 7

Statement of changes in share capital

(Rupees in million)

Particulars	As at December 31, 2010	As at March 31,			
		2010	2009	2008	2007
Authorised :					
Equity share capital	350.00	200.00	160.00	100.00	100.00
Face value per share (in Rupees)	10.00	10.00	10.00	10.00	10.00
Issued, subscribed and paid-up :					
Equity share capital					
Ordinary	240.19	95.00	95.00	88.10	0.10
Series A	-	79.17	55.41	-	-
Series B	-	-	-	-	-
Total	**240.19**	**174.17**	**150.41**	**88.10**	**0.10**
Face value per share (in Rupees)	10.00	10.00	10.00	10.00	10.00

Annexure 8

Statement of tax shelters

(Rupees in million)

	Particulars	For the nine months ended December 31, 2010	Year ended March 31,			For the period July 10, 2006 to March 31, 2007
			2010	2009	2008	
	Profit / (Loss) before current and deferred taxes, as restated	105.42	40.13	5.34	(0.78)	(4.89)
	Income tax rate (in %)					
	Basic tax rate	30.00	30.00	30.00	30.00	30.00
	Surcharge (on basic tax rate)	7.50	10.00	10.00	10.00	10.00
	Education cess (on basic tax rate + surcharge)	3.00	3.00	3.00	2.00	2.00
	Total tax rate (in %)	33.2175	33.99	33.99	33.66	33.66
A	**Tax at notional rate**	**35.02**	**13.64**	**1.82**	**(0.26)**	**(1.65)**
	Adjustments:					
	1. Permanent differences					
	Donations	-	-	0.02	-	-
	Disallowance u/s 40(A)2 of the Income Tax Act, 1961	-	-	0.01	0.08	-
	Dividend Income	-	-	-	(0.01)	-
	Interest & penalty disallowed	0.14	-	-	-	-
	Others	(1.35)	(1.76)	(0.64)	0.01	-
	Total of permanent differences	**(1.21)**	**(1.76)**	**(0.61)**	**0.08**	**-**
	2. Timing differences					
	Difference between tax depreciation and book depreciation	(27.83)	(1.07)	(1.31)	(6.05)	(2.00)
	Expenses/ (incomes) of capital nature	1.25	3.21	0.08	-	-
	Adjustment for lease rent equalization	0.78	0.99	1.37	-	-
	Disallowance u/s 40a(ia) of the Income Tax Act, 1961	-	(1.54)	1.54	(0.22)	0.22
	Amortization of preliminary expenses u/s 35 D of the Income Tax Act, 1961	(1.94)	(0.15)	(0.22)	0.03	0.69
	Brought forward loss as per Income Tax return	-	(4.07)	-	-	-
	Provision for gratuity	0.63	0.13	0.26	0.08	-
	Other disallowances	(4.63)	(5.15)	-	-	-
	Total of timing differences	**(31.74)**	**(7.65)**	**1.72**	**(6.16)**	**(1.09)**
	Net adjustments	**(32.95)**	**(9.41)**	**1.11**	**(6.08)**	**(1.09)**
B	**Tax impact on account of adjustments (net)**	**(10.95)**	**(3.20)**	**0.38**	**(2.05)**	**(0.37)**
C	**Impact of restatement adjustment on profit / (loss) before tax**	**-**	**-**	**(7.15)**	**6.00**	**1.15**

D	**Tax impact on restatement adjustments**	**-**	**-**	**(2.43)**	**2.02**	**0.39**
E	**Tax under normal provisions of the Income Tax Act, 1961 (A+B+D)**	**24.07**	**10.44**	**(0.23)**	**(0.29)**	**(1.63)**
F	**Adjusted profit u/s 115JB for MAT before restatement**	**105.42**	**40.13**	**(1.81)**	**5.22**	**(3.74)**
	MAT rate	**19.9305**	**16.995**	**11.33**	**11.22**	**11.22**
G	**Tax under MAT**	**21.01**	**6.82**	**(0.21)**	**0.59**	**(0.42)**
	Current domestic tax payable for the year (higher of E and G)	**24.07**	**10.44**	**(0.21)**	**0.59**	**(0.42)**
	Interest u/s 234 of the Income Tax Act, 1961	**0.29**	**0.66**	**-**	**0.05**	**-**
	Tax Credit	**-**	**(0.51)**	**-**	**-**	**-**
	Adjusted tax liability	**24.36**	**10.59**	**-**	**0.64**	**-**
	Total tax as per return of income / computation	**24.36**	**10.52**	**-**	**0.63**	**-**

Notes:

1. The permanent/ timing differences for the year ended March 31, 2010, 2009, 2008 and for the period July 10, 2006 to March 31, 2007 have been computed based on acknowledged copies of Income tax returns of the respective years.

2. The permanent/ timing differences for the nine months ended December 31, 2010 have been determined on the basis of provisional computation of the total income prepared by the Company in line with the final return of income filed for the assessment year 2010-2011 and are subject to any change that may be considered at the time of filing of final return of income for the assessment year 2011-12.

Annexure 9

Restated summary of revenue from operations

(Rupees in million)

Particulars	For the nine months ended December 31, 2010	For the year ended March 31, 2010	2009	2008	For the period July 10, 2006 to March 31, 2007
Fee income	161.01	123.71	95.12	53.95	0.98
Consultancy income	90.28	57.67	4.22	-	-
Rent income	9.14	11.00	2.13	-	-
Sale of education aids	10.08	1.92	0.47	-	-
Royalty Income	2.45	1.70	0.71	0.22	-
Other operating income	17.82	17.75	-	-	-
Total	**290.78**	**213.75**	**102.65**	**54.17**	**0.98**

Annexure 10

Restated summary of other income

(Rupees in million)

Particulars	For the nine months ended December 31, 2010	For the year ended March 31,			For the period July 10, 2006 to March 31, 2007
		2010	2009	2008	
Recurring other income (A)	-	-	-	-	-
Non-recurring other income					
- Interest income	14.90	4.96	3.45	-	-
- Dividend income	-	-	-	0.01	-
- Miscellaneous income	0.05	-	0.37	0.08	0.01
Total non-recurring other income (B)	**14.95**	**4.96**	**3.82**	**0.09**	**0.01**
Total other income (A) + (B)	**14.95**	**4.96**	**3.82**	**0.09**	**0.01**
% to Profit / (loss) before tax	14.18%	12.36%	71.54%	(11.54%)	(0.20%)
% to total income	4.89%	2.27%	3.59%	0.17%	1.01%

Notes:

1. All items classified under other income were earned in the normal course of business.

2. The classification of “Other income” as recurring and non-recurring is based on the current operations and business activities of the Company, as determined by the management.

Annexure 11

Statement of dividend paid / proposed

(Rupees in million)

Particulars	For the nine months ended December 31, 2010	For the year ended March 31,			For the period July 10, 2006 to March 31, 2007
		2010	2009	2008	
Class of shares					
Equity share capital	240.19	174.17	150.41	88.10	0.10
Face value per share (in Rupees)	10.00	10.00	10.00	10.00	10.00
Dividend	-	-	-	-	-
Dividend tax	-	-	-	-	-

Annexure 12

Statement of restated sundry debtors

(Rupees in million)

Particulars	As at December 31, 2010	As at March 31,			
		2010	2009	2008	2007
(Unsecured, considered good)					
Debt exceeding six months	33.54	2.86	0.02	-	-
Other debts	29.72	66.63	4.20	0.08	-
Total	**63.26**	**69.49**	**4.22**	**0.08**	**-**

Notes:

1. There are no amounts recoverable from the directors of the Company as at the respective balance sheet dates.

2. The figures disclosed above are based on the Statement of restated assets and liabilities of the Company.

Annexure 13

Restated statement of quoted and unquoted investments

(Rupees in million)

Particulars	As at December 31, 2010	As at March 31, 2010	2009	2008	2007
Long term, unquoted (at cost)					
Trade					
In Joint venture Company					
- JT Infrastructure Private Limited (formerly known as Rage Realty Private Limited)					
a) 10,000 equity shares of Rupees 10/- each fully paid up	0.10	0.10	-	-	-
b) Share application money	20.49	10.05	-	-	-
Non-Trade					
- New India Co-operative Bank					
* Rs. 1,500 (150 shares of Rs. 10/- each fully paid up)	-	-	*	-	-
Total	**20.59**	**10.15**	**-**	**-**	**-**

Annexure 14

Statement of restated loans and advances

(Rupees in million)

Particulars	As at December 31, 2010	As at March 31,			
		2010	2009	2008	2007
(Unsecured, considered good)					
Security deposits	73.53	39.76	26.87	8.22	4.00
Loans given	102.82	3.42	20.45	-	-
Advances recoverable in cash or kind or for value to be received	18.09	5.38	2.32	2.52	0.37
Advance tax (net of provisions)	0.57	1.19	1.25	-	-
MAT credit entitlement	-	-	0.57	-	-
Total	**195.01**	**49.75**	**51.46**	**10.74**	**4.37**

Notes:

Amount due from promoters / directors / relatives of directors are disclosed below:

(Rupees in million)

Name	Nature	As at December 31, 2010	As at March 31,			
			2010	2009	2008	2007
Mr. Rajesh Bhatia	Security deposit	19.00	15.00	10.00	-	-
Mr. Rajesh Bhatia	Advances recoverable in cash or kind or for value to be received	-	0.59	-	-	-
Total		**19.00**	**15.59**	**10.00**	**-**	**-**

Annexure 15

Statement of restated secured and unsecured loans

(Rupees in million)

	Particulars	As at December 31, 2010	As at March 31, 2010	2009	2008	2007
A	**Secured loans**					
	From banks:					
	- Term loan	-	50.00	-	-	-
	- Working capital loan	234.69	47.92	-	-	-
	- Bank overdraft	-	21.73	-	-	-
	Total (A)	**234.69**	**119.65**	**-**	**-**	**-**
B	**Unsecured loans (Interest free, repayable on demand)**					
	From directors	-	0.35	0.35	1.54	2.95
	From others	-	-	-	-	0.64
	Total (B)	**-**	**0.35**	**0.35**	**1.54**	**3.59**
	Total (A) +(B)	**234.69**	**120.00**	**0.35**	**1.54**	**3.59**

Notes:

The security given for the above loans as at December 31, 2010 is as follows:

Name of the bank	Nature of loan	Sanction amount (Rupees in million)	Outstanding as at December 31, 2010 (Rupees in million)	Securities offered	Terms and Conditions	Rate of Interest per annum (in %)
Indian Bank	Working capital loan	243.00	234.69	Lien against fixed deposits.	1. Penal interest @ 2% shall be charged for non-payment of interest. 2. In case of default/non compliance, bank has the right to recall the facility.	7.75%

Annexure 16

Statement of restated centre operating expenses

(Rupees in million)

Particulars	For the nine months ended December 31, 2010	For the year ended March 31,			For the period July 10, 2006 to March 31, 2007
		2010	2009	2008	
Rent (includes conducting charges and society maintenance)	40.93	40.07	22.17	12.31	1.97
Security charges	5.69	4.99	2.96	2.94	0.42
Training material and equipment consumed	12.85	4.83	1.79	0.79	0.36
Water, electricity and cleaning charges	4.44	3.52	2.25	1.13	0.01
Activity expenses	4.06	5.03	2.33	0.56	-
Other centre expenses	4.20	4.69	1.77	0.60	0.72
Total	**72.17**	**63.13**	**33.27**	**18.33**	**3.48**

Annexure 17

Statement of restated reserves and surplus

(Rupees in million)

Particulars	As at December 31, 2010	As at March 31, 2010	2009	2008	2007
Securities premium					
Opening balance	416.69	291.40	-	-	-
Add: Received during the period/year	533.38	126.25	294.58	-	-
Less: Share issue expenses written off	32.61	0.96	3.18	-	-
Closing balance	917.46	416.69	291.40	-	-
Profit and loss account					
Opening balance	24.31	(1.68)	(6.80)	(4.89)	-
Add/(Less) : Profit/(Loss) for the period / year	70.78	25.99	5.12	(1.91)	(4.89)
Closing balance	95.09	24.31	(1.68)	(6.80)	(4.89)
Total	**1,012.55**	**441.00**	**289.72**	**(6.80)**	**(4.89)**

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS OF OUR COMPANY

Unless indicated otherwise, the following discussion of our financial condition and results of operations is based on the restated financial statements for our Company as of and for the period from July 10, 2006 to March 31, 2007, Fiscal 2008, 2009, 2010 and nine months ending December 31, 2010, prepared in accordance with the Companies Act and Indian GAAP and restated in accordance with the SEBI Regulations, including annexures, schedules, and notes thereto and the report thereon. Our Company's restated financial statements, including annexures, schedules and notes thereto and the reports thereon, appear in the section titled "Financial Statements" beginning at page 137.

Indian GAAP differs in certain material respects from U.S. GAAP and IFRS. We have not attempted to quantify the impact of IFRS or U.S. GAAP on the financial data included in this Draft Red Herring Prospectus, nor do we provide a reconciliation of our financial statements to those under U.S. GAAP or IFRS. Accordingly, the degree to which the Indian GAAP financial statements included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with the Companies Act, Indian GAAP and SEBI Regulations.

This discussion contains forward-looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors such as those set forth in the sections titled "Risk Factors" and "Forward Looking Statements" beginning at page ix and page viii, respectively.

OVERVIEW

We are one of the leading providers of educational services in India. We operate the largest number of self-operated pre-schools in India. *(Source: CRISIL Report)* As of December 31, 2010, we have 177 pre-schools under the brand name of "Tree House" across 23 cities in India. Of our 177 pre-schools, 108 are operated by our Company, or self-operated, and the rest are operated through our franchisees. The self-operated pre-schools serve more than 5,000 students, which does not include the students at our franchisee operated pre-schools, primarily in the age group of 1.5 to 6 years. In recent years, we have branched into providing educational services to K-12 schools and as of December 31, 2010, we provide such services to 12 schools which have over 5,000 students, in 4 cities in India.

In our pre-schools, we offer standardized services and innovative teaching methodologies. We offer playschool and nursery facilities, vacation camps, mother-toddler classes, hobby classes, day care facilities and teacher training course at our pre-schools. Of all the courses and facilities offered by us at our pre-schools, a few including mother-toddler classes and teacher training course are only available at select pre-schools. As of December 31, 2010, we have a team of more than 350 teachers at our self operated pre-schools. We provide continuous training to all our pre-school teachers on teaching methodologies and early child care, to keep abreast with the changes in teaching methods and student needs. Our pre-schools are largely concentrated in the states of Maharashtra, Gujarat, Karnataka, Rajasthan and Andhra Pradesh.

For our franchisee operated pre-schools, we receive a fixed non-refundable onetime upfront fee and a service fee annually from the franchisees for the use of our brand and teaching methodologies. In Fiscal 2010 and for nine months period ended December 31, 2010, our revenue from self-operated pre-schools was Rs. 134.69 million and Rs. 178.83 million, respectively and from the franchisee-operated pre-schools was Rs. 61.02 million and Rs. 15.62 million, respectively.

We provide a wide variety of educational services to K-12 schools which include, designing curriculum and providing teaching aids, supplying methods for imparting education, organising extra-curricular activities for students and teacher training. Our Company generates revenue by way of service or consultancy fees which is usually based on, (i) per child admitted to the school, for services forming part of service agreement; and (ii) lump-sum basis for services beyond the scope of service agreement. We have contracted to provide educational services to additional seven K-12 schools, based in Jaipur, Jhunjhunu, Vadodara and such other cities that will be identified by the K-12 school operators, by Fiscal 2013. In Fiscal 2010 and for nine months period ended December 31, 2010, our revenue from providing educational services to K-12 schools was Rs. 7.04 million and Rs. 87.19 million, respectively.

Our Company has been ranked amongst the 100 Small Business of the year 2010 in the annual survey conducted by the Franchising World.

Our revenues for Fiscal 2010 was Rs. 218.71 million representing growth at a CAGR of 100.8% from Fiscal 2008 and profit after tax for Fiscal 2010 was Rs. 25.99 million compared to a loss of Rs. 1.91 million in Fiscal 2008. Our revenues and profit after tax for the nine months period ended December 31, 2010 were Rs. 305.73 million and Rs. 70.78 million, respectively.

FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Regulatory framework governing pre-schools and educational services

We are engaged in operating pre-schools and providing educational services to K-12 schools. Our pre-schools are usually set up on an average area of 2,000 sq. ft., we accept admissions throughout the year and charge fees for our courses on a lumpsum and/or on installment basis. For providing educational services to K-12 schools, we charge an annual service fee to K-12 school operators for every student or for courses conducted by the K-12 schools, subject to a minimum amount payable by the K-12 school operators to us.

Although our operations are currently unregulated, they are dependent upon the Government's policies on education sector. The Government may introduce a regulatory framework to regulate us. For example, the government of state of Maharashtra has proposed to introduce a legislation to regulate fees in unaided and private schools.

Number of schools and students

Our financial performance is affected by the number of enrolments at our pre-schools and K-12 schools to whom we provide educational services. As of December 31, 2010, we have 108 self-operated pre-schools with over 5,000 students. We started providing educational services to K-12 schools in 2009 and as of December 31, 2010, we provide such services to 12 K-12 schools which have over 5,000 students.

Competition in pre-school and K-12 businesses

We operate in a competitive business environment. Although our service agreements for franchisee operated pre-schools and for educational services to K-12 schools help us in deciding price for our services for a certain number of years at a time, on renewal of such contracts, growing competition may force us to reduce the prices of our services for such renewal business, as well as when bidding for new business, which may reduce our revenues and profit margins and/or decrease our market share, any of which could have a materially adverse effect on our business, financial condition and results of operations. Any failure to keep abreast with the latest trends in the industry may adversely affect the cost competitiveness and the ability of our Company to develop newer generation programs.

Further, since we operate in competitive service industry which requires employees with specialized service skills, there is always a demand for such employees in the industry and in order to retain them, there is always a pressure on the costs which have to be borne by us.

Relationships with franchisee and K-12 school operators

The success of our business and results of our operations are dependent on our relationships with K-12 school operators who avail our educational services and franchisees of our franchisee operated pre-schools. Financial performance and health of these K-12 school operators and franchisees can also directly affect our financial results. As of December 31, 2010 our revenues from consultancy income constituted 29.53% of our total income. Further, our consultancy income has grown to Rs. 57.67 million for Fiscal 2010 from Rs. 4.22 million for Fiscal 2009. There can be no assurance that these K-12 school operators and franchisees will be able to establish or maintain adequate service capabilities.

Brand recognition

Brand recognition plays an important role in running our business. The recognition and acceptance of our brand has significant contribution to the success of our business. Keeping the market dynamics in mind, we need to continuously update ourselves to keep upto the expectations of the parents and students. If we are unable to respond in a timely and appropriate manner, our brand name and brand image may be impaired.

Implementation of our business strategies

We plan to continue to expand our brand and product portfolios and our service and distribution networks in India in the near future, both organically and inorganically via strategic acquisitions. In taking these and any other such expansion initiatives, the Company faces risks and uncertainties, including that:

(i) funding anticipated to be deployed towards the cost of the project will not become available in a timely manner or at all;
(ii) cost overruns could adversely affect the Company's operating results;
(iii) we may not be able to manage the increasing contractual commitments with trusts in a timely fashion;
(iv) we may face difficulties in recruiting, training and retaining sufficient skilled technical, marketing and management personnel; and
(v) we may be unable to manage parents' and students' expectations.

While we have successfully implemented expansion projects in the past, any delay in implementing expansion strategies can affect our reputation, business, results of operations and financial condition.

CRITICAL ACCOUNTING POLICIES

Critical accounting policies are policies that are important for both the portrayal of our financial condition and results of operations and which require management's most subjective judgments. In order to provide an understanding about our management's judgment about the most appropriate accounting policy to be followed for complex transactions and future events, we have identified certain accounting policies as critical accounting policies. While all aspects of our financial statements and accounting policies should be understood in assessing our current and expected financial condition and results of operations, we believe that the following critical accounting policies warrant additional attention:

(a) **Provisions and contingencies**

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. Provisions are determined based on best estimate of the amount required to settle the obligation at the balance sheet date. Provisions are reviewed at each balance sheet date and adjusted to reflect current best estimates. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

(b) **Fixed assets and depreciation**

Fixed assets are stated at cost, less accumulated depreciation, amortisation and impairment losses, if any. Cost includes all expenses incurred to bring the assets to their present location and condition for their intended use.

Capital advances in respect of capital work in progress or assets acquired but not ready for use are classified under capital work in progress.

Depreciation on fixed assets is provided under the straight line method at the rates and in the manner prescribed in Schedule XIV of the Companies Act, 1956 which, as per the management represents the estimated useful life of the assets. Lease hold improvements are amortised on the basis of useful lives of assets or balance lease period, whichever is lower. Individual assets costing Rs. 5,000 or less are depreciated at 100% on a prorata basis.

(c) **Intangibles**

(i) Cost incurred for acquiring brands are capitalized and amortized on a straight-line basis over a period of ten years, being the estimated useful life.

(ii) Goodwill arising from acquisition of business is amortized over the expected useful life, not exceeding ten years.

(iii) Business commercial rights i.e. “school facilitation service rights” acquired from various trusts/societies are capitalized and amortized on a straight –line basis over a period of ten years, being the estimated useful life.

(d) **Revenue Recognition**

Income from Services
Revenue is recognized on rendering of services and is recognized only when there are no significant uncertainties as to its measurability or collectability.

In instances where fees are received during a term, revenue is recognized on a proportionate basis for the period which falls under the current reporting period and the balance is shown as advance fees received.

Revenue from consultancy services is recognized on rendering of services, as evidenced from the customers’ acknowledgment of services received. In respect of non refundable consultancy services to franchisee for setting up of its operations, the receipt of service generally coincides with signing of the franchisee service agreement.

Royalty income
Royalty income is recognized as per the franchise agreement at specified percentage of gross revenue earned by the franchisee.

Interest
Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

Sale of goods
The revenue from sale of education aids is recognized on transfer of property in goods which generally coincides with dispatch/delivery to the customer.

(e) **Inventories**

Inventories consist of book kits and other student activity materials. Inventory is valued at lower of cost and net realizable value. Cost is determined on first in first out (FIFO) basis.

(f) **Leases**

Where the Company is the lessee
Leases where the lessor effectively retains substantially all the risks and benefits of ownership during the lease term, are classified as operating leases. Lease rentals in respect of assets taken under an operating lease are charged to the profit and loss account on straight line basis over the initial period of the lease

Where the Company is the lessor
Assets subject to operating leases are included in fixed assets. Lease income is recognised in the profit and loss account on a straight-line basis over the lease term. Costs, including depreciation are recognised as an expense in the profit and loss account. Initial direct costs such as legal costs, brokerage costs, etc. are recognised immediately in the profit and loss account.

(g) **Employee benefits**

Provident fund:
Company’s contributions paid / payable to provident fund authorities are recognised in the profit and loss account of the year / period when the contribution to the fund is due.

Gratuity:

Gratuity is a post employment benefit and is in the nature of a defined benefit plan. The liability recognised in the balance sheet in respect of gratuity is the present value of the defined benefit / obligation at the balance sheet date less the fair value of plan assets, together with adjustments for unrecognised actuarial gains or losses and past service costs. The defined benefit / obligation is calculated at or near the balance sheet date by an independent actuary using the projected unit credit method.

Actuarial gains and losses arising from past experience and changes in actuarial assumptions are charged or credited to the Profit and Loss Account in the year in which such gains or losses arise.

RESULT OF OPERATIONS

The components of our income and expenditure are:

Income

Our total income comprises (i) revenue from operation; and (ii) other income.

Revenue from operation

Our revenues from operations constitutes of (i) fee income, which comprises of income generated from self operated pre-schools; (ii) consultancy income which comprises of income generated from one time upfront consultancy fees and curriculum support fees charged to franchisee's, and consultancy fees, curriculum support fees and other services fee charged to K-12 school operators; (iii) rent income arising from leasing of educational infrastructure to K-12 school operators; (iv) sale of educational aids; (v) royalty income comprising of annual service fee received from franchisee pre-schools; and (vi) other operating income which includes income from teacher training, day care, annual day.

Other income

We derive other income from interest on bank deposits and miscellaneous receipts.

Expenditure

Our total expenditure comprises (i) centre operating expense; (ii) employee cost; (iii) administrative and other expenses; (iv) finance charges; and (v) depreciation and amortization.

Centre operating expense

Our centre operating expenses primarily constitutes of rent, security charges, training material and equipment consumed, water, electricity and cleaning charges, activity expenses incurred on our self-operated pre-schools.

Employee cost

Employee cost includes salaries and allowances paid to our employees, contribution to provident and other funds and staff welfare.

Administrative and other expenses

Our administrative and other expenses include advertisement and publicity expenses, business promotion expenses, traveling and conveyance expenses, legal and other professional fees, office expenses, and miscellaneous expenses like day care centre expenses.

Finance charges

Finance charges include bank charges and interest on bank borrowings which include interest payable on working capital loan and over draft facility. For further details see section titled "*Financial Indebtedness*" at page 153 for a summary of our indebtedness.

Depreciation and amortization

Depreciation includes depreciation on leasehold improvements, building, furniture and fixtures, office equipment, vehicle and computer whereas we amortise goodwill, business commercial rights and brands.

Taxation

Taxation includes current taxes, deferred tax charges, fringe benefit taxes, MAT credit entitlement. Provision for current tax is made after taking into consideration benefits admissible under the provisions of the IT Act. Deferred tax resulting from "timing difference" between book and taxable profit is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the balance sheet date. The deferred tax assets are recognised if there is a reasonable certainty that the assets will be realized in future.

Adjustment for restatement

Following are the restatement adjustments carried out for the preparation of our restated financial statements in compliance with the SEBI Regulations:

(in Rs. million)

	Particulars	For the nine months ended December 31, 2010	For the Fiscal		
			2010	2009	2008
1	**Net Profit / (Loss) after tax as per audited statement of account**	**70.78**	**25.99**	**(2.03)**	**4.09**
2	**Adjustments on account of:**				
	Prior period adjustments				
	Revenue adjustment (refer note 1below)	-	-	5.42	(5.00)
	Preliminary and advertisement expenses adjustment (refer note 2 below)	-	-	1.73	(1.00)
	Total impact of adjustments	-	-	7.15	(6.00)
	Adjusted net profit / (loss) after tax	**70.78**	**25.99**	**5.12**	**(1.91)**

Results of operations for the Fiscal 2008, 2009, 2010 and nine months ending December 31, 2010

The following table sets forth select financial data from our restated profit and loss accounts for Fiscal 2008, 2009, 2010 and nine months ending December 31, 2010, the components of which are also expressed as a percentage of total income for such periods.

(in Rs. million)

	Particulars	For the nine months ended December 31, 2010		For the Fiscal,					
				2010		2009		2008	
		(Rs. in million)	% of total income	(Rs. in million)	% of total income	(Rs. in million)	% of total income	(Rs. in million)	% of total income
A	**Income**								
	Revenue from operations	290.78	95.11	213.75	97.73	102.65	96.41	54.17	99.83
	Other income	14.95	4.89	4.96	2.27	3.82	3.59	0.09	0.17
	Total income	**305.73**	**100.00**	**218.71**	**100.00**	**106.47**	**100.00**	**54.26**	**100.00**
B	**Expenditure**								
	Centre operating expense	72.17	23.61	63.13	28.86	33.27	31.25	18.33	33.78
	Employee cost	34.54	11.30	29.36	13.42	16.67	15.66	7.84	14.45
	Administrative and other expenses	54.17	17.72	51.06	23.35	32.03	30.08	19.47	35.88
	Finance charges	4.74	1.55	5.76	2.63	0.42	0.39	-	-
	Depreciation and amortization	34.69	11.35	29.27	13.38	18.74	17.60	9.40	17.32

	Total expenditure	**200.31**	**65.52**	**178.58**	**81.65**	**101.13**	**94.98**	**55.04**	**101.44**
C	**Profit / (Loss) before tax**	**105.42**	**34.48**	**40.13**	**18.35**	**5.34**	**5.02**	**(0.78)**	**(1.44)**
	Provision for taxation								
	- Current tax	24.36	7.97	11.54	5.28	-	-	0.63	1.16
	- Deferred tax charge	10.28	3.36	2.60	1.19	0.09	0.08	1.07	1.97
	- Fringe benefits tax	-	-	-	-	0.13	0.12	0.06	0.11
	- MAT credit entitlement	-	-	-	-	-	-	(0.63)	(1.16)
	Net profit / (loss)	**70.78**	**23.15**	**25.99**	**11.88**	**5.12**	**4.81**	**(1.91)**	**(3.52)**

Nine months ended December 31, 2010

Income

Our revenue from operations was Rs. 290.78 million for the nine months ended December 31, 2010, consisting primarily of fee income of Rs. 161.01 million and consultancy income of Rs. 90.28 million. Other income was Rs. 14.95 million consisting of interest on fixed deposits and interest on loan.

Expenditure

Our expenditure from centre operating expense was Rs. 72.17 million for the nine months ended December 31, 2010 consisting primarily of rentals of Rs. 40.93 million and consumption of training materials and equipment of Rs. 12.85 million. Our employee cost was Rs. 34.54 million consisting primarily of salaries and allowances. Our depreciation and amortization was Rs. 34.69 million on account of furniture, fittings and business commercial rights or exclusivity rights.

Taxation

Our provision for taxation was Rs. 34.64 million for the nine months ended December 31, 2010.

Restated profit

Our restated profit before depreciation, interest and tax was Rs. 144.85 million. Our restated profit after tax was Rs. 70.78 million for the nine months ended December 31, 2010.

Fiscal 2010 compared to Fiscal 2009

Our results of operations for Fiscal 2010 were particularly influenced by the following factors:

- increase in the number of our self-operated and franchisee pre-schools;
- increase in enrolments during the financial year at our self-operated and franchisee pre-schools;
- increase in our course fees; and
- increase in the number of K-12 schools.

Income

Revenue from operations

Our revenue from operations increased by 108.23% to Rs. 213.75 million for Fiscal 2010 from Rs. 102.65 million for Fiscal 2009 primarily due to increase in number of self-operated pre-schools and higher enrolments in self-operated pre-schools resulting in increase in fee income to Rs. 123.71 million in Fiscal 2010 from Rs. 95.12 million Fiscal 2009. We also registered an increase of 1,266.60% increase in consultancy income on account of increase in number of K-12 schools and franchisee pre-schools. Further, our rent income increased to Rs. 11.00 million in Fiscal 2010 from Rs. 2.13 million in Fiscal 2009 on account of rental income from infrastructure leasing business charged to trust for the full year in Fiscal 2010, compared to 5 months in Fiscal 2009.

Other income

Our other income increased by 29.84% to Rs. 4.96 million for Fiscal 2010 from Rs. 3.82 million for Fiscal 2009. This was primarily due to increase in interest received from fixed deposits.

Expenditure

Centre operating expense

Commensurate with the increase in revenue from our operation, our centre operating expenses increased by 89.75% to Rs. 63.13 million for Fiscal 2010 from Rs. 33.27 million for Fiscal 2009, due to increase in rental expenses which was primarily on account of increase in self-operated pre-schools. During the same period, centre operating expenses as a percentage of total income decreased to 28.86% from 31.25%.

Employee cost

Our employee costs increased by 76.12% to Rs. 29.36 million for Fiscal 2010 from Rs. 16.67 million for Fiscal 2009, primarily due to increase in number of pre-schools resulting in increase in teaching and corporate staff.

Administrative and other expense

Our administrative and other expenses increased by 59.41% to Rs. 51.06 million for Fiscal 2010 from Rs. 32.03 million for Fiscal 2009, primarily due to increase in advertisement and publicity expenses and business promotion expenses.

Finance charges

Our finance charges increased to Rs. 5.76 million for Fiscal 2010 from Rs. 0.42 million for Fiscal 2009. This was due to increase in working capital and overdraft facilities utilized during the year.

Depreciation and amortization

Our depreciation and amortization expenses increased by 56.19% to Rs. 29.27 million for Fiscal 2010 from Rs. 18.74 million for Fiscal 2009. This was mainly due to addition to our fixed assets. During the same period, our gross block increased to Rs. 386.66 million from Rs. 263.25 million.

Taxation

Our provision for taxation increased to Rs. 14.14 million for Fiscal 2010 from Rs. 0.22 million for Fiscal 2009 on account of increase in profit before tax to Rs. 40.13 million from Rs. 5.34 million. The effective tax rate for Fiscal 2010 is 35.26% as compared to 4.11% for Fiscal 2009.

Restated profit

Our restated profit before depreciation, interest and tax increased to Rs. 75.16 million for Fiscal 2010 from 24.50 million for Fiscal 2009.

Our restated profit after tax increased to Rs. 25.99 million for Fiscal 2010 from Rs. 5.12 million for Fiscal 2009. During the same period, our restated profit as a percentage of total income increased to 11.88% from 4.81%.

Fiscal 2009 compared to Fiscal 2008

Our results of operations for Fiscal 2009 were particularly influenced by the following factors

- increase in the number of our self-operated and franchisee pre-schools;
- increase in enrolments at our self-operated and franchisee pre-schools;
- increase in our course fees; and
- increase in the consultancy fees charged to the franchisees.

Income

Revenue from operations

Our revenue from operations increased by 89.50% to Rs. 102.65 million for Fiscal 2009 from Rs. 54.17 million for Fiscal 2008. The increase in revenue was primarily due to increase in number of self-operated pre-schools resulting in increase in fee income by 76.3% to Rs. 95.12 million in Fiscal 2009 from Rs. 53.95 million in Fiscal 2008. During the same period we also registered an increase of 222.7% in our royalty income due to the increase in franchise operated pre-schools.

Other income

Our other income increased to Rs. 3.82 million for Fiscal 2009 from Rs. 0.09 million for Fiscal 2008. This was primarily due to increase in interest received from fixed deposits with banks.

Expenditure

Centre operating expense

Commensurate with the increase in revenue from operations, our centre operating expenses increased by 81.51% to Rs. 33.27 million for Fiscal 2009 from Rs. 18.33 million for Fiscal 2008, primarily due to increase in rental expenses which was primarily on account of increase in self-operated pre-schools.

Employee cost

Our employee costs increased by 112.63% to Rs. 16.67 million for Fiscal 2009 from Rs. 7.84 million for Fiscal 2008, on account of increase in number of self-operated pre-schools resulting in increase in teaching and corporate staff.

Administrative and other expense

Our administrative and other expenses increased by 64.51% to Rs. 32.03 million for Fiscal 2009 from Rs. 19.47 million for Fiscal 2008, primarily due to increase in advertisement and publicity expenses and business promotion expenses.

Finance charges

Our finance charges were Rs. 0.42 million for Fiscal 2009. This was due to utilization of overdraft facility.

Depreciation and amortization

Our depreciation and amortization expenses increased by 99.39% to Rs. 18.74 million for Fiscal 2009 from Rs. 9.40 million for Fiscal 2008. This was mainly due to addition of fixed assets. During the same period, our gross block increased to Rs. 263.25 million from Rs. 91.25 million.

Taxation

Our provision for taxation reduced by 80.53% to Rs. 0.22 million for Fiscal 2009 from Rs. 1.13 million for Fiscal 2008 due to creation of deferred tax asset for Fiscal 2009 on account of carry forward of losses for Fiscal 2008 and book loss in Fiscal 2009. The effective tax rate for Fiscal 2009 and Fiscal 2008 was 30.90%.

Restated profit

Our restated profit before depreciation, interest and tax increased to Rs. 24.50 million for Fiscal 2009 from 8.62 million for Fiscal 2008.

Our restated profit after tax was Rs. 5.12 million for Fiscal 2009 compared to a loss after tax of Rs. 1.91 million for Fiscal 2008.

FINANCIAL CONDITIONS, LIQUIDITY AND CAPITAL RESOURCES

We broadly define liquidity as our ability to generate sufficient funds mainly from internal resources to meet our obligations and commitments. In addition, liquidity includes the ability to obtain appropriate equity and debt financing and loans. Therefore, liquidity cannot be considered separately from capital resources that consist of current or potentially available funds for use in achieving long range business objectives.

We have been historically financing our capital requirements primarily through funds generated from our operations and equity infusion. Our primary capital requirements have been towards development of infrastructure, establishment of pre-schools and acquisition of business commercial rights or exclusivity rights. We believe that we will have sufficient resources from our operations and Net Proceeds to meet our capital requirements for at least the next 12 months. We may also from time to time seek other sources of funding, which may include debt or equity financings, including rupee-denominated loans from Indian banks, depending on our financing needs and market conditions. Our anticipated cash flows are however dependent on several factors beyond our control. See "*Risk Factors*" beginning at page ix.

Cash flow statement for restated financial statements

The table below sets forth cash flow statement for Fiscals 2010 and 2009

(in Rs. million)

Particulars	**For the nine months ended December 31, 2010**	**Fiscal**		
		2010	**2009**	**2008**
Net cash flow from /(used in) operating activities	3.13	23.14	(11.19)	12.32
Net cash from / (used in) investing activities	(331.02)	(286.63)	(320.78)	(91.40)
Net cash from / (used in) financing activities	593.99	345.47	351.63	78.08
Net increase / (decrease) in cash and cash equivalents	266.10	81.98	19.66	(1.00)
Cash and cash equivalent at the beginning of the year/period	103.44	21.46	1.80	2.80
Cash and cash equivalents at the end of the year/period	369.54	103.44	21.46	1.80

Operating activities

Net cash generated from operating activities was Rs. 3.13 million for nine months ended December 31, 2010, and consisted of net profit before taxation of Rs. 105.42 million, as adjusted for a number of non-cash items, primarily depreciation of Rs. 34.69 million, and other items, including financial charges of Rs. 4.74 million. Working capital adjustments included decrease in sundry debtors of Rs. 6.23 million, increase in loans and advances of Rs. 145.90 million, increase in inventories of Rs. 8.75 million and increase in liabilities of Rs. 40.71 million.

Net cash generated from operating activities was Rs. 23.14 million for Fiscal 2010, and consisted of net profit before tax of Rs. 40.13 million, as adjusted for a number of non-cash items, primarily depreciation of Rs. 29.27 million, write-off of assets of Rs. 3.21 million and other items, including financial charges of Rs. 5.76 million. Working capital adjustments included increase in inventories of Rs. 1.39 million, increase in sundry debtors of Rs. 65.27 million, decrease in loans and advances of Rs. 2.91 million and increase in liabilities of Rs. 20.68 million.

Net cash used in operating activities was Rs. 11.19 million for Fiscal 2009, and consisted of net profit before tax of Rs. 5.34 million, as adjusted for a number of non-cash items, primarily depreciation of Rs. 18.74 million, write-off of assets of Rs. 0.28 million and other items, including financial charges of Rs. 0.42 million. Working capital adjustments included increase in inventories of Rs. 1.04 million, increase in sundry debtors of Rs. 4.14 million, increase in loans and advances of Rs. 38.90 million and increase in liabilities of Rs. 13.69 million.

Net cash generated from operating activities was Rs. 12.32 million for Fiscal 2008, and consisted of loss before tax of Rs. 0.78 million, as adjusted for a number of non-cash items, primarily depreciation of Rs. 9.40 million. Working capital adjustments included increase in inventories of Rs. 0.53 million, increase in sundry debtors of Rs. 0.08 million, increase in loans and advances of Rs. 6.37 million and increase in liabilities of Rs. 10.69 million.

Investing activities

Net cash used in investing activities was Rs. 331.02 million for nine months ending December 2010, primarily as a result of purchase of fixed assets/ intangible assets (including capital work in progress) of Rs. 169.66 million payment made for acquiring business commercial rights or exclusivity rights for providing education services to K-12 schools of Rs. 159.12 million and investments of Rs. 10.45 million, offset by small amount of interest received.

Net cash used in investing activities was Rs. 286.63 million for Fiscal 2010, primarily as a result of purchase of fixed assets/ intangible assets (including capital work in progress) of Rs. 277.46 million and investments of Rs. 10.15 million, offset by small amount of interest received.

Net cash used in investing activities was Rs. 320.78 million for Fiscal 2009, primarily as a result of purchase of fixed assets/ intangible assets (including capital work in progress) of Rs. 323.83 million, offset by small amount of interest received.

Net cash used in investing activities was Rs. 91.40 million for Fiscal 2008, primarily as a result of purchase of fixed assets / intangible assets (including capital work in progress) of Rs. 91.41 million, offset by small amount of interest received.

Financing activities

Net cash provided by financing activities was Rs. 593.99 million for nine months ending December 2010, consists of issue of shares including share premium of Rs. 516.87 million and short term borrowings of Rs. 165.04 million. It was used in repayment of long term borrowings of Rs. 50.00 million, short term borrowings of Rs. 0.35 million, share issue expenses of Rs. 32.61 million and financial charges paid of Rs. 4.96 million.

Net cash provided by financing activities was Rs. 345.47 million for Fiscal 2010, consists of proceeds from issue of shares including share premium of Rs. 149.04 million, share application money of Rs. 82.53 million, proceeds from long term borrowings of Rs. 50.00 million and short term borrowings of Rs. 69.66 million. It was used in payment financial charges of Rs. 5.76 million.

Net cash provided by financing activities was Rs. 351.63 million for Fiscal 2009, consists of issue of shares including share premium of Rs. 356.42 million. It was used in repayment of short term borrowings of Rs. 1.19 million, share issue expenses of Rs. 3.18 million and financial charges paid of Rs. 0.42 million.

Net cash provided financing activities was Rs. 78.08 million for Fiscal 2008, consists of issue of shares including share premium of Rs. 79.65 million, share application money received of Rs. 0.48 million. It was used in repayment of short term borrowings of Rs. 2.05 million.

Cash and cash equivalent

The cash and cash equivalents for nine months ending December 31, 2010 is Rs. 369.54 million. The cash and cash equivalents increased to Rs. 103.44 million for Fiscal 2010 as against Rs. 21.46 million in Fiscal 2009. The cash and cash equivalent was Rs. 1.80 million for Fiscal 2008. Cash and cash equivalents include bank deposit, current account balances and cash in hand.

Indebtedness

The following table summarizes our outstanding indebtedness as of December 31, 2010:

(in Rs. million)

	Particulars	As at December 31, 2010	Fiscal		
			2010	2009	2008
A	**Secured loans**				
	From banks:				
	- Term loan	-	50.00	-	-
	- Working capital loan	234.69	47.92	-	-
	- Bank overdraft	-	21.73	-	-
	Total (A)	**234.69**	**119.65**	**-**	**-**
B	**Unsecured loans (Interest free, repayable on demand)**				
	From directors	-	0.35	0.35	1.54
	From others	-	-	-	-
	Total (B)	**-**	**0.35**	**0.35**	**1.54**
	Total (A) +(B)	**234.69**	**120.00**	**0.35**	**1.54**

Most of our current financing arrangements are secured by our current assets, including a charge on our properties. Some of our current financing agreements also include various conditions and covenants that require our Company to obtain lender consents prior to carrying out certain activities and entering into certain transactions, including incurring additional debt other than existing sources, change in capital structure, or merge with or acquire other companies, whether or not there is any failure by such entities to comply with the other terms of such agreements. Any failure to comply with the requirement to obtain a consent, or other condition or covenant under our financing agreements that is not waived by our lenders or is not otherwise cured by us, may lead to a termination of our credit facilities and/or acceleration of all amounts due under such facilities and may affect our ability to conduct our business and operations or implement our business plans.

For further information on our key outstanding loans, see section titled "*Financial Indebtedness*" beginning at page 153.

Capital expenditure

Capital expenditures represent expenditure incurred for purchase of our fixed assets plus changes in capital work in progress (i.e., expenses incurred in relation to work in progress but not capitalised) and advance payments on account of capital expenditures.

(in Rs. million)

Particulars	As at December 31, 2010	Fiscal		
		2010	2009	2008
Expenditure incurred for purchase of fixed assets capitalised	90.26	108.37	168.49	91.41
Expenditure incurred for purchase of fixed assets not capitalised	41.47	5.89	144.65	-
Payments made for acquiring business commercial rights	195.50	159.12	10.40	-
Total Capital Expenditure	**327.23**	**273.38**	**323.54**	**91.41**

For nine months period ending December 31, 2010, our total capital expenditure was Rs. 327.23 million of which 27.58% was utilized for purchase of fixed assets capitalised, 12.67% was utilised for purchase of fixed assets not capitalised and 59.74% was utilized for payment for acquiring business commercial rights or exclusivity rights.

In Fiscal 2010, our total capital expenditure was Rs. 273.38 million of which 39.64% was utilized for purchase of fixed assets capitalised, 2.16% was utilised for purchase of fixed assets not capitalised and 58.20% was utilized for acquisition of business commercial rights or exclusivity rights.

In Fiscal 2009, our total capital expenditure was Rs. 323.54 million of which 52.08% was utilized for purchase of fixed assets capitalised, 44.71% was utilised for fixed assets not capitalised and 3.21% was utilized for acquisition of business commercial rights or exclusivity rights.

In Fiscal 2008, our total capital expenditure was Rs. 91.41 million which was entirely utilized for purchase of fixed assets.

Over the years, we have invested substantially in setting up of pre-schools as well as acquisition of business commercial rights or exclusivity rights. We expect to continue to invest in pre-schools and business commercial rights or exclusivity rights over the next several years. Recently, we have plans to also invest in development of educational infrastructure.

Contractual obligations and commercial commitments

Except for obligations in relation to repayments of our indebtedness and Treehouse - ESOP 2010, we do not have any contractual obligations and commercial commitments as of December 31, 2010 which are likely to impact our liquidity and cash flows for less than a year. For further details, please see sections titled "*Capital Structure*" and "*Financial Indebtedness*" at pages 56 and 153.

Off balance sheet commitments and arrangements

We do not have any off balance sheet commitment and arrangement.

Contingent liabilities and capital commitments

As at December 31, 2010 and for previous three Fiscals we had contingent liabilities, as follows:

(in Rs. million)

Particular	As at December 31, 2010	Fiscal		
		2010	2009	2008
Bank guarantees given against loan taken by director	11.45	11.45	11.45	9.19
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	278.59	70.72	42.39	1.54

Quantitative and qualitative disclosures about market risk

Market risk is the risk of loss related to adverse changes in market prices, including commodities risk, credit risk and interest rate risk. We are exposed to interest risks in the normal course of our business.

Commodities Risk

We are exposed to price fluctuations on account of development of infrastructure for education complexes. Any unusual increase in the price of the materials will require us to pass the increased cost to consumer which may lead to a drop in demand of our products.

Credit Risk

We are exposed to credit risk from K-12 school operators and franchisees, since we charge them for our services on periodic basis. Credit risk is the risk of loss that may occur from the failure of a trust or a franchisee to abide by the terms of conditions of their contract with us, principally the failure to make required payments on amounts due to us. In order to mitigate the risk from K-12 school operators, we normally enter into long term contracts with K-12 school operators for providing educational services. However, these factors may result in increases in our short-term borrowings.

Interest Rate Risk

Our lenders reserve the right to revise the rate of interest and thus we are exposed to market risk as a result of changes in interest rates. As of December 31, 2010, our total indebtedness consisted of Rs. 234.69 million, with original maturities ranging upto one year or till the validity of fixed deposits. We undertake debt obligations in the ordinary course of business including financing capital expenditures and working capital needs. Increases in interest rates increase the cost of new debt and the interest cost of outstanding variable rate borrowings. We do not currently use any derivative instruments to modify the nature of our debt so as to manage our interest rate risk.

Related party transactions

We have engaged in the past, and may engage in the future transactions with related parties on an arm's lengths basis. Such transactions could be for provision of supply of goods, services or unsecured loan. For further details of our related party transactions, see Annexure 4 of our restated Financial Statements at page F-14.

Information as per Schedule VII Part A (IX) (E) of SEBI Regulations

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 our knowledge, may be described as "unusual" or "infrequent".

Known trends or uncertainties

Other than as described in the section titled "*Risk Factors*" and "*Management's Discussion and Analysis of Financial Conditions and Results of Operations*" at pages ix and 138, respectively, there are no known trends or uncertainties that have or are expected to have a material adverse impact on our revenue from continuing operations.

Seasonality of business

Our pre-school business is seasonal in nature. For further details see section titled "*Risk Factors*" at page xiv.

Future relationship between expenditure and revenue in case of events such as future increase in labour or material costs or price that will cause a material change are known

Other than as described in the section entitled "*Risk Factors*" and "*Management's Discussion and Analysis of Financial Conditions and Results of Operations*" at pages ix and 138, respectively, there are no future relationship between costs and income that have or had or are expected to have a material adverse impact on our operations and finances.

Extent of material increases in revenue due to increased operations and introduction of new products or services or increased prices

Changes in revenues during the last two Fiscals are explained in "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" under the subsections titled "*Result of Operations*".

Competitive conditions

We expect competition in the education sector from existing and potential competitors pursuant to greater financial and other resources, better access to capital than we do, which may enable them to compete more effectively than us which may impact our operations. For further details please refer to the discussions of our competitive conditions in the section entitled "*Risk Factors*" and "*Our Business*" at pages xiv and 102, respectively.

Any significant dependence on a single or few suppliers or customers including foreign customers

Except as disclosed in "*Our Business*" and "*Management's Discussion and Analysis of Financial Conditions and Results of Operations*" at pages 93 and 138, there are no significant dependence on a single or few suppliers or customers.

Total turnover of each major industry segment in which our Company operates.

Our Company operates only in education sector.

Status of any publicly announced new products or business segment.

Except as disclosed in "*Our Business*" at page 93, our Company has not publicly announced any new products.

Significant economic changes that materially affected or are likely to affect income from continuing operations

Other than as mentioned under "*Factors Affecting Our Results of Operations*" in "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" at page 139, we do not believe that there are any other significant economic changes that materially affect or are likely to affect income from continuing operations.

Significant developments after December 31, 2010 that may affect our future results of operations

To our knowledge and belief, no circumstances other than those disclosed in this Draft Red Herring Prospectus have arisen since the date of the last financial statements contained in this Draft Red Herring Prospectus which materially affect or are likely to affect, the trading and profitability of our Company, or the value of our assets or our ability to pay material liabilities within the next 12 months, except for the grant of ESOP scheme/options on January 4, 2011.

FINANCIAL INDEBTEDNESS

I. Secured Borrowings

Set forth below, is a brief summary of our Company's significant outstanding secured borrowings as of February 17, 2011 together with a brief description of certain significant terms of such financing arrangement.

Name of Lender	Sanction Letter/Facility Documentation	Amount Sanctioned (Rs. in million)	Amount Outstanding (Rs. in million)	Interest Rate (%)	Tenure	Repayment Schedule	Security/ Guarantees
Union Bank of India	Sanction letter dated April 22, 2010	48.5*	Nil	BPLR+ 1.5% which is currently 14%	One year	Not Applicable	(i) Our Company has provided property at Mira School, Atladara Main Road, Off Old Padra Road, Vadodara as security against the loan; (ii) Demand promissory note for Rs. 48.5 million; and (iii) Personal guarantee by our Promoters.
Indian Bank	Sanction letter dated November 30, 2010 against term deposit	243	241.49	7.75% per annum	Till maturity of the term deposit	Not applicable	Fixed deposits of Rs. 270 million
Indian Bank	Sanction letter dated December 29, 2010	50	44.38	Bank rate + 3% which is currently 12.50% per annum	One year from the date of sanction	Not applicable	(i) Hypothecation of goods, produce, merchandise, stock, book debts and other similar assets; (ii) Equitable mortgage of property at

								Shop No. 4, Flat No. 5, 6 and garage, Aasha Building, 17th Road, Khar (West), Mumbai; and (iii) Personal guarantee by our Promoters.

**Our Company has made an application dated December 9, 2010 to increase the limit to 1,000 million.*

Restrictive/Material covenants

Under the sanction letter dated December 29, 2010 with Indian Bank, we require prior approval of the bank for certain corporate actions including those given below:

(i) any change in the capital structure of our Company;
(ii) permit any transfer of the controlling interest or make any drastic change in the management set-up;
(iii) formulation of any scheme of amalgamation or reconstruction;
(iv) undertake any scheme of expansion/diversification/modernization/new project schemes;
(v) make further investment in subsidiary/group companies in the form of equity, loan or advances; and
(vi) extend any financial guarantee.

The **s**anction letter dated April 22, 2010 with Union Bank of India provides for certain covenants, material ones of which are summarized below:

(i) The mortgaged property is required to be adequately insured against natural calamities, fire, riots, earthquake etc in the joint names of our Company and the bank;
(ii) Bank's charge is required to be registered with ROC; and
(iii) Excess over limit, if any, will attract penal interest of 2% over and above the rate of the interest charged on advance.

II. Unsecured Borrowings

As of February 17, 2011, our Company has not availed any unsecured loan.

III. Guarantees

Our Company has provided guarantee to our Promoters in relation to loans dated December 5, 2007 and December 27, 2007 for Rs. 7.2 million and 4.1 million respectively taken from New India Co-operative Bank Limited.

SECTION VI – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated below (i) there are no outstanding litigations, suits, criminal or civil prosecutions, statutory or legal proceedings including those for economic offences, tax liabilities, show cause notices or legal notices pending against our Company, Directors, Promoters and Group Companies and entities or against any other company whose outcome could have a materially adverse effect on the business, operations or financial position of our Company, and (ii) there are no defaults including non-payment or overdue of statutory dues, over-dues to banks or financial institutions, defaults against banks or financial institutions or rollover or rescheduling of loans or any other liability, defaults in dues payable to holders of any debenture, bonds and fixed deposits or arrears on cumulative preference shares issued by our Company, Promoters and Group Companies and entities, defaults in creation of full security as per the terms of issue/other liabilities, proceedings initiated for economic, civil or any other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (1) of Part I of Schedule XIII of the Companies Act) other than unclaimed liabilities of our Company except as stated below, and (iii) no disciplinary action has been taken by SEBI or any stock exchange against our Company, Promoters, Group Companies and entities or Directors.

Further, (i) neither our Company nor our Promoters, relatives of Promoters, members of our Promoter Group, Group Companies and entities, and Directors, have been declared as wilful defaulters by the RBI or any other governmental authority and, (ii) except as disclosed in this section, there are no violations of securities laws committed by them or penalties imposed on them thereunder in the past or pending against them, and adverse findings regarding compliance with securities laws.

Unless stated to the contrary, the information provided below is as of the date of this Draft Red Herring Prospectus.

I. Contingent liabilities

Our contingent liabilities not provided for and outstanding guarantees (as disclosed in our audited financial statements) as of the dates indicated below, include:

(Rs. in million)

Details	As of March 31,				
	2010	2009	2008	2007	2006
Bank guarantee given against loan taken by Director	11.45	11.45	9.19	Nil	Nil
Total	11.45	11.45	9.19	Nil	Nil

II. Litigation involving our Company and material developments

A. Outstanding litigation

There are no proceedings litigation by/against our Company.

B. Proceedings initiated against our Company for economic offences

There are no proceedings initiated against our Company for any economic offences.

C. Past penalties imposed on our Company

Our Company received a show cause notice dated September 22, 2010 from the Senior Inspector under the Standards of Weights and Measures (Enforcement) Act, 1985 (the "**Weights Act**"). The notice required our Company to state as to why the measurement was provided in 'square feet' in an advertisement dated September 21, 2010 in the newspaper, Dainik Jagran (Kanpur) issued by our Company. As per Sections 11, 41 and 62 of the Weights Act, the use of 'square feet' is prohibited for use as a unit of measurement. It was further stated that our Company could settle the matter with the Controller as per the provisions of Section 73 of the Weights Act. Our Company has paid a penalty of Rs. 8,000 on September 26, 2010 towards settlement of the matter.

D. Potential litigation

Litigation against our Company

i. Our Company received a notice dated February 10, 2010 from the Magarpatta Township Development and Construction Company Limited. The notice required our Company to close its business activities at its pre-school located at Row House No. A-07, Erica, Magarpatta City, Hadapsar, Pune. The notice provided closure of our pre-school due to complaints received from residents and also due to violation of the Development Rules of Pune Municipal Corporation ("**Development Rules**"). Our Company by its letter dated February 25, 2010 stated that they had not received any complaints from the residents of the building. Further, our Company submitted that as per the Development Rules, educational buildings are permitted in purely residential zone. As on the date, our Company has not received any further letter on this matter.

ii. Our Company received a notice dated December 7, 2010 from the Labour Office, Thane requiring explanation regarding violation of provisions of the Bombay Shops and Establishment Act, 1948 (the "**Act**") at our center located at Shop Nos. 1,2,3, Madhushree Apartments., Sambaji Road, Vishnunagar, Naupada, Thane on November 24, 2010. As per the notice, our Company failed to reply to the notice and therefore pursuant to Section 52 of the Act, our Company is required to pay a minimum penalty of Rs. 1,000 to Rs. 5,000 for each violation. Our Company appeared before the officer on December 13, 2010. The matter is currently pending.

iii. Our Company received a notice dated January 7, 2011 from the New Bombay Municipal Corporation under Section 53(1) of the Maharashtra Regional and Town Planning Act, 1966 in relation to construction of a shed at our centre located at Ground Floor, Row House Unit No.1, Plot No. 160, Sector 28, Vashi, Navi Mumbai without prior approval from the concerned governmental authorities. Further, our Company has been alleged of using the shed for business purpose. Our company under the said notice is required to take permission from the relevant authority or remove the illegal construction or stop the use of the shed within one month of receipt of the notice. On failure to comply with the order, pursuant to Section 53(3) of the Maharashtra Regional and Town Planning Act, 1966, the Municipal Corporation, Vashi is entitled to take suitable action to remove the construction at our Company's cost or take suitable action against our Company. Our Company has removed the construction on the aforementioned property. The matter is currently pending.

iv. Our Company received a notice dated November 24, 2010 from assessor and collector, Navi Mumbai Municipal Corporation in relation to our centre located at Shop No. 1,2,3 Pandurang Apartment, Plot No. 23 Sector 44A Nerul, Navi Mumbai requiring our Company to furnish information under Rule 8 of Taxation Rules, Chaper VIII appended to the Bombay Provincial Municipal Corporations Act, 1949. In case our Company fails to submit the information, it is liable to be punished under Section 176/177 of the Indian Penal Code, 1860. Our Company has submitted the required information by its letter dated November 26, 2010. The matter is currently pending.

v. Our Company received a notice dated March 3, 2008 from M/s Educomp Datamatics Limited for misuse of trademark 'Roots to Wings'. Our Company sent a legal notice dated March 11, 2008 to M/s Educomp Datamatics Limited in respect of the use of trade mark 'Roots to Wings' and a device of a tree. Our Company stated that Mrs. Geeta Bhatia was the registered owner and proprietor for the trade mark 'The Tree House - From Roots to Wings' which had been in use since 2003. The notice provides that M/s Educomp Datamatics Limited should immediately desist from using the trade mark and is liable to pay damages to our Company. M/s Educomp Datamatics Limited sent notices dated May 14, 2008 and February 17, 2009 on the same matter and our Company served subsequent legal notices on April 18, 2008, June 11, 2008, September 12, 2008 and February 16, 2009. The last legal notice dated March 6, 2009 was sent to M/s Educomp Datamatics Limited asking it to refrain from infringing activities; however, a response from the other party is still awaited. The matter is currently pending.

vi. Our Company has filed a counter statement to a notice of opposition bearing no. 745779/80/81/82 against application for registration of trademark filed by M/s Educomp Solutions Limited. Our Company had filed form TM-5 as per Trademarks Act, 1999 for the trademark "Tree House" with device of a tree and slogan "Roots to Wings". M/s Educomp Solutions Limited claimed that (a) it was the bona-fide holder of the said mark since 2004 and therefore had a right of exclusive use thereof; and (b) it created confusion in the minds of the unwary consumers. Our Company filed counter statements dated November 16, 2009 for each of the notice of oppositions bearing no. 745779/80/81/82, stating that the applied mark is a logo mark and distinguishable and has been in use by our Company since 2004. The matter is currently pending.

Litigation by our Company

i. Our Company has filed objections with the Registrar of Companies, Jaipur dated August 16, 2010. Our Company has opposed allotment of the name tree house to (a) Tree House Resorts Private Limited; and (b) Tree House Hospitalities Private Limited. Our Company has requested the Registrar of Companies, Jaipur to take necessary steps to direct change of name for both these companies. The matter is currently pending.

ii. Our Company has filed opposition to application no. 1639045 in class 99, published in Trade Mark Journal No. 1441 dated June1, 2010 for registration of trademark filed by M/s Internationale Spar Centrale B.V. Our Company filed a notice of opposition dated August 30, 2010 under section 21 of the Trademarks Act, 1999 to the application made by Internationale Spar Centrale B.V. for registration of trademark "The Treehouse". Our Company has stated that: (a) the trademark sought to be registered under the impugned application is deceptive and confusingly similar to the registered trade marks of our Company; and (b) our Company is the owner, prior adopter and the registered proprietor of the trade marks. Our Company has prayed for dismissal of the application made by Internationale Spar Centrale B.V. The Registrar of Trade Marks has taken our opposition on record. The matter is currently pending.

iii. Our Company has issued legal notice dated September 21, 2010 to Tree House Resorts Private Limited to cease and desist from using our name and trademark "The Tree House with device of a tree". Our Company is the registered proprietor of the trade mark "The Treehouse with the device of a tree" under TM No. – 1449326 to 1449367. Our Company is also proprietor of the artistic work of "The Tree House with device of tree" no. 78050/07 under the Copyright Act, 1957. Our Company has claimed damages and demanded for rendition of account. Our Company received reply dated October 7, 2010 from Tree House Resorts Private Limited denying our allegations and refusing to abide by any of our demands. Our Company vide its letter dated October 30, 2010 has replied to Tree House Resorts Private Limited requiring them to abstain from infringing of our trademark, in absence of which our Company may initiate legal proceedings against Tree House Resorts Private Limited.The matter is currently pending.

vii. Our Company has served a cease and desist notice dated October 1, 2010 to Ashiana Housing Limited. The dispute relates to use of the name and style of "Tree House" with device of the tree, which is similar to the trademark registered in the name of our Company. As on the date, our Company has not received any correspondence from Ashiana Housing Limited on this matter.

iv. Our Company has filed a notice of opposition dated August 22, 2008 for the trademark 'Roots to Wings' applied for registration in class 41 by M/s Educomp Datamatics Limited. The opposition was filed by our Company through Mrs. Geeta Bhatia, who is the owner of the trademark 'The Tree House (with device of tree)' bearing registration no. 1366904 and 'The Tree House-From Roots to Wings (with device of a tree) bearing registration no. 1479468. Our Company has contended that the mark applied for registration by the M/s Educomp Datamatics Limited is (a) deceptively similar to the registered mark of our Company; and (b) it will cause confusion in the minds of the public to dilute the reputation of our Company. The matter is currently pending.

v. Our Company served notices to Ms. Ishani Sule and Ms. Mayura Joshi ("**previous employees**") dated December 27, 2010 for breach of confidentiality under the employment agreements dated August 21, 2009 and March 10, 2008 respectively, entered into with our Company. Ms. Sule has replied to our notice stating that none of the allegations by our Company hold true and that she has not breached any intellectual property rights of our Company. The notice sent to Ms. Mayura Joshi was returned unclaimed. The matter is currently pending.

E. Material developments since the last balance sheet date

Except as disclosed in the section titled *"Management's Discussion and Analysis of Financial Condition and* Results *of Operations"* at page 152, in the opinion of our Board, there have not arisen, since the date of the last financial statements disclosed in this Draft Red Herring Prospectus, any circumstances that materially or adversely affect or are likely to affect our profitability taken as a whole or the value of its consolidated assets or its ability to pay its material liabilities within the next 12 months.

F. Outstanding dues to small scale undertaking(s) or any other creditors

We believe there are no outstanding dues above Rs. 100,000 to small scale undertaking(s) or any other creditors by our Company, for more than 30 days.

G. Outstanding litigation against other companies whose outcome could have an adverse effect on our Company

There is no outstanding litigation, suits, criminal or civil prosecutions, statutory or legal proceedings including those for economic offences, tax liabilities, prosecution under any enactment in respect of Schedule XIII of the Companies Act, show cause notices or legal notices pending against any company whose outcome could affect the operation or finances of our Company or have a material adverse effect on the position of our Company.

H. Adverse findings against any persons/entities connected with our Company as regards non compliance with securities laws

There are no adverse findings involving any persons/entities connected with our Company as regards non compliance with securities law.

I. Disciplinary action taken by SEBI or stock exchanges against our Company

There is no disciplinary action taken by SEBI or stock exchanges against our Company.

J. Criminal proceedings initiated against our Company

There are no criminal proceedings initiated against our Company outstanding as on the date of the Draft Red Herring Prospectus.

III. Litigation involving the Directors of our Company

A. Outstanding litigation against our Directors

Except as stated below, there is no outstanding litigation involving our Directors including criminal prosecutions or civil proceedings involving our Directors, and there are no material defaults, violation of statutory regulations or non-payment of statutory dues, over dues to banks/financial institutions or defaults against banks/financial institutions by our Directors (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (1) of part I of Schedule XIII of the Companies Act).

1. Mr. Sanjaya Kulkarni, the Chairman of our Board, was party to suit bearing number C.C.No. 2307/SS/07 before the Metropolitan Magistrate, 33rd Court, Ballard Pier, Mumbai in his capacity as the director of Sun Earth Ceramics Limited ("**accused**"). The suit was filed under Section 138 read with Sections 141 and 142 of the Negotiable Instruments Act, 1881 by M/s Shirish Patel and Associates Consultants Private Limited ("**complainant**") stating that the cheques worth Rs. 517,174 issued by the accused were dishonoured. The complainant had served a notice dated February 18, 2002 to the accused to pay the aforementioned amount, however the accused failed to pay the disputed money and the complainant therefore filed the suit praying for legal action against the accused. The matter is currently pending.

2. Mr. Sanjaya Kulkarni was party to suit bearing special case no. 34 of 2004 filed before Ld. Sessions Court, 24th Court, Mumbai (the "**Court**") in his capacity of being the director of Sun Earth Ceramics Limited. The case was filed under the provisions of the Maharashtra Protection of Interest of Depositors Act, 1999 (the "**Act**") for instances of defaults of payment of interest and repayment of interest amount on fixed deposits. The Court passed an order dated December 20, 2002 for attachment of properties of Sun Earth Ceramics Limited and other respondents in the case. An intervener complainant further filed miscellaneous application no. 112 of 2006 alleging malafide transfer of properties and connected misdeeds on behalf of the officer-in-charge, Economic Offences Wing, Government of Maharashtra. The complainant alleged that during the proceedings in the matter, one of the properties was illegally alienated to Mr. Sanjaya Kulkarni. Mr. Kulkarni filed a reply dated August 24, 2009 stating that the applications filed by the complainant were frivolous and the Act is under challenge before the Supreme Court of India. The reply further states that the Supreme Court has by its order dated November 18, 2005 directed that no coercive steps could be taken for recovery of the amounts under the Act. Further, it was stated by Mr. Kulkarni that no transfers were made to him and that the allegations by the complainant were false and should be dismissed. The next date of hearing is March 22, 2011.

3. Mr. Parantap Dave received a notice bearing number No. TN/70508/SRO/SLM/RECOVERY/2011 dated January 20, 2011 from the Assistant Provident Fund Commissioner and Recovery Officer, Sub-Regional Office, Salem in his capacity as the director of Multi Arc India Limited. The notice required him to pay an amount of Rs. 410,274 with a cost of recovery of Rs. 32,822 towards arrears for the period from April, 2009 to October, 2009. The notice further required Mr. Dave to show cause as to why he should not be arrested and committed to prison in execution of the recovery certificate provided by Assessing Officer under Section 8C of the Employees' Provident Fund and Miscellaneous Provisions Act, 1952. Mr. Dave replied by a letter dated January 31, 2011 stating that he was an alternate director for another director on the board of Multi Arc India Limited. Further, he resigned from Multi Arc India Limited with effect from June 3, 2008 and that the arrears were post his resignation from Multi Arc India Limited. The matter is currently pending.

B. Outstanding litigation filed by our Directors

There are no pending litigations, including disputed outstanding litigations and material developments/proceeding filed by our Directors.

C. Past penalties imposed on our Directors

There are no past penalties imposed on our Directors.

D. Proceedings initiated against our Directors for economic offences

There are no proceedings initiated against our Directors for any economic offences.

E. Criminal proceedings initiated against our Directors

There are no criminal proceedings initiated against our Directors as on the date of filing the Draft Red Herring Prospectus.

F. Tax proceedings initiated against our Directors

1. Our Director, Mr. Vishal D. Shah received an original assessment order dated December 11, 2007 from the Deputy Commissioner of Income Tax, Circle-19(2), Mumbai ("**DCIT**") under Section 143(3) of the Income Tax Act, 1961 (the "**Act**") in connection with the assessment for the assessment year 2005-2006, along with a notice of demand under Section 156 of the Act for a sum of Rs. 774,591. Mr. Shah filed an appeal dated January 22, 2008 before the Commissioner of Income Tax (Appeals)-XIX, Mumbai ("**CITA**") against the assessment order dated December 11, 2007. CITA passed an appellate order dated July 28, 2009 which allowed the appeal partly in favour of Mr. Shah. The DCIT filed an appeal dated September 29, 2009 before the Income Tax Appellate Tribunal, Mumbai ("**ITAT**") against the order of CITA dated July 28, 2009. The ITAT allowed the appeal by the DCIT by an order dated September 30, 2010 and concurred with the findings of the assessing officer and held the decision against Mr. Shah. Subsequently, Mr. Shah has filed a miscellaneous application dated November 4, 2010 under Section 254(2) of the Act. The miscellaneous application was dismissed by the ITAT by its order dated January 21, 2011. Mr. Shah has filed an appeal bearing number 202 dated February 15, 2011 against the order dated September 30, 2010 in the Bombay High Court.

2. Mr. Vishal D. Shah received an original assessment order dated December 18, 2008 from the Additional Commissioner of Income Tax, Range-19(2), Mumbai ("**ACIT**") under Section 143(3) of the Income Tax Act, 1961 (the "**Act**") in connection with the assessment for the assessment year 2006-2007, along with a notice of demand under section 156 of the Act for a sum of Rs. 11,414,070. Further, notices under Sections 271A and 271B were served along with a notice under Section 271(1)(c) requiring him to show cause as to why penalty must not be imposed on him. Mr. Shah filed an appeal dated July 19, 2009 before the Commissioner of Income Tax (Appeals)-XXX, Mumbai ("**CITA**") against the assessment order dated December 18, 2008. CITA passed an appellate order dated June 28, 2010 whereby it dismissed the appeal filed by Mr. Shah. Mr. Shah has filed an appeal dated September 6, 2010 before the Income Tax Appellate Tribunal, Mumbai ("**ITAT**") against the order of CITA dated June 28, 2010. The matter is currently pending before the ITAT.

IV. Litigation involving the Promoters of our Company

A. Outstanding litigation against our Promoters

There is no outstanding litigation involving our Promoters, including criminal prosecutions or civil proceedings involving our Promoters, and there are no material defaults, non-payment of statutory dues, over dues to banks/financial institutions or defaults against banks/financial institutions by our Promoters (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (1) of part I of Schedule XIII of the Companies Act).

B. Outstanding litigation filed by our Promoters

There are no pending litigations, including disputed outstanding litigations and material developments/proceeding filed by our Promoters.

C. Past penalties imposed on our Promoters

There are no past penalties imposed on our Promoters.

D. Criminal proceedings initiated against our Promoters

There are no criminal proceedings initiated against our Promoters as on the date of filing the Draft Red Herring Prospectus.

E. Proceedings initiated against our Promoters for economic offences

There are no proceedings initiated against our Promoters, for any economic offences.

F. Tax proceedings initiated against our Promoters

1. Our Promoter, Mrs. Geeta Bhatia received an assessment order dated November 24, 2008 from the Additional Commissioner of Income Tax, Range 20(1), Mumbai ("**ACIT**") under Section 143(3) of the Income Tax Act, 1961 (the "**Act**") in connection with the assessment for the assessment year 2006-2007 determining the total taxable income at Rs. 58,079,990. Mrs. Geeta Bhatia vide letter dated January 3, 2009 submitted that while completing the original assessment, credit for self-assessment tax payment of Rs. 500,000 and security transaction tax of Rs. 2,009,013 remained to be given and accordingly requested for revision of the order for giving effect to the above payments. The ACIT by its revised order dated January 6, 2009 under section 154 of the Act noted the error and passed an order for rectification of the records. However, the total income determined as per assessment order dated November 24, 2008 remained unchanged.

   Mrs. Geeta Bhatia filed an appeal dated December 29, 2008 before the Commissioner of Income Tax (Appeals) – XX Mumbai ("**CITA**"), against the assessment order dated November 24, 2008. An appellate order dated August 12, 2009 allowed the appeal partly in favour of Mrs. Geeta Bhatia and directed the assessing officer to re-work the income of Mrs. Geeta Bhatia. Consequent upon CITA's order dated August 12, 2009, the ACIT passed an order giving effect to CITA's order along with a notice of demand dated January 27, 2010 seeking Mrs. Geeta Bhatia to pay a sum of Rs. 3,642,557 under section 156 of the Act. The ACIT also issued a notice dated January 27, 2010 under Section 274 read with Section 271 of the Act requesting Mrs. Geeta Bhatia to appear before the ACIT and to show cause as to why a penalty under section 271 of the Act should not be imposed on her. The matter is currently pending.

2. Mrs. Geeta Bhatia received an assessment order dated December 28, 2010 from the Assitant Commissioner of Income Tax, 20(1), Mumbai ("**ACIT**") under Section 143(3) of the Income Tax Act, 1961 (the "**Act**") in connection with the assessment for the assessment year 2008-2009, along with a notice of demand under section 156 of the Act for a sum of Rs. 8,599,510. Further, notice under Section 274 read with Section 271 of the Act was also served on Mrs. Bhatia requiring her to show cause as to why penalty must not be imposed on her. Subsequently, Mrs. Bhatia received an order dated January 14, 2011from the ACIT under Section 154 of the Act stating that the credit of TDS and rebate under Section 88E of the Act was not given to the assessment order dated December 28, 2010. The mistake was rectified under Section 154 of the Act and she was required to pay Rs. 6,634,060. The matter is currently pending.

G. Litigations/Defaults in respect of companies/firms/ventures with which our Promoters were associated in the past

There is no outstanding litigation/defaults in respect of companies/firms/ventures with which our Promoters were associated in the past.

H. Adverse findings against any persons/entities connected with our Promoters as regards non compliance with securities laws

There are no adverse findings involving any persons/entities connected with our Promoters with regard to non compliance with securities law.

I. Civil proceedings initiated against our Promoters

There are no civil proceedings initiated against our Promoters as on the date of filing the Draft Red Herring Prospectus.

J. Litigation against our Promoter for violation of statutory regulations

There are no proceedings initiated against our Promoters for violation of statutory regulations as on the date of filing the Draft Red Herring Prospectus.

V. Litigation involving Group Companies and entities

A. Outstanding litigation against our Group Companies and entities

There are no pending litigations, including disputed outstanding litigations and material developments/proceeding filed against our Group Companies and entities.

B. Outstanding litigation filed by our Group Companies and entities

There are no pending litigations, including disputed outstanding litigations and material developments/proceeding filed by our Group Companies and entities.

C. Past penalties imposed on our Group Companies and entities

There are no past penalties imposed on our Group Companies and entities.

D. Proceedings initiated against our Group Companies and entities for economic offences

No proceedings have been initiated against our Group Companies and entities for any economic offence.

E. Adverse findings against any persons/entities connected with our Group Companies and entities as regards non compliance with securities laws

There are no adverse findings involving any persons/entities connected with our Group Companies and entities with regard to non compliance with securities law.

F. Proceedings initiated against our Group Companies and entities involving labour disputes or closure

There are no pending litigation against our Group Companies and entities with respect to labour disputes or closures as on the date of filing the Draft Red Herring Prospectus.

G. Proceedings against our Group Companies and entities with respect to default/over dues

There are no pending litigation against our Group Companies and entities with respect to default/over dues as on the date of filing the Draft Red Herring Prospectus.

GOVERNMENT AND OTHER APPROVALS

In view of the approvals listed below, our Company can undertake this Issue and our current business activities, and no further major approvals from any governmental or regulatory authority or any other entity are required to undertake this Issue or continue our business activities. Unless otherwise stated, these approvals are all valid as of the date of this Draft Red Herring Prospectus. For further details in connection with the regulatory and legal framework within which we operate, see the section titled "*Regulations and Policies*" at page 103.

A. Approvals relating to the Issue

1. The Board pursuant to their resolution dated February 4, 2011 authorised the Issue subject to the approval of the shareholders of our Company under Section 81(1A) of the Companies Act and approvals by such other authorities as may be necessary;

2. The shareholders of our Company have, pursuant to their resolution dated February 8, 2011 under Section 81(1A) of the Companies Act, authorised the Issue;

3. In-principle approval from the NSE dated [●]; and

4. In-principle approval from the BSE dated [●].

B. Approvals relating to our business and operations

General Approvals

1. Fresh certificate of incorporation consequent upon change of name on conversion to public limited company, issued by the Registrar of Companies, Maharashtra, by its certificate dated December 22, 2010 pursuant to the change in name of the Company from Tree House Education & Accessories Private Limited to Tree House Education & Accessories Limited.

2. Corporate Identification Number: U80101MH2006PLC163028.

Business Approvals

Our Company has received the following approvals from the Inspector/Deputy Inspector (Shops and Establishment), under the Bombay Shops and Establishment Act, 1948 for its pre-schools located at addresses mentioned below:

S. No.	Address of the Pre school	Reference / Registration Number	Date	Expiry Date
1.	SH G-1/G1A, Springfield II, Lokhandwala Complex, Andheri (West), Mumbai	760099068/Commercial II	July 13, 2009	December 31, 2011
2.	Bungalow 19A, Miniland Tank Road, Opposite Oxford High School, Bhandup (West), Mumbai	760010283/Commercial II	June 5, 2007	December 31, 2012
3.	261, M.K Apartments, Ground Floor, Kasturba Cross Road No. 5, Borivali (East), Mumbai	760051925	May 13, 2008	December 31, 2013
4.	Shop Nos. 3-4-5 Ground Floor, Sector No. 8, Charkop, Kandivili (West), Mumbai	RC007097/Commercial II	January 17, 2007	December 31, 2012
5.	Ushakiran, 'C' Wing, Plot No. D 371, 10th Road, Chembur, Mumbai	760011520/Commercial II	June 18, 2007	December 31, 2012
6.	G-59, Kailash India Complex, Hiranandani Link Road, Vikhroli Parksite, Vikhroli (West), Mumbai	760095586/Commercial II	April 24, 2009	December 31, 2011
7.	W/G No. B 2, Shop No. 10, Janak Deep CHS Limited, Versova, Mumbai	760106411/Commercial II	August 24, 2009	December 31, 2011
8.	Ground Floor, Shop No. 5 and 6, MMC Centre Near Vikas Park, Mith Chowky, Link Road, Malad (West), Mumbai	760117417/Commercial II	November 25, 2009	December 31, 2011
9.	Shop No. 1 and 2, Trimurti, Waman Rao	760161662/Com	October 28, 2010	December 31, 2012

S. No.	Address of the Pre school	Reference / Registration Number	Date	Expiry Date
	Sawant Road, Maratha Colony, Dahisar (East), Mumbai	mercial II		
10.	2225-28, Silver Birch Vasant Garden (NR), Yogi Hill, Opposite LBS Marg, Mulund (West), Mumbai	T005092/Commercial II	January 23, 2007	December 31, 2012
11.	Shop No. 2, Ashish CHSL, Eksar road, Yogi Nagar, Borivali (West), Mumbai	760099219/Commercial II	June 10, 2009	December 31, 2011
12.	G-4, Suman Apartment, Panch marg, Versova, Andheri (West), Mumbai	760144300/Commercial II	June 4, 2010	December 31, 2012
13.	1,2,3, Krishna Kunj Building, Malviya Road, Vileparle (East), Mumbai	KE018986/Commercial II	January 18, 2007	December 31, 2012
14.	1-3, Shyam baba House, Dhruv Apartment, Upper Govind Nagar, Malad (East), Mumbai	760098547/Commercial II	May 28, 2009	December 31, 2011
15.	Mazi Villa, Datani park, Thakur Village, Kandivli (East), Mumbai	760002368/Commercial II	March 17, 2007	December 31, 2012
16.	Row House No. 3, 90 ft road, Near HDFC Bank, Thakur Complex, Kandivali(East), Mumbai	760098439/Commercial II	May 27, 2009	December 31, 2011
17.	Ground Floor, Parekh Building, Tamil Sangam Lane, Near Mata Laxmi Hospital, Sion (East), Mumbai	760019979/Commercial II	September 10, 2007	December 31, 2012
18.	Plot No. 38/A, Sindhi Society, Chembur, Mumbai	760143339/Commercial II	May 20, 2010	December 31, 2012
19.	Ground Floor, Plot No. 6/B, Kalyangram Co-OP Housing Society Limited , V.P.Road, Off S.V Road, Andheri (West) Mumbai	760054147/Commercial II	May 30, 2008	December 31, 2013
20.	Ground Floor, Mohan Sagar, Next to Dhan Pothohar Gurdwara, Next to Rajesh Khanna Garden, 17th Road, Santacruz (West), Mumbai	HW006181/Commercial II	January 18, 2007	December 31, 2012
21.	Flat No. 226, Maple Leaf, ‘G’ Wing, Raheja Vihar, Chandivali, Powai, Mumbai	760114007/Commercial II	October 22, 2009	December 31, 2011
22.	Shop No. 6,7,8,9, Panchvati ‘A’ near SM Shetty School, Powai, Mumbai	760010465/Commercial II	June 6, 2007	December 31, 2012
23.	Ground Floor, Unit No. 9,10 & 11 ,Mangal Srishti CHS Ltd, P.Gujjar Marg, Opposite Neelam Nagar, Mulund (East), Mumbai	760095622/Commercial II	May 11, 2009	December 31, 2011
24.	Shop No. 1 and 2 Hilal Building, Dr. Mascarenhas Road, Near Post Office, Mazgaon, Mumbai	760055918/Commercial II	June 19, 2008	December 31, 2013
25.	Ground Floor, Marve Grace CHSL, Near Malwani Fire Brigade, Malad (West), Mumbai	760009740/Commercial II	June 13, 2007	December 31, 2012
26.	Shop No. 1, Shafi Manzil, Next to Apna Bazaar Medical Stores, L.J. Road, Mahim (West), Mumbai	760052334/Commercial II	May 26, 2008	December 31, 2013
27.	Shop No. 1 – 6, Ekta Bhoomi-2, CHSL, Mahavir Nagar, Kandivali (West), Mumbai	760061722/Commercial II	September 1, 2008	December 31, 2013
28.	A-101, Royal Residency Compound, Industrial Estate, Dinshaw Petit Road, Near Post Office, Chivda Gulli, Lalbaug, Mumbai	760106589/Commercial II	August 3, 2009	December 31, 2011
29.	Raval Nivas, Ground Floor, Behind N.M. Institute of Management, N.S. Road No. 2, Juhu, Mumbai	KW013917/Commercial II	February 27, 2007	December 31, 2012
30.	Ground Floor, Unit No. 14, 14A, Rock Avenue, B Wing, Near Hindustan Naka, Kandivali (West), Mumbai	760098463/Commercial II	May 29, 2009	December 31, 2011
31.	Shop No. 120/121, Hallmark, Vasant Oscar, L.B.S. Marg, Mulund (West), Mumbai	760079382/Commercial II	January 2, 2009	December 31, 2011
32.	Unit No. 1 & AMP; 2, Sarvodaya Building, Shastri Nagar, Goregaon (West), Mumbai	760027212/Commercial II	November 27, 2007	December 31, 2012
33.	Shop No. 1- 4, Akar Apartment, General A.	760098540/Com	May 28, 2009	December 31, 2011

S. No.	Address of the Pre school	Reference / Registration Number	Date	Expiry Date
	K. Vaidya Marg, Malad (East), Opposite Bageshwari Temple, Mumbai	mercial II		
34.	'Mukund', Plot No. B-5/140, Chitranjan Nagar, Rajawadi,Ghatkopar (East), Mumbai	760051731/Commercial II	May 15, 2008	December 31, 2013
35.	Flat No. 1, Shri Anmol Shantinagar CHS, Building No. B-21, Sector IX, Opposite Poonam Sagar Complex, Shanti Nagar, Mira Road (East), Thane	CE – 8628	May 22, 2009	December 31, 2011
36.	104, Building No. B/24, Aksharsagar Shantinagar CHSL, Sector XI, Mira Road (East), Thane	CE / 8624	July 27, 2010	December 31, 2012
37.	Flat A 3/04, Broadway Avenue A3 & A4 CHSL, Broadway Avenue Complex, Mira Road (East), Thane	CE / 8622	July 27, 2010	December 31, 2012
38.	Shop No. 1,2,3 Pandurang Apartment, Plot No. 23 Sector 44A Nerul, Navi Mumbai	CE / 25644	July 30, 2010	December 31, 2012
39.	Row House No. 5, Neminath Paradise, 90ft Road, Near Sub Registrar Office, Padmavati Complex, Bhayander (West), Thane	CE / 8623	July 27, 2010	December 31, 2012
40.	101,102 Empireways CHSL, Above Royal Challenge Hotel, Eastern Express Highway, Thane (West)	CE / 30597	July 22, 2009	December 31, 2011
41.	Flat No. 1,2, J Building, Goddev Village, New Golden Nest, Off Mira-Bhayandar Road, Bhayandar, Thane	CE / 8627	July 27, 2010	December 31, 2012
42.	Shop No. 1-7, Building No. 4, Ground Floor, Buddhadev Vihar, Next to Hill Garden Society, Opposite Tikuji-Ni-wadi, Chitalsar, Manpada, Thane	CE / 26250	January 30, 2008	December 31, 2013
43.	Shop No. 1,2,3, Madhushree Apartments, Sambaji Road, Vishnunagar, Naupada, Thane	CE / 28568	August 7, 2008	December 31, 2013
44.	#105,106, 1st Floor, Sanksar Building, Above Reliance Fresh, Panchpakhadi, Thane	CE / 30598	November 17, 2008	December 31, 2013
45.	Shop No. 4,5,6,7, Radhamit, Near Vazirani Sports Academy, Sector 18, Nerul, Navi Mumbai	CE / 18909	April 9, 2008	December 31, 2013
46.	Shop No. 7 and 8, Ground Floor, Radhe Krishna Building, Near Shah & Moraj Residency, Off Palm Beach Road, Sector 16A,Sanpada, Navi Mumbai	CE /18908	March 13, 2008	December 31, 2013
47.	Ground Floor, Row House Unit No.1, Plot No. 160, Sector 28, Vashi, Navi Mumbai	CE / 18907	March 13, 2008	December 31, 2013
48.	Plot No. 71, Sector 7, Koparkhairane, Navi Mumbai	CE/27699	December 16, 2010	December 31, 2012
49.	Shop No. 12, Safal Pegasus, Prahlad Nagar, Ahmedabad	PII/JOD/29/0000022	January 17, 2011	December 31, 2011
50	Shop No. 16-19, Samaan Complex, Opposite Satyam Mall, Near Mansi Cross Roads Satellite, Ahmedabad	PII/JOD/29/0000023	January 17, 2011	December 31, 2011
51.	Shop No. 4-5B, Kamala Nagar, M.G Road, Kandivalli (West), Mumbai	760160000/Commercial II	January 29, 2011	December 31, 2012
52.	1, Mercury, Siddhivinayak Complex, Chikuwadi, Link Road, Borivalli (West), Mumbai	760174365/Commercial II	January 12, 2011	December 31, 2013
53.	Shop No. 6-7, Mayfair CHSL, Raviraj Complex, Lokhandwala, Andheri (West), Mumbai	760174960/Commercial II	January 13, 2011	December 31, 2013
54.	Plot No. 1, Shop Nos. 5,6,7 Neminath Darshan, Opp Akanksha Apts., Sai Nagar and DG Nagar Corner, Vasai (West), Thane	CE / 2302	February 3, 2011	December 31, 2013

S. No.	Address of the Pre school	Reference / Registration Number	Date	Expiry Date
55.	26, Ground Floor, Market Road, Basavangudi, Bangalore	49/Vanijya/706	January 27, 2011	December 31, 2014
56.	133, 1st A Cross, 2nd Main, Domlur 2nd stage, Bangalore	T2/Vanijya/112 1/2011	January 24, 2011	December 31, 2013
57.	625, 5th Main, OMBR Layout, Banaswadi, Bangalore	84/C.E.-0367/2011	January 21, 2011	December 31, 2014
58.	788, Sanjeevini, 2nd Main C-Block, AECS Layout, Kundanahalli, Bangalore	87/Vanijya/153/2011	January 24, 2011	December 31, 2015
59.	30, Basappa Road, Shanthinagar, Bangalore	21/Vanijya/0496/2011	January 24, 2011	December 31, 2014
60.	42, Sarakki 2nd Phase Extension, 18th Main J.P. Nagar, Bangalore	57/Vanijya/1685/2011	January 24, 2011	December 31, 2014
61.	449, 9th Cross, 9th Main, Vijaya Bank Colony, Bilekahalli, Banerghatta Road Bangalore	Vanijya/3644/2011	January 24, 2011	December 31, 2014
62.	38, 16th C Main, 4th Block, Koramangala, Bangalore	68/Vanijya 1743/2011	January 21, 2011	December 31, 2015
63.	1111, 7th Main, BTM 1st Stage, Bangalore	65/Vanijya 936/2011	January 21, 2011	December 31, 2015
64.	283, 15th A Cross, Yelahanka New Town, Bangalore	CE-406-2011	January 24, 2011	December 31, 2015
65.	61, Deepa, 2nd Cross Maruthi Layout, Vijayanagar, Bangalore	33/1078/2011	January 24, 2011	December 31, 2014
66.	13/3, 6th Cross Road, Hutchins Road, Thomas Town, Bangalore	87/Vanijya/152/2011	January 21, 2011	December 31, 2011
67.	951, Ground Floor, 21st Main road, Banashankari 2nd Stage, Bangalore	56/CT-591/2011	January 24, 2011	December 31, 2014
68.	79/2, Nandidurga Main Road, Benson Town, Bangalore	87/Vanijya/151/2011	January 21, 2011	December 31, 2014
69.	35and36, 15th cross, 1st block, R.T. Nagar, Matadahalli Extension, Bangalore	3/97/Vanijya-0381	January 24, 2011	December 31, 2014
70.	203, Ground Floor, 7th Main, 4th block, Jayanagar, Bangalore	60/CE-1085/2011	January 24, 2011	December 31, 2014
71.	73, 36th Main Road, BTM 1st stage, Dollar Scheme, Bangalore	65/Vanijya 937/2011	January 21, 2011	December 31, 2015
72.	Old No. A/26, New No. A/40, 6th Street, Behind Shree Krishna Sweets, Anna Nagar, Chennai	R./DIS. 303/2010	December 27, 2010	-
73.	Old No. 17, New No. 14, Malaviya Avenue, Near Adyar Bus Depot, Thiruvanmiyur, Adyar, Chennai	R./DIS. NO. 549/10	December 22, 2010	-
74.	Shop No. 15 & 16, Haridwar CHSL, Evershine Nagar, Malad (West), Mumbai	760168227/Commercial II	November 29, 2010	December 31, 2012
75.	Flat/B/123, Jaysubhalakshmi Cooperative Housing Society, Beverley Park, Mira Road (East), Thane	CE / 8626	July 29, 2010	December 31, 2012
76.	Ground Floor, Nageshwar Kripa, Ratan Bhuwan 2 CHSL, Near Shreyas Cinema, Off L.B.S Marg, Ghatkopar (West), Mumbai	760171404/ Commercial II	February 9, 2011	December 31, 2013
77.	#10, Jupiter Colony, Sikh Road, Secunderabad	ALO36/HYD43/2011	January 31, 2011	December 31, 2011

S. No.	Address of the Pre school	Reference / Registration Number	Date	Expiry Date
78.	Plot no. 71, Syndicate Bank Colony, West Maredpally, Secunderabad	ALO33/HYD/01/118/2011	January 31, 2011	December 31, 2011
79.	Grishma Building, Flat No 001/002, C Wing, Prakruti Park, Near Rajratan Society, Azad Nagar, Off Ghodbunder Road,Thane (West)	CE / 38743	February 9, 2011	December 31, 2013
80.	C/77-002, B/76-004, Shubham CHSL, Shanti Park, Mira Road (East)	CE / 8625	July 29, 2010	December 31, 2012
81.	Shop No. 1, Aruna Residency, Atmaram Compound, Near Dalmia College, Malad (West), Mumbai	760103072/ Commercial II	July 10, 2009	December 31, 2011
82.	702, Morya House, Off New Link Road, Near Infinity Mall, Andheri (West), Mumbai	760178164/ Commercial II	January 27, 2011	December 31, 2013
83.	Ground Floor, Shoppe Link Complex, Wadala, Mumbai	760182554/ Commercial II	February 17, 2011	December 31, 2013
84.	#3-6-190/A/1, Urdu Galli, Hyderguda, Himayath Nagar, Hyderabad	ALO20/HYD/207/2011	October 5, 2010	December 31, 2011
85.	101, Satyam Mall, Above ICICI Bank ATM, Science City Road, Ahmedabad	110218-2913-002	February 18, 2011	December 31, 2011

Pending applications

Our Company has made the following applications for approval from the Inspector/Deputy Inspector (Shops and Establishment), under the relevant state Shops and Establishment Act for its pre-schools located at addresses mentioned below:

S. No.	Address of the Pre school	Reference/Application Number	Date of application
1.	Flat No. E 2-3, Gokul Samarpan-I, Gokul Township, Off Agashi Road, Near Mujlibhai Mehta School, Bolinj, Virar (West)	0230001800	February 5, 2011
2.	#4A, Ajit Building, R.A. Kidwai Road, Matunga, Mumbai	760168302	November 30, 2010
3.	Shop 17, Ground Floor, ARM Enclave, Plot No. 11, Sector 7, Kharghar, Navi Mumbai	199/9/2/11	February 9, 2011
4.	Plot No. 80 and 81, Rukminipur, Dr. A.S Rao Nagar, Behind Chillies Restaurant, Hyderabad	-	January 31, 2011
5.	House No. 2-22-227, Jayanagar, Kukatpally, Hyderabad	-	January 31, 2011
6.	1-13-21, Road No. 1, Alkapuri, R.K.Puram, Hyderabad	-	January 31, 2011
7.	House No. 6-90, Opposite Vidya Nursing Home, Chandanagar, Hyderabad	-	January 31, 2011
8.	House No.1-120/C/17, Adarsh Nagar, Nizampet, Hyderabad	-	January 31, 2011
9.	H. No. 8-3-677/21, Sri Krishna Devaraya Nagar, Yellareddyguda, Hyderabad	-	January 31, 2011

1. Tax approvals

Our Company has received the following significant taxation related registrations:

S. No.	Approval Granted	Authority	Reference / Registration Number	Date Granted	Validity
1.	Permanent Account Number (PAN)	Income Tax Department, Government of India	AACCT4932H	July 10, 2006	-
2.	Tax Deduction Account Number	Income Tax	MUMT13458E	November 28,	-

		Department		2006	
3.	Certificate of registration under Section 5(1) of the Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975	Sales Tax Officer , Registration Branch, Mumbai	1/1/29/26671	October 4, 2006	-
4.	Certificate of registration under Section 5(2A)(2) of the Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975	Profession Officer, Registration Branch, Mumbai	1/1/29/18/8957	October 3, 2006	-
5.	VAT Tax Identification Number under Section 16 of the Maharashtra Value Added Tax Act,	Registration Officer, Sales Tax Department, Maharashtra	27970771874V	April 1, 2010	-
6.	Tax Identification Number (TIN) (Central) under Section 7(1)/7(2) of the Central Sales Tax Act, 1956	Registration Officer, Sales Tax Department, Maharashtra	27970771874C	April 1, 2010	-
7.	Certificate of Registration under section 69 of the Finance Act, 1994 (Service Tax Code).	Central Excise officer	AACCT4932HST001	March 18, 2008	-
9.	Registration under the Employees' Provident Funds and Miscellaneous Provision Act, 1952	Regional Provision Fund Commissioner, Maharashtra and Goa	MH/PF/APP/94983/Enf VIII/205	May 18, 2007	-

3. ***Intellectual property approvals***

a) Trademarks

The following trademarks have been registered with the Registrar of Trade Marks in India in the name of our Company:

S. No.	Trade Mark	Class	Product	Trade Mark Number	Date of Registration	Validity
1.	The trademark "Tree House" with the device of a tree; trademark has been registered in the name of Mrs. Geeta Bhatia.*	41	Education; providing of training; entertainment; sporting and cultural activities	1366904	June 27, 2005	June 27, 2015
2.	The trademark "Tree House" with the device of a tree and slogan "From roots to wings". The trademark has been registered in the name of Mrs. Geeta Bhatia. *	41	Education; providing of training; entertainment; sporting and cultural activities	1479468	August 17, 2006	August 17, 2016
3.	The trademark "Tree House" with the device of a tree; trademark has been registered in the name of Mrs. Geeta Bhatia.*	1-42	All products and services falling under Class 1-42 of the trademark classification	1449326 - 1449367	May 8, 2006	May 8, 2016
4.	The trademark "Muskaan" with	41	Education; providing of training; entertainment; sporting and	1733705	September 17, 2008	September 16, 2018

	slogan 'more smiles everywhere' and with all designs and mark as annexed with application		cultural activities			
	The trademark "Titli" with slogan 'more smiles' and with all designs and mark as annexed with application	41	Education; providing of training entertainment; sporting and cultural activities	1733706	September 17, 2008	September 16, 2018

** These trademarks have been assigned to our Company by Mrs. Geeta Bhatia through an assignment deed dated August 25, 2008. Our Company has also filed Form TM-24 dated August 25, 2008 with the Registrar of Trademarks for entering name of the Company in the Register of Trademarks as proprietor for the above trademarks.*

Pending Applications

We have filed the following applications with the Registrar of Trade Marks in India, for grant of certificates of registration for the following names and marks:

S. No.	Trade Mark	Class	Product	Provisional Registration Number/ Application Number	Date of Application	Status
1.	The trademark "Tree House" with the device of a tree, slogan of 'From roots to wings' and other designs and representations for folders, rhyme books and activity books	41	Education; providing of training; entertainment; sporting and cultural activities	1708490 - 1708493	July 9, 2008	Pending*
2.	The trademark "THESE" for the spoken English course with all designs and mark as annexed with application	41	Education; providing of training; entertainment; sporting and cultural activities	2011402	August 19, 2010	Pending
3.	The trademark "THEM" for the mathematics course with all designs and mark as annexed with application	41	Education; providing of training; entertainment; sporting and cultural activities	2011403	August 19, 2010	Pending
4.	The trademark "Mira Kindergarten" with all designs and mark as annexed with application	41	Education; providing of training; entertainment; sporting and cultural activities	1836743	July 6, 2009	Pending
5.	The trademark "Mira Kindergarten" with all designs and mark as annexed with application	41	Education; providing of training; entertainment; sporting and cultural activities	1836744	July 6, 2009	Pending
6.	Company has	-	Different classes	34483	August 25,	Pending

S. No.	Trade Mark	Class	Product	Provisional Registration Number/ Application Number	Date of Application	Status
	filed Form TM-24 with The Registrar of Trademarks for entering its name in the Register of Trademarks as subsequent proprietor for all the trademarks which are in the name of Geeta Bhatia				2008	

** Educomp Solutions Limited, having its registered office at 1211 Padma Tower – 1, 5 Rajendra Place, New Delhi 110 008 has filed opposition to these trademark applications.*

b) Copyright

Copyright in the following works have been registered with the Copyright office, Government of India in the name of our Company:

S. No.	Copyright	Registration Number	Date of Registration
1.	Copyright registration of artistic work "Tree House" logo with device of a tree*	A-76370/2006	May 2, 2006
2.	Copyright registration of artistic work "Tree House" logo with device of a tree and slogan 'roots to wing'*	A-78050/2007	January 8, 2007
3.	Copyright registration of literary work "Book of Rhymes"	L- 31258/2006	September 2, 2008
4.	Copyright registration of literary work "Tree House Jumior K.G. Book"	L-31259/2006	September 2, 2008
5.	Copyright registration of literary work "Tree House Nursery Book"	L-31260/2006	September 2, 2008
6.	Copyright registration of literary work "Tree House Play School Book"	L- 31261/2006	September 2, 2008
7.	Copyright registration of artistic work "The Tree House" folder with caption 'My Creative and learning monthly folder' along with Tree House logo with slogan 'from roots to wings'	A- 88697/2010	August 27, 2010
8.	Copyright registration of artistic work "The Tree House" folder with caption 'I am eagerly awaiting the next month' along with Tree House logo with slogan 'from roots to wings'	A- 88698/2010	August 27, 2010
9.	Copyright registration of artistic work "The Tree House" folder with caption 'Here's my creative work for this month' along with Tree House logo with slogan 'from roots to wings'	A- 88699/2010	August 27, 2010
10.	Copyright registration of artistic work "The Tree House" folder with caption 'Notes' along with Tree House logo with slogan 'from roots to wings'	A- 88696/2010	August 27, 2010
11.	Copyright registration of sound recording in 'Tree House Jingle' in Hindi	SR- 5625/2009	January 13, 2009
12.	Copyright registration of sound recording in 'Tree House Jingle' in Guajarati	SR- 5626/2009	January 13, 2009
13.	Copyright registration of sound recording in 'Tree House Jingle' in English	SR- 5627/2009	January 13, 2009
14.	Copyright registration of artistic work in "Muskaan" logo	A-87640/2009	November 25, 2009
15.	Copyright registration of artistic work in "Titli" logo	A-87641/2009	November 25, 2009

** Pursuant to an application dated June 21, 2007, the ownership in the copyright has been transferred by Mrs. Geeta Bhatia in the name of the Company.*

Pending Applications

We have filed the following applications with the Registrar of Copyrights in India, for grant of certificates of registration of the following names:

S. No.	Copyright	Application Number	Date of Application	Status
1.	Artistic work of trademark "These/Them"	C.C.No – 28904 and 28905	August 19, 2010	No objection certificate pending
2.	Artistic work of trademark "Mira Kindergarten "	C.C.No – 23790 and 23791	August 19, 2010	Final registration pending

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for this Issue

Corporate Approvals

- Our Board has, pursuant to its resolution dated February 4, 2011 authorised this Issue, subject to the approval by the shareholders of our Company under Section 81(1A) of the Companies Act.
- The shareholders of our Company have authorised this Issue by their special resolution passed pursuant to Section 81(1A) of the Companies Act, at its EGM held on February 8, 2011 and authorised the Board to take decisions in relation to this Issue.
- Our Board has pursuant to its resolution dated November 17, 2010 and our shareholders have pursuant to the special resolution dated December 13, 2010 increased the FII limit to 49%.

Prohibition by RBI

None of our Company, our Directors, our Promoters, relatives of Promoters, our Promoter Group, and our Group Companies have been declared as wilful defaulters by the RBI or any other governmental authority. Further, there has been no violation of any securities law committed by any of them in the past and no such proceedings are currently pending against any of them.

Prohibition by SEBI or governmental authorities

We confirm that our Company, Promoters, persons in control of our Promoters, Promoter Group, Directors or Group Companies have not been prohibited from accessing or operating in the capital markets under any order or direction passed by the SEBI. Further, the SEBI has not initiated any action against the entities associated with the securities market and with which our Directors are associated.

Except for Mrs. Geeta Bhatia, one of our Promoter Directors, who is a remisier with M/s Bhavik Rajesh Khandhar Shares and Stockbrokers Pvt. Ltd. (which is registered with BSE), none of our Directors are associated with the securities market in any manner.

Eligibility for this Issue

Our Company is an unlisted company, complying with the conditions specified in Regulation 26(2) of the SEBI Regulations in the following manner:

Regulation 26(2) of the SEBI Regulations states:

An issuer not satisfying any of the conditions stipulated in sub-regulation (1) may make an initial public offer if:

a. (i) the issue is made through the book building process and the issuer undertakes to allot at least fifty per cent. of the net offer to public to qualified institutional buyers and to refund full subscription monies if it fails to make allotment to the qualified institutional buyers ;

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 Regulation 26(1) of the SEBI Regulations and therefore we are required to meet the conditions detailed in Regulation 26(2).

- We will comply with Regulation 26(2)(a) of the SEBI Regulations and at least 50% of the Issue is proposed to be Allotted to QIBs (in order to comply with the requirements of Rule 19(2)(b) of the SCRR) and in the event we fail to do so, the full subscription monies will be refunded to the Bidders.

- We will also comply with Regulation 26(2)(b) of the SEBI Regulation and the post-issue face value capital of the Company shall be [●] million which is more than the minimum requirement of Rs. 100 million.

In accordance with Regulation 26(4) of the SEBI Regulations, our Company shall ensure that the number of prospective allottees to whom the Equity Shares will be allotted shall not be less than 1,000; otherwise the entire application money will be refunded. In case of delay, if any, in refund our Company shall pay interest on the application money at the rate of 15% per annum for the period of delay.

This Issue is being made for at least 25% of the post-Issue capital pursuant to Rule 19(2)(b)(i) of the SCRR read with Regulation 41(1) of the SEBI Regulations. Our Company is eligible for the Issue in accordance with Regulation 26(2) of the SEBI Regulations. Further, this 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 out of which 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder 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. If at least 50% of the Issue cannot be Allotted to QIBs, then the entire application money will be refunded forthwith. 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. Our Company may allocate up to 30% of the QIB Portion to the Anchor Investors on a discretionary basis. One third of the Anchor Investor Portion shall be reserved for allocation to domestic Mutual Funds, subject to valid bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. For further details, see "*Issue Procedure*" at page 189.

Our Company is in compliance with the following conditions specified under Regulation 4(2) of the SEBI Regulations:

(a) Our Company, our Directors, our Promoters, the members of our Promoter Group, the persons in control of our Company and the companies with which our Directors, Promoters or persons in control are associated as directors or promoters or persons in control have not been prohibited from accessing or operating in the capital markets under any order or direction passed by SEBI;

(b) Our Company has applied to the NSE and the BSE for obtaining their in-principle listing approval for listing of the Equity Shares under this Issue through applications dated [●] and [●], respectively and has received the in-principle approvals from the NSE and the BSE pursuant to their letters dated [●] and [●], respectively. For the purposes of this Issue, the [●] shall be the Designated Stock Exchange;

(c) Our Company and the Registrar to the Issue have entered into two tripartite agreements dated [●] and [●] with NSDL and CDSL, respectively, for dematerialisation of the Equity Shares; and

(d) The Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of filing this Draft Red Herring Prospectus.

We propose to meet our expenditure towards the objects of the Issue entirely out of the proceeds of the Issue and hence, no amount is proposed to be raised through any other means of finance. Accordingly, Clause VII C of Part A of Schedule VIII of the SEBI Regulations (which requires firm arrangements of finance through verifiable means for 75% of the stated means of finance, excluding the amount to be raised through the proposed issue) does not apply. For further details in this regard, see "*Objects of the Issue*" at page 63.

Disclaimer Clause of SEBI

AS REQUIRED, A COPY OF THIS DRAFT RED HERRING PROSPECTUS HAS BEEN SUBMITTED TO SEBI. IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THIS DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED TO MEAN THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS DRAFT RED HERRING PROSPECTUS. THE BRLMS, JM FINANCIAL CONSULTANTS PRIVATE LIMITED AND MOTILAL OSWAL INVESTMENT ADVISORS PRIVATE LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THIS DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT RED HERRING PROSPECTUS, THE BRLMS, JM FINANCIAL CONSULTANTS PRIVATE LIMITED AND MOTILAL OSWAL INVESTMENT ADVISORS PRIVATE LIMITED ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITIES ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BRLMS, JM FINANCIAL CONSULTANTS PRIVATE LIMITED AND MOTILAL OSWAL INVESTMENT ADVISORS PRIVATE LIMITED HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED FEBRUARY 21, 2011 WHICH READS AS FOLLOWS:

WE, THE LEAD MERCHANT BANKERS 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 IN CONNECTION WITH THE FINALISATION OF THIS DRAFT RED HERRING PROSPECTUS ("DRHP") PERTAINING TO THE SAID ISSUE;

2. ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE ISSUER, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE ISSUER;

WE CONFIRM THAT:

(A) THE DRAFT RED HERRING PROSPECTUS FILED WITH SEBI IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;

(B) ALL THE LEGAL REQUIREMENTS RELATING TO THE ISSUE AS ALSO THE REGULATIONS, GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY THE SEBI, THE GOVERNMENT OF INDIA 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 AND OTHER APPLICABLE LEGAL REQUIREMENTS.

3. **WE CONFIRM THAT ALL THE INTERMEDIARIES NAMED IN THE DRAFT RED HERRING PROSPECTUS ARE REGISTERED WITH THE SEBI, AND THAT TILL DATE SUCH REGISTRATION IS VALID.**

4. **WHEN UNDERWRITTEN, WE WILL SATISFY OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFILL THEIR UNDERWRITING COMMITMENTS. - NOTED FOR COMPLIANCE**

5. **WE CERTIFY THAT WRITTEN CONSENT FROM THE PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF HIS SECURITIES AS PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN, SHALL NOT BE DISPOSED/SOLD/TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRHP WITH THE SEBI 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 SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS 2009, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS.**

7. **WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE SEBI. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE COMPANY ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE. – NOT APPLICABLE.**

8. **WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE COMPANY FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE ISSUER AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION.**

9. **WE CONFIRM THAT NECESSARY ARRANGEMENTS WILL BE MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THIS ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SECTION 73(3) OF THE COMPANIES ACT, 1956 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT TO BE ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION. – NOTED FOR COMPLIANCE**

10. **WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THIS DRAFT RED HERRING PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE. – NOT APPLICABLE**

11. **WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.**

12. **WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THIS DRAFT RED HERRING PROSPECTUS:**

(A) AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE ISSUER; AND

(B) AN UNDERTAKING FROM THE ISSUER THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE BOARD FROM TIME TO TIME.

13. **WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 WHILE MAKING THE ISSUE.**

14. **WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OF THE ISSUER, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTER'S EXPERIENCE, ETC.**

15. **WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THIS DRAFT RED HERRING PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY."**

THE FILING OF THIS DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE OUR COMPANY FROM ANY LIABILITIES UNDER SECTION 63 AND 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 BRLMS, ANY IRREGULARITIES OR LAPSES IN THIS DRAFT RED HERRING PROSPECTUS.

All legal requirements pertaining to this 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 this 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.

Disclaimer from our Company, our Directors and the Book Running Lead Managers

Our Company, our Directors, the BRLMs accept no responsibility for statements made otherwise than those contained in this Draft Red Herring Prospectus or in any advertisements or any other material issued by or at our Company's instance. Anyone placing reliance on any other source of information, including our Company's website, www.treehouseplaygroup.net, or the website of any of our Promoter Group, Group Company or of any affiliate or associate of our Company, would be doing so at his or her own risk.

Caution

The BRLMs 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, our Company and Registrar to the Issue.

All information shall be made available by our Company, the BRLMs to the public and investors at large and no selective or additional information would be made available for a section of investors in any manner whatsoever including at road show presentations, in research or sales reports, at Bidding Centres or elsewhere.

Neither our Company, nor any member of the Syndicate shall be liable to Bidders for any failure in downloading the Bids due to faults in any software/hardware system or otherwise.

Bidders will be required to confirm and will be deemed to have represented to our Company and the Underwriters and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and that they shall not issue, sell, pledge or transfer the Equity Shares to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares.

The BRLMs and its respective affiliates may engage in transactions with, and perform services for, our Company and our Group Companies or affiliates in the ordinary course of business and have engaged, or may in the future engage, in transactions with our Company and its Group Companies or affiliates, for which they have received, and may in the future receive, compensation.

Disclaimer in Respect of Jurisdiction

This Issue is being made in India to persons resident in India, including Indian national residents in India who are majors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Mutual Funds, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI's permission), or trusts under applicable trust law and who are authorised under their constitution to hold and invest in shares, public financial institutions as specified in Section 4A of the Companies Act, state industrial development corporations, insurance companies registered with the IRDA, provident funds (subject to applicable law) with minimum corpus of Rs. 250 million and pension funds with minimum corpus of Rs. 250 million, VCFs, the 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 by department of posts, India and permitted Non-Residents including FIIs, their Sub-Accounts, FVCIs, multilateral and bilateral financial institutions and Eligible NRIs and other eligible foreign investors, if any, provided that they are eligible under all applicable laws and regulations to purchase the Equity Shares.

This Draft Red Herring Prospectus will not, however, constitute an offer to sell or an invitation to subscribe for Equity Shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession 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 the SEBI for its observations. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Draft Red Herring Prospectus may not be distributed in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares have not been, and will not be, registered under the Securities Act or any state securities laws in the United States and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the Equity Shares will be offered and sold only (i) outside the United States in compliance with Regulation S of the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Further, each Bidder where required must agree in the CAN that such Bidder will not sell or transfer any Equity Shares or any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption form, or in a transaction not subject to, the registration requirements of the Securities Act.

Disclaimer Clause of the BSE

As required, a copy of this Draft Red Herring Prospectus shall be submitted to the BSE. The disclaimer clause as intimated by the BSE to us, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to filing the same with the RoC.

Disclaimer Clause of the NSE

As required, a copy of this Draft Red Herring Prospectus shall be submitted to the NSE. The disclaimer clause as intimated by the NSE to us, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to filing the same with the RoC.

Filing

A copy of this Draft Red Herring Prospectus will be filed with the SEBI at the Securities and Exchange Board of India, SEBI Bhavan, G Block, third Floor, Bandra Kurla Complex, Bandra (East), Mumbai 400 051, Maharashtra.

A copy of the Red Herring Prospectus, along with the other documents required to be filed under Section 60B of the Companies Act, will be delivered for registration with the RoC located at the address mentioned below. Further, a copy of the Prospectus required to be filed under Section 60 of the Companies Act will be delivered for registration with the RoC located at the address mentioned below:

Registrar of Companies, Mumbai
100, Everest
Marine Drive
Mumbai 400 002
India

Listing

Applications have been made to the Stock Exchanges for permission to deal in, and for an official quotation of the Equity Shares. The [●] will be the Designated Stock Exchange with which the 'Basis of Allotment' will be finalised.

If permissions to deal in and for an official quotation of the Equity Shares are not granted by any of the Stock Exchanges, our Company will forthwith repay, without interest, all moneys received from the applicants in pursuance of the Red Herring Prospectus. As prescribed under Section 73 of the Companies Act, if such money is not repaid within eight days after our Company becomes liable to repay it, i.e. from the date of refusal of permission from the Stock Exchanges or within 15 days from the Bid Closing Date, whichever is earlier, then our Company and every Director who is an officer in default shall, on and from such expiry of eight days, be jointly and severally liable to repay the money, with interest at the rate of 15% p.a. on application money.

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 are taken within 12 Working Days of the Bid Closing Date.

Impersonation

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 68A of the Companies Act, which is reproduced below:

"Any person who:

(a) makes in a fictitious name, an application to a company for acquiring or subscription, for, any shares therein, or

(b) otherwise induces a company to allot, or register any transfer of shares, therein to him, or any other person in a fictitious name,

shall be punishable with imprisonment for a term which may extend to five years."

Consents

Consents in writing of (a) our Directors, our Company Secretary and Compliance Officer, the BRLMs, the Auditor, the lenders to our Company, the domestic legal counsel to our Company and to the Underwriters, the Bankers to our Company, the Registrar to the Issue have been obtained; and consents in writing of (b) the IPO Grading Agency, the Syndicate Members, the Escrow Collection Banks, the Bankers to the Issue and the Monitoring Agency to act in their respective capacities, will be obtained and filed along with a copy of the Red Herring Prospectus with the RoC as required under Sections 60 and 60B of the Companies Act. Further, such consents will not be withdrawn up to the time of delivery of the Red Herring Prospectus for registration with the RoC.

In accordance with the Companies Act and the SEBI Regulations, Walker, Chandiok & Co. and Jogish Mehta & Co., our joint auditors have agreed to provide their written consent for inclusion of their name, report on financial statements and report relating to the possible general and special tax benefits, as applicable, accruing to our Company and its shareholders, in this Draft Red Herring Prospectus in the form and context in which they appear in this Draft Red Herring Prospectus. Further, such consent and report will not be withdrawn up to the time of delivery of the Red Herring Prospectus and the Prospectus for registration with the RoC.

Further, we have obtained written consents from Muzoomdar Associated Private Limited dated February 7, 2011 and Yardi Prabhu Consultants and Valuers Private Limited dated February 4, 2011 for inclusion of their valuation report in this Draft Red Herring Prospectus.

[●], the IPO Grading Agency, will give its written consent for inclusion of their report in the form and context in which it will appear in the Red Herring Prospectus and such consent and report will not be withdrawn up to the time of delivery of the Red Herring Prospectus and the Prospectus for registration with the RoC.

Expert Opinion

Except for the report provided by the IPO Grading Agency (a copy of which report will be annexed to the Red Herring Prospectus), furnishing the rationale for its grading of this Issue, pursuant to the SEBI Regulations and valuation report from Muzoomdar Associates Private Limited dated December 16, 2010 and Yardi Prabhu Consultants and Valuers Private Limited dated December 17, 2010, we have not obtained any other expert opinions.

Issue Related Expenses

Except as disclosed in the section titled "*Objects of the Issue*" at page 63, the expenses of this Issue include, *inter alia*, underwriting and management fees, selling commission, SCSBs' commission/ fees, printing and distribution expenses, legal fees, statutory advertisement expenses and listing fees.

The estimated Issue expenses are as under:

(in Rs. million)

Activity	Expense*	As a % of Total Issue Expenses*	As a % of Issue*
Fees to the lead managers	[●]	[●]	[●]
Fees to the bankers to Issue	[●]	[●]	[●]
Underwriting, brokerage and selling commission			
Advertising, marketing, printing, stationery,	[●]	[●]	[●]

distribution and postage expenses			
Fees to advisors	[●]	[●]	[●]
Registrar to the Issue's fees	[●]	[●]	[●]
Other expenses (grading agency, etc.)	[●]	[●]	[●]
Total estimated Issue expenses	[●]	[●]	[●]

**To be incorporated at the time of filing of the Prospectus.*

Our Company shall pay the underwriting commission, procurement commission if any, brokerage due to the underwriters and stock brokers/sub-brokers and any other fees and commission payable in relation to the Issue as per the engagement letters executed among our Company and the BRLMs. All commercial terms in the engagement letters executed among our Company and the BRLMs in relation to the fees and commissions shall prevail.

Fees, Brokerage and Selling Commission Payable to the Book Running Lead Managers and the Syndicate Members

The total fees payable to the BRLMs and the Syndicate Members (including underwriting commission and selling commission) will be as stated in the engagement letters among our Company and the BRLMs, copies of which will be made available for inspection at our Registered Office from 10.00 am to 4.00 pm on Working Days from the date of this Draft Red Herring Prospectus until the Bid Closing Date.

Fees Payable to the Registrar to the Issue

The fees payable by our Company to the Registrar to the Issue for processing of application, data entry, printing of CAN/refund order, preparation of refund data on magnetic tape, printing of bulk mailing register will be as per the agreement dated November 29, 2010 entered into, between our Company and the Registrar to the Issue, a copy of which will be available for inspection at our 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 orders or Allotment advice by registered post/speed post/under certificate of posting.

IPO grading

This Issue has been graded by [●] and has been assigned the grade of [●] indicating [●], through its letter dated [●], which is valid for a period of [●]. The IPO grading is assigned on a five point scale from 1 to 5 wherein an **"**IPO Grade 5" indicates strong fundamentals and an "IPO Grade 1" indicates poor fundamentals. A copy of the report provided by [●] will be made available for inspection at our Registered Office.

Public or Rights Issues during the last five years

Our Company has not made any previous public issue (including any rights issue to the public) in the five years preceding the date of this Draft Red Herring Prospectus.

Previous Issues of securities otherwise than for cash

Our Company has not issued any securities for consideration other than cash.

Public Issues in the last three years

Neither our Company, nor our Group Companies or Associate Companies, have made any public issue (including any rights issue to the public) in the last three years.

Performance vis-à-vis Objects

There has been no public issue (including any rights issue to the public) by our Company, Group Companies and entities or our Associate Companies.

Underwriting Commission, Brokerage and Selling Commission on Previous Issues

There has been no public issue of the Equity Shares in the past. Thus, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since our Company's inception.

Outstanding Debentures or Bond Issues or Preference Shares

Except as stated in the section titled "*Capital Structure*" at page 48, our Company has no outstanding debentures or bonds or redeemable preference shares or other instruments as of the date of this Draft Red Herring Prospectus.

Stock Market Data of the Equity Shares

This being an initial public issue of our Company, the Equity Shares are not listed on any stock exchange.

Other Disclosures

Except as disclosed in the section titled "*Capital Structure*" at page 48, none of our Directors, Promoters, the respective directors of our Promoters and/or the members of our Promoter Group have purchased or sold any securities of our Company, during a period of six months preceding the date of filing this Draft Red Herring Prospectus with SEBI.

SEBI has not initiated any action against any entity associated with the securities market, with which our Directors are associated.

Mechanism for Redressal of Investor Grievances

The agreement between the Registrar to the Issue and our Company will provide for retention of records with the Registrar to the Issue for a period of at least three years from the last date of dispatch of the letters of Allotment, or refund orders, demat credit or, where refunds are being made electronically, giving of refund instructions to the clearing system, to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

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

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to the relevant SCSB, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the relevant Designated Branch or collection centre of SCSB where the physical ASBA Form was submitted by an ASBA Bidder.

Disposal of Investor Grievances by our Company

Our Company estimates that the average time required by our Company or the Registrar to the Issue for the redressal of routine investor grievances shall be 10 Working Days from the date of receipt of the complaint. In case of complaints that are not routine or where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has appointed Ms. Deepali Chandrakant Hanchate, as the Compliance Officer and she may be contacted in case of any pre-Issue or post-Issue-related problems. She can be contacted at the following address:

702 C, Morya House
Off New Link Road
Andheri (West)
Mumbai 400 053
India
Telephone: +91 22 6456 2306
Facsimile: +91 22 2673 6905
E-mail: compliance@treehouseplaygroup.net

Disposal of investor grievances by listed companies under the same management within the meaning of Section 370(1B) of the Companies Act

We do not have any listed companies under the same management within the meaning of Section 370(1B) of the Companies Act and therefore there are no investor complaints pending against our companies.

Change in Auditors

Our Company appointed Walker, Chandiok & Co. as joint auditors in Fiscal 2009.

Capitalisation of Reserves or Profits

Our Company has not capitalised its reserves or profits at any time since its incorporation.

Revaluation of Assets

Our Company has not revalued its assets since its incorporation.

SECTION VII – ISSUE INFORMATION

TERMS OF THE ISSUE

The Equity Shares being issued are subject to the provisions of the Companies Act, our Memorandum and Articles, the terms of the Red Herring Prospectus, the Prospectus, the Bid cum Application Form, the ASBA Form, the Revision Form, the CAN, the Listing Agreement to be entered with the Stock Exchanges and other terms and conditions as may be incorporated in the Allotment advices and other documents or certificates that may be executed in respect of this Issue. The Equity Shares shall also be subject to all applicable laws, guidelines, rules, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by the SEBI, the GoI, the Stock Exchanges, the RoC, the RBI and/or other authorities, as in force on the date of this Issue and to the extent applicable.

Authority for the Issue

The Board of Directors has, pursuant to a resolution passed at its meeting held on February 4, 2011, authorised this Issue subject to the approval of the shareholders of our Company, and such other authorities as may be necessary.

The shareholders of our Company have, pursuant to a resolution dated February 8, 2011, under Section 81(1A) of the Companies Act, authorised this Issue.

Our Company has obtained in-principle listing approvals dated [●] and [●] from the BSE and the NSE, respectively.

Ranking of Equity Shares

The Equity Shares being issued or transferred in the Issue shall be subject to the provisions of the Companies Act, our Memorandum and Articles and shall rank *pari passu* in all respects with the existing Equity Shares including rights in respect of dividend. The Allottees will be entitled to dividends and other corporate benefits, if any, declared by our Company after the date of Allotment. See section titled "*Main Provisions of the Articles of Association*" at page 222 for a description of significant provisions of our Articles.

Mode of Payment of Dividend

Our Company shall pay dividends, if declared, to shareholders of our Company as per the provisions of the Companies Act, Articles of Association and the provisions of the Listing Agreement.

Face Value and Issue Price

The face value of the Equity Shares is Rs. 10 each. The Floor Price of Equity Shares is Rs. [●] per Equity Share and the Cap Price is Rs. [●] per Equity Share. The Anchor Investor Issue Price is Rs. [●] per Equity Share. The Issue Price is Rs. [●] per Equity Share.

At any given point of time there shall be only one denomination for the Equity Shares.

Compliance with Regulations issued by SEBI

Our Company shall comply with all applicable disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and the provisions of our Articles, the equity shareholders of our Company shall have the following rights:

- The right to receive dividends, if declared;
- The right to attend general meetings and exercise voting powers, unless prohibited by law;
- The right to vote on a poll either in person or by proxy;

- The right to receive offers for rights shares and be allotted bonus shares, if announced;
- The right to receive any surplus on liquidation subject to any statutory and other preferential claims being satisfied;
- The right to freely transfer their Equity Shares; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the terms of the Listing Agreement executed with the Stock Exchanges, and our Memorandum and Articles.

For a detailed description of the main provisions of our Articles relating to voting rights, dividend, forfeiture and lien, transfer and transmission, and/ or consolidation/ splitting, see "*Main Provisions of the Articles of Association*" at page 222.

Market Lot, Trading Lot and Option to receive Equity Shares in Dematerialised Form

Pursuant to Section 68B of the Companies Act, the Equity Shares shall be Allotted only in dematerialised form. Hence, the Equity Shares being offered through the Red Herring Prospectus can be applied for in the dematerialised form only.

Further, as per the provisions of the SEBI Regulations, the trading of our Equity Shares shall only be in dematerialised form, consequent to which, the tradable lot is one Equity Share. Allotment of Equity Shares will be only in electronic form in multiples of [●] Equity Shares, subject to a minimum Allotment of [●] Equity Shares.

The Price Band and the minimum Bid lot will be decided by our Company, in consultation with the BRLMs, including the relevant financial ratios computed for both the Cap Price and the Floor Price, which shall be published in English and Hindi national newspapers, and one Marathi newspaper, each with wide circulation, being the newspapers in which the pre-Issue advertisements were published, at least two Working Days prior to the Bid Opening Date.

Joint Holders

Subject to provisions contained in our Articles, where two or more persons are registered as the holders of any Equity Share, they shall be deemed to hold the same as joint tenants with benefits of survivorship.

Jurisdiction

Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in Mumbai, India only.

Nomination facility to investors

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 the sole Bidder or in case of joint Bidders, the 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 death of the original holder(s), shall be entitled to the same advantages to which such person would be entitled if such person were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to the Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale, transfer 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 our Registered Office or with the Registrar to the Issue and transfer agents of our Company.

In accordance with Section 109B of the Companies Act, any person who becomes a nominee by virtue of Section 109A of the Companies Act as mentioned above, shall, upon the production of such evidence as may be required by our 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, our 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 90 days, our Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment will be made only in dematerialised form, there shall be no requirement for a separate nomination with our Company. Nominations registered with the respective Depository Participant of the applicant will prevail. If the investors require to change their nomination, they are requested to inform their respective Depository Participant.

Minimum Subscription

In the event our Company does not receive a minimum subscription of 90% of the Issue, including devolvement to the Underwriters within 60 days from the Bid Closing Date, we 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, we shall pay such interest prescribed under Section 73 of the Companies Act.

Further, in accordance with Regulation 26(4) of the SEBI Regulations, our Company shall ensure that the number of prospective allottees to whom the Equity Shares will be Allotted will be not less than 1,000.

Application by Eligible NRIs, FIIs and Sub-Accounts

It is to be distinctly understood that there is no reservation for NRIs and FIIs, Sub-Accounts or FVCIs and other Non-Residents. Such Eligible NRIs, FIIs, Sub-Accounts or FVCIs and other Non-Residents shall be treated on the same basis as other categories for the purposes of Allocation.

As per existing regulations, OCBs cannot participate in this Issue.

Arrangements for disposal of odd lots

Since our Equity Shares will be traded in dematerialised form only, the market lot for our Equity Shares will be one, no arrangements for disposal of odd lots are required.

Restriction on transfer and transmission of shares

Except for the lock-in of the pre-Issue Equity Shares, Promoters' minimum contribution and Allotment made to Anchor Investor pursuant to the Issue, as detailed in the section entitled "*Capital Structure*" at page 51, there are no restrictions on transfers and transmission of Equity Shares and on their consolidation/ splitting except as provided in our Articles. See the section titled "*Main Provisions of the Articles of Association*" at page 222.

Withdrawal of the Issue

In accordance with the SEBI Regulations, our Company, in consultation with BRLMs, reserve the right not to proceed with this Issue at anytime after the Bid Opening Date, but before our Board meeting for Allotment, without assigning reasons therefor. However, if our Company withdraws the Issue after the Bid Closing Date, we will give reason thereof within two days of the Bid Closing Date by way of a public notice which shall be published within two days of the Bid Closing Date in the same newspapers where the pre-Issue advertisements were published. Further, the Stock Exchanges shall be informed promptly in this regard and the BRLMs, through the Registrar to the Issue, shall notify the SCSBs to unblock the Bank Accounts of the ASBA Bidders within one Working Day from the date of receipt of such notification. In the event of withdrawal of the Issue and subsequently, plans of an IPO by our Company, a draft red herring prospectus will be submitted again to SEBI.

Notwithstanding the foregoing, this Issue is also subject to obtaining the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment, and the final RoC approval of the Prospectus.

ISSUE STRUCTURE

The Issue of upto 9,696,343 Equity Shares for cash at a price of Rs. [●] per Equity Share including a share premium of Rs. [●] per Equity Share, aggregating upto Rs. [●] (the "**Issue**"). The Issue shall constitute upto [●] % approximately of the fully diluted post-Issue paid-up capital of our Company.

Our Company is considering a Pre-IPO Placement. The Pre-IPO Placement will be at the discretion of our Company. Our Company will complete the issuance and allotment of Equity Shares pursuant to the Pre-IPO Placement prior to filing the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is undertaken, the Issue size offered to the public would be reduced to the extent of such Pre-IPO Placement, subject to a minimum Issue size of 25% of the post-Issue paid-up equity share capital being offered to the public.

The Issue is being made through the Book Building Process.

	QIBs	**Non-Institutional Bidders**	**Retail Individual Bidders**
Number of Equity Shares*	Atleast [●] Equity Shares.	Not less than [●] Equity Shares or Issue less allocation to QIB Bidders and Retail Individual Bidders shall be available for allocation.	Not less than [●] Equity Shares or Issue less allocation to QIB Bidders and Non-Institutional Bidders shall be available for allocation.
Percentage of Issue available for Allotment/Allocation	Atleast 50% of the Issue shall be Allotted to QIB Bidders. However, 5% of the Net QIB Portion shall be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the 5% reservation in the Net QIB Portion will also be eligible for allocation in the remaining QIB Portion. The unsubscribed portion in the Mutual Fund reservation will be available to QIBs.	Not less than 15% of the Issue or the Issue less allocation to QIB Bidders and Retail Individual Bidders shall be available for allocation.	Not less than 35% of the Issue or the Issue less allocation to QIB Bidders and Non-Institutional Bidders shall be available for allocation.
Basis of Allotment if respective category is oversubscribed	Proportionate as follows: (a) [●] Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds; and (b) [●] Equity Shares shall be Allotted on a proportionate basis to all QIBs including Mutual Funds receiving allocation as per (a) above. The Company may allocate upto 30% of the QIB Portion to Anchor Investors at the Anchor Investor Allocation Price on a discretionary basis, out of which at least one-third will be available for allocation to Mutual Funds only.	Proportionate.	Proportionate.
Minimum Bid	Such number of Equity Shares so that the Bid Amount exceeds Rs. 200,000.	Such number of Equity Shares so that the Bid Amount exceeds Rs. 200,000.	[●] Equity Shares.

	QIBs	Non-Institutional Bidders	Retail Individual Bidders
Maximum Bid	Such number of Equity Shares not exceeding the size of the Issue, subject to applicable limits.	Such number of Equity Shares not exceeding the size of 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 thereof.	[●] Equity Shares and in multiples thereof.	[●] Equity Shares and in multiples thereof.
Allotment Lot	A minimum of [●] Equity Shares and thereafter in multiples of one Equity Share.	A minimum of [●] Equity Shares and thereafter in multiples of one Equity Share.	A minimum of [●] Equity Shares and thereafter in multiples of one Equity Share.
Trading Lot	One Equity Share.	One Equity Share.	One Equity Share.
Who can Apply **	Mutual Fund, Venture Capital Fund, FVCI, FIIs and sub-account (other than a sub-account which is a foreign corporate or foreign individual), public financial institution as defined in Section 4A of the Companies Act, a scheduled commercial bank, multilateral and bilateral development financial institution, state industrial development corporation, insurance company registered with the Insurance Regulatory and Development Authority, provident fund with minimum corpus of Rs. 250 million, pension fund with minimum corpus of Rs. 250 million, National Investment Fund, insurance funds set up and managed by army, navy or air force of the Union of India and insurance funds set up by department of posts, India,	Eligible NRIs, Resident Indian individuals, HUFs (in the name of the Karta), companies, corporate bodies, scientific institutions, societies and trusts, sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals.	Resident Indian individuals (including HUFs in the name of the Karta) and Eligible NRIs.
Terms of Payment	The entire Bid Amount shall be payable at the time of submission of Bid cum Application Form to the members of the Syndicate. In case of ASBA Bidders, the SCSB shall be authorised to block the Bid Amount mentioned in the ASBA Form.		

* Subject to valid Bids being received at or above the Issue Price. The Issue is being made through the Book Building Process wherein atleast 50% of the Issue shall be Allotted to QIB Bidders on a proportionate basis. 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder shall be available for allocation on a proportionate basis to QIBs and Mutual Funds, subject to valid Bids being received from them at or above the Issue Price. Mutual Funds participating in the 5% reservation in the Net QIB Portion will also be eligible for allocation in the remaining QIB Portion. The unsubscribed portion in the Mutual Fund reservation will be available to QIBs. If at least 50% of the Issue cannot be Allotted to QIBs, then the entire application money will be refunded

forthwith. 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.

Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in the Non-Institutional Portion and Retail Portion would be allowed to be met with spill-over from other categories at the discretion of our Company in consultation with the BRLMs and the Designated Stock Exchange.

The QIB Portion includes Anchor Investor Portion, as per the SEBI Regulations. Anchor Investor shall pay the entire Bid Amount at the time of submission of the Anchor Investor Bid. Provided that any difference between the Anchor Investor Allocation Price and Anchor Investor Issue Price, shall be payable by the Anchor Investor Pay-in Date.

** In case the Bid cum Application Form or ASBA Form is submitted in joint names, the investors should ensure that the demat account is also held in the same joint names and the names are in the same sequence in which they appear in the Bid cum Application Form or ASBA Form, as the case may be.

Letters of Allotment, refund orders or instructions to SCSBs

Our Company shall credit the Equity Shares to the valid beneficiary account with its Depository Participants within twelve Working Days from the from the Bid Closing Date to all successful Allottees including ASBA Bidders.

Please note that only Bidders having a bank account at any of the 68 centres where the clearing houses for the NECS as notified by the RBI are eligible to receive refunds or payment through electronic transfer of funds. For all other Bidders, including Bidders having bank accounts in the said 68 centres who have not updated their bank particulars along with the nine-digit MICR code, the refund orders shall be dispatched within 12 Working Days of the Bid Closing Date "Under Certificate of Posting" for refund orders less than or equal to Rs. 1,500 and through speed post/registered post for refund orders exceeding Rs. 1,500.

In case of ASBA Bidders, the Registrar to the Issue shall instruct the SCSBs to unblock the funds in the relevant ASBA Account to the extent of the Bid Amount specified in the ASBA for withdrawn, rejected or unsuccessful or partially successful ASBAs within 12 Working Days from the Bid Closing Date.

Interest in case of delay in dispatch of refund orders or instructions to SCSBs

In accordance with the Companies Act, the requirements of the Stock Exchanges and SEBI Regulations, our Company undertakes that:

- Allotment shall be made only in dematerialised form within 12 Working Days from the Bid Closing Date;

- Dispatch of refund orders, except for Bidders who can receive refunds through Direct Credit, NEFT, RTGS or NECS, shall be done within 12 Working Days from the Bid Closing Date;

- Instructions to SCSBs to unblock the funds in the relevant ASBA Account for withdrawn rejected or unsuccessful Bids shall be made within 12 Working Days from the Bid Closing Date.

- It shall pay interest at 15% p.a. if the refund orders have not been dispatched to the Bidders or if, in a case where the refund or portion thereof is made in electronic manner through Direct Credit, NEFT, RTGS or NECS, the refund instructions have not been given to the clearing system in the disclosed manner within or if instructions to SCSBs to unblock funds in the ASBA Accounts are not given within 12 Working Days of the Bid Closing Date.

Our Company will provide adequate funds required for dispatch of refund orders or CAN to the Registrar to the Issue. Refunds will be made by cheques, pay orders or demand drafts drawn on any one or more of the Refund Banker(s) and payable at par at places where Bids are received. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

In case of ASBA Bidders, the SCSBs will unblock funds in the ASBA Accounts to the extent of the refund to be made based on instructions received from the Registrar to the Issue.

Bid/Issue Programme*

BID OPENING DATE	[●]
BID CLOSING DATE	[●]
QIB BID CLOSING DATE	[●]

* *Our Company may consider participation by Anchor Investors. Anchor Investor shall Bid on Anchor Investor Bidding Date.*

Except in relation to the Bids received from the Anchor Investors, Bids and any revision in Bids shall be accepted **only between 10.00 a.m. and 5.00 p.m.** (Indian Standard Time) during the Bidding Period at the Bidding Centres mentioned on the Bid cum Application Form or, in case of Bids submitted through ASBA Form, the Designated Branches **except that:**

(i) in case of Bids by QIBs under the Net QIB Portion, the Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time) and uploaded until 4.00 p.m. on the QIB Bid Closing Date;

(ii) in case of Bids by Non-Institutional Bidders, the Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time) and uploaded until 4.00 p.m. on the Bid Closing Date; and

(iii) in case of Bids by Retail Individual Bidders, the Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time) and uploaded until 5.00 p.m. on the Bid Closing Date, which may be extended upto such time as deemed fit by the Stock Exchanges after taking into account the total number of applications received upto the closure of timings and reported by BRLMs to the Stock Exchanges within half an hour of such closure.

Due to limitation of time available for uploading the Bids on the Bid Closing Date, the Bidders are advised to submit their Bids one day prior to the Bid Closing Date and, in any case, no later than 1.00 p.m. (Indian Standard Time) on the Bid Closing Date. Bidders are cautioned that in the event a large number of Bids are received on the Bid Closing Date, as is typically experienced in initial public offers, which may lead to some Bids not being uploaded due to lack of sufficient time to upload, such Bids that cannot be uploaded will not be considered for allocation in the Issue. If such Bids are not uploaded, the Company, the Syndicate and the SCSBs shall not be responsible. Bids will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday). Bids by ASBA Bidders shall be uploaded by the SCSBs in the electronic system to be provided by the Stock Exchanges.

In case of discrepancy in the data entered in the electronic book *vis-à-vis* the data contained in the physical Bid form, for a particular Bidder, the details as per the Bid file received from the Stock Exchanges may be taken as the final data for the purpose of allotment. In case of discrepancy in the data entered in the electronic book *vis-à-vis* the data contained in the physical or electronic ASBA Form, for a particular ASBA Bidder, the Registrar to the Issue shall ask the relevant SCSB for rectified data.

Our Company in consultation with the BRLMs, reserves the right to revise the Price Band during the Bidding Period in accordance with the SEBI Regulations. The cap shall not be more than 120% of the floor of the Price Band. Subject to compliance with the immediately preceding sentence, the floor of the Price Band can move up or down to the extent of 20% of the floor of the Price Band.

In case of revision in the Price Band, the Bidding Period shall be extended for at least three additional Working Days after such revision, subject to the total Bidding Period not exceeding 10 Working Days. Any revision in the Price Band, and the revised Bidding Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges, by issuing a press release and also by indicating the change on the websites of the BRLMs and the terminals of the other members of the Syndicate.

ISSUE PROCEDURE

This section applies to all Bidders. Please note that all Bidders other than Anchor Investors may participate in the Issue through the ASBA process. ASBA Bidders should note that the ASBA process involves application procedures that are 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 or ASBA Form, as the case may be.

Book Building Procedure

The Issue is being made through the 100% Book Building Process. In terms of Rule 19(2)(b)(i) of the SCRR read with Regulation 41(1) of SEBI Regulations, this is an Issue for at least 25% of the post Issue share capital. Atleast 50% of the Issue shall be Allotted to QIBs on a proportionate basis. Out of the Net QIB Portion, 5% shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder shall be available for allocation on a proportionate basis to QIBs and Mutual Funds, subject to valid Bids being received from them at or above the Issue Price. If at least 50% of the Issue cannot be Allotted to QIBs, then the entire application money will be refunded forthwith. 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. Our Company may in consultation with the BRLMs, consider participation of Anchor Investors in accordance with SEBI Regulations. Allocation to Anchor Investors shall be on a discretionary basis.

Any Bidder other then Anchor Investors may participate in this Issue through ASBA process by providing the details of their respective bank accounts in which the corresponding Bid amounts will be blocked by SCSBs. All Bidders other than ASBA Bidders are required to submit their Bids through the members of Syndicate. ASBA Bidders are required to submit their Bids to SCSBs.

Anchor Investors shall pay, on application, the same margin amount, as is payable by other Bidders, and the balance, if any, within two days of the Bid Closing Date.

Investors should note that the Allotment will only be in dematerialised form. The Bid cum Application Forms or ASBA Forms, as the case may be, which do not have the details of the Bidders' depository account shall be treated as incomplete and rejected. Bidders will not have the option of being Allotted Equity Shares in physical form. The Equity Shares on Allotment shall be traded only in the dematerialised segment of the Stock Exchanges.

Further, our Company and the BRLMs are not liable to inform the investors of any amendments or modifications or changes in applicable laws or regulations which may occur after the date of the Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under applicable laws, regulations or approvals. Bidders are advised to make their own enquiries about the limits applicable to them.

Bid cum Application Form and ASBA Form

The prescribed colour of the Bid cum Application Form and ASBA Form for various categories of Bidders is as follows:

Category	Colour of Bid cum Application Form/ ASBA Form
Resident Indians and Eligible NRIs applying on a non-repatriation basis	[●]
Eligible NRIs, FIIs, their Sub-Accounts (other than Sub-Accounts which are foreign corporates or foreign individuals bidding under the QIB Portion), FVCIs and multilateral and bilateral financial institutions and other Non-Residents, applying on a repatriation basis	[●]
Anchor Investors*	[●]
ASBA bidders bidding through a physical form**	[●]

* *Bid cum Application Forms for Anchor Investors shall be available at our Registered Office, our Corporate Office and at the offices of the BRLMs.*
*** The ASBA Bid cum Application Form shall also be available on the website of the BSE (www.bseindia.com) and the NSE (www.nseindia.com).*

Bidders, other than ASBA Bidders, are required to submit their Bids through the Syndicate. Bidders (excluding ASBA Bidders) shall only use the specified Bid cum Application Form bearing the stamp of a member of a Syndicate for the purpose of making a Bid in terms of the Red Herring Prospectus. Before being issued to the Bidders, other than ASBA Bidders, the Bid cum Application Forms shall be serially numbered and date and time stamped at the Bidding Centres and such form shall be issued in duplicate signed by the Bidder and countersigned by a member of the Syndicate. The Bid cum Application Form shall contain information about the Bidder, the price and the number of Equity Shares that the Bidder wishes to Bid for. 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. The ASBA Form will also be available on the websites of the Stock Exchanges at least one day prior to the Bid Opening Date and shall bear a unique application number. The BRLMs and the SCSBs will provide the hyperlink to BSE or NSE on their websites.

Upon filing of the Prospectus with the RoC, the Bid cum Application Form shall be considered as the Application Form. Upon completing and submitting the Bid cum Application Form to a member of the Syndicate, the Bidder, other than ASBA Bidders, is deemed to have authorised our Company to make the necessary changes in the Red Herring Prospectus as would be required for filing the Prospectus with the RoC and as would be required by RoC after such filing, without prior or subsequent notice of such changes to the Bidder.

Further, as per circular issued by SEBI dated October 12, 2010, the Syndicate and sub-syndicate members have been permitted to procure ASBA Forms from the ASBA Bidders and submit the forms to the SCSBs. However, SEBI is yet to notify relevant instructions for modification of existing systems and procedures.

Bidders (other than Anchor Investors) can also submit their Bids through ASBA by submitting ASBA Forms, obtained from the Designated Branches, to the SCSB with whom the ASBA Account is maintained, authorising blocking of funds that are available in the ASBA Account. ASBA Bidders can submit their Bids, either in physical or electronic mode. In case of application in physical mode, the ASBA Bidder shall submit the ASBA Form at the relevant Designated Branch. In case of application in electronic form, the ASBA Bidder shall submit the ASBA Form either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for bidding and blocking funds in the ASBA Account held with SCSB, and accordingly registering such Bids. The SCSB shall block an amount in the ASBA Account equal to the Bid Amount specified in the ASBA Form. Upon completing and submitting the ASBA Form to the SCSB or the Syndicate, the ASBA Bidder is deemed to have authorised our Company to make the necessary changes in the Red Herring Prospectus and the ASBA Form, as would be required for filing the Prospectus with the RoC and as would be required by RoC after such filing, without prior or subsequent notice of such changes to the ASBA Bidder.

Who can Bid?

- Indian nationals resident in India who are not minors in single or joint names (not more than three);

- 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/ ASBA 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 compliance with applicable laws. NRIs other than Eligible NRIs are not eligible to participate in this issue;

- Indian financial institutions, 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 their Sub-Accounts, other than a Sub-Account which is a foreign corporate or foreign individual, in the QIB Portion;

- 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 Funds 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 constitution to hold and invest in equity shares;

- Scientific and/or industrial research organisations authorised to invest in equity shares;

- Insurance Companies registered with Insurance Regulatory and Development Authority;

- Provident Funds with minimum corpus of Rs. 250 million and who are authorised under their constitution to hold and invest in equity shares;

- Pension Funds with minimum corpus of Rs. 250 million and who are authorised under their constitution to hold and invest in equity shares;

- National Investment Fund;

- Limited Liability Partnership;

- Multilateral and Bilateral Development Financial Institutions;

- Insurance funds set up and managed by the army, navy or air force of the Union of India and insurance funds set up by department of posts, India; and

- All other persons eligible to invest under all applicable laws, rules, regulations and guidelines.

In accordance with the FEMA and the regulations framed thereunder, OCBs cannot Bid in the Issue.

Anchor Investor Portion

Our Company may consider participation by Anchor Investors in the Issue for upto [●] Equity Shares in accordance with the applicable SEBI Regulations. Anchor Investor shall Bid on Anchor Investor Bidding Date. The QIB Portion shall be reduced to the extent of allocation under the Anchor Investor Portion. In accordance with the SEBI Regulations, the key terms for participation in the Anchor Investor Portion are as follows:

(a) Anchor Investors shall be QIBs as defined in the SEBI Regulations.

(b) The Anchor Investor Bid must be for a minimum of such number of Equity Shares so that the Anchor Investor Bid Amount exceeds Rs. 100 million and in multiples of [●] Equity Shares thereafter. An Anchor Investor Bid cannot be submitted for more than the Anchor Investor Portion.

(c) [●] Equity Shares out of the Anchor Investor Portion shall be reserved for allocation to domestic Mutual Funds.

(d) The bidding for Anchor Investors shall open one day before the Bid Opening Date and shall be completed on the same day.

(e) Our Company in consultation with the BRLMs shall finalise allocation to the Anchor Investors on a discretionary basis, subject to compliance with requirements regarding minimum number of allottees.

(f) The number of Equity Shares allocated to the Anchor Investors and the price at which the allocation is made, shall be made available in public domain by the BRLMs before the Bid Opening Date.

(g) Anchor Investors shall pay the entire Bid Amount at the time of submission of the Anchor Investor Bid. In case the Issue Price is greater than the Anchor Investor Allocation Price, the additional amount being the difference between the Issue Price and Anchor Investor Allocation Price shall be paid by the Anchor Investors by the Anchor Investor Pay-in Date. In the event the Issue Price is lower than the Anchor Investor Allocation Price, the allotment to Anchor Investors shall be at Anchor Investor Allocation Price.

(h) The Equity Shares allotted in the Anchor Investor Portion shall be locked-in for a period of 30 days from the date of Allotment.

(i) Bids made by QIBs under both the Anchor Investor Portion and the Net QIB Portion shall not be considered as multiple Bids.

(j) The payment instruments for payment into the Escrow Account should be drawn in favour of:
- In case of Resident Anchor Investors: "Escrow Account – [●] – Anchor Investor – R"
- In case of Non-Resident Anchor Investor: "Escrow Account – [●]–Anchor Investor - NR"

Participation by associates and affiliates of the Book Running Lead Managers and Syndicate Members

The BRLMs and Syndicate Members shall not be allowed to subscribe to this Issue in any manner except towards fulfilling their underwriting obligations, as stated in the Prospectus. However, associates and affiliates of the BRLMs and Syndicate Members or any persons related to the BRLMs and Syndicate Members may subscribe to or purchase Equity Shares in the Issue, in the QIB Portion or in Non-Institutional Portion as may be applicable to such Bidders. Such bidding and subscription may be on their own account or on behalf of their clients.

The BRLMs, the Syndicate Members and any persons related to them cannot apply in the Issue under the Anchor Investor Portion.

Bids by Mutual Funds

At least one third of the Anchor Investor Portion will be available for allocation on a discretionary basis to Mutual Funds and 5% of the Net QIB Portion is available to be allocated to Mutual Funds on a proportionate basis, subject to receipt of valid Bids.

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 from Mutual Funds 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 Mutual Funds shall, as part of the aggregate demand by QIBs, be available for allocation proportionately out of the remainder of the Net QIB Portion, after excluding the allocation in the Mutual Fund Portion.

The Bids made by the asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Bids are made.

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 the 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/ ASBA Forms have been made available for Eligible NRIs at the Registered Office and with the members of the Syndicate.

2. Eligible NRI applicants may please note that only such Bids as are accompanied by payment in free foreign exchange shall be considered for Allotment. The Eligible NRIs who intend to make payment through Non-Resident Ordinary (NRO) accounts shall use the Bid cum Application Form meant for Resident Indians.

Bids by FIIs

Under the extant law, the issue of Equity Shares to a single FII cannot exceed 10% of our post-Issue paid-up equity share capital. In respect of an FII investing in our Equity Shares on behalf of its Sub-Accounts, the investment on behalf of each Sub-Account shall not exceed 10% of our total issued equity share capital or 5% of our total issued equity share capital in case such Sub-Account is a foreign corporate or an individual permitted to make investments. As of now, the aggregate FII holding in our Company cannot exceed 24% of our total issued capital. The said 24% limit can be increased upto 100% by passing a resolution by the Board followed by passing a special resolution to that effect by the shareholders of our Company. Our Company has obtained board and shareholders approval dated November 17, 2010 and December 13, 2010 respectively, to increase the FII limit to 49%.

Subject to compliance with all applicable Indian laws, rules, regulations guidelines and approvals in terms of Regulation 15A(1) of the Securities Exchange Board of India (Foreign Institutional Investors) Regulations 1995, as amended (the "**SEBI FII Regulations**"), an FII or its Sub-Account may issue, deal or hold, offshore derivative instruments (as defined under the SEBI FII Regulations as any instrument, by whatever name called, which is issued overseas by a foreign institutional investor against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with 'know your client' norms. The FII or Sub-Account is also required to ensure that no further issue or transfer of any offshore derivative instrument 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 BRLMs and Syndicate Members, which are FIIs, may issue offshore derivative instruments against Equity Shares Allotted to them. Any such offshore derivative instrument does not constitute any obligation or claim on or interest in, our Company.

Bids by SEBI registered Venture Capital Funds and Foreign Venture Capital Funds

The SEBI (Venture Capital Funds) Regulations, 1996 and SEBI (Foreign Venture Capital Investor) Regulations, 2000 *inter alia* prescribe the investment restrictions on VCFs and FVCIs.

Accordingly, the holding by any individual VCFs in one company should not exceed 25% of the corpus of the said VCF. Further, VCFs and FVCIs can invest only upto 33.33% of their investible funds by way of subscription to an initial public offer of a venture capital undertaking.

Further, according to the SEBI Regulations, the shareholding of SEBI registered Venture Capital Funds and Foreign Venture Capital Investors held in a company prior to making an initial public offering would be exempt from lock-in requirements only if the shares have been held by them for at least one year prior to the time of filing the draft red herring prospectus with SEBI.

Bids by Insurance Companies

In case of the Bids made by insurance companies registered with the Insurance Regulatory and Development Authority, a certified copy of certificate of registration issued by the Insurance Regulatory and Development Authority must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to reject such Bids in whole or in part without assigning reasons thereof.

Bids made by Provident Funds and Pension Funds

In case of the Bids made by provident funds and pension funds, subject to applicable law, with minimum corpus of Rs. 250 million and pension funds with minimum corpus of Rs. 250 million, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

Bids by Limited liability partnership

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid without assigning any reason thereof.

The above information is given for the benefit of the Bidders. Our Company, Directors and officers, affiliates, associates, their respective directors and officers and the BRLMs do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company, Directors and officers, affiliates, associates, their respective directors and officers, the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this DRHP. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

Maximum and Minimum Bid Size

(a) **For Retail Individual Bidders:** The Bid must be for a minimum of [•] Equity Shares and in multiples of [•] Equity Shares thereafter, so as to ensure that the Bid Amount payable by the Bidder does not exceed Rs. 200,000. In case of revision of Bids, the Retail Individual Bidders have to ensure that the Bid Amount does not exceed Rs. 200,000. In case the Bid Amount is over Rs. 200,000 due to revision of the Bid or revision of the Price Band or on exercise of bidding at Cut-off Price, the Bid would be considered for allocation under the Non-Institutional Portion. The bidding at Cut-off Price is an option given only to the Retail Individual Bidders indicating their agreement to Bid and purchase at the Issue Price as determined at the end of the Book Building Process.

(b) **For 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. 200,000 and in multiples of [•] Equity Shares thereafter. A Bid cannot be submitted for more than the Issue size. However, the Bid by a QIB should not exceed the investment limits prescribed for them by applicable laws. **Under the SEBI Regulations a QIB cannot withdraw its Bid after the QIB Bid Closing Date and is required to pay the entire Bid Amount upon submission of the Bid.**

In case of revision in Bids, the Non-Institutional Bidders, who are individuals, have to ensure that the revised Bid Amount is greater than Rs. 200,000 for being considered for allocation in the Non-Institutional Portion. In case the Bid Amount reduces to Rs. 200,000 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'.

(c) **For Bidders in the Anchor Investor Portion:** The Bid by an Anchor Investor must be for a minimum of such number of Equity Shares such that the Bid Amount is equal to or more than Rs. 100 million. Bids by Anchor Investors under the Anchor Investor Portion and the Net QIB Portion shall not be considered as multiple Bids. Under the Anchor Investor Portion, a Bid cannot be submitted for more than 30% of the QIB Portion. **Anchor Investors cannot withdraw their Bids after the Anchor Investor Bidding Date.**

Bidders are advised to make independent enquiries and ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this DRHP.

Information for Bidders:

(a) Our Company will file the Red Herring Prospectus with the RoC at least three days before the Bid Opening Date.

(b) Our Company and the BRLMs shall declare the Bid Opening Date, Bid Closing Date and QIB Bid Closing Date in the Red Herring Prospectus to be registered with the RoC and also publish the same in an English and a Hindi national newspaper, and one Marathi newspaper, each with wide circulation. This advertisement shall be in the format prescribed under applicable SEBI Regulations. Further, the Price Band and the minimum bid lot as decided by our Company, in consultation with the BRLMs, including the relevant financial ratios computed for both the Cap Price and the Floor Price and shall be published at least two Working Days prior to the Bid Opening Date in English and Hindi national newspapers, each with wide circulation.

(c) Copies of the Bid cum Application Form and copies of the Red Herring Prospectus will be available with the members of the Syndicate.

(d) Any investor (who is eligible to invest in the Equity Shares) who would like to obtain the Red Herring Prospectus and/ or the Bid cum Application Form can obtain the same from the Registered Office or from the members of the Syndicate.

Eligible investors who are interested in subscribing for the Equity Shares should approach the BRLMs, Syndicate Member or their authorised agent(s) to register their Bids. ASBA Bidders should approach the SCSBs or Syndicate to register their Bids.

(e) The Bids should be submitted on the prescribed Bid cum Application Form only. Bid cum Application Forms without the stamp of the member of the Syndicate will be rejected.

Information specific to ASBA Bidders

1. ASBA Bidders who would like to obtain the Red Herring Prospectus and/or the ASBA Form can obtain the same from the Designated Branches. ASBA Bidders can also obtain a copy of the Red Herring Prospectus and/or the ASBA Form in electronic form on the websites of the SCSBs.

2. The Bids should be submitted to the SCSBs or Syndicate on the prescribed ASBA Form. SCSBs may provide the electronic mode of bidding either through an internet enabled bidding and banking facility or such other secured, electronically enabled mechanism for bidding and blocking funds in the ASBA Account.

3. The SCSBs shall accept Bids only during the Bidding Period and only from the ASBA Bidders.

4. The BRLMs shall ensure that adequate arrangements are made to circulate copies of the Red Herring Prospectus and ASBA Form to the SCSBs. The SCSBs will then make available such copies to investors intending to apply in this Issue through the ASBA process. Additionally, the BRLMs shall ensure that the SCSBs are provided with soft copies of the abridged prospectus as well as the ASBA Forms and that the same are made available on the websites of the SCSBs.

5. The ASBA Form shall bear the stamp of the SCSBs and/or the Designated Branch, if not, the same shall be rejected.

6. The ASBA Form will also be available on the websites of the Stock Exchanges at least one day prior to the Bid Opening Date and shall bear a unique application number. The BRLMs and the SCSBs will provide the hyperlink to BSE or NSE on their websites.

Bidders should note that in case the PAN, the DP ID and Client ID mentioned in the Bid cum Application Form or ASBA Form and entered into the electronic bidding system of the Stock Exchanges by the Syndicate Members do not match with PAN, the DP ID and Client ID available in the depository database, the Bid cum Application form or ASBA Form is liable to be rejected. With effect from August 16, 2010, the demat accounts for Bidders for which PAN details have not been verified, except for persons resident in the state of Sikkim, who, may be exempted from specifying their PAN for transacting in the securities market, shall be "suspended credit" and no credit of Equity Shares pursuant to the Issue shall be made into accounts of such Bidders.

The applicants should note that in the event that the Depository Participant identification number (DP ID), the client identification number (Client ID) and PAN mentioned in their Bid cum-Application Form/ASBA Bid cum-Application Form and entered into the electronic bidding system of the Stock Exchanges by the Syndicate Members or Designated Stock Exchange of the SCSBs, as the case may be, do not match with the DP ID, Client ID and PAN available in the database of the Depositories, then such Bid is liable to be rejected.

The demat accounts of the Bidders, other than the Bidders who may be exempt from specifying their PAN for transacting in the securities market, whose PAN details have not been verified shall be "suspended for credit" and no credit of Equity Shares pursuant to the Issue will be made into the accounts of such Bidders.

Method and Process of Bidding

(a) Our Company, in consultation with the BRLMs will decide the Price Band and the minimum Bid lot for the Issue and the same shall be advertised in one English, one Hindi national newspapers, and one Marathi newspaper, each with wide circulation at least two Working Days prior to the Bid Opening Date. The members of Syndicate and the SCSBs shall accept Bids from the Bidders during the Bidding Period.

(b) The Bidding Period shall be for a minimum of three Working Days and shall not exceed 10 Working Days. In the event of revision of Price Band, the Bidding Period shall be extended, by an additional three Working Days, subject to the total Bidding Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bidding Period, if applicable, will be published in English and Hindi national newspapers, and one Marathi newspaper, each with wide circulation and also by indicating the change on the website of the BRLMs and at terminals of the members of the Syndicate.

(c) During the Bidding Period, Bidders who are interested in subscribing for the Equity Shares should approach the members of Syndicate or their authorised agents to register their Bid. The members of Syndicate shall accept Bids from all other Bidders and have the right to vet the Bids during the Bidding Period in accordance with the terms of the Red Herring Prospectus. Eligible Bidders who propose to use the ASBA process shall approach the Designated Branches to register their Bids.

The BRLMs shall accept Bids from the Anchor Investors on the Anchor Investor Bidding Date i.e. one Working Day prior to the Bid Opening Date. Bids by Anchor Investors under the Anchor Investor Portion and the Net QIB Portion shall not be considered as multiple Bids.

(d) Each Bid cum Application Form and/ or the ASBA Form will give the Bidder the choice to bid for upto three optional prices (for details refer to the paragraph entitled "Bids at Different Price Levels" 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 and/ or the ASBA 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 or ASBA Form after Bids on one Bid cum Application Form or ASBA Form have been submitted to the members of Syndicate or SCSBs, as the case may be. Submission of a second Bid cum Application Form or ASBA Form to the members of Syndicate or SCSB 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 of Equity Shares or Allotment. However, the Bidder can revise the Bid through the Revision Form, the procedure for which is detailed under the paragraph entitled "Build up of the Book and Revision of Bids". Provided that Bids submitted by a QIB in the Anchor Investor Portion and in the Net QIB Portion will not be considered as Multiple Bids.

An ASBA Bidder cannot Bid, either in physical or electronic mode, on another ASBA Bid-cum-Application Form or a non-ASBA Bid cum-Application Form after a Bid on one ASBA Bid-cum-Application Form, either in physical or electronic mode, has been submitted to the Designated Branches of SCSBs or the members of the Syndicate or uploaded by the ASBA Bidder, as the case may be. Submission of a second ASBA Bid cum-Application Form or a non-ASBA Bid cum-Application Form to either the same or to another Designated Branch of the SCSB or the members of the Syndicate will be treated as multiple Bids and will be liable to be rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the allocation or Allotment of Equity Shares in the Issue. However, the ASBA Bidder can revise the Bid through the ASBA Revision Form, the procedure for which is detailed under the paragraph "Build up of Book and revision of Bids".

(f) Except in relation to Bids received from the Anchor Investors, the members of Syndicate / the SCSBs, as the case may be, 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 upto three TRSs for each Bid cum Application Form or ASBA Form.

(g) 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" at page 198.

(h) Upon receipt of the ASBA Form, submitted whether in physical or electronic mode, the respective Designated Branch shall verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the ASBA Form, prior to uploading such Bids with the Stock Exchanges.

(i) If sufficient funds are not available in the ASBA Account, the respective Designated Branch shall reject such Bids and shall not upload such Bids with the Stock Exchanges.

(j) If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Bid Amount mentioned in the ASBA 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.

(k) The Bid Amount shall remain blocked in the ASBA Account until finalisation of the Basis of Allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the ASBA 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 Controlling Branch of the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount pertaining the Equity Shares to be Allotted to the successful ASBA Bidders to the Public Issue Account. In case of withdrawal/failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Issue.

Bids at Different Price Levels and Revision of Bids

(a) Our Company, in consultation with the BRLMs and without prior intimation to or approval from the Bidders, reserves the right to revise the Price Band during the Bidding 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 Opening Date and the Cap Price will be revised accordingly.

(b) Our Company in consultation with the BRLMs can finalise the Anchor Investor Issue Price, in the event Anchor Investors participate in this Issue, within the Price Band in accordance with this clause, without the prior approval of, or intimation to, the Anchor Investors.

(c) 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 not permitted for QIB and Non-Institutional Bidders and such Bids from QIB and Non-Institutional Bidders shall be rejected.

(d) Retail Individual Bidders who Bid at Cut-off Price should note that they are required to purchase the Equity Shares at the Issue Price. 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. ASBA Bidders, under the categories eligible to Bid at Cut-off Price, need to instruct the SCSBs to block an amount based on the Cap Price. For further details, please refer to procedure detailed under the paragraph entitled "Build up of the Book and Revision of Bids".

Escrow mechanism, terms of payment and payment into the Escrow Accounts

For details of the escrow mechanism and payment instructions, please see "*Issue Procedure - Payment Instructions*" at page 207.

Electronic Registration of Bids

(a) The members of Syndicate and SCSBs will register the Bids using the on-line facilities of the Stock Exchanges. There will be at least one on-line connectivity in each city, where a stock exchange is located in India and where Bids are being accepted. The BRLMs, our Company and the Registrar to the Issue are not 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 or (iv) with respect to ASBA Bids accepted and uploaded without blocking funds in the ASBA Accounts. It shall be presumed that for Bids uploaded by the SCSBs, the Bid Amount has been blocked in the relevant ASBA Account. The members of the Syndicate and the SCSBs shall be responsible for any error in the Bid details uploaded by them.

(b) The members of Syndicate and the SCSBs will undertake modification of selected fields in the Bid details already uploaded within one Working Day from the Bid Closing Date.

(c) In case of apparent data entry error by either the members of Syndicate or the collecting bank in entering the Bid cum Application Form number in their respective schedules other things remaining unchanged, the Bid file received from the Stock Exchanges may be considered as valid.

(d) The Stock Exchanges will offer an electronic facility for registering Bids for the Issue. This facility will be available with the members of Syndicate and its authorised agents and the SCSBs during the Bidding Period. The members of Syndicate and the Designated Branches 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 Process on a regular basis. On the Bid Closing Date, the members of Syndicate and the Designated Branches shall upload the Bids till such time as may be permitted by the Stock Exchanges. This information will be available with the members of Syndicate on a regular basis. Bidders are cautioned that a high inflow of high volumes on the last day of the Bidding Period may lead to some Bids received on the last day not being uploaded and such Bids will not be considered for Allotment.

(e) 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 would be made available at the Bidding Centres during the Bidding Period.

(f) At the time of registering each Bid, other than ASBA Bids, the members of the Syndicate shall enter the following details of the Bidders in the on-line system:

- Name of the Bidder: Bidders should ensure that the name given in the Bid cum Application Form is exactly the same as the name in which the Client ID is held. In case the Bid cum Application Form is submitted in joint names, Bidders should ensure that the Client ID is also held in the same joint names and are in the same sequence in which they appear in the Bid cum Application Form;
- Investor Category – Individual, Corporate, FII, NRI, Mutual Fund, etc;
- PAN;
- Numbers of Equity Shares Bid for;
- Bid Amount;
- Bid cum Application Form number;
- Cheque amount
- Cheque number; and
- DP ID and Client ID.

With respect to ASBA Bids, at the time of registering each Bid, the Designated Branches shall enter the following information pertaining to the Bidder into the on-line system:

- Name of the Bidder(s);
- ASBA Form Number;
- PAN (of First Bidder, in case of more than one Bidder);
- Investor category and sub category;
- DP ID and Client ID;
- Beneficiary account number of Equity Shares Bid for;
- Quantity;
- Bid Amount;
- Cheque amount;
- Cheque number; and
- Bank account number.

(g) A system generated TRS will be given to the Bidder as a proof of the registration of each of the bidding options. It is the Bidder's responsibility to obtain the TRS from the members of Syndicate or the Designated Branches. The registration of the Bid by the members of Syndicate or the Designated Branches does not guarantee that the Equity Shares shall be allocated/Allotment either by the members of the Syndicate or our Company.

(h) Such TRS will be non-negotiable and by itself will not create any obligation of any kind.

(i) In case of QIBs, the BRLMs have the right to accept the Bid or reject it. However, such rejection should be made at the time of receiving the Bid and only after assigning a reason for such rejection in writing. In case of Non-Institutional Bidders and Retail Individual Bidders, Bids would not be rejected except on the technical grounds listed at page 211. The BRLMs 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.

(j) 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 and/or the BRLMs 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, the Promoters, 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 DRHP; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

Only Bids that are uploaded on the online IPO system of the Stock Exchanges shall be considered for allocation/ Allotment. The members of the Syndicate will be given upto one Working Day after the Bid Closing Date to verify the information uploaded in the online IPO system during the Bidding Period after which the data will be sent to the Registrar for reconciliation with the data available with the NSDL and CDSL. If the Registrar finds any discrepancy in the DP name, DP ID and the Client ID, the Registrar will correct the same. In case of any discrepancy of data between the Stock Exchanges and the members of the Syndicate or the Designated Branches, the decision of our Company in consultation with the BRLMs and the Registrar, based on the Bid file received from the Stock Exchanges shall be final and binding on all concerned.

(k) Details of Bids in the Anchor Investor Portion will not be registered on the on-line facilities of electronic facilities of the Stock Exchanges.

Build up of the book and revision of Bids

(a) Bids received from various Bidders (except Anchor Investors) through the members of 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. At the end of each day of the Bidding Period, the demand shall be shown graphically on the bidding terminals of the Syndicate and the websites of the Stock Exchanges.

(c) During the Bidding Period, any Bidder who has registered his or her Bid at a particular price level is free to revise his or her Bid within the Price Band using the printed Revision Form or ASBA Revision Form, which is a part of the Bid-cum-Application Form and ASBA Bid-cum-Application Form, respectively.

(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, ASBA Form or earlier Revision Form. For example, if a Bidder has Bid for three options in the Bid cum Application Form/ ASBA Form and such Bidder is changing only one of the options in the Revision Form, he must still fill the details of the other two options that are not being revised, in the Revision Form. The members of the Syndicate and the Designated Branches will not accept incomplete or inaccurate Revision Forms.

(e) The Bidder can make this revision any number of times during the Bidding Period. However, for any revision(s) in the Bid, the Bidders will have to use the services of the members of Syndicate or the same 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. 200,000 if the Bidder wants to continue to Bid at Cut-off Price), with the members of the Syndicate. In case the total amount (i.e., original Bid Amount plus additional payment) exceeds Rs. 200,000, the Bid will be considered for allocation under the Non-Institutional Portion in terms of the RHP. 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 and 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 in consultation with the BRLMs, 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 ASBA Bids, if revision of the Bids results in an incremental amount, the SCSBs shall block the additional Bid Amount. In case of Bids, other than ASBA Bids, the members of 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. In such cases, the members of Syndicate will revise the earlier Bid 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 shall surrender the earlier TRS and may get a revised TRS from the members of the Syndicate or the SCSB, as applicable. It is the responsibility of the Bidder to request for and obtain the revised TRS, which will act as proof of his or her having revised the previous Bid.

Price Discovery and Allocation

(a) Post the Bid Closing Date, based on the demand generated at various price levels and the book built, our Company in consultation with the BRLMs shall finalise the Issue Price.

(b) The Allotment to QIBs will be at least 50% of the Issue, on a proportionate basis and the availability for allocation to Non-Institutional Bidders and Retail Individual Bidders will be not less than 15% and 35% of the Issue, respectively, on a proportionate basis, in a manner specified in the SEBI Regulations and the Draft Red Herring Prospectus and the Prospectus, in consultation with the Designated Stock Exchange, subject to valid Bids being received at or above the Issue Price. If at least 50% of the Issue cannot be allotted to QIBs then the entire application money will be refunded. Allocation to Anchor Investors shall be on a discretionary basis and not on a proportionate basis.

(c) In case of over-subscription in all categories, at least 50% of the Issue shall be allotted on a proportionate basis to QIBs. 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation to Mutual Funds. Mutual Funds participating in the 5% share in the QIB Portion will also be eligible for allocation in the remaining QIB Portion. However, if the aggregate demand by Mutual Funds is less than 5% of the QIB Portion, the balance Equity Shares from the portion specifically available for allocation to Mutual Funds in the QIB Portion will first be added to the QIB Portion and be allocated proportionately to the QIBs in proportion to their Bids. In the event that the aggregate demand in the QIB Portion has been met, under-subscription in any other category, will be met with spill-over from any other category or combination of categories at the discretion of our Company, in consultation with the BRLMs and the Designated Stock Exchange.

Under-subscription, if any, in the Retail Portion and Non-Institutional Portion, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company, in consultation with the BRLMs and the Designated Stock Exchange. However, if the aggregate demand by Mutual Funds is less than [●] Equity Shares, the balance Equity Shares available for allocation in the Mutual Fund Portion will first be added to the Net QIB Portion and be Allotted proportionately to the QIB Bidders.

(d) 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.

(e) QIBs shall not be allowed to withdraw their Bid after the QIB Bid Closing Date.

(f) The Basis of Allotment shall be put on the website of the Registrar to the Issue.

Signing of the Underwriting Agreement and the RoC Filing

(a) Our Company and the members of the Syndicate shall enter into an Underwriting Agreement on or immediately after the finalisation of the Issue Price.

(b) After signing the Underwriting Agreement, our Company will file the Prospectus with the RoC in terms of Section 56, Section 60 and Section 60B of the Companies Act. The Prospectus would have details of the Issue Price, Issue size, underwriting arrangements and would be complete in all material respects.

Pre-Issue Advertisement

Our Company shall either on the date of filing the Draft Red Herring Prospectus with SEBI or on the next day shall make a public announcement in one English national daily newspaper with wide circulation, one Hindi national daily newspaper with wide circulation and one Marathi newspaper with wide circulation at the place where the Registered Office of our Company is situated, disclosing that the DRHP has been filed with SEBI and inviting the public to give their comments to SEBI in respect of disclosures made in the DRHP.

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 one English language national daily newspaper, one Hindi language national daily newspaper and one Marathi newspaper, each with wide circulation. In the pre-Issue advertisement, we shall declare the Bid Opening Date, the Bid Closing Date and the QIB Bid Closing Date

Advertisement regarding Issue Price and Prospectus

Our Company will issue a statutory advertisement after the filing of the Prospectus with the RoC. This advertisement, among others shall indicate the Issue Price and the Anchor Investor Issue Price, if any, in the event Anchor Investors participate in this Issue. Any material updates between the date of the Red Herring Prospectus and the date of Prospectus will be included in such statutory advertisement.

Issuance of CAN

(a) Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar to the Issue shall send to members of the Syndicate a list of their Bidders who have been or are to be Allotted Equity Shares, pursuant to the approval of Basis of Allotment. The investor should note that our Company shall issue instructions for demat credit of Equity Shares to all successful investors in this Issue on the date of Allotment. For Anchor Investors, see section titled "Notice to Anchor Investors: Allotment Reconciliation and Intimation".

(b) The BRLMs, the members of the Syndicate or the Registrar to the Issue, as the case may be, will send a CAN to Bidders who have been or are to be Allotted Equity Shares, pursuant to the approval of the Basis of Allotment.

(c) The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder for all the Equity Shares allotted to such Bidder.

Notice to Anchor Investors: Allotment Reconciliation and Intimation

After the Anchor Investor Bidding Date, a physical book will be prepared by the Registrar on the basis of Bid cum Application Forms received in the Anchor Investor Portion. Based on the physical book and at the discretion of our Company, the BRLMs, selected Anchor Investors shall be sent an AI CAN, within two Working Days of the Anchor Investor Bidding Date, indicating the number of Equity Shares that are allocated to them. The AI CAN shall constitute the valid, binding and irrevocable contract for the Anchor Investor to pay the entire Anchor Investor Issue Price for all the Equity Shares allocated to such Anchor Investor. This AI CAN and the final allocation will be subject to (a) physical application being valid in all respects along with stipulated documents being received by the Registrar to the Issue and (b) Allotment by the Board of Directors. In the event the Issue Price is fixed higher that the Anchor Investor Allocation Price, a written intimation shall be sent to Anchor Investors to pay such additional amounts being the excess of the Issue Price over the Anchor Investor Allocation Price, for the shares allocated to the Anchor Investors on or before such date as specified in the intimation which shall in no event be later than two days after the Bid Closing Date.

Unblocking of ASBA Account

Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Issue shall provide the following details to the Controlling Branches of each SCSB, along with instructions to unblock the relevant bank accounts and transfer the requisite money to the Public Issue Account designated for this purpose, within the timelines specified in the ASBA facility: (i) the number of Equity Shares to be Allotted against each valid ASBA Bid, (ii) the amount to be transferred from the relevant bank account to the Public Issue Account, for each valid ASBA Bid, (iii) the date by which funds referred to in (iv) above shall be transferred to the Public Issue Account, and (v) details of rejected ASBA Bids, if any, along with reasons for rejection and details of withdrawn and/or unsuccessful ASBA Bids, if any, to enable SCSBs to unblock the respective bank accounts. On the basis of instructions from the Registrar to the Issue, the SCSBs shall transfer the requisite amount against each successful ASBA Bidder to the Public Issue Account and shall unblock the excess amount, if any, in the ASBA Account. However, the Bid Amount may be unblocked in the ASBA Account prior to receipt of notification from the Registrar to the Issue by the Controlling Branch of the SCSB in relation to the approval of the Basis of Allotment in the Issue by the Designated Stock Exchange in the event of withdrawal or failure of the Issue or rejection of the ASBA Bid, as the case may be.

Designated Date and Allotment

(a) Our Company will ensure that the Allotment is completed within 12 Working Days and credit to the successful Bidder's depositary account will be completed within 12 Working Days of the Bid 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 Allotted to them pursuant to this Issue.

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 and the beneficiary account is activated, as Allotment will be in the dematerialised form only;

(e). Ensure that the Bid cum Application Forms submitted at the Bidding Centres bear the stamp of the members of the Syndicate;

(f). Ensure that you have been given a TRS for all your Bid options;

(g). Submit revised Bids to the members of the Syndicate and obtain a revised TRS;

(h). Except for Bids submitted on behalf of the Central Government or the State Government and officials appointed by a court and by residents of Sikkim, all Bidders should mention their PAN allotted under the IT Act;

(i). Ensure that the Demographic Details are updated, true and correct in all respects;

(j). Ensure that the names given in the Bid cum Application Form is exactly the same as the names available in the depository database. 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 members of the Syndicate or its affiliates;

(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 the members of the Syndicate only;

(f). Do not bid at Cut-off Price (for QIBs and Non-Institutional Bidders, for Bid Amount in excess of Rs. 200,000);

(g). Do not Bid for a Bid Amount exceeding Rs. 200,000 (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 the GIR number instead of the PAN as the Bid is liable to be rejected on this ground; and

(j). Do not Bid for allotment of Equity Shares in physical form.

(k). Do not submit Bids without the full Bid Amount.

(l). Do not submit incorrect details of DP ID, Client ID and PAN or give details of demat account which is suspended or for which such details cannot be verified by the Registrar to the Issue.

(m). Do not submit the Bids without a guardian in the case of Bids by minors;

INSTRUCTIONS SPECIFIC TO ASBA BIDDERS

Do's:

1. Check if you are eligible to Bid under ASBA.

2. Ensure that you use the ASBA Form specified for the purposes of ASBA.

3. Read all the instructions carefully and complete the ASBA Form.

4. Ensure that your ASBA Form is submitted at a Designated Branch where the ASBA Account is maintained and not to the Escrow Collecting Banks (assuming that such bank is not a SCSB), to our Company or the Registrar to the Issue or the members of the Syndicate.

5. Ensure that the ASBA Form is signed by the ASBA Account holder in case the ASBA Bidder is not the account holder.

6. Ensure that you have mentioned the correct ASBA Account number in the ASBA Form.

7. Ensure that you have funds equal to the Bid Amount in the ASBA Account before submitting the ASBA Form to the respective Designated Branch.

8. Ensure that you have correctly checked the authorisation box in the ASBA Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for the Designated Branch to block funds in the ASBA Account equivalent to the Bid Amount mentioned in the ASBA Form.

9. Ensure that you receive an acknowledgement from the Designated Branch for the submission of your ASBA Form.

10. Ensure that the name(s) given in the ASBA Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the ASBA Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the ASBA Form.

Don'ts:

1. Do not Bid on another ASBA Form or on a Bid cum Application Form after you have submitted a Bid to a Designated Branch.

2. Payment of Bid Amounts in any mode other than through blocking of Bid Amounts in the ASBA Accounts shall not be accepted under the ASBA.

3. Do not send your physical ASBA Form by post. Instead submit the same to a Designated Branch.

4. Do not instruct your respective banker to release the funds blocked in the ASBA account under the ASBA process.

5. QIBs and Non-Institutional Bidders should not Bid at Cut-Off Price.

6. Do not fill up the Bid cum Application Form such that the Equity Shares Bid for exceeds the size of the Issue and/or the 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.

7. Do not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground.

INSTRUCTIONS FOR COMPLETING THE BID CUM APPLICATION FORM AND ASBA FORMS

1. Bid cum Application Forms, ASBA Forms or Revision Forms are to be completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained in the Red Herring Prospectus. Incomplete Bid cum Application Forms, ASBA Forms or Revision Forms are liable to be rejected. Bidders should note that the members of 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, ASBA Forms or Revision Forms.

2. Thumb impressions and signatures other than in the languages specified in the Eighth Schedule in the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal. Bids must be in single name or in joint names (not more than three, and in the same order as their Depository Participant details).

3. Bidders should correctly mention their name, DP ID and Client ID in the Bid cum Application Form, or the ASBA Form, as the case may be. For the purpose of evaluating the validity of Bids, the Demographic Details of Bidders shall be derived from the name, DP ID and Client ID mentioned in the Bid cum Application Form, or the ASBA Form, as the case may be.

4. Information provided by the Bidders will be uploaded in the online IPO system by the BRLMs 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.

5. Bids through ASBA must be:

    a. made only in the prescribed ASBA Form or Revision Forms (if submitted in physical mode) or the electronic mode.

    b. made in single name or in joint names (not more than three, and in the same order as their details appear with the Depository).

    c. completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained in the Red Herring Prospectus and in the ASBA Form.

6. If the ASBA Account holder is different from the ASBA Bidder, the ASBA Form should be signed by the ASBA Account holder, in accordance with the instructions provided in the ASBA Form.

7. For ASBA Bidders, the Bids in physical mode should be submitted to the SCSBs on the prescribed ASBA Form. SCSBs may provide the electronic mode of bidding either through an internet enabled bidding and banking facility or such other secured, electronically enabled mechanism for bidding and blocking funds in the ASBA Account.

Bidder's PAN, Depository Account and Bank Account Details

Bidders should note that on the basis of PAN of the Bidders, Depository Participant's name, Depository Participant-Identification number and beneficiary account number provided by them in the Bid cum Application Form or ASBA Form, the Registrar to the Issue will obtain from the Depository the Demographic Details of the Bidders. These bank account details would be used for giving refunds (including through physical refund warrants, direct credit, NECS, NEFT and RTGS) or unblocking of ASBA Account. Hence, 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 members of the Syndicate or the Registrar to the Issue 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 or the ASBA Form, as the case may be.

IT IS MANDATORY FOR ALL THE BIDDERS TO GET THEIR EQUITY SHARES IN DEMATERIALISED FORM. ALL BIDDERS SHOULD MENTION THEIR PAN, DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE BID CUM APPLICATION FORM OR ASBA FORM. INVESTORS MUST ENSURE THAT THE DP ID, CLIENT ID AND PAN GIVEN IN THE BID CUM APPLICATION FORM OR ASBA FORM IS EXACTLY THE SAME AS THE DP ID, CLIENT ID AND PAN AVAILABLE IN THE DEPOSITORY DATABASE. IN CASE THE BID CUM APPLICATION FORM OR ASBA FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE BID CUM APPLICATION FORM OR ASBA FORM.

These Demographic Details would be used for all correspondence with the Bidders including mailing of the CANs/AI CANs 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 or ASBA Form would not be used for any other purpose by the Registrar to the Issue.

By signing the Bid cum Application Form or ASBA Form, the Bidder would be deemed to have authorised the Depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

CANs/AI CANs/Refund orders would be mailed at the address of the Bidder as per the Demographic Details received from the Depositories. Bidders may note that delivery of CAN/AI CANs/refund orders may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. In such an event, the address and other details given by the 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 Bidders sole risk and neither our Company, Escrow Collection Banks, Registrar to the Issue nor the Book Running Lead Managers 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 three parameters, namely, PAN of the sole/First Bidder, the DP ID and the beneficiary's identity, then such Bids are liable to be rejected.

Bids by Non Residents including Eligible NRIs, FIIs and FVCIs registered with SEBI on a repatriation basis

Bids and revision to Bids must be made in the following manner:

1. On the Bid cum Application Form, ASBA 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 registered with their Depositary Participant).

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.

Bids by Eligible NRIs for a Bid Amount of upto Rs. 200,000 would be considered under the Retail Portion for the purposes of allocation and Bids for a Bid Amount of more than Rs. 200,000 would be considered under Non-Institutional Portion for the purposes of allocation.

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 or the ASBA Form. Our Company will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

As per the existing policy of the Government of India, OCBs are not permitted to participate in the Issue.

There is no reservation for Eligible NRIs, FIIs, FVCIs and all applicants will be treated on the same basis with other categories for the purpose of allocation.

Bids under Power of Attorney

By limited companies, corporate bodies, registered societies

A certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be submitted along with the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid, without assigning any reason therefor.

By FIIs, FVCIs, VCFs and Mutual Funds

A certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of their SEBI registration certificate must be submitted along with the Bid cum Application Form or ASBA Form. Failing this, our Company reserves the right to reject any Bid, without assigning any reason.

Our Company at its absolute discretion reserves the right to relax the above conditions of simultaneous lodging of the powers of attorney, subject to the terms and conditions that our Company in consultation with the BRLMs deems fit.

ASBA Bidders

In case of an ASBA Bid pursuant to a power of attorney, a certified copy of the power of attorney must be lodged along with the ASBA Form. Failing this, our Company in consultation with the BRLMs, reserves the right to reject such Bids.

Our Company in its absolute discretion, reserves the right to relax the above condition of attaching the power of attorney along with the Bid cum Application Form or the ASBA Form, as the case may be, subject to such terms and conditions that our Company and the BRLMs may deem fit.

PAYMENT INSTRUCTIONS

Escrow Mechanism for Bidders other than ASBA Bidders

Our Company and the BRLMs shall open Escrow Accounts with Escrow Collection Banks 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 in a certain category would be deposited in the Escrow Account.

The Escrow Collection Banks will act in terms of the Red Herring Prospectus, the Prospectus and the Escrow Agreement. The Escrow Collection Banks, for and on behalf of the Bidders, shall maintain the monies in the Escrow Account. 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 until the Designated Date. On the Designated Date, the Escrow Collection Banks shall transfer the funds represented by allocation of Equity Shares from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account and the SCSBs will also transfer the funds represented by allocation of Equity Shares from the respective ASBA Accounts to the Public Issue Account. 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 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 BRLMs, the Escrow Collection Banks and the Registrar to the Issue to facilitate collections from the Bidders.

Payment mechanism for ASBA Bidders

The ASBA Bidders shall specify the ASBA Account number in the ASBA Form and the relevant SCSB shall block an amount equivalent to the application money in the ASBA Account specified in the ASBA 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 the Issue to unblock the Bid Amount. On the Designated Date, SCSBs will also transfer the funds represented by allocation of Equity Shares from the respective ASBA Accounts to Public Issue Accounts. In the event of withdrawal or rejection of the ASBA Form or for unsuccessful ASBA Forms, the Registrar to the Issue shall give instructions to the SCSB to unblock the application money in the relevant bank account within 12 Working Days of the Bid Closing Date. The Bid Amount shall remain blocked in the ASBA Account until finalisation of the Basis of Allotment and consequent transfer of the Bid Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the ASBA Bid, as the case may be.

Bidders should note that the escrow mechanism is neither provided under any law or regulation nor has been prescribed by SEBI. The escrow mechanism has been established as an arrangement amongst our Company, the BRLMs, the Escrow Collection Banks and the Registrar to the Issue to facilitate collections from the Bidders.

Payment into Escrow Account for Bidders other than ASBA Bidders

Escrow Accounts shall be opened for the collection of the Bid Amounts payable upon submission of the Bid cum Application Forms and amounts payable pursuant to allocation/Allotment.

Each Bidder shall draw a cheque or demand draft or remit the funds electronically through the RTGS mechanism for the amount payable on the Bid and/or on allocation/Allotment 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 members of the Syndicate. If the payment is not made favouring the Escrow Account along with the Bid cum Application Form, the Bid will be rejected.

3. The payment instruments for payment into the Escrow Account should be drawn in favour of:

   - In case of resident QIBs: "Escrow Account – [●] – QIB – R";

   - In case of Non-Resident QIBs: "Escrow Account –[●]– QIB – NR";

   - In case of resident Retail and Non-Institutional Bidders: "Escrow Account – [●]– R"; and

   - In case of Non-Resident Retail and Non-Institutional Bidders: "Escrow Account– [●]– NR".

4. In the event of 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 by the Anchor Investor Pay-in Date. 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: "Escrow Account – [●] – Anchor Investor – R"

(b) In case of Non-Resident Anchor Investors: "Escrow Account – [●] Issue – Anchor Investor – NR"

6. In case of Bids by Eligible 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 Eligible 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 NRE Accounts or FCNR Accounts, maintained with banks authorised to deal in foreign exchange in India, along with documentary evidence in support of the remittance or out of a 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. In case of Bids by FIIs, the payment should be made out of funds held in a 'Special Rupee Account' along with documentary evidence in support of the remittance. Payment by drafts should be accompanied by a bank certificate confirming that the draft has been issued by debiting the 'Special Rupee Account'.

9. The monies deposited in the Escrow Account will be held for the benefit of the Bidders (other than ASBA Bidders) till the Designated Date.

10. 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.

11. On the Designated Date and no later than 12 Working Days from the Bid Closing Date, the Refund Bankers shall also refund all amounts payable to unsuccessful Bidders (other than ASBA Bidders) and also the excess amount paid on Bidding, if any, after adjusting for Basis of Allotment in relation to such Bidders.

12. Payments should be made by cheque, or demand draft drawn on any bank (including a co-operative bank), which is situated at, and is a member of or sub-member of the bankers' clearing house located at the centre where the Bid cum Application Form is submitted. 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.

Payment by cash/ stockinvest/ money order

Payment through cash/ stockinvest/ money order shall not be accepted in this Issue.

Submission of Bid cum Application Form and ASBA Forms

All Bid cum Application Forms or Revision Forms duly completed and accompanied by account payee cheques or drafts shall be submitted to the members of the Syndicate at the time of submission of the Bid. With respect to the ASBA Bidders, the ASBA Form or the Revision Form shall be submitted to the Designated Branches.

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 members of the Syndicate will acknowledge the receipt of the Bid cum Application Forms or Revision Forms by stamping and returning to the Bidder the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Bid cum Application Form for the records of the Bidder.

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. Two or more Bids will be deemed to be multiple Bids if the sole or First Bidder is one and the same.

In case of a Mutual Fund, a separate Bid can 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 Net QIB Portion will not be considered as multiple Bids.

Our Company 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 the Issue to detect multiple applications are given below:

1. All Bids will be checked for common PAN and will be accumulated and taken to a separate process file which would serve as a multiple master.

2. In this master, a check will be carried out for the same PAN. In cases where the PAN is different, the same will be deleted from this master.

3. The Registrar to the Issue will obtain, from the depositories, details of the applicant's address based on the DP ID and Beneficiary Account Number provided in the Bid cum Application Form or ASBA Form and create an address master.

4. The addresses of all the applications in the multiple master will be strung from the address master. This involves putting the addresses in a single line after deleting non-alpha and non-numeric characters i.e. commas, full stops, hash etc. Sometimes, the name, the first line of address and pin code will be converted into a string for each application received and a photo match will be carried out amongst all the applications processed. A print-out of the addresses will be taken to check for common names. The applications with same name and same address will be treated as multiple applications.

5. The applications will be scrutinised for DP ID and Beneficiary Account Numbers. In case applications bear the same DP ID and Beneficiary Account Numbers, these will be treated as multiple applications.

Permanent Account Number or PAN

Except for bids by or on behalf of the Central or State Government and the officials appointed by the courts and by investors residing in the State of Sikkim, the Bidders, or in the case of a Bid in joint names, each of the Bidders, should mention his/ her PAN allotted under the Income Tax 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 or ASBA Form without the PAN is liable to be rejected. It is to be specifically noted that Bidders should not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground**.

However, the exemption for the Central or State Government and the officials appointed by the courts and for investors residing in the State of Sikkim is subject to the Depository Participants' verifying the veracity of such claims of the investors by collecting sufficient documentary evidence in support of their claims. At the time of ascertaining the validity of these Bids, the Registrar will check under the Depository records for the appropriate description under the PAN field and whether the PAN flag has been enabled.

Withdrawal of ASBA Bids

ASBA Bidders can withdraw their Bids during the Bidding Period by submitting a request for the same to the SCSBs who shall do the requisite, including deletion of details of the withdrawn ASBA Form from the electronic bidding system of the Stock Exchanges and unblocking of the funds in the ASBA Account.

In case an ASBA Bidder (other than a QIB bidding through an ASBA Form) wishes to withdraw the Bid after the Bid Closing Date, the same can be done by submitting a withdrawal request to the Registrar to the Issue. The Registrar to the Issue shall delete the withdrawn Bid from the Bid file and give instruction to the SCSB for unblocking the ASBA Account after finalization of the Basis of Allotment.

REJECTION OF BIDS

In case of QIBs, our Company, in consultation with the BRLMs, may reject Bids provided that the reasons for rejecting the same shall be provided to such Bidders in writing. In case of Non-Institutional Bidders and Retail Individual Bidders, our Company has a right to reject Bids based on technical grounds. Consequent refunds shall be made by cheque or pay order or draft and will be sent to the Bidder's address at the Bidder's risk. With respect to ASBA Bids, the Designated Branches shall have the right to reject ASBA Bids if at the time of blocking the Bid Amount in the Bidder's ASBA Account, the respective Designated Branch ascertains that sufficient funds are not available in the Bidder's ASBA Account. Further, in case any DP ID, Client ID or PAN mentioned in the ASBA Form does not match with one available in the depository's database, such ASBA Bid shall be rejected by the Registrar to the Issue. Subsequent to the acceptance of the ASBA Bid 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:

- Bids made without the entire Bid Amount or Amount paid does not tally with the Bid Amount;
- Age of First Bidder not given;
- In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such, except a Limited Liability Partnership, shall be entitled to apply;
- Bid by persons not competent to contract under the Indian Contract Act, 1872, as amended, including insane persons;
- PAN not mentioned in the Bid cum Application Form or ASBA Form, except for bids by or on behalf of the Central or State Government and the officials appointed by the courts and by investors residing in the State of Sikkim provided such claims have been verified by the Depository Participants;
- 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;
- Bids or revision thereof by QIBs and Non-Institutional Bidders, uploaded after 4.00 p.m. on the QIB Bid Closing Date or Bid Closing Date, respectively;
- Submission of more than five ASBA Forms per ASBA Account;
- Bids at Cut-off Price by Non-Institutional and QIBs;
- Bids for a value of more than Rs. 200,000 by Retail Individual Bidders;

- Bids for number of Equity Shares which are not in multiples of [•];
- Category not ticked;
- Multiple Bids as defined in this DRHP;
- In case of Bids under power of attorney or by limited companies, corporate, trust etc., relevant documents are not submitted;
- Submission of Bids by Anchor Investors through ASBA process;
- Bids accompanied by Stockinvest/money order/postal order/cash;
- Signature of sole and / or joint Bidders missing;
- ASBA Forms not being signed by the account holders, if the account holder is different from the Bidder;
- Bid cum Application Forms and ASBA Forms does not have the stamp of the members of the Syndicate or the SCSB and/or the Designated Branch, as the case may be;
- Bid cum Application Forms and ASBA Forms do not have Bidder's depository account details;
- Bid cum Application Forms and ASBA Forms are not delivered by the Bidders within the time prescribed as per the Bid cum Application Forms and ASBA Forms, Bid Opening Date advertisement and the Red Herring Prospectus and as per the instructions in the Red Herring Prospectus and the Bid cum Application Forms and ASBA Forms;
- In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Bidders (including the order of names of joint holders), the DP ID and the beneficiary's account number;

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- With respect to ASBA Bids, inadequate funds in the ASBA Account to block the Bid Amount specified in the ASBA Form at the time of blocking such Bid Amount in the ASBA Account;
- 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;
- Authorisation for blocking funds in the ASBA Account not ticked or provided;
- Inadequate funds in the ASBA Account to block the Bid Amount specified in the ASBA Form at the time of blocking such Bid Amount in the ASBA Account.
- Bids at Cut-off Price by Non-Institutional Bidders, QIBs bidding in excess of Rs. 200,000;
- Bids by any person outside India if not in compliance with applicable foreign and Indian Laws;
- Bids by QIBs not submitted through the BRLMs or their affiliates or Bids made by the QIBs through the ASBA Forms not intimated to the BRLMs;
- 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 OR ASBA FORM AND ENTERED INTO THE ELECTRONIC BIDDING SYSTEM OF THE

STOCK EXCHANGES OR THE MEMBERS OF THE SYNDICATE /THE SCSBs DO NOT MATCH WITH THE DP ID, CLIENT ID AND PAN AVAILABLE IN THE RECORDS WITH THE DEPOSITARIES, THE BID 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 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 to the Issue:

- Agreement dated [●] with NSDL, our Company and the Registrar to the Issue.
- Agreement dated [●] with CDSL, our Company and the Registrar to the Issue.

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, ASBA 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 mentioned 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, ASBA 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 or ASBA 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 would be in dematerialised form only for all investors in the demat segment of the respective Stock Exchanges.

Communications

All future communications in connection with Bids made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or first Bidder, Bid cum Application Form or ASBA Form number, Bidders' Depository Account Details, number of Equity Shares applied for, date of Bid cum Application Form or ASBA Form, name and address of the members of the Syndicate or the Designated Branch where the Bid was submitted and cheque or draft number and issuing bank thereof or with respect to ASBA Bids, ASBA Account number in which the amount equivalent to the Bid Amount was blocked.

Bidders can contact the Compliance Officer or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of Allotment, credit of Allotted Equity 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.

IMPERSONATION

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 68A of the Companies Act, which is reproduced below:

"*Any person who:*

(a) ***makes in a fictitious name, an application to a company for acquiring or subscribing for, any shares therein, or***

(b) ***otherwise induces a company to allot, or register any transfer of shares, therein to him, or any other person in a fictitious name,***

shall be punishable with imprisonment for a term which may extend to five years."

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 QIBs shall be available for Allotment to Retail Individual Bidders who have Bid 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 upto 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 shall 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 upto a minimum of [•] Equity Shares. For the method of proportionate Basis of Allotment refer below.

C. For QIBs in the Net QIB Portion

- Bids received from the QIBs bidding in the Net QIB Portion at or above the Issue Price shall be grouped together to determine the total demand under this portion. The Allotment to all the QIBs will be made at the Issue Price.

- The Net QIB Portion shall be available for Allotment to QIBs who have Bid 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 Allotment to Mutual Funds for upto 5% of the Net QIB Portion shall be determined as follows:

    (i) In the event that Bids by Mutual Fund exceeds 5% of the Net QIB Portion, Allotment to Mutual Funds shall be done on a proportionate basis for upto 5% of the Net QIB Portion.

    (ii) In the event that the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion then all Mutual Funds shall get full Allotment to the extent of valid Bids received above the Issue Price.

    (iii) Equity Shares remaining unsubscribed, if any, not Allotted to Mutual Funds shall be available for Allotment to all QIBs as set out in (b) below;

  (b) In the second instance Allotment to all QIBs shall be determined as follows:

    (i) In the event of oversubscription in the Net QIB Portion, all QIBs who have submitted Bids above the Issue Price shall be allotted Equity Shares on a proportionate basis for upto 95% of the Net 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 QIBs.

    (iii) Under-subscription below 5% of the Net QIB Portion, if any, from Mutual Funds, would be included for allocation to the remaining QIBs on a proportionate basis.

D. For Anchor Investors

- Allocation of Equity Shares to Anchor Investors, if any, at the Anchor Investor Allocation Price will be at the discretion of our Company in consultation with the BRLMs, subject to compliance with the following requirements:

  (a). not more than 30% of the QIB Portion will be allocated to Anchor Investors;
  (b). 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;
  (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. 250 million and minimum number of five Anchor Investors for allocation more than Rs. 250 million.

- The number of Equity Shares Allotted to Anchor Investors, if any, and the Anchor Investor Allocation Price shall be made available in the public domain by the BRLMs before the Bid Opening Date by intimating the same to the Stock Exchanges.

Method of Proportionate Basis of Allotment

In the event of the Issue being over-subscribed, our Company 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 BRLMs and the Registrar to the Issue shall be responsible for ensuring that the Basis of Allotment is finalised in a fair and proper manner in accordance with the SEBI Regulations.

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 BRLMs.

Illustration of Allotment to QIBs and Mutual Funds ("MF")

A. Issue Details

Particulars	Issue details
Issue size	200 million equity shares
Allotment to QIB (at least 50% of the Issue)	100 million equity shares
Of which:	
a. Reservation For Mutual Funds, (5%)	5 million equity shares
b. Balance for all QIBs including Mutual Funds	95 million equity shares
Number of QIB applicants	10
Number of Equity Shares applied for	500 million equity shares

B. Details of QIB Bids

S. No.	Type of QIBs*	No. of shares bid for (in million)
1.	A1	50
2.	A2	20
3.	A3	130
4.	A4	50
5.	A5	50
6.	MF1	40
7.	MF2	40
8.	MF3	80

S. No.	Type of QIBs*	No. of shares bid for (in million)
9.	MF4	20
10.	MF5	20
11.	**Total**	**500**

* A1-A5: (QIBs other than Mutual Funds), MF1-MF5 (QIBs which are Mutual Funds) Details of Allotment to QIBs Applicants

C. Details of Allotment to QIBs / Applicants

Type of QIB	Shares bid for	Allocation of 5% Equity Shares	Allocation of 95% Equity Shares	Aggregate allocation to Mutual Funds
(I)	(II)	(III)	(IV)	(V)
	(Number of equity shares in million)			
A1	50	0	9.60	0
A2	20	0	3.48	0
A3	130	0	24.95	0
A4	50	0	9.60	0
A5	50	0	9.60	0
MF1	40	1	7.48	8.48
MF2	40	1	7.48	8.48
MF3	80	2	14.97	16.97
MF4	20	0.5	3.74	4.24
MF5	20	0.5	3.74	4.24
	500	**5**	**95**	**42.41**

Please note:

1. The illustration presumes compliance with the requirements specified in this DRHP in the section titled "Issue Structure" at page 185.
2. Out of 100 million Equity Shares Allotted to QIBs, 5 million (i.e., 5%) will be Allotted on a proportionate basis among five Mutual Fund applicants who applied for 200 million Equity Shares in the QIB Portion.
3. The balance 95 million Equity Shares i.e., 100 -5 (available for Mutual Funds only) will be Allotted on a proportionate basis among 10 QIB Bidders who applied for 500 million Equity Shares (including 5 Mutual Fund applicants who applied for 200 million Equity Shares).
4. The figures in the fourth column entitled "Allocation of balance 95 million Equity Shares to QIBs proportionately" in the above illustration are arrived at as explained below:

    - For QIBs other than Mutual Funds (A1 to A5) = Number of Equity Shares Bid for × 95/495

    - For Mutual Funds (MF1 to MF5) = (No. of shares bid for (i.e., in column II of the table above) less Equity Shares Allotted (i.e., column III of the table above) × 95/495

    - The numerator and denominator for arriving at the allocation of 95 million Equity Shares to the 10 QIBs are reduced by 5 million shares, which have already been Allotted to Mutual Funds in the manner specified in column III of the table above.

Refund orders or instructions to the SCSBs

Our Company shall give credit to the beneficiary account with depository participants within 12 Working Days from the Bid 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 disclosed as eligible to get refunds through direct credit and RTGS. Our Company shall ensure dispatch of refund orders, if any, of value upto Rs. 1,500, by "Under Certificate of Posting", and shall dispatch refund orders 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 Closing Date. Applicants 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 12 Working Days of the Bid Closing Date. In case of ASBA Bidders, the Registrar to the Issue shall instruct the relevant SCSB to unblock the funds in the relevant ASBA Account to the extent of the Bid Amount specified in the ASBA Forms for withdrawn, rejected or unsuccessful or partially successful ASBA Bids within 12 Working Days of the Bid Closing Date.

Interest in case of delay in dispatch of refund orders or instructions to SCSBs

In accordance with the Companies Act, the requirements of the Stock Exchanges and SEBI Regulations, our Company and undertakes that:

- Allotment shall be made only in dematerialised form within 12 Working Days from the Bid Closing Date;
- Dispatch of refund orders, except for Bidders who can receive refunds through Direct Credit, NEFT, RTGS or NECS, shall be done within 12 Working Days from the Bid Closing Date;
- Instructions to SCSBs to unblock the funds in the relevant ASBA Account for withdrawn rejected or unsuccessful Bids shall be made within 12 Working Days from the Bid Closing Date.
- They shall pay interest at 15% p.a. if the refund orders have not been dispatched to the Bidders or if, in a case where the refund or portion thereof is made in electronic manner through Direct Credit, NEFT, RTGS or NECS, the refund instructions have not been given to the clearing system in the disclosed manner within 12 Working Days from the Bid Closing Date or if instructions to SCSBs to unblock funds in the ASBA Accounts are not given within 12 Working Days of the Bid Closing Date.

Our Company will provide adequate funds required for dispatch of refund orders or CAN to the Registrar to the Issue. Refunds will be made by cheques, pay orders or demand drafts drawn on any one or more of the Refund Banker(s) and payable at par at places where Bids are received. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

In case of ASBA Bidders, the SCSBs will unblock funds in the ASBA Accounts to the extent of the refund to be made based on instructions received from the Registrar to the Issue.

PAYMENT OF REFUND

Bidders other than ASBA Bidders must note that on the basis of the PAN of the Bidders, Depository Participant's name, DP ID, beneficiary account number provided by them in the Bid cum Application Form, the Registrar to the Issue 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. 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 of refund order or refunds through electronic transfer of funds, as applicable, and any such delay shall be at the Bidders' sole risk and neither our Company, the Registrar to the Issue, Escrow Collection Bank(s), Bankers to the Issue nor the members of the Syndicate shall be liable to compensate the Bidders for any losses caused to the Bidder due to any such delay or liable to pay any interest for such delay.

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 such facility has been made available, except where the applicant, being eligible, opts to receive refund through direct credit, NEFT or RTGS."

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 abovementioned centres and whose refund amount exceeds Rs. 5 million, have the option to receive refund through RTGS. Such eligible

applicants who indicate their preference to receive refund through RTGS are required to provide the IFSC code in the Bid cum Application Form. In the event the same is not provided, refund shall be made through NECS. Charges, if any, levied by the Refund Bank(s) for the same would be borne by our 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 Magnetic Ink Character Recognition (MICR), if any, available to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the applicants have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the applicants through this method. The process flow in respect of refunds by way of NEFT is at an evolving stage and hence use of NEFT is subject to operational feasibility, cost and process efficiency. The process flow in respect of refunds by way of NEFT is at an evolving stage, hence use of NEFT is subject to operational feasibility, cost and process efficiency. In the event that NEFT is not operationally feasible, the payment of refunds would be made through any one of the other modes as discussed in the sections.

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 relevant SCSB to unblock the funds in the relevant ASBA Account to the extent of the Bid Amount specified in the ASBA Forms for withdrawn, rejected or unsuccessful or partially successful ASBA Bids within 12 Working Days of the Bid Closing Date.

DISPOSAL OF APPLICATIONS AND APPLICATION MONEYS AND INTEREST IN CASE OF DELAY

With respect to Bidders other than ASBA Bidders, our Company 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 and submit the documents pertaining to the Allotment to the Stock Exchanges within 12 Working Days of the Bid Closing Date.

In case of applicants who receive refunds through NECS, direct credit or RTGS, the refund instructions will be given to the clearing system within 12 Working Days from the Bid Closing Date. A suitable communication shall be sent to the bidders receiving refunds through this mode within 12 Working Days of the Bid Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund.

Our Company shall use best efforts to 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 Closing Date.

In accordance with the Companies Act, the requirements of the Stock Exchanges and the SEBI Regulations, our Company further undertakes that:

- Allotment shall be made only in dematerialised form within 12 Working Days of the Bid 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 would be given to the clearing system within 12 Working Days of the Bid Closing Date would be ensured. With respect to the ASBA Bidders, instructions for unblocking of the ASBA Bidder's ASBA Account shall be made within 12 Working Days from the Bid Closing Date.

Our Company shall pay interest at 15% per annum for any delay beyond the 15 Working Days of the Bid 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 time prescribed above.

UNDERTAKINGS BY OUR COMPANY

Our Company undertakes the following:

- That the complaints received in respect of this Issue shall be attended to by our Company expeditiously and satisfactorily;

- 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 Closing Date;

- That funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by our Company;

- That where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 15 Working Days of the Bid 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 CANs to the non-resident Indians 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 arrangements shall be made to collect all ASBA Forms and to consider them similar to non-ASBA applications while finalising the Basis of Allotment.

Withdrawal of the Issue

Our Company in consultation with the BRLMs, reserves the right not to proceed with the Issue anytime after the Bid Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers, in which the pre-Issue advertisements were published, within two days of the Bid Closing Date, providing reasons for not proceeding with the Issue. Our Company shall also inform the same to Stock Exchanges on which the Equity Shares are proposed to be listed.

Any further issue of Equity Shares by our Company shall be in compliance with applicable laws.

If our Company withdraws the Issue after the Bid Closing Date, our Company shall be required to file a fresh draft red herring prospectus with SEBI.

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 our balance sheet indicating the purpose for which such monies have been utilised;

- Details of all unutilised monies out of the Issue, if any shall be disclosed under an appropriate separate head in the balance sheet indicating the form in which such unutilised monies have been invested; and

- Our Company shall not have recourse to the Issue proceeds until the approval for trading of the Equity Shares from all the Stock Exchanges where listing is sought, has been received.

Subscription by foreign investors (NRIs/FIIs)

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. Foreign investment is allowed up to 100% under automatic route in our Company.

India's current FDI Policy issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, GoI ("DIPP") by circular 2 of 2010, with effect from October 1, 2010, consolidates and supercedes all previous press notes, press releases and clarifications on FDI issued by the DIPP.

By way of Circular No. 53 dated December 17, 2003, the RBI has permitted FIIs to subscribe to shares of an Indian company in a public offer without the prior approval of the RBI, so long as the price of the equity shares to be issued is not less than the price at which the equity shares are issued to residents.

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 FDI Policy and transfer does not attract the provisions of the Takeover Code (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 SEBI/RBI.

There is no reservation for Eligible NRIs and FIIs registered with SEBI. All Eligible NRIs and FIIs will be treated on the same basis with other categories for the purpose of allocation.

The Equity Shares have not been and will not be registered under the Securities Act or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. Persons" (as defined in Regulation S under the Securities Act), except pursuant to an exemption from or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered or sold outside the United States in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions where those offers and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Bidders. Our Company and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this DRHP. 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 THE ARTICLES OF ASSOCIATION

Pursuant to Schedule II of the Companies Act and the SEBI Regulations, the main provisions of our Articles relating to, inter alia, voting rights, dividend, lien, forfeiture, restrictions on transfer and transmission of Equity Shares or debentures and/or on their consolidation/splitting are detailed below. Please note that each provision herein below is numbered as per the corresponding article number in our Articles and capitalized/defined terms herein have the same meaning given to them in our Articles.

Capital			
4		The Authorised Share Capital of the Company shall be as per paragraph V of the Memorandum of Association of the Company with rights to alter the same in whatever way as deemed fit by the Company. The Company may increase the Authorised Capital which may consist of Equity and/or Preference Shares as the Company in General Meeting may determine in accordance with the law for the time being in force relating to Companies with power to increase or reduce such capital from time to time in accordance with the Regulations of the Company and the legislative provisions for the time being in force in this behalf and with power to divide the shares in the capital for the time being into Equity Share Capital or Preference Share Capital and to attach thereto respectively any preferential, qualified or special rights, privileges or conditions and to vary, modify and abrogate the same in such manner as may be determined by or in accordance with these presents.	
	(a)	Neither the original capital nor any increased capital shall be of more than two kinds, namely Equity share capital –	
	(b)	with equal voting rights; or	
	(c)	with differential rights as to dividend, voting or otherwise in accordance with the rules and regulations and subject to such conditions as may be prescribed from time to time	
		Preference share capital as defined in Section 85 of the Act.	
		Each Share of each class of Equity Shares has a par value of ten Rupees INR 10 and the following rights: (a) Each Equity Shares held by the Promoters and the Other Shareholders is entitled to one (1) vote on all matters required to be brought before the Shareholders for resolution pursuant to these Articles and the Act ("Vote") and is entitled to participate in Dividends declared by the Company. (b) Each Share is entitled to one (1) Vote and is entitled to Dividend and all other economic benefits as payable to the Promoters and the Other Shareholders.	
Increase Reduction And Alteration Of Capital			
5		The Company may from time to time in general meeting increase its share capital by the issue of new shares of such amounts as it thinks expedient.	
Power to issue shares			
	(a)	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 either out of the unissued capital or out of the increased share capital then:	
	(i)	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;	
	(ii)	such offer shall be made by a notice specifying the number of shares offered and limiting a time not less than fifteen days from the date of the offer and the offer if not accepted, will be deemed to have been declined;	
	(iii)	the offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to them in favour of any other person and the notice referred to in sub clause (ii) hereof shall contain a statement of this right; Provided that the Directors may decline, without assigning any reason to allot any shares to any person in whose favour any member may, renounce the shares offered to him; and	
	(iv)	After 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 of Directors may dispose off them in such manner and to such person(s) as they may think fit, in their sole discretion;	
	(b)	Notwithstanding anything contained in sub-clause a(i) thereof, the further shares aforesaid may be offered to any persons (whether or not those persons include the persons referred to in clause (i) of sub-clause (a) hereof) in any manner whatsoever:	
	(i)	if a special resolution to that effect is passed by the Company in General Meeting; or	
	(ii)	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.	
	(c)	Nothing in sub-clause (iii) of (a) hereof shall be deemed:	
	(i)	to extend the time within which the offer should be accepted; or	
	(ii)	to authorise 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.	
	(d)	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 debenture 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 (whether such option is conferred in these Articles or otherwise)	
		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:	
	(i)	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	
	(ii)	in the case of debentures or loans other than debentures issued to, or loans obtained from 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.	
	Directors may allot shares as fully paid up		
	(a)	Subject to the provisions of the Act and these Articles, the Directors may issue and allot shares in the capital of the Company on payment or part payment for any property or assets of any kind whatsoever sold or transferred, goods or machinery supplied or for services rendered to the company in the conduct of its business and any shares which may be so allotted may be issued as fully paid up or partially paid up otherwise than in cash, and if so issued, shall be deemed to be fully paid up or partly paid up shares as the case may be.	
	Same as original capital		
	(b)	Except so far as otherwise provided by the conditions of issue or by these presents, any capital raised by the creation of new shares shall be considered as part of the original capital and shall be subject to the provisions herein contained with reference to the payment of calls, installments, transfers, transmission, forfeiture, lien, surrender, voting and otherwise.	
	Power to issue Redeemable Preference Shares		
	(c)	Subject to the provisions of Section 80 of the Act and subject to the provisions on which any shares may have been issued, the Company may issue preference shares, which are or at the option of the Company are liable to be redeemed;	
		Provided that:	
	(a)	no such shares shall be redeemed except out of the profits of the Company which would otherwise be available for dividend or out of the proceeds of a fresh issue of Shares made for the purpose of redemption;	
	(b)	No such shares shall be redeemed unless they are fully paid;	
	(c)	The premium, if any, payable on redemption shall have been provided for out of the profits of the Company or out of the Company's share premium account before the shares are redeemed.	
	(d)	Where any such shares are redeemed otherwise than out of the proceeds of a fresh issue, there	

		shall, out of profits which would otherwise have been available for dividend, be transferred to a reserve fund, to be called "the capital redemption reserve account", a sum equal to the nominal amount of the shares redeemed; and the provisions of the Act relating to the reduction of the share capital of the Company shall, except as provided in Section 80 of the Act, apply is if the capital redemption reserve account were paid up share capital of the Company.	
	(e)	Subject to the provisions of Section 80 of the Act and subject to the provisions on which any shares may have been issued, the redemption of preference shares may be effected on such terms and in such manner as may be provided in these Articles or by the terms and conditions of their issue and subject thereto in such manner as the Directors may think fit.	
	(f)	The redemption of preference shares under these provisions by the company shall not be taken as reducing the amount of its Authorised Share Capital.	
	(g)	Where in pursuance of this Article, the Company has redeemed or is about to redeem any preference shares, it shall have power to issue shares upto the nominal amount of the shares redeemed or to be redeemed as if those shares had never been issued; and accordingly the Share Capital of the Company shall not, for the purpose of calculating the fees payable under Section 611 of the Act, be deemed to be increased by the issue of shares in pursuance of this clause	
	(h)	Provided that where new shares are issued before redemption of the old shares, the new shares shall not so far as relates to stamp duty be deemed to have been issued in pursuance of this clause unless the old shares are redeemed within one month after the issue of the new shares.	
	(i)	The Capital Redemption Reserve Account may, notwithstanding anything in this Article, be applied by the Company, in paying up un-issued shares of the Company to be issued to members of the Company as fully paid bonus shares.	
Provision is case of redemption of Preference Shares			
6.		The Company shall be at liberty at any time, either at one time or from time to time as the Company shall think fit, by giving not less than six months' previous notice in writing to the holders of the preference shares to redeem at par the whole or part of the preference shares for the time being outstanding, by payment of the nominal amount thereof with dividend calculated upto the date or dates notified for payment (and for this purpose the dividend shall be deemed to accrue and due from day to day) and in the case of redemption of part of the preference shares the following provisions shall take effect:	
	(a)	The shares to be redeemed shall be determined by drawing of lots which the Company shall cause to be made at its registered office in the presence of one Director at least; and	
	(b)	Forthwith after every such drawing, the Company shall notify the shareholders whose shares have been drawn for redemption its intention to redeem	

		such shares by payment at the registered office of the Company at the time and on the date to be named against surrender of the Certificates in respect of the shares to be so redeemed and at the time and date so notified each such shareholder shall be bound to surrender to the Company the Share Certificates in respect of the Shares to be redeemed and thereupon the Company shall pay the amount payable to such shareholders in respect of such redemption. The shares to be redeemed shall cease to carry dividend from the date named for payment as aforesaid. Where any such certificate comprises any shares which have not been drawn for redemption, the Company shall issue to the holder thereof a fresh certificate therefore.	
Power to Issue Sweat Equity Shares			
7		The Board shall have a power to issue sweat equity shares in manner and subject to conditions contained in section 79 (A) of the Act.	
Reduction of Capital			
8		The Company may from time to time by special resolution, subject to confirmation by the Court and subject to the provisions of Sections 78, 80 and 100 to 104 of the Act, reduce its share capital and any Capital Redemption Reserve Account or premium account in any manner for the time being authorised by law and in particular without prejudice to the generality of the foregoing power may be:	
	(a)	extinguishing or reducing the liability on any of its shares in respect of Share Capital not paid up;	
	(b)	either with or without extinguishing or reducing liability on any of its shares, cancel paid up share capital which is lost or is unrepresented by available assets; or	
	(c)	either with or without extinguishing or reducing liability on any of its shares, pay off any paid up share capital which is in excess of the wants of the Company;	
		and may, if and so far as is necessary, after its Memorandum by reducing the amount of its share capital and of its shares accordingly.	
Division, Sub-Division, Consolidation, and Cancellation of Shares			
9		Subject to the provisions of Section 94 of the Act, the Company in general meeting may, from time to time, sub-divide or consolidate its shares, or any of them, and the resolution whereby any share is subdivided, may determine that, as between the holders of the shares resulting from such sub-division, one or more of such shares shall have some preference or special advantage as regards dividend, capital or otherwise over or as compared with the other or others. Subject as aforesaid the Company in general meeting may also cancel shares which have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.	
10		Subject to the provisions of Section 94 of the Act, the Company in general meeting may by an ordinary resolution alter the conditions of its Memorandum as follows, that is to say, it may:	

	(a)	consolidate and divide all or any of its Share Capital into shares of larger amount than its existing shares;	
	(b)	sub-divide its shares or any of them into shares of smaller amount than originally fixed by the Memorandum subject nevertheless to the provisions of the Act in that behalf and so however that in the sub-division the proportion between the amount paid and the amount if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived and so that as between the holders of the shares resulting from such sub-division one or more of such shares may, subject to the provisions of the Act, be given any preference or advantage over the others or any other such shares.	
	(c)	convert, all or any of its fully paid up shares into stock, and re-convert that stock into fully paid up shares of any denomination.	
	(d)	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 share capital by the amount of the shares so cancelled.	
Notice to Registrar of Consolidation of Share Capital, Conversion of shares into stocks etc.			
11.		If the Company has : a) consolidated and divided its Share Capital into shares of larger amount than its existing shares; b) converted any shares into stock; c) reconverted any stock into shares; d) sub-divided its share or any of them; e) redeemed any redeemable preference shares; or f) Cancelled any shares otherwise than in connection with a reduction of Share Capital under Sections 100 to 104 of the Act.	
		The Company shall within one month after doing so, give notice thereof to the Registrar specifying as the case may be, the shares consolidated, divided, converted, sub-divided, redeemed or cancelled or the stocks reconverted. The Company shall thereupon request the Registrar to record the notice and make any alterations which may be necessary in the Company's Memorandum or Articles or both.	
Modification of rights			
12		If at any time the share capital by reason of the issue of Preference Share or otherwise, is divided into different classes of shares, all or any of the rights and privileges attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of Sections 106 and 107 of the Act and whether or not the Company is being wound up, be varied, modified, commuted, affected or abrogated with the consent in writing of the holders of three-fourths in nominal value of the issued shares of that class or with the sanction of a Special Resolution passed at a separate general meeting of	

		the holders of the shares of that class. This Article shall not derogate from any power which the Company would have if this Article is omitted. The provisions of these Articles relating to general meetings shall mutais mutandis apply to every such separate meeting but so that if at any adjourned meeting of such holders a quorum as defined in Articles 102 is not present, those persons who are present shall be quorum.	
Issue of further shares not to affect right of existing shareholders			
13		The rights or privileges conferred upon the holders of the shares of any class issued with preference or other rights, shall not unless otherwise be deemed to be varied or modified or affected by the creation or issue of further shares ranking pari passu therewith.	
Provisions of Sections 85 to 88 of the Act to apply			
14		The provisions of Sections 85 to 88 of the Act in so far as the same may be applicable shall be observed by the Company.	
	(a)	The Company shall cause to be kept a Register of Members and an Index of Members in accordance with Sections 150 and 151 of the Act and Register and Index of Debenture holders in accordance with Section 152 of the Act. The Company may also keep a foreign Register of Members and Debenture holders in accordance with Section 157 of the Act.	
	(b)	The Company shall also comply with provisions of Sections 159 and 161 of the Act as to filling of Annual Returns.	
	(c)	The Company shall duly comply with the provisions of Section 163 of the Act in regard to keeping of the Registers, Indexes, copies of Annual Returns and giving inspection thereof and furnishing copies thereof.	
Shares			
16		The shares in the Capital shall be numbered progressively according to the several denominations and except in the manner hereinbefore mentioned no share shall be subdivided. Every forfeited or surrendered share shall continue to bear the number by which the same was originally distinguished.	
17		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 compliance with the provisions 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 general meeting to give to any person the option to call for any shares either at par or at a 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 for any property sold and transferred or for services rendered to the Company in the conduct of its business and any shares which may be so allotted may be issued as fully paid up shares and	

		if so issued, shall be deemed to be fully paid shares.	
		Subject to the compliance of provisions of section 81(1)(A) or any other provisions of the Company read with the rules or regulations and guidelines framed there under, if any, the Company have an authority to create, other, issue or allot to or for the benefit of any person(s) or Company(ies) or body(ies) corporate including Promoters or Directors or relatives and friends of Directors or employees of the Company, shares of securities of any kind whether convertible or non-convertible into shares, or warrants giving an option to holder thereof to subscribe to shares or securities of any kind whether convertible or non-convertible into shares, on such terms and conditions including condition as to price as may be determine by the general meeting authorizing issue/offer and allotment of such shares or securities on preferential basis or private placement basis or in any manner and where no such terms and conditions determined by the general meeting, on such terms and conditions including the conditions as to price as may be determined by the Board of Directors.	
	(a)	The shares or other interest of any member in the Company shall be a movable property, transferable in the manner provided by the Articles.	
	(b)	Each share in the Company shall be distinguished by its appropriate number.	
	(c)	A Certificate under the Common Seal of the Company, specifying any shares held by any member shall be prima facie, evidence of the title of the member of such shares.	
18		Where the Company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount or value of the premium on those shares shall be transferred to an account to be called "the share premium account" and the provisions of the Act relating to the reduction of the Share Capital of the Company shall except as provided in this Article, apply as if the share premium account were paid up share capital of the Company.	
		The Share premium account may, notwithstanding, anything in clause (a) above, be applied by the Company:	
	(a)	in paying up un-issued shares of the Company to be issued to members of the company as fully paid bonus shares;	
	(b)	in writing off the preliminary expenses of the Company;	
	(c)	in writing off the expenses of, or the commission paid or discount allowed on, any issue of shares or debentures of the company; or	
	(d)	in providing for the premium payable on the redemption of any redeemable preference shares or of any debenture of the Company.	
19		If and whenever, as the result of issue of new or further shares or any consolidation or sub-division of shares, any share are held by members in fractions, the Directors shall, subject to the provisions of the Act and the Articles and to the	

		directions of the Company in general meeting, if any, sell those shares, which members hold in fractions, for the best price reasonably obtainable and shall pay and distribute to and amongst the members entitled to such shares in due proportion, the net proceeds of the sale thereof. For the purpose of giving effect to any such sale the Directors may authorise any person to transfer the shares sold to the purchaser thereof, comprised in any such transfer and he shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.	
20		An 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 of Members shall for the purpose of these Articles be a member. The Director shall comply with the provisions of Sections 69, 70, 71, 72 and 73 of the Act in so far as they are applicable.	
Power of Company to purchase its own Securities			
21		Notwithstanding anything contained in the Act, but subject to the provision of Sub-section (2) and Section 77 B of the Act, the Company shall have power to purchase its own shares or other specified securities (Referred to as Buy-Back) from.	
	(a)	Out of free Reserve or,	
	(b)	Out of Share Premium Account or,	
	(c)	Out of proceeds of an earlier Issue other than fresh Issue of share made specifically for the purpose of Buy-Back Shares.	
Deposits and calls etc, to be a debt payable immediately			
22		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, immediately, on the insertion of the name of the 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.	
Trusts not recognised			
23		Save as herein provided, the Company shall be entitled to treat the person whose name appears on the Register of Members as the holder of any share as the absolute owner thereof, and accordingly shall not (except as ordered by a Court of competent jurisdiction or as by law required) be bound to recognise any benami, trust of equity or equitable, contingent, future, or partial or other claim or claims or right to or interest in such share on the part of any other person whether or not it shall have express or implied notice thereof and the provisions of Section 153 of the Act shall apply.	
Issue of Certificate of Shares to be governed by Section 84 of the Act etc.			
24	(a)	The issue of certificates of shares or of duplicate	

		or renewal of certificates of Shares shall be governed by the provisions of Section 84 and other provisions of the Act, as may be applicable and by the Rules or notifications or orders, If any, which may be prescribed or made by competent authority under the Act or Rules or any other law. The Directors may also comply with the provisions of such rules or regulations of any stock exchange where the shares of the Company may be listed for the time being.	
Certificate of Shares			
25	(a)	The certificate of title to shares shall be issued under the Seal of the Company and shall be signed by such Directors or Officers or other authorised persons as may be prescribed by the Rules made under the Act from time to time and subject thereto shall be signed in such manner and by such persons as the Directors may determine from time to time.	
	(b)	The Company shall comply with all rules and regulations and other directions which may be made by any competent authority under Section 84 of the Act.	
Limitation of time of issue of certificate			
26	(a)	Every member shall be entitled, without payment, to one Certificate for all the Shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as the Directors may from time to time determine) to several certificates, each for one or more of such shares and the Company shall complete and have ready for delivery such Certificates within three months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within two months of the receipt of application for registration of transfer, transmission, sub-division, consolidation or renewal of any of its shares as the case may be.. Every certificate of shares shall be under the seal of the Company and shall specify the number and distinctive numbers of the shares in respect of which it is issued and the amount paid up thereon and shall be in such form as the Director shall prescribe or approve provided that in respect of a Share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate and delivery of a certificate of shares to one of several joint holders shall be sufficient delivery to all such holders.	
	(b)	Any two or more joint allottees of shares shall, for the purpose of this Article, be treated as a single member, and the certificate of any shares which may be the subject of joint ownership, may be delivered to anyone of such joint owners on behalf of all of them. The Company shall comply with the provisions of Section 113 of the Act.	
	(c)	A Director may sign a share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means, such as engraving in metal or lithography, but not by means of a rubber stamp provided that the Director shall be responsible for the safe custody of such machine, equipment or other material used for the purpose.	
	(d)	The Company shall not entertain any application	

		for split of share/debenture certificate for less than 10 (Ten) Equity shares/10 (Ten) debentures (all relating to the same series) in market lots as the case may be. Provided however this restriction shall not apply to an application made by the existing member or debenture holder for split of share/debenture certificates with a view to make an odd lot holding into a marketable lot subject to verification by the Company.	
	(e)	Notwithstanding anything contained in Clause (a) above the Directors shall, however, comply with such requirements of the Stock Exchange where Shares of the Company may be listed or such requirements of any rules made under the Act or such requirements of the Securities Contracts (Regulation) Act, 1956 as may be applicable.	
Issue of new certificate in place of one defaced, lost or destroyed			
27		If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any Certificate be lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deem adequate, being given, a new Certificate in lieu thereof shall be given to the party entitled to such lost or destroyed Certificate. Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer. Out-of-pocket expenses incurred by the Company in investigating the evidence as to the loss or destruction shall be paid to the Company if demanded by the Directors.	
		Provided that notwithstanding what is stated above the Directors shall comply with such Rules or Regulations or requirements of any Stock Exchange or the Rules made under the Act or the Rules made under Securities Contract (Regulation) Act, 1956 or any other Act, or Rules applicable in this behalf.	
		The provisions of the Articles under this heading shall mutatis mutandis apply to debentures of the Company.	
Director may make calls			
30		The Directors may from time to time and subject to Section 91 of the Act and subject to the terms on which any shares/debentures 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 calls as they think fit upon the members/debenture holders in respect of all moneys unpaid on the shares/debentures held by them respectively and such member/debenture holders shall pay the amount of every call so made on him to the persons and at the times and places appointed by the Directors. A call may be made payable by installments. A call may be postponed or revoked as the Board may determine.	

Calls			
31		A call shall be deemed to have been made at the time when the resolution of the Directors authorising such call was passed and may be made payable by members/debenture holders on a subsequent date to be specified by the Directors.	
32		Thirty days notice in writing shall be given by the Company of every calls made payable otherwise than on allotment specifying the time and place of payment provided that before the time of payment of such call, the Directors may by notice in writing to the members/debenture holders revoke the same.	
33		The Directors may, from time to time, at their discretion, extend the time fixed for the payment of any call, and may extend such time as to all or any of the members/debenture holders who from residence at a distance or other cause, the Directors may deem fairly entitled to such extension, but no member/debenture holder shall be entitled to such extension, save as a matter of grace and favour	
34		Any sum, which by the terms of issue of share/debenture becomes payable on allotment or at any fixed date whether on account of the nominal value of the share/debenture 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 becomes 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	
35		If by the condition of allotment of any shares the whole or part of the amount of issue price thereof shall be payable by installments, every such installment shall, when due, be paid to the Company by the person who, for the time being and from time to time, shall be the registered holder of the share of his legal representative.	
36		Where any calls for further Share Capital are made on shares, such calls shall be made on a uniform basis on all shares falling under the same class. Explanation: For the purpose of this provision, shares of the same nominal value on which different amounts have been paid up shall not be deemed to fall under the same class.	
37		The joint holders of a share shall be severally as well as jointly liable for the payment of all installment and calls due in respect of such shares.	
38		If the sum payable in respect of any call or installment be not paid on or before the day appointed for payment thereof or any such extension thereof, the holder for the time being or allottee of the share in respect of which a call shall have been made or the installment shall be due, shall pay interest as shall be fixed by the Board from the day appointed for the payment thereof or any such extension thereof to time of actual payment but the Directors may waive payment of such interest wholly or in part.	

39		Neither a judgment nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereof nor the receipt by the Company of a portion of any money which shall from time to time be due from any member in respect of any shares either by way of principal or interest nor any indulgence granted by the Company in respect of payment of any such money shall preclude the forfeiture of such shares as herein provided.	
40		On the trial or hearing of any action or suit brought by the Company against any member or his legal representative for the recovery of any money claimed to be due to the Company in respect of any shares it shall be sufficient to prove that the name of the member in respect of whose shares the money is sought to be recovered appears in the Register of Members as the holder or one of the holders, at or subsequent to the date at which the money sought to be recovered is alleged to have become due, of the shares in respect of which such money is sought to be recovered, and that the resolution making the call is duly recorded in the Minutes Book; and that the notice of such call was duly given to the member or his representatives, sued in pursuance of these presents; and it shall not be necessary to prove the appointment of the Directors who made such calls nor that a quorum of Directors was present at the Board at which any call was made, nor that the meeting at which any call was made was duly convened or constituted nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.	
41	(a)	The Directors may, if they think fit, subject to the provision 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 or any 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, to the member paying such sum in advance and the Directors agree upon provided that money paid in advance of calls not confer a right to participate in profits or dividends. The Directors may at any time repay the amount so advanced.	
	(b)	The member shall not however 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.	
Term of issue of Debenture			
42		Any debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending (but not voting) at	

		the General Meetings, appointment of Directors and otherwise. Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in the General Meeting by a Special Resolution.	
Lien			
43		The Company shall have first and paramount lien upon all the shares/debentures (other than fully paid up shares/debentures) registered in the name of each member/debenture holder (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 a fixed time in respect of such shares/debentures and no equitable interest in any shares/debentures 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 share/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 the provisions of this Clause	
44		For the purpose of enforcing such lien, the Board may sell the shares/debentures subject thereto in such manner as they shall think fit, and for that purpose may cause to be issued a duplicate certificate in respect of such shares and/or debentures and may authorise one of their member or appoint any officer or agent to execute a transfer thereof on behalf of and in the name of such member/debenture holder. No sale shall be made until such period, as may be stipulated by the Board from time to time, and until notice in writing of the intention to sell shall have been served on such member and/or debenture holder or his legal representatives 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.	
45	(a)	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 like lien for sums not presently payable as existed upon the shares before the sale) be paid to the persons entitled to the shares and/or debentures at the date of the sale.	
	(b)	The Company shall be entitled to treat the registered holder of any share or debenture as the absolute owner thereof and accordingly shall not (except as ordered by a Court of competent jurisdiction or by statute required) be bound to recognise equitable or other claim to, or interest in, such shares or debentures on the part of any other person. The Company's lien shall prevail notwithstanding that it has received notice of any such claims.	
Forfeiture			
46	(a)	If any member or debenture holder fails to pay the whole or any part of any call or installment or any	

		money due in respect of any share or debentures either by way of principal or interest on or before the day appointed for the payment of the same or any such extension thereof as aforesaid, the Directors may at any time thereafter, during such time as the call or any installment or any part thereof or other moneys remain unpaid or a judgment or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on such member or debenture holder or on the person (if any) entitled to the share by transmission requiring him to pay such call or installment or such part thereof or other moneys as remain unpaid 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.	
	(b)	The notice shall name a day not being less than one month from the date of the notice and a place or places, on and at which such call, or installment or such part or other moneys as aforesaid and such interest and expenses as aforesaid are to be paid. The notice shall also state that in the event of non payment of call amount with interest at or before the time and at the place appointed, the shares or debentures in respect of which the call was made or installment or such part or other moneys is or are payable will be liable to be forfeited.	
47		If the requirements of any such notice as aforesaid are not complied with any share/debenture in respect of which such notice has been given, may at any time thereafter before payment of all calls or installments, interest and expenses or other moneys due in respect thereof, be forfeited by a resolution of the Directors to that effect. Neither the receipt by the Company of a portion of any money which shall from time to time be due from any member of 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 a forfeiture of such shares as herein provided. Such forfeiture shall include all dividends declared or interest paid or any other moneys payable in respect of the forfeited shares or debentures and not actually paid before the forfeiture.	
48		When any shares/debenture shall have been so forfeited, notice of the forfeiture shall be given to the member or debenture holder in whose name in stood, immediately prior to the forfeiture and an entry of the forfeiture with the date thereof, shall forthwith be made in the Register of members or debenture holders but no forfeiture shall be invalidated by any omission or neglect or any failure to give such notice or make such entry as aforesaid.	
49		Any share or debenture so forfeited shall be deemed to be the property of the Company, and may be sold, re-allotted or otherwise disposed of either to the original holder or to any other person upon such terms and in such manner as the Directors shall think fit.	
50		The Directors may, at any time, before any share	

		or debenture so forfeited shall have been sold, re-allotted or otherwise disposed of, annul forfeiture thereof upon such conditions as they think fit.	
51		Any member or debenture holder whose shares or debentures have been forfeited shall, notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company, all calls, installments, interest expenses and other money owing upon or in respect of such shares or debentures at the time of the forfeiture together with interest thereon from the time of the forfeiture until payment at such rate as the Directors may determine, and the Directors may enforce the payment of the whole or a portion thereof, if they think fit, but shall not be under any obligation to do so.	
52		The forfeiture of a share or debenture shall involve extinction at the time of forfeiture, of all interest in and all claims and demands against the Company, in respect of the share or debenture and all other rights incidental to the share or debenture, except only such of those rights as by these Articles are expressly saved	
53		A Certificate in writing under the hand of one Director and counter signed by the Secretary or any other officer authorised by the Directors for the purpose, that the call in respect of a Share or debenture was made and notice thereof given and that default in payment of the call was made and that the forfeiture of the share or debenture was made by the resolution of Directors to that effect shall be conclusive evidence of the facts stated therein as against all persons entitled to such share or debenture.	
54		Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinabove given, the Directors may, if necessary, appoint some person to execute an instrument of transfer of the shares or debentures sold and cause the purchaser’s name to be entered in the Register of members or Register of debenture holders in respect of the shares or debentures sold, and the purchaser shall not be bound to see to the regularity of the proceedings, or to the application of the purchase money and after his name has been entered in the Register of members or debenture holders in respect of such shares or debentures the validity of the sale shall not be impeached by any person, and the remedy of any person aggrieved by the sale shall be for damages only and against the Company exclusively.	
55		Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate/s originally issued in respect of the relative shares or debentures shall (unless the same shall on demand by the Company has been previously surrendered to it by the defaulting member or debenture holder) stand cancelled and become null and void and be of no effect, and the Directors shall be entitled to issue a duplicate certificate/s in respect of the said shares or debentures to the person/s entitled thereto.	
56		The Company may receive the consideration, if any, given for the share or debenture on any sale,	

		re-allotment of other disposition thereof, and the person to whom such share or debenture is sold, re-allotted or disposed of may be registered as the holder of the share or debenture and shall not be bound to see to the application of the consideration, if any, nor shall his title to the share or debenture be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or other disposal of the share or debenture.	
Surrender of Shares or Debentures			
57		The Directors may, subject to the provisions of the Act, accept a surrender of any share or debenture from or by any member or debenture holder desirous of surrendering them on such terms as they think fit.	
Transfer and Transmission of shares			
58		The company shall keep a book to be called the "Register of Transfers" and therein shall be fairly and distinctly entered the particulars of every transfer or transmission of any share.	
59		A common form of transfer shall be used. The instrument of transfer shall be in writing and all the provisions of Section 108 of the Act and statutory modification thereof for the time being, shall be duly complied with in respect of all transfer of shares and registration thereof.	
60		Every such instrument of transfer shall be signed both by the transferor and transferee and the transferor shall be deemed to remain the holder of such share until the name of the transferee is entered in the Register of Members in respect thereof.	
61	(a)	Subject to the provisions of Section 111 of the Act and Section 22A of the Securities Contracts (Regulation) Act, 1956, the Directors may, at their own absolute and uncontrolled discretion and by giving reasons, decline to register or acknowledge any transfer of shares whether fully paid or not and the right of refusal, shall not be affected by the circumstances that the proposed transferee is already a member of the Company but in such cases Directors shall within one month from the date on which the instrument of transfer was lodged with the Company, send to the transferee and transferor notice of the refusal to register such transfer provided that registration of 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 when the Company has a lien on the shares. However, no transfer of shares/debentures shall be refused on the ground of them not being held in marketable lots.	
	(b)	Nothing in Sections 108, 109 and 110 of the Act shall prejudice this power to refuse to register the transfer of or the transmission on legal documents by operation of law of the rights to, any shares or interest of a member in, any shares or debentures of the Company.	
62	(a)	An application of registration of the transfer of shares may be made either by the transferor or the transferee provided that where such application is made by the transferor, no registration shall in the	

		case of partly paid shares be effected unless the Company gives notice of the application to the transferee and subject to the provisions of Clause (d) of this Article, the Company shall unless objection is made by the transferee within two weeks from the date of receipt of the notice, enter in the Register of members the name of the transferee in the same manner and subject to the same conditions as if the application for registration was made by the transferee.	
	(b)	For the purpose of clause (a) above notice to the transferee shall be deemed to have been duly given if sent by prepaid registered post to the transferee at the address given in the instrument of transfer and shall be deemed to have been duly delivered at the time at which it would have been delivered to him in the ordinary course of post.	
	(c)	It shall not be lawful for the Company to register a transfer of any shares unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee and specifying the name, address and occupation if any, of the transferee has been delivered to the Company alongwith the Certificate relating to the shares and if no such Certificate is in existence, alongwith the letter of allotment of shares. The Directors may also call for such other evidence as may reasonably be required to show the right of the transferor to make the transfer provided that where it is proved to the satisfaction of the Directors of the Company that an instrument of transfer signed by the transferor and the transferee has been lost, the Company may, if the Directors think fit, on an application in writing made by the transferee and bearing the stamp required by an instrument of transfer register the transfer on such terms as to indemnity as the Directors may think fit.	
	(d)	Nothing in clause (c) above shall prejudice any power of the company to register as shareholder any person to whom the right to any share has been transmitted by operation of law.	
	(e)	The company shall accept all applications for transfer of shares/debentures, however, this condition shall not apply to requests received by the company;	
	(f)	For splitting of a share or debenture certificate into several scripts of very small denominations;	
	(g)	proposals for transfer of shares/debentures comprised in a share/debenture certificate to several parties involving, splitting of a share/debenture certificate into small denominations and that such split/transfer appears to be unreasonable or without any genuine need.	
	(h)	Transfer of Equity shares/debentures made in pursuance of any statutory provision or an order of a competent court of law;	
	(i)	the transfer of the entire Equity shares/debentures by an existing shareholder/debenture holder of the Company holding under one folio less than 10 (ten) Equity Shares or 10 (ten) debentures (all relating to the same series) less than in market lots by a single transfer to a single or joint transferee.	
	(j)	the transfer of not less than 10 (ten) Equity shares	

		or 10 (ten) debentures (all relating to the same series) in favour of the same transferee(s) under two or more transfer deeds, out of which one or more relate(s) to the transfer of less than 10 (ten) Equity Shares/ 10 (ten) debentures.	
	(k)	The transfer of less than 10 (ten) Equity shares or 10 (ten) debentures (all relating to the same series) to the existing share holder/debenture holder subject to verification by the Company.	
	(l)	Provided that the Board may in its absolute discretion waive the aforesaid conditions in a fit and proper case(s) and the decision of the Board shall be final in such case(s).	
	(m)	Nothing in this Article shall prejudice any power of the Company to refuse to register the transfer of any share.	
63	(a)	The instrument of transfer shall after registration be retained by the Company and shall remain in their custody. All instruments of transfer which the Directors may decline to register, shall on demand be returned to the persons depositing the same. The Directors may cause to be destroyed all transfer deeds lying with the Company after such period as they may determine.	
	(b)	Notwithstanding anything contained in these Articles the Company shall be entitled to dematerialise its securities and to offer securities in a dematerialised from pursuant to the Depository Act, 1996.	
	(c)	Every holder of or subscriber to securities of the Company shall have the option to receive security certificates or to hold the securities with a depository. Such a person who is the beneficial owner of the Securities can at any time option out of a Depository, if permitted, by the law, in respect of any security in the manner provided by the Depositories Act, 1996 and the Company shall in the manner and within the time prescribed, issued to the beneficial owner the required Certificates for the Securities. If a person options to hold its Security with Depositary, the Company shall intimate such depository the details of allotment of the Security.	
	(d)	All securities of the Company held by the Depository shall be dematerialised and be in fungible form. Nothing contained in Sections 153, 153A, 153B, 187C and 372A of the Act shall apply to a Depository in respect of the Securities of the Company held by it on behalf of the beneficial owners	
	(e)	Notwithstanding anything to the contrary contained in the Act a Depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of Security of the Company on behalf of the beneficial owner. a) Save as otherwise provided in (i) above, the depository as the registered owner of the Securities shall not have any voting rights or any other rights in respect of the Securities held by it.	

		b) Every person holding Securities of the Company and whose name is entered as the beneficial owner in the record 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.	
	(f)	Notwithstanding anything contained in the Act to the contrary, where Securities of the Company are held in depository, the records of the beneficial ownership may be served by such depository to the Company by means of electronic mode or by delivery of floppies or discs.	
	(g)	Nothing contained in Section 108 of the Act, shall apply to a transfer of Securities effect by a transferor and transferee both of whom are entered as beneficial owners in the record of a depository.	
	(h)	Notwithstanding anything contained in the Act, where Securities are dealt with by a depository the Company shall intimate the details thereof to the depository immediately on allotment of such securities.	
	(i)	The company shall cause to be kept at its Registered Office or at such other place as may be decided, Register and Index of Members in accordance with Sections 150 and 151 and other applicable provisions of the Act and the Depositories Act, 1996 with the details of Shares held in physical and dematerialised forms in any media as my be permitted by law including in any form of electronic media. The Register and Index of beneficial owners maintained by a-depository under Section 11 of the Depositories Act, 1996 shall be deemed to be the Register and Index of Members for the purpose of this Act. The Company shall have the power to keep in any state or country outside India, a Register of Members for the residents in that state or Country.	
	(j)	In case of transfer of shares, debentures and other marketable securities, where the Company has not issued any certificate and where such shares, debentures or securities are being held in an electronic and fungible form with a Depository, the provisions of the Depositories Act, 1996 shall apply.	
	Buy – Back of Shares		
	(k)	Subject to and in full compliance of the requirements of Section 77 A, 77AA and 77 B of the Companies Act, 1956 or corresponding provisions of any re-enactment thereof and any Rules and regulations that may be prescribed by the Central Government, the Securities and Exchange Board of India {SEBI} or any other appropriate authority in this regard, the Company, upon a resolution at the Board or a Special Resolution at a General Meeting authorize Buy Back of any part of the Share Capital of the Company fully paid on that date.	
64		The Board shall have power on giving not less than seven days' previous notice by advertisement in some newspaper circulating in the district in which the office of the Company is situate, to close the Transfer books, the Register of members or Register of debenture holders at such time or	

		times and for such period or periods, not exceeding thirty days at a time and not exceeding in the aggregate forty five days in each year.	
65		Only fully paid shares or debentures shall be transferred to a minor acting through his/her legal or natural guardian. Under no circumstances, shares or debentures be transferred to any insolvent or a person of unsound mind.	
66		The executors or administrators of a deceased member (not being one or two or more joint holders) or the holder of a deceased member (not being one or two or more joint holders) shall be the only persons whom the Company will be bound to recognise as having any title to the shares registered in the name of such member, and the company shall not be bound to recognise such executors or administrators or the legal representatives unless they shall have first obtained Probate or Letters of Administration or a Succession Certificate, as the case may be, from a duly constituted competent Court in India, provided that in any case where the Directors in their absolute discretion think fit, the Directors may dispense with the production of Probate or Letter of Administration or a Succession Certificate upon such terms as to indemnity or otherwise as the Directors in their absolute discretion may think necessary and under Article 70 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.	
67	(A)	Subject to the provisions of Articles 67 and 77 (d), any person becoming entitled to any share in consequence of the death, lunacy, bankruptcy or insolvency of any member or by any lawful means other than by a transfer in accordance with these presents, may with the consent of the Directors (which they shall not be under any obligation to give) upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of such titles as the Directors shall think sufficient, either be registered himself as a member in respect of such shares or elect to have some person nominated by him and approved by the Directors registered as a member in respect of such shares. Provided nevertheless that if such person shall elect to have his nominee registered he shall testify his election by executing in favour of his nominee an instrument of transfer in accordance with provisions herein contained and until he does so, he shall not be free from any liability in respect of such shares.	
	(B)	A transfer of the shares or other interest in the Company of a deceased member thereof made by his legal representative shall, although the legal representative is not himself a member be as valid as if he had been a member at the time of the execution of the instrument of transfer.	
	Nomination		
	(C)	Every Shareholder or Debenture-holder or deposit holder of the Company, may at any time, nominate a person to whom his Shares or Debentures or Deposit shall vest in the event of his death in such manner as may be prescribed	

		under the Act, and shall have all powers vested under Section 1098 of the Depository Act, 1996.	
	(a)	Where the Shares of Debentures or deposits of the Company are held by more than one person jointly, joint holders may' together nominate a person to whom all the rights in the Shares or Debentures or Deposits as the case may be shall vest in the event of death of all the joint holders.	
	(b)	Notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise, where a nomination made in the manner aforesaid purpose to confer on any person the right to vest the Shares or Debentures or Deposits, the nominee shall, on the death of the Shareholder or Debenture holder or deposit holder, as the case may be on the death of the joint holders become entitled to all the rights in such Shares or Debentures or Deposits as the case may be, all the joint holders, in relation to such Shares or Debentures or Deposits, to the exclusion of all other persons, unless the nomination is varied or cancelled in the manner as may prescribed under the Act.	
	(c)	Where the nominee is a minor, it shall be lawful for the holder of the Shares or Debentures or Deposits, to make the nomination to appoint any person to become entitled to Share in, or Debentures or deposits of, the Company, in the manner prescribed under the Act, in the event of his death, during the minority.	
68		The person becoming entitled to a share by reason of the death, lunacy, bankruptcy or insolvency of the holder shall be entitled to the same dividends and others advantages to which he would be entitled as if he were registered holder of the shares except that he shall not before being registered as a member in respect of the share, be entitled in respect of it, to exercise any right conferred by membership in relation to the meeting of the Company provided that the Board may at any time give notice requiring any such persons to elect either to be registered himself or to transfer shares and if the notice is not complied within sixty days, the Board may thereafter withhold payment of all dividends, interests, bonuses or other moneys payable in respect of the share until the requirements of the notice have been complied with.	
69		A person entitled to a share by transmission shall, subject to the right of the Directors to retain such dividends, bonuses or moneys as hereinafter provided be entitled to receive, and may give a discharge for any dividends, bonuses or other moneys payable in respect of the share/ debenture.	
70		Article 70 shall not prejudice the provisions of Articles 44 and 55.	
71		The Directors shall have the same right to refuse on legal ground to register a person entitled by transmission to any shares or his nominee as if he were the transferee named in an ordinary transfer presented for registration.	
72		Every transmission of a share shall be verified in such manner as the Directors may require, and the	

		Company may refuse to register any such transmission until the same be so verified or until or unless an indemnity be given to the Company with regard to such registration which the Directors at their discretion shall consider sufficient, provided nevertheless that there shall not be any obligation on the Company or the Directors to accept any indemnity.	
73		No fees shall be charged for registration of transfer, transmission, probate, succession certificate and letters of administration, certificate of death or marriage, power of attorney or similar other documents with the Company.	
74		The Company shall incur no liability or responsibility whatsoever 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 right, title or interest to or in the said shares, notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer and may have entered such notice referred thereto in any book of the Company and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or interest or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in some 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 Directors shall so think fit.	
75		The provisions of these Articles shall mutatis mutandis apply to the transfer or transmission by operation of law, of debentures of the Company.	
Joint Holders			
76		Where two or more persons are registered as the holders of any shares/debentures, they shall be deemed (so far as the Company is concerned) to hold the same as joint tenants with benefits of survivorship subject to the following and other provisions contained in these Articles.	
	(A)	The joint holders of any share/debenture shall be liable severally four persons as the holders of any share/debenture.	
	(B)	In the case of a transfer of shares/ debentures held by joint holders, the transfer will be effective only if it is made by all the joint holders.	
	(C)	The joint holders of any share/debenture shall be liable severally as well as jointly for and in respect of all calls or installments and other payments which ought to be made in respect of such share/debenture.	
	(D)	On the death of any one or more of such joint holders the survivor/ survivors shall be the only person or persons recognised by the company as having any title to the share/debenture, but the Directors may require such evidence of death as they may deem fit, and nothing herein contained shall be taken to release the estate of a deceased	

		joint holder from any liability on shares/debentures held by him jointly with any other person.	
	(E)	Any one of such joint holders may give effectual receipts of any dividends, interests or other moneys payable in respect of such share/debenture.	
	(F)	Only the person whose name stands first in the Register of Members/debenture holders as one of the joint holder of any shares/debentures shall be entitled to the delivery of the certificate relating to such share/debenture or to receive notice (which expression shall be deemed to include all documents as defined in Article (2) (a) hereof and any document served on or sent to such person shall be deemed service on all the joint holders.	
	(G)	Any one of two or more joint holders may vote at any meeting either personally or by attorney or by proxy in respect of such shares as if he were solely entitled thereto and if more than one of such joint holders be present at any meeting personally or by proxy or by attorney then that one of such persons so present whose name stands first or higher (as the case may be) on the Register in respect of such share shall alone be entitled to vote in respect thereof but the other or others of the joint holders shall be entitled to be present at the meeting provided always that a joint holder present at any meeting personally shall be entitled to vote in preference to a joint holder present by Attorney or by proxy although the name of such joint holder present by an Attorney or proxy although the name of such joint holder present by an Attorney or proxy stands first or higher (as the case may be) in the Register in respect of such shares. Several executors or administrators of a deceased member in whose (deceased member) sole name any share stands shall for the purpose of this clause be deemed joint holders.	
Share Warrants			
88		The Company may issue share warrants subject to and in accordance with the provisions of Sections 114 and 115 of the Act and accordingly, the Board may, in its discretion, with respect to any share which is fully paid upon application in writing signed by the persons registered as holder of the share and authenticated by such evidence (if any) as the Board may, from time to time require as to the identity of the person signing the application, and on receiving the certificate (if any) of the share, and the amount of the stamp duty on the warrant and such fee as the Board may, from time to time, require, issue a share warrant.	
89	(A)	The bearer of a share warrant may at any time deposit the warrant at the office of the Company and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for calling a meeting of the Company, and of attending, and voting, and exercising the other privileges of a Member at any meeting held after the expiry of two clear days from the time of deposit, as if his name were inserted in the Register of Members as the holder	

		of the share included in the deposited warrant.	
	(B)	Not more than one person shall be recognised as depositor of the Share Warrant	
	(C)	The Company shall on two days' written notice return the deposited share warrant to the depositor.	
90	(A)	Subject as herein otherwise expressly provided, no person shall, as bearer of a share warrant, sign a requisition for calling a meeting of the Company, or attend, or vote or exercise any of the 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 a member of the Company.	
91		The Board may, from time to time, make rules as to the terms on which (if it shall think fit) a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction.	
Conversion of Shares into Stock and Reconversion			
92		The Company in general meeting may convert any paid up shares into stock and when any shares shall have been converted into stock, the several holders of such stock may thenceforth transfer their respective interest therein or any part of such interests, 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, or as near thereto as circumstances will admit. The Company may at any time reconvert any stock into paid up shares of any denomination.	
93		The holders of stock shall, according to the amount of stock, held by them have the same right, privileges and advantages as regards dividends, voting at meeting of the Company and other matters, as if they held the share from which the stock arose, but no such privilege or advantage (except participation in the dividends and profits of the Company and the assets on winding up) shall be conferred by an amount of stock which would not if existing in shares, have conferred that privilege or advantage.	
Meetings of Members			
94		Subject to the provisions contained in Sections 166 and 210 of the Act, as far as applicable, the Company shall in each year hold, in addition to any other meetings, a general meeting as its annual general meeting, and shall specify, the meeting as such in the Notice calling it; and not more than fifteen months shall elapse between the date of one annual general meeting of the company and that of the next. Provided that if the Registrar for any special reason, extends the time within which any annual general meeting shall be held, then such annual general meeting may be held within such extended period.	
95		The Company may in any one general meeting fix the place for its any annual general meetings.	

		Every member of the Company shall be entitled to attend either in person or by proxy and the Auditor of the Company shall have the right to attend and to be heard at any general meeting which he attends on any part of the business which concerns him as Auditor. At every annual general meeting of the Company, there shall be laid on the table, the Director's report, the audited statements of accounts and auditor's report (if any, not already incorporated in the audited statements of accounts). The proxy registered with the Company and Register of Director's Share holdings of which latter register shall remain open and accessible during the continuance of the meeting. The Board shall cause to prepare the Annual list of members, summary of Share Capital, Balance Sheet and Profit and Loss Account and forward the same to the Registrar in accordance with Sections 159, 161 and 220 of the Act.	
96		Every annual general meeting shall be called at any time during business hours, on a day that is not a public holiday, and shall be held either at the registered office of the Company or at some other place within the city, town or village in which the registered office of the Company is situate, and the notice calling the meeting shall specify it as the annual general meeting.	
97		Sections 171 to 186 of the Act with such adaptations and modifications, if any, as may be prescribed shall apply with respect to meetings of any class of members or debenture holders of the Company in like manner as they apply with respect to general meetings of the Company.	
98		The Directors may call an extraordinary general meeting of the Company whenever they think fit.	
99	(A)	The Board of Directors of the Company shall on the requisition of such number of members of the Company as is specified in clause (d) of this Article, forthwith proceed duly to call an Extraordinary general meeting of the Company.	
	(B)	The requisition shall set out the matters for the consideration of which the meeting is to be called, shall be signed by the requisitionists, and shall be deposited at the registered office of the Company.	
	(C)	The requisition may consist of several documents in the like form, each signed by one or more requisitionists	
	(D)	The number of members entitled to requisition a meeting in regard to any matter shall be such number of them as hold at the date of the deposit of the requisition not less than one-tenth of such of the paid up share capital of the Company as at that date carried the right of voting in regard to that matter.	
	(E)	Where two or more distinct matters are specified in the requisition the provisions of clause (d) above, shall apply separately in regard to each such matter; and the requisition shall accordingly be valid only in respect of those matters in regard to which the condition specified in that clause is fulfilled.	
	(F)	If the Board does not, within twenty one days from the date of the deposit of a valid requisition	

		in regard to any matters, proceed duly to call a meeting for the consideration of those matters then on a day not later than forty five days from the date of the deposit of the requisition, the meeting may be called:	
	(G)	by the requisitionists themselves; I) by such of the requisitionists as represent either a majority in value of the paid up share capital held by all of them or not less than one tenth of such of the paid-up share capital of the Company as is referred to in clause (d) above, whichever is less. Explanation: For the purpose of this clause, the Board shall in the case of a meeting at which resolution is to be proposed as a Special Resolution, be deemed not to have duly convened the meeting if they do not give such notice thereof as is required by sub-section 189 of the Act.	
	(H)	A meeting called under clause (f) above, by the requisitionists or any of them:	
	(I)	shall be called in the same manner, as nearly as possible, as that in which meetings are to be called by the Board; but	
	(J)	shall not be held after the expiration of three months from the date of the deposit of the requisition. Explanation: Nothing in clause (g) (ii) above, shall be deemed to prevent a meeting duly commenced before the expiry of the period of three months aforesaid, from adjourning to some day after the expiry of that period.	
	(K)	Where two or more persons hold any shares or interest in the Company jointly, a requisition, or a notice calling a meeting, signed by one or some of them shall, for the purposes of this Article, have the same force and effect as if it had been signed by all of them.	
	(L)	Any reasonable expenses incurred by the requisitionists by reason of the failure of the Board duly to call a meeting shall be repaid to the requisitionists by the Company; and any sum so repaid shall be retained by the Company out of any sums due to become due from the Company by way of fees or other remuneration for their services to such of the Directors as were in default.	
100	(A)	A general meeting of the Company may be called by giving not less than twenty one days’ notice in writing.	
	(B)	A general meeting of the Company may be called after giving shorter notice than that specified in clause (a) above, if consent is accorded thereto;	
	(C)	in the case of an annual general meeting by all the members entitled to vote thereat; and	
	(D)	in the case of any other meeting, by members of the Company holding not less than 95 (ninety five) per cent of such part of the paid up capital of the Company as gives a right to vote at the meeting;	

		Provided that where any members of the Company are entitled to vote only on some resolution or resolutions to be moved at the meeting and not on the others, those members shall be taken into account for the purposes of this clause in respect of the former resolution or resolutions and not in respect of the latter.	
101	(A)	Every notice of a meeting of the Company shall specify the place and the day and hour of the meeting and shall contain a statement of the business to be transacted thereat.	
	(B)	Notice of every meeting of the Company shall be given.	
	(C)	to every member of the Company, in any manner authorised by sub-sections (1) to (4) of Section 53 of the Act;	
	(D)	to the persons entitled to a share in consequence of the death or insolvency of a member, by sending it through the post in a prepaid letter addressed to them by name, or by the title or representatives of the deceased or assignees of the insolvent, or by any like description, at the address, if any, in India supplied for the purpose by the persons claiming to be so entitled, or until such an address has been so supplied, by giving the notice in any manner in which it might have been given if the death or insolvency had not occurred;	
	(E)	to the Auditor or Auditors for the time being of the Company in any manner authorised by Section 53 of the Act in the case of any member or members of the Company and	
	(F)	to all the Directors of the Company. Provided that where the notice of a meeting is given by advertising the same in a newspaper circulating in the neighborhood of the registered office of the Company under sub-section (3) of Section 53 of the Act, the statement of material facts referred to in Section 173 of the Act need not be annexed to the notice as required by that Section but it shall be mentioned in the advertisement that the statement has been forwarded to the members of the Company.	
	(G)	The accidental omission to give notice to, or the non-receipt of notice by any member or other person to whom it should be given shall not invalidate the proceedings at the meeting.	
102	(A)	For the purpose of this Article :	
	(B)	in the case of an annual general meeting, all business to be transacted at the meeting shall be deemed special with exception of business relating to:	
	(C)	the consideration of the accounts, balance sheet and the reports of the Board of Directors and auditors.	
	(D)	the declaration of a dividend;	
	(E)	the appointment of Directors in the place of those retiring, and	
	(F)	the appoint of and the fixing of the remuneration of the auditors, and	

	(G)	in the case of any other meetings, all business shall be deemed special	
	(H)	Where any items of business to be transacted at the meeting are deemed to be special as aforesaid, there shall be annexed to the notice of the meeting a statement setting out all material facts concerning each item of business including in particular the nature of the concern or interest, if any, therein of every Director, and the manager, if any. Provided that where any item of special business as aforesaid to be transacted at a meeting of the Company relates, to or affects, any other company, the extent of shareholding interest in that other Company of any such person shall be set out in the circumstances specified in the proviso to sub-section (2) of Section 173 of the Act. Where any item of business consists of the according of approval to any document by the meeting, the time and place where the documents can be inspected shall be specified in the statements aforesaid.	
103		Subject to the provisions of the Act, five (5) shareholders shall constitute quorum for the purposes of Shareholders Meetings of the Company. A shareholder may appoint one or more persons as its proxy(ies) to attend a general meeting of the Company and each such proxy(ies) shall be taken into account for ascertaining the quorum for a meeting and shall be deemed to be members personally present at such meeting.	
104	(A)	If within half an hour from the time appointed for holding a meeting of the Company, a quorum is not present, the meeting, if called upon by requisition of members, shall stand dissolved.	
	(B)	In any other case, the meeting shall stand adjourned to the same day in the next week, at the same time and place or to such other day and at such other time and place, as the Board may determine.	
105		If at the adjourned meeting also, a quorum is not present within half an hour from the time appointed for holding the meeting, the members present shall be the quorum.	
106		No business shall be transacted at any general meeting unless the requisite quorum be present at the commencement of the business.	
107		No business shall be discussed or transacted at any general meeting except the election of a Chairman whilst the Chair is vacant.	
108	(A)	The Chairman of the Board of Directors shall be entitled to take the chair at every General Meeting. If there be no Chairman or if at any meeting he shall not be present within 15 (fifteen) minutes after the time appointed for holding such meeting or is unwilling to act, the Directors present may choose one of themselves to be the Chairman and in default of their doing so, the	

		members present shall choose one of the Directors to be Chairman and if no Directors present be willing to take the chair, the members present shall choose one of themselves to be the Chairman.	
	(B)	If at any meeting a quorum of members shall be present, and the Chair shall not be taken by the Chairman or Vice Chairman of the Board or by a Director at the expiration of 15 (fifteen) minutes from the time appointed for holding the meeting or if before the expiration of that time all the Directors shall decline to take the Chair, the members present shall choose one of their members to be the Chairman of the meeting.	
109		The Chairman with the consent of the meeting may adjourn any meeting from time to time and from place to place in the city, town or village where the registered office of the Company is situate.	
110		No business shall be transacted at any adjourned meeting other than the business which might have been transacted at the meeting from which the adjournment took place.	
111		When a meeting is adjourned only for thirty days or more, notice of the adjourned meeting shall be given as in the case of original meeting.	
112		Any poll duly demanded on the election of a Chairman of a meeting or any question of adjournment shall be taken at the meeting forthwith, save as aforesaid, any business other than that upon which a poll has been demanded may be proceeded with pending the taking of the poll.	
Proxies			
113		Any member of the Company entitled to attend and vote at a meeting of the Company shall be entitled to appoint any other person (whether a member or not) as his proxy to attend and vote instead of himself. A member (and in the case of joint holders all holders) shall not appoint more than one person as proxy. A proxy so appointed shall not have any right to speak at the meeting. Provided that unless where the proxy is appointed by a body corporate a proxy shall not be entitled to vote except on a poll.	
	(a)	In every notice calling a meeting of the Company there shall appear with reasonable prominence a statement that a member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself, and that a proxy need not be a member.	
	(b)	The instrument appointing a proxy or any other document necessary to show the validity or otherwise relating to the appointment of a proxy shall be lodged with the Company not less than 48 (forty eight) hours before the meeting in order that the appointment may be effective thereat.	
	(c)	The instrument appointing a proxy shall :	
	(I)	be in writing and	
	(II)	be signed by the appointer or his attorney duly authorised in writing or, if the appointer is a body	

		corporate, be under its seal or be signed by an officer or an attorney duly authorised by it.	
114	(A)	Every instrument of proxy whether for a specified meeting or otherwise shall, as nearly as circumstances will admit, be in usual common form	
	(B)	An instrument appointing a proxy, if in any of the forms set out in Schedule IX to the Act shall not be questioned on the ground that it fails to comply with any special requirements specified for such instrument by these Articles.	
	(C)	Every member entitled to vote at a meeting of the Company, or on any resolution to be moved thereat, shall be entitled during the period beginning 24 (twenty four) hours before the time fixed for the commencement of the meeting and ending with conclusion of the meeting, to inspect the proxies lodged at any time during the business hours of the Company, provided not less than 3 (three) days' notice in writing of the intention so to inspect is given to the Company.	
Vote of Members			
115	(A)	No member shall exercise any voting right in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has and has exercised any right of lien.	
	(B)	Where the shares of the Company are held in trust, the voting power in respect of such shares shall be regulated by the provisions of Section 187B of the Act.	
116		A member is not prohibited from exercising his voting right on the ground that he has not held his share or other interest in the Company for any specified period preceding the date on which the vote is taken, or on any other ground not being a ground set out in Article 104.	
117		Any shareholder whose name is entered in the Register of Members of the Company shall enjoy the same rights and be subject to the same liabilities as all other shareholders of the same class.	
118	(A)	At any general meeting a resolution put to vote at the meeting shall unless a poll is demanded under Section 179 of the Act be decided on a show of hands.	
	(B)	Subject to the provisions of the Act, upon show of hands every member entitled to vote and present in person shall have one vote, and upon a poll every member entitled to vote and present in person or by proxy shall have one vote, for every share held by him.	
119		No member not personally present shall be entitled to vote on a show of hands unless such member is a body corporate present by proxy or by a representative duly authorised under Sections 187 or 187A of the Act, in which case such proxy or representative may vote on a show of hands as if he were a member of the Company.	
120		A member of unsound mind or in respect of whom an order has been made by any Court having jurisdiction in lunacy, may vote, whether on a	

		show of hands or on a poll by his committee or other legal guardian and any such committee or guardian may on poll vote by proxy; if any member be a minor the vote in respect of his share or shares shall be by his guardians or any one of his guardians, if more than one, to be selected in case of dispute by the Chairman of the meeting.	
121		Subject to the provisions of the Act and other provisions of these Articles, any person entitled under the transmission clause to any shares may vote at any general meeting in respect thereof as if he was the registered holder of such shares, provided that at least 48 (forty eight) hours before the time of holding the meeting or adjourned meeting as the case may be at which he proposes to vote, he shall satisfy the Directors of his right to such shares unless the Directors shall have previously admitted his right to vote at such meeting in respect thereof.	
122		If any such instrument of appointment be confined to the object of appointing proxy or substitute for voting at meetings of the Company, it shall remain permanently or for such time as the Directors may determine in the custody of the Company; if embracing other objects a copy thereof examined with the original, shall be delivered to the Company to remain in the custody of the Company.	
123		A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death of the principal or revocation of the proxy or the transfer of the share in respect of which the vote is given, provided that no intimation in writing of the death, revocation or transfer shall have been received at the registered office of the Company before the meeting.	
124		No objection shall be made to the validity of any vote except at the meeting or poll at which such vote shall be tendered and every vote whether given personally or by an agent or proxy or representative not disallowed at such meeting or poll shall be deemed valid for all purpose of such meeting of poll whatsoever.	
125		The Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The Chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.	
126		A declaration by the Chairman in pursuance of Section 177 of the Act that on a show of hands, a resolution has or has not been carried, either unanimously or by a particular majority, and an entry to that effect in the books containing the minutes of the proceedings of the Company, shall be conclusive evidence of the fact, without proof of the number or proportion of the votes cast in favour of or against such resolution.	
127	(A)	Before or on the declaration of the result of the voting on any resolution of a show of hands, a poll may be ordered to be taken by the Chairman of the meeting of his own motion and shall be ordered to be taken by him on a demand made in that behalf by any member or members present in person or by proxy and holding shares in the Company which confer a power to vote on the resolution not	

		being less than one-tenth of the total voting power in respect of the resolution or on which an aggregate sum of not less than fifty thousand rupees has been paid up.	
	(B)	The demand for a poll may be withdrawn at any time by the person or persons who made the demand	
128	(A)	A poll demanded on a question of adjournment shall be taken forthwith.	
	(B)	A poll demanded on any other question (not being a question relating to the election of a Chairman which is provided for in Section 175 of the Act) shall be taken at such time not being later than 48 (forty eight) hours from the time when the demand was made, as the Chairman may direct.	
129		On a poll taken at a meeting of the Company a member or other person entitled to vote for him as the case may be, need not, if he votes, use, all his votes or cast in the same way all the votes he uses.	
130	(A)	Where a poll is to be taken, the Chairman of the meeting shall appoint two scrutinizers to scrutinise the votes given on the poll and to report thereon to him.	
	(B)	The Chairman shall have power, at any time before the result of the poll is declared, to remove a scrutinizer from office and to fill vacancies in the office of scrutinizer arising from such removal or from any other cause.	
	(C)	Of the two scrutinizers appointed under this Article, one shall always be a member (not being an officer or employee of the Company) present at the meeting, provided such a member is available and willing to be appointed.	
131	(A)	Subject to the provisions of the Act, the Chairman of the meeting shall have power to regulate the manner in which a poll shall be taken.	
	(B)	The result of the poll shall be deemed to be the decision of the meeting on the resolution on which the poll was taken.	
132		In the case of an equality of 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 polls is demanded shall be entitled to a casting vote in addition to his own vote or votes to which he may be entitled as a member.	
133		A body corporate (whether a Company within the meaning of the Act or not) if it is a member or creditor (including a holder of debentures) of the Company may in accordance with the provisions of Section 187 of the Act authorise such person by a resolution of its Board of Directors as it thinks fit, to act as its representative at any meeting of the Company or of any class of members of the Company or at any meeting of creditors of the Company.	
134	(A)	The President of India or the Governor of a State if he is a member of the Company may appoint such person as he thinks fit to act as his representative at any meeting of the Company or at any meeting of any class of members of the Company in accordance with provisions of Section 187A of the Act or any other statutory provision governing the same.	

	(B)	A person appointed to act as aforesaid shall for the purposes of the Act be deemed to be a member of such a Company and shall be entitled to exercise the same rights and powers (including the right to vote by proxy) as the President or as the case may be the Governor could exercise, as a member of the Company.	
135		The Company shall observe the provisions of Section 187B of the Act, in regard to the Public Trustee.	
136		The Company shall comply with provisions of Section 188 of the Act, relating to circulation of member's resolutions.	
137		The Company shall comply with provisions of Section 190 of the Act relating to resolution requiring special notice.	
138		Company shall pass resolutions by postal ballot in respect of items specified in the Section 192A of companies act, 1956, subject to Postal Ballot Rule, 2001 and subject to other applicable provisions of Articles of Association relating to resolution requiring approval of members through postal ballot.	
139		The provisions of Section 191 of the Act shall apply to resolutions passed at an adjourned meeting of the Company, or of the holders of any class of shares in the Company and of the Board of Directors of the Company and the resolutions shall be deemed for all purposes as having been passed on the date on which in fact they were passed and shall not be deemed to have been passed on any earlier date.	
140		The Company shall comply the provisions of Section 192 of the Act relating to registration of certain resolutions and agreements.	
141	(A)	The Company shall cause minutes of all proceedings of general meetings, and of all proceedings of every meeting of its Board of Directors or of every Committee of the Board to be kept by making within thirty days of the conclusion of every such meeting concerned, entries thereof in books kept for that purpose with their pages consecutively numbered.	
	(B)	Each page of every such book shall be initialed or signed and the last page of the record of proceedings of each meeting in such books shall be dated and signed:	
	(I)	in the case of minutes of proceedings of the Board or of a Committee thereof by the Chairman of the said meeting or the Chairman of the next succeeding meeting.	
	(II)	in the case of minutes of proceedings of the general meeting by Chairman of the said meeting within the aforesaid period, of thirty days or in the event of the death or inability of that Chairman within that period, by a Director duly authorised by the Board for the purpose.	
	(C)	In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.	
	(D)	The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat	
	(E)	All appointment of officers made at any of the	

		meetings aforesaid shall be included in the minutes of the meeting.	
	(F)	In the case of a meeting of the Board of Directors or of a Committee of the Board, the minutes shall also contain:	
	(G)	the names of the Directors present at the meetings, and	
	(H)	in the case of each resolution passed at the meeting, the names of the Directors, if any, dissenting from or not concurring in the resolution.	
	(I)	Nothing contained in Clauses (a) to (d) hereof shall be deemed to require the inclusion in any such minutes of any matter which in the opinion of the Chairman of the meeting :	
	I)	is or could reasonably be regarded, as defamatory of any person	
	II)	is irrelevant or immaterial to the proceedings; or	
	III)	is detrimental to the interests of the Company.	
		The Chairman shall exercise an absolute discretion in regard to the inclusion or no-inclusion of any matter in the minutes on the grounds specified in this clause.	
		The minutes of meetings kept in accordance with the provisions of Section 193 of the Act shall be evidence of the proceedings recorded therein.	
142		Where minutes of the proceedings of any general meeting of the Company or of any meeting of its Board of Directors or of a Committee of the Board have been kept in accordance with the provisions of Section 193 of the Act then until the contrary is proved, the meeting shall be deemed to have been duly called and held, and all proceedings thereat to have duly taken place and in particular all appointments of Directors or Liquidators made at the meeting shall be deemed to be valid and the minutes shall be evidence of the proceedings recorded therein.	
144	(A)	The books containing the minutes of the proceedings of any general meeting of the Company shall;	
	I)	be kept at the registered office of the Company, and	
	II)	be open, during the business hours to the inspection of any member without charge subject such reasonable restrictions as the Company may, in general meeting impose so however that not less than two hours in each day are allowed for inspection.	
	(B)	Any member shall be entitled to be furnished, within seven days after he has made a request in that behalf of the Company, with a copy of any minutes referred to in Clause (a) above, on payment of thirty seven paise for every one hundred words or fractional part thereof required to be copied.	
145		No document purporting to be a report of the proceedings of any general meeting of the Company shall be circulated or advertised at the expenses of the Company unless it includes the	

		matters required by Section 193 of the Act to be contained in the Minutes of the proceedings of such meeting.	
Dividends			
232		The profits of the Company subject to any special rights relating thereto created or authorised to be created by these presents shall be divisible among the members in proportion to the amount of Capital paid up or credited as paid up on the shares held by them respectively.	
233		No dividend shall be paid by the Company in respect of any share except to the registered holder of such share or to his order or to his banker.	
234		Where a dividend has been declared by the Company it shall be paid within the period provided in Section 207 of the Act.	
235		Where the Capital is paid up in advance of calls upon the footing that the same shall carry interest, such Capital shall not, whilst carrying interest confer a right to dividend or to participate in profits.	
236	(A)	The Company shall pay dividends in proportion to the amounts paid up or credited as paid up on each share, when a larger amount is paid up or credited as paid up on some shares than on others. Nothing in this Article shall be deemed to affect in any manner the operation of Section 208 of the Act.	
	(B)	Provided always that any Capital paid up on a share during the period in respect of which a dividend is declared, shall unless the terms of issue otherwise provide, only entitle the holder of such share to an apportioned amount of such dividend proportionate to the capital from time to time paid during such period on such share shall rank for dividend accordingly.	
237		The Company in Annual general meeting may declare a dividend to be paid to the members according to their respective rights and interests in the profits and may fix the time for payment.	
238		No larger dividend shall be declared than is recommended by the Directors but the Company in general meeting may declare a smaller dividend.	
239		No dividend shall be declared or paid by the Company otherwise than out of profits of the financial year arrived at after providing for depreciation in accordance with the provisions of sub-section (2) of Section 205 of the Act or out of the profits of the Company for any previous financial year or years arrived at after providing for depreciation in accordance with these provisions and remaining undistributed or out of both or out of moneys provided by the Central Government or a State Government for the payment of dividend in pursuance of the guarantee given by that Government provided that:	
	(a)	If the Company has not provided for depreciation for any previous financial year or years, it shall before declaring or paying a dividend for any financial year, provide for such depreciation out of the profits of that financial year or out of the profits of any other previous financial year or years;	

	(b)	If the Company has incurred any loss in any previous financial year or years the amount of the loss or an amount which is equal to the amount provided for depreciation for that year or those years whichever is less, shall be set off against the profits of the Company for the year for which the dividend is proposed to be declared or paid or against the profits of the Company for any previous financial year or years arrived at in both cases after providing for depreciation in accordance with the provisions of sub-section (2) of Section 205 of the Act or against both.	
		Provided further that, no dividend shall be declared or paid for any financial year out of the profits of the Company for that year arrived at after providing for depreciation as above, except after the transfer to the reserves of the Company of such percentage of its profits for that year as may be prescribed in accordance with Section 205 of the Act or such higher percentage of its profits as may be allowed in accordance with that Section. Nothing contained in this Article shall be deemed to affect in any manner the operation of Section 208 of the Act.	
240		The declaration of the Directors as to the amount of the net profits of the Company shall be conclusive.	
241		The Directors may, from time to time, pay to the members such interim dividends as in their judgment the position of the Company justifies.	
242		The Directors may retain the Dividends upon shares in respect of which any person is under the Transmission clause of these Articles entitled to become a member or which any person under that clause is entitled to transfer until such person shall become a member in respect of such shares or shall duly transfer the same.	
243		Subject to the provisions of the Act, no member shall be entitled to receive payment of any interest or dividend in respect of his share(s) whilst any money may be due or owing from him to the Company in respect of such share(s) or debenture(s) or otherwise however either alone or jointly with any other person or persons and the Directors may deduct from the interest or dividend payable to any member, all sums of moneys so due from him to the Company.	
244		A transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer.	
245		Unless otherwise directed any dividend may be paid by cheque or warrant or a pay-slip or receipt having the force of a cheque or warrant sent through ordinary post to the registered address of the member or person entitled or in the case of joint holders to that one of them first named in the Register of Members in respect of the joint holding. Every such cheque or warrant so sent shall be made payable to the registered holder of shares or to his order or to his bankers. The Company shall not be liable or responsible for any cheque or warrant lost in transmission or for any	

		dividend lost, to the member or person entitled thereto by the forged endorsement of any cheque or warrant or the fraudulent or improper recovery thereof by any other means.	
246	(A)	Where the Company has declared a dividend but which has not been paid or the dividend warrant in respect thereof has not been posted within 30 days from the date of declaration to any shareholder entitled to the payment of the dividend, the Company shall within 7 days from the date of expiry of the said period of 30 days, open a special account called as “[●] unpaid dividend account” in that behalf in any scheduled bank as per section 205 A of the Act, and transfer to the said account, the total amount of dividend which remains unpaid or in relation to which no dividend warrant has been posted.	
	(B)	Any money transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred by the Company to the fund known as the “Investor Education and Protection Fund” established under Section 205C of the Act. A Claim to any money so transferred may be preferred to the Central Government by the shareholders to whom the money is due.	
	(C)	That there shall be no forfeiture of unclaimed dividends before the claim becomes barred by law and the Company shall comply with all the provisions of Section 205-A of the Act in respect of unpaid or unclaimed dividend.	
247		Any general meeting declaring a dividend may on the recommendation of the Directors make a call on the members for such amount as the meeting fixes, but so that the call on each member shall not exceed the dividend payable to him so that the call be made payable at the same time as the dividend and the dividend may, if so arranged between the Company and the members, be set off against the calls.	
248		No dividend shall be payable except in cash. Provided that nothing in this Article shall be deemed to prohibit the capitalisation of profit or reserves of the Company for the purpose of issuing fully paid up bonus shares or paying up any amount for the time being unpaid on any shares held by the members of the Company.	

SECTION IX – OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or entered into more than two years before the date of the Red Herring Prospectus) which are or may be deemed material have been entered or to be entered into by our Company. These contracts, copies of which will be attached to the copy of the Red Herring Prospectus, delivered to the RoC for registration and also the documents for inspection referred to hereunder, may be inspected at our Registered Office from 10.00 am to 4.00 pm on Working Days from the date of the Red Herring Prospectus until the Bid Closing Date.

Material Contracts to the Issue

1. Letters of appointment to the Book Running Lead Managers from our Company appointing them as the Book Running Lead Managers.

2. Issue Agreement between our Company and the Book Running Lead Managers dated February 18, 2011.

3. Agreement between our Company and Registrar to the Issue dated November 29, 2010.

4. Escrow Agreement dated [•] amongst our Company, the Book Running Lead Managers, the Escrow Collection Banks and the Registrar to the Issue.

5. Syndicate Agreement dated [•] amongst our Company, the Book Running Lead Managers and the Syndicate Members.

6. Underwriting Agreement dated [•] amongst our Company, the Book Running Lead Managers, the Syndicate Members and the Registrar to the Issue.

7. Agreement dated [•] amongst NSDL, our Company and the Registrar to the Issue.

8. Agreement dated [•] amongst CDSL, our Company and the Registrar to the Issue.

Material Documents

1. Our Memorandum and Articles of Association, as amended from time to time.

2. Our certification of incorporation.

3. Board resolutions in relation to the Issue dated February 4, 2011.

4. Shareholders resolution in relation to the Issue dated February 8, 2011.

5. Board resolution dated September 28, 2010 and April 1, 2008 for appointment of our Chairman Mr. Sanjaya Kulkarni and Managing Director Mr. Rajesh Bhatia respectively.

6. Report of the Auditor dated February 4, 2011 prepared as per Indian GAAP and mentioned in the Financial Statements appearing at page F-1.

7. Statement of Tax Benefits from our Auditor dated February 19, 2011.

8. Report of the IPO grading agency, [•], furnishing the rationale for its grading, to be disclosed in the Red Herring Prospectus.

9. Copies of annual reports of our Company for Fiscal 2007, 2008, 2009 and 2010.

10. Consent of the Auditors for inclusion of their reports on restated financial statements and auditors report on restated audited financial statements as at and for the Fiscals 2007, 2008, 2009 and 2010, in the form and context in which they appear in this Draft Red Herring Prospectus.

11. Consent of the IPO grading agency, [●], for inclusion of their IPO grading report furnishing the rationale for its grading, in the form and context in which they will appear in the Red Herring Prospectus.

12. Consents of Bankers to our Company, Book Running Lead Managers, Syndicate Members, Registrar to the Issue, Escrow Collection Bank(s), Bankers to the Issue, Domestic Legal Counsel to the Company, Domestic Legal Counsel to the Underwriters, Directors of our Company, Company Secretary and Compliance Officer, as referred to, in their respective capacities.

13. Applications dated [●] and [●] filed with the NSE and the BSE, respectively, for obtaining their in-principle listing approval.

14. In-principle listing approvals dated [●] and [●] received from the NSE and the BSE, respectively.

15. Due diligence certificate dated February 21, 2011 to the SEBI from the Book Running Lead Managers.

16. Slump sale agreement dated April 1, 2007 between our Company and our Promoter, Mrs. Geeta Bhatia.

17. Share Subscription Agreement dated August 13, 2008, the first addendum dated January 14, 2009 and the second addendum dated July 15, 2009 entered between our Company, our Promoters and Matrix Partners India Investment Holdings LLC.

18. Subscription agreement and shareholders agreement dated May 11, 2010 entered between our Company, our Promoters, Matrix Partners India Investment Holdings, LLC, FC VI India Venture (Mauritius) Limited and shareholders of our Company as defined under the agreements.

19. Waiver letter dated January 21, 2011 from Mr. Rajesh Bhatia waiving the issue and allotment of 500,000 Equity Shares pursuant to the Share Subscription agreement dated May 11, 2010.

20. Non-compete agreement dated January 31, 2011 between our Company and our Group Company Madhav Education and Research Institute India Private Limited.

21. Termination agreement dated February 16, 2011 entered between our Company, Matrix Partners India Investment Holdings, LLC, FC VI India Venture (Mauritius) Limited and shareholders of our Company.

22. Deed of assignment of trademark along with goodwill entered between our Company and our Promoter Mrs. Geeta Bhatia dated August 25, 2008.

23. Joint venture agreement dated September 21, 2010 between our Company and M/s Jayshree Builders.

24. Employment agreement dated May 8, 2009 entered between our Company and Mr. Rajesh Bhatia.

25. Employment agreement dated November 17, 2010 entered between our Company and Mr. Vishal Shah.

26. Valuation report from Muzoomdar Associates Private Limited dated December 16, 2010 and Yardi Prabhu Consultants and Valuers Private Limited dated December 17, 2010.

27. Power of attorneys executed in the favour of Mr. Rajesh Bhatia and Mrs. Geeta Bhatia by 25 shareholders.

28. Revocation of power of attorneys by Mr. Rajesh Bhatia and Mrs. Geeta Bhatia by their letters dated February 14, 2011.

29. Agreement to purchase dated December 28, 2010, between our Company and our Promoters for acquisition of the Registered and Corporate Office by our Company.

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

1. DECLARATION BY THE COMPANY

We hereby declare that all relevant provisions of the Companies Act and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this DRHP is contrary to the provisions of the Companies Act, the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulations issued thereunder, as the case may be. We further certify that all statements in this DRHP are true and correct.

SIGNED BY THE DIRECTORS OF THE COMPANY

Mr. Sanjaya Kulkarni *Chairman*	
Mr. Rajesh Bhatia *Managing Director*	
Mr. Vishal Shah	
Mrs. Geeta Bhatia	
Mr. T.S. Sarangpani	
Mr. Parantap Dave	
Mr. Ashu Garg	
Mr. Rishi Navani	

SIGNED BY THE CHIEF FINANCIAL OFFICER

Mr. Utsav Shrivastava

Date: February 21, 2011
Place: Mumbai