



TRINE ENTERTAINMENT LIMITED

Our Company was incorporated as Trine Animation & Studios Limited on April 27, 2006 under the Companies Act, bearing Registration No. 161436 and having its Registered Office in Mumbai, Maharashtra. Subsequently, the name of our company was changed to Trine Entertainment Limited and a fresh Certificate of Incorporation consequent upon change of name was issued on September 7, 2007 by the Registrar of Companies, Mumbai, Maharashtra. The Company's Corporate Identity Number is U32301MH2006PLC161436 and its Registered Office is situated at 301/302, B Wing, Interface-16 Building, Malad (West), Mumbai – 400064, Maharashtra. For further details regarding the changes in our name and registered office, please see the chapter titled "History and Certain Corporate Matters" beginning on page 105 of this Draft Prospectus.

Registered Office: 301/302, B Wing, Interface-16 Building, Malad (West), Mumbai – 400064, Maharashtra.

Tel.: +91 – 22 – 4031 1111; **Fax:** +91 – 22 – 40311110; **Website:** <http://www.trine.co.in/>

Company Secretary and Compliance Officer: Mr. Ravindra Mishra; **Email:** ipo@trine.co.in;

Our Promoters: Mr. Sangam Gupta and Mr. Somil Gupta

THE ISSUE

PUBLIC ISSUE OF 38,32,000 EQUITY SHARES OF ₹ 10 EACH ("EQUITY SHARES") OF TRINE ENTERTAINMENT LIMITED ("TEL" OR THE "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹ 15 PER SHARE (THE "ISSUE PRICE"), AGGREGATING TO ₹ 574.80 LACS ("THE ISSUE") CONSISTING OF AN OFFER FOR SALE OF UPTO 23,20,000 EQUITY SHARES BY THE SELLING SHAREHOLDERS / PROMOTERS AGGREGATING TO ₹ 348.00 LACS AND FRESH ISSUE OF 15,12,000 EQUITY SHARES AGGREGATING TO ₹ 226.80 LACS, OF WHICH, 2,00,000 EQUITY SHARES OF ₹ 10 EACH WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKERS TO THE ISSUE (AS DEFINED IN THE CHAPTER "DEFINITIONS AND ABBREVIATIONS") (THE "MARKET MAKER RESERVATION PORTION"). THE ISSUE LESS THE MARKET MAKER RESERVATION PORTION i.e. ISSUE OF 36,32,000 EQUITY SHARES OF ₹ 10 EACH IS HEREINAFTER REFERRED TO AS THE "NET ISSUE". THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 26.84% AND 25.44%, RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF THE COMPANY.

THIS ISSUE IS BEING MADE IN TERMS OF CHAPTER XB OF THE SEBI (ICDR) REGULATIONS, 2009 AS AMENDED FROM TIME TO TIME.

For further details please see the section titled "Issue Related Information" beginning on page 186 of this Draft Prospectus.

All potential investors may participate in the Issue through an Application Supported by Blocked Amount ("ASBA") process providing details about the bank account which will be blocked by the Self Certified Syndicate Banks ("SCSBs") for the same. For details in this regard, specific attention is invited to "Issue Procedure" beginning on page 192 of this Draft Prospectus. 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.

THE FACE VALUE OF THE EQUITY SHARES IS ₹ 10 EACH AND THE ISSUE PRICE IS 1.5 TIMES OF THE FACE VALUE.

RISKS IN RELATION TO THE FIRST ISSUE

This being the first issue of the company, there has been no formal market for the securities of the company. The face value of the shares is ₹ 10 per Equity Share and the issue price is 1.50 times of the face value. The Issue Price (as determined by Company in consultation with the Lead Manager) as stated under the chapter titled "Basis for Issue Price" beginning on page 65 of this Draft Prospectus, should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the equity shares of our company or regarding the price at which the equity shares will be traded after listing.

GENERAL RISKS

Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this offering. For taking an investment decision investors must rely on their own examination of the issuer and the offer including the risks involved. The securities have not been recommended or approved by Securities and Exchange Board of India nor does Securities and Exchange Board of India guarantee the accuracy or adequacy of this document. **Specific attention of the Investors is invited to the section titled "Risk Factors" beginning on page 11 of this Draft Prospectus.**

ISSUER'S ABSOLUTE RESPONSIBILITY

The Issuer, having made all reasonable inquiries, accepts responsibility for, and confirms that this Draft Prospectus contains all information with regard to the Issuer and the Issue, which is material in the context of the issue, that the information contained in this Draft 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 document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING

The Equity Shares issued through this Draft Prospectus are proposed to be listed on the SME Platform of BSE. In terms of the Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time, we are not required to obtain an in-principal listing approval for the shares being issued in this Issue. However, our company has received an approval letter dated [●] from BSE for using its name in this Offer Document for listing of our shares on the SME Platform of BSE. For the purpose of this Issue, the designated Stock Exchange will be the BSE Limited ("BSE").

LEAD MANAGER

REGISTRAR TO THE ISSUE



ARYAMAN FINANCIAL SERVICES LIMITED

60, Khatau Building, Gr. Floor, Alkesh Dinesh Modi Marg,
Fort, Mumbai - 400 001, Maharashtra, India
Tel: +91 – 22 – 22618264; Fax: +91 – 22 – 22630434
Email: ipo@afsl.co.in;
Investor Grievance Email: feedback@afsl.co.in
Website: www.afsl.co.in
SEBI Registration No.: MB / INM000011344
Contact Person: Mrs. Samaira Sainani

BIGSHARE SERVICES PRIVATE LIMITED

E-2/3, Ansa Industrial Estate, Sakivihar Road,
Sakinaka, Andheri (E), Mumbai - 400 072, Maharashtra, India
Tel: +91 – 22 – 40430200; Fax: +91 – 22 – 28475207
Email: ipo@bigshareonline.com;
Investor Grievance Email: investor@bigshareonline.com;
Website: www.bigshareonline.com
SEBI Registration No.: MB / INR000001385
Contact Person: Mr. Ashok Shetty

ISSUE PROGRAMME

ISSUE OPENS ON: [●]

ISSUE CLOSES ON: [●]

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SECTION I: GENERAL

DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates or requires the following terms in this Draft Prospectus have the meaning given below:

General Term

Term	Description
“We”, “us”, “our”, “the Issuer”, “the Company”, “our Company” or “TEL”	Unless the context otherwise indicates or implies, refers to Trine Entertainment Limited.

Conventional / General Terms

Term	Description
AoA/Articles/ Articles of Association	Articles of Association of our Company.
Auditors	The statutory auditors of our Company being, M S K P & Associates
Audit Committee	The audit committee constituted by our Board of Directors on February 14, 2013.
Board / Board of Directors	The Board / Board of Directors of our Company
Corporate / Registered Office	The Corporate / Registered Office situated at 301/302, B Wing, Interface-16 Building, Malad (West), Mumbai – 400064, Maharashtra
Directors	The Directors of our Company, unless otherwise specified
Group Companies	Planet 41 Mobi-Venture Limited, Planet 41 Televentures Limited, Net Stick Interactive Private Limited, Trine Ventures Limited, Linqpay India Private Limited, Indmobile Ventures Limited, Link Online Private Limited
Key Management Personnel	The personnel listed as Key Management Personnel in the Chapter titled “ <i>Our Management</i> ” beginning on page 108 of this Draft Prospectus.
Memorandum/ Memorandum of Association/ MoA	The Memorandum of Association of our Company, as amended
Promoter	Promoters of our Company being Mr. Sangam Gupta and Mr. Somil Gupta
Promoter Group	Such persons, entities and companies constituting our promoter group pursuant to Regulation 2(zb) of the SEBI ICDR Regulations as disclosed in the Chapter titled “ <i>Our Promoter and Promoter Group</i> ” and “ <i>Our Group Companies</i> ”.
Shareholders'/Investors' Grievance Committee	The Shareholders' / Investors' Grievance committee constituted by our Board of Directors on February 14, 2013.

Issue Related Terms and Abbreviations

Term	Description
Allot/Allotment/Allotted	Unless the context otherwise requires, means the allotment of Equity Shares pursuant to the Issue to successful Bidders
Allottee	A successful Bidder to whom the Equity Shares are Allotted
Applicant	Any prospective investor who makes an application for Equity Shares in terms of this Draft Prospectus
Application Form	The Form in terms of which the applicant shall apply for the Equity Shares of the Company

Application Supported by Blocked Amount/ ASBA	An application, whether physical or electronic, used by ASBA Bidders to make a Bid authorising an SCSB to block the Bid Amount in the specified Bank Account maintained with such SCSB. ASBA is mandatory for QIBs (except Anchor Investors) and Non-Institutional Bidders participating in the Issue
ASBA Account	Account maintained by an ASBA Bidder with a SCSB which will be blocked by such SCSB to the extent of the Bid Amount of the ASBA Bidder
ASBA Applicant(s)	Prospective investors in this Issue who apply through the ASBA process. Pursuant to SEBI circular no. CIR/CFD/DIL/1/2011 dated April 29, 2011, Non-Retail Investors i.e. QIBs and Non-Institutional Investors participating in this Issue are required to mandatorily use the ASBA facility to submit their Applications.
ASBA Location(s) / Specified Cities	Location(s) at which ASBA Application can be uploaded by the Brokers, namely Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bangalore, Hyderabad, Pune, Baroda and Surat
ASBA Public Issue Account	An Account of the Company under Section 73 of the Act, where the funds shall be transferred by the SCSBs from the bank accounts of the ASBA Investors
Banker(s) to the Issue/ Escrow Collection Bank(s)	The banks which are Clearing Members and registered with SEBI as Banker to an issue with whom the Escrow Account(s) will be opened and in this case being [●]
Basis of Allotment	The basis on which the Equity Shares will be Allotted to successful Bidders under the Issue and which is described in the Chapter titled “ <i>Issue Procedure</i> ” on page 192 of this Draft Prospectus
Business Day	Monday to Friday (except public holidays)
CAN / Confirmation of Allocation Note	The note or advice or intimation sent to each successful Bidder indicating the Equity Shares which will be Allotted, after approval of Basis of Allotment by the Designated Stock Exchange
Controlling Branches	Such Branches of the SCSBs which co-ordinate Bids 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.
Demographic Details	The demographic details of the Applicants such as their Address, PAN, Occupation and Bank Account details.
Depositories	NSDL and CDSL
Depository Participant or DP	A Depository Participant as defined under the Depositories Act.
Designated Branches	Such Branches of the SCSBs which shall collect the Bid cum Application Forms used by the Bidders applying through the ASBA process and a list of which is available on http://www.sebi.gov.in/pmd/scsb.pdf
Designated Date	The date on which funds are transferred by the Escrow Collection Bank(s) from the Escrow Account or the amounts blocked by the SCSBs are transferred from the ASBA Accounts, as the case may be, to the Public Issue Account or the Refund Account, as appropriate, after the Prospectus is filed with the RoC, following which the Board of Directors shall Allot Equity Shares to successful Bidders in the Issue.
Designated Market Maker	Aryaman Broking Limited
Designated Stock Exchange	SME Exchange of BSE Limited
Eligible NRIs	NRIs from jurisdictions outside India where it is not unlawful to make an issue or invitation under the Issue and in relation to whom the Draft Prospectus constitutes an invitation to subscribe to the Equity Shares Allotted herein
Eligible QFIs	QFIs from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the Draft Prospectus constitutes an invitation to purchase the Equity Shares offered thereby and

	who have opened demat accounts with SEBI registered qualified depository participants.
Equity Shares	Equity shares of our Company of ₹ 10/- each
Escrow Account(s)	An Account opened with the Escrow Collection Bank(s) and in whose favour the Bidders (excluding the ASBA Bidders) will issue cheques or drafts in respect of the Bid Amount when submitting a Bid
Escrow Agreement	The agreement to be entered into among our Company, the Registrar to the Issue, the LM, the Escrow Collection Bank(s) and the Refund Bank for collection of the Bid Amounts and where applicable, remitting refunds of the amounts collected to the Applicants (excluding the ASBA Bidders) on the terms and conditions thereof
Issue / Issue size	Public Issue of 38,32,000 Equity Shares of face value ₹ 10 each for cash at a price of ₹15 per Equity Share (including share premium of ₹ 5 per Equity Share) aggregating to ₹ 574.80 lacs by Trine Entertainment Limited.
Issue Opening date	The date on which the Issue opens for subscription
Issue Closing date	The date on which the Issue closes for subscription
Issue Period	The period between the Issue Opening Date and the Issue Closing Date inclusive of both days and during which prospective Applicants may submit their application
Issue Price	The price at which the Equity Shares are being issued by our Company under this Draft Prospectus being ₹ 15
Issue Proceeds	The proceeds of the Issue. For further information about use of the Issue Proceeds please see the chapter titled “ <i>Objects of the Issue</i> ” beginning on page 60 of this Draft Prospectus
Lead Manager / LM	Lead Manager to the Issue being Aryaman Financial Services Limited
Listing Agreement	Unless the context specifies otherwise, this means the Equity Listing Agreement to be signed between our Company and the SME Platform of BSE.
Market Maker Reservation Portion	The Reserved portion of 2,00,000 Equity shares of ₹ 10 each at ₹ 15 per Equity Share aggregating to ₹ 30.00 lacs for Designated Market Maker in the Issue of Trine Entertainment Limited
Mutual Fund	A Mutual Fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended
Mutual Funds Portion	5% of the QIB Portion (excluding the Anchor Investor Portion) available for allocation to Mutual Funds only
Non-Institutional Applicant	All Applicants, including Eligible QFIs, sub accounts of FIIs registered with SEBI which are foreign corporates or foreign individuals, that are not QIBs or Retail Individual Applicants and who have applied for Equity Shares for an amount of more than ₹ 2,00,000 (but not including NRIs other than Eligible NRIs)
Net Issue	The Issue (excluding the Market Maker Reservation Portion) of 36,32,000 Equity Shares of ₹ 10 each at ₹ 15 per Equity Share aggregating to ₹ 544.80 lacs by Trine Entertainment Limited
Non-Resident	A person resident outside India, as defined under FEMA and includes Eligible NRIs, Eligible QFIs, FIIs registered with SEBI and FVCIs registered with SEBI
OFS/ Offer for Sale	Being Offer for sale of equity shares in this issue by selling shareholders.
Prospectus	The Prospectus, to be filed with the RoC containing, inter alia, the Issue opening and closing dates and other information.
Public Issue Account	Account opened with Bankers to the Issue for the purpose of transfer of monies from the Escrow Account on or after the Issue Opening Date
Qualified Foreign Investors / QFIs	Non-resident investors other than SEBI registered FIIs or sub-accounts or SEBI registered FVCIs who meet ‘know your client’ requirements prescribed by SEBI
Qualified Institutional	As defined under Regulation 2(1)(zd) of the SEBI Regulations, and includes

Buyers / QIBs	Public Financial Institutions as specified in Section 4A of the Companies Act, 1956, Scheduled Commercial Banks, Mutual Funds registered with SEBI, FIs and Sub-accounts registered with SEBI (other than a sub-account which is a foreign corporate or foreign individual), Multilateral and Bilateral Development Financial Institutions, Venture Capital Funds registered with SEBI, foreign venture capital investors registered with SEBI, State Industrial Development Corporations, Insurance Companies registered with IRDA, Provident Funds with minimum corpus of ₹ 250 million, Pension Funds with minimum corpus of ₹ 250 million, the National Investment Fund set up by the Government of India, Insurance Funds set up and managed by army, navy or air force of the Union of India and Insurance Funds set up and managed by the Department of Posts, India
Refund Account(s)	The account opened with Refund Banker(s), from which refunds (excluding refunds to ASBA Bidders), if any, of the whole or part of the Bid Amount shall be made
Refund Bank	[●] to be appointed later
Refunds through electronic transfer of funds	Refunds through NECS, Direct Credit, NEFT, RTGS or the ASBA process, as applicable
Registrar to the Issue	Bigshare Services Private Limited
Retail Individual Bidders	Individual Bidders (including HUFs applying through their Karta and Eligible NRIs) who have not Bid for Equity Shares for an amount of more than ₹ 2,00,000 in any of the bidding options in the Issue
RoC	Roc Mumbai: 100, Everest, Marine Drive, Mumbai - 400 002
SEBI Regulations / SEBI (ICDR) Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended
Self Certified Syndicate Bank(s) or SCSB(s)	A Bank registered with SEBI, which offers the facility of ASBA and a list of which is available on http://www.sebi.gov.in/pmd/scsb.pdf
TRS / Transaction Registration Slip	The slip or document issued by a member of the Syndicate or an SCSB (only on demand), as the case may be, to the Bidder, as proof of registration of the Bid
Underwriters	Aryaman Financial Services Ltd. and Aryaman Broking Ltd.
Underwriting Agreement	The Agreement among the Underwriters and our Company
U.S. Securities Act	U.S. Securities Act of 1933, as amended
Working Day	All days other than a Sunday or a public holiday on which Commercial Banks in Mumbai are open for business

Company Related / Industry Related / Technical Terms and Abbreviations

Term	Description
APAC	Asia-Pacific
B. Com.	Bachelor of Commerce
BG	Bank Guarantee
BSE	The BSE Limited
CDSL	Central Depository Services (India) Limited
CENVAT Rules	CENVAT Credit Rules, 2004
Companies Act	Companies Act, 1956
Competition Act	The Competition Act, 2002
EBITDA	Earnings Before Interest, Tax, Depreciation & Amortization
EGM	Extraordinary General Meeting
EPS	Earnings Per Share

FDI Circular	Circular 1 of 2012 which consolidates the policy framework on FDI, with effect from April 10, 2012
FIPB	Foreign Investment Promotion Board of the Government of India
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
GM	General Manager
GoI	Government of India
HUF	Hindu Undivided Family
ICA	Industrial Computer Accountant
IRDA	Insurance Regulatory and Development Authority
ICDR / SEBI Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
IT Act	Income Tax Act, 1961
MBA	Master of Business Administration
MD	Managing Director
MICR	Magnetic Ink Character Recognition
MoU	Memorandum of Understanding
NAV	Net Asset Value
NECS	National Electronic Clearing System
NI Act	Negotiable Instruments Act, 1881
No.	Number
NOC	No Objection Certificate
NRE Account	Non-Resident External Account
NRO Account	Non-Resident Ordinary Account
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OCB(s)	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
P.G.D.B.A	Post graduate diploma in business administration
P/E	Price/Earnings Ratio
RBI	Reserve Bank of India
Regulation S	Regulation S under the U.S. Securities Act
RM	Raw Material
RoNW	Return on Net Worth
Rs. / Rupees / ₹ / INR	Indian Rupees
RTE	Right to Education Act
RTGS	Real Time Gross Settlement
Rule 144A	Rule 144A under the U.S. Securities Act
SCRA	The Securities Contracts (Regulation) Act, 1956
SCRR	The Securities Contracts (Regulation) Rules, 1957
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	The Securities and Exchange Board of India Act, 1992
SICA	The Sick Industrial Companies (Special Provisions) Act, 1985
Sq. ft.	Square Feet
Sq. mt.	Square Meter
Sr.	Senior
Sr. No.	Serial Number

STT	Securities Transaction Tax
STPI	Software Technology Parks of India
Sub-Account	Sub-accounts registered with SEBI under the SEBI (Foreign Institutional Investor) Regulations, 1995, other than sub-accounts which are foreign corporates or foreign individuals.
TAN	Tax Deduction Account Number allotted under the Income Tax 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 Funds) Regulations, 1996 and the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
VP	Vice President
WTD	Whole Time Director

CERTAIN CONVENTIONS; PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

Certain Conventions

All references to “India” contained in this Draft Prospectus are to the Republic of India. In this Draft Prospectus, our Company has presented numerical information in “lacs” units. One lac represents 1,00,000.

Financial Data

Unless stated otherwise, the financial data in this Draft Prospectus is derived from our audited financial statements as on and for the Fiscal Years ended March 31, 2012, 2011, 2010, 2009 and 2008 and nine months period ended December 31, 2012, prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with the SEBI Regulations and included in this Draft Prospectus. Our Fiscal Year commences on April 1 and ends on March 31 of the following year. In this Draft Prospectus, any discrepancies in any table, graphs or charts between the total and the sums of the amounts listed are due to rounding-off.

There are significant differences between Indian GAAP, U.S. GAAP and IFRS. Accordingly, the degree to which the Indian GAAP financial statements included in this Draft 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, Indian GAAP, the Companies Act and the SEBI Regulations on the financial disclosures presented in this Draft Prospectus should accordingly be limited. We have not attempted to explain the differences between Indian GAAP, U.S. GAAP and IFRS 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.

Any percentage amounts, as set forth in the Chapters titled “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 11, 85 and 157 of this Draft Prospectus, respectively, and elsewhere in this Draft Prospectus, unless otherwise indicated, have been calculated on the basis of our audited financial statements prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with the SEBI Regulations.

Currency, Units of Presentation and Exchange Rates

All references to “Rupees”, “Rs.” or “₹” are to Indian Rupees, the official currency of the Republic of India. All references to “US\$” or “US Dollars” or “USD” are to United States Dollars, the official currency of the United States of America.

This Draft Prospectus contains conversions of certain US Dollar and other currency amounts into Indian Rupees that have been presented solely to comply with the requirements of the SEBI Regulations. These conversions should not be construed as a representation that those US Dollar or other currency amounts could have been, or can be converted into Indian Rupees, at any particular rate.

Definitions

For definitions, please see the Chapter titled “*Definitions and Abbreviations*” on page 1 of this Draft Prospectus. In the Section titled “*Main Provisions of the Articles of Association of our Company*” beginning on page 213 of this Draft Prospectus, defined terms have the meaning given to such terms in the Articles of Association.

Industry and Market Data

Unless stated otherwise, the industry and market data and forecasts used throughout this Draft Prospectus has been obtained from industry sources as well as Government Publications. Industry sources as well as Government Publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness and underlying assumptions are not guaranteed and their reliability cannot be assured.

Further, the extent to which the industry and market data presented in this Draft Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources.

FORWARD-LOOKING STATEMENTS

All statements contained in this Draft Prospectus that are not statements of historical fact constitute forward-looking statements. All statements regarding our expected financial condition and results of operations, business, plans and prospects are forward-looking statements. These forward-looking statements include statements with respect to our business strategy, our revenue and profitability, our projects and other matters discussed in this Draft Prospectus regarding matters that are not historical facts. Investors can generally identify forward-looking statements by the use of terminology such as “aim”, “anticipate”, “believe”, “expect”, “estimate”, “intend”, “objective”, “plan”, “project”, “may”, “will”, “will continue”, “will pursue”, “contemplate”, “future”, “goal”, “propose”, “will likely result”, “will seek to” or other words or phrases of similar import. All forward looking statements (whether made by us or any third party) are predictions and are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

Forward-looking statements reflect our current views with respect to future events and are not a guarantee of future performance. These statements are based on our management’s beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect.

Further the actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties associated with our expectations with respect to, but not limited to, regulatory changes pertaining to the Gaming and Entertainment industry in India and overseas in which we have our businesses and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India and overseas which have an impact on our business activities or investments, the monetary and fiscal policies of India and other jurisdictions in which we operate, inflation, deflation, unanticipated volatility in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes, changes in competition in our industry and incidence of any natural calamities and/or acts of violence. Other important factors that could cause actual results to differ materially from our expectations include, but are not limited to, the following:

- Our inability to manage our growth effectively, especially as we expand to new gaming platforms;
- Our inability to maintain or enhance our brand recognition;
- Our inability to retain the services of our senior management, key managerial personnel and capable employees;
- Our inability to renew rents for our Properties used for business activities or conduct new rent arrangements on commercially acceptable terms;
- Inability to adequately protect our trademarks;
- Changes in consumer demand and gaming preferences;
- Failure to successfully upgrade our products and service portfolio, from time to time; and
- Failure to obtain any applicable approvals, licenses, registrations and permits in a timely manner.

For further discussions of factors that could cause our actual results to differ, please see the Chapters titled “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on pages 11, 85 and 157 of this Draft Prospectus, respectively.

By their nature, certain risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Forward-looking statements speak only as of this Draft Prospectus. Our Company, our Directors, the LM, and their respective affiliates or associates do not have any obligation to, and do not intend to, update or otherwise revise any statements reflecting circumstances arising after

the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with the SEBI requirements, our Company and the Lead Manager will ensure that investors in India are informed of material developments until such time as the grant of listing and trading approvals by the Stock Exchange.

RISK FACTORS

An investment in Equity Shares involves a high degree of financial risk. Investors should carefully consider all information in this Draft Prospectus, including the risks described below, before making an investment in our Equity Shares. This section addresses general risks associated with the industry in which we operate and specific risks associated with our Company. Any of the following risks, as well as the other risks and uncertainties discussed in this Draft Prospectus, could have a material adverse effect on our business, financial condition and results of operations and could cause the trading price of our Equity Shares to decline. In addition, the risks set out in this Draft Prospectus may not be exhaustive and additional risks and uncertainties, not presently known to us, or which we currently deem immaterial, may arise or become material in the future. Unless otherwise stated in the relevant risk factors set forth below, we are not in a position to specify or quantify the financial or other risks mentioned herein.

Materiality

The Risk factors have been determined on the basis of their materiality. The following factors have been considered for determining the materiality.

1. Some risks may not be material individually but may be material when considered collectively.
2. Some risks may have an impact which is qualitative though not quantitative.
3. Some risks may not be material at present but may have a material impact in the future.

INTERNAL RISK FACTORS

- 1) **We, our Directors, our Promoters, and our Group Companies are party to certain legal proceedings that, if decided against us, or such party or parties could have a material adverse effect on our reputation, business prospects, financial condition and results of operations**

Our Company, our Promoters, our Directors and our Group Companies are involved in various legal proceedings which are in our ordinary course of business. These proceedings are pending at different levels of adjudication before various courts, tribunals, enquiry officers, and appellate authorities. We cannot assure you that these legal proceedings will be decided in our favour. Any adverse decision may have a material adverse effect on our business, reputation, financial condition and results of operations and cash flow. Our outstanding legal proceedings and the amounts claimed in these proceedings have been disclosed to the extent ascertainable in the summary given below.

a) **Litigations / Proceedings filed against our Company and Promoter, Director**

Sr. No.	Nature of Matter	No. of Matters	Amount (to the extent quantifiable (₹ in Lacs)
1.	Litigations involving Civil Laws	2	95.20
2.	Litigations involving Criminal Laws	-	-

b) **Litigations / Proceedings initiated by our Company**

Sr. No.	Nature of Matter	No. of Matters	Amount (to the extent quantifiable (₹ in Lacs)
1.	Litigations involving Civil Laws	1	-*
2.	Litigations involving Criminal Laws	1	3.72

*Since this is a case under the Specific Relief Act, 1963 for peaceful use, occupation and possession, the value cannot be ascertained.

For further details on these proceedings, see section titled “Outstanding Litigation and Material Developments” beginning on page 169.

2) Our revenues have shown a declining trend in the recent past.

In the past we have had a decline in our revenues generated

Particulars	As at Dec. 31, 2012	As At March 31, 2012	As At March 31, 2011	As At March 31, 2010	As At March 31, 2009	As At March 31, 2008
Revenue from Operations	307.23	404.72	548.49	653.41	635.21	155.55
Other Income	25.16	13.05	0.29	0.27	-	-
Total Revenue (I+II)	332.39	417.76	548.78	653.68	635.21	155.55

For details of the reason for the above mentioned decline in the recent years, see the section titled “Management Discussion and Analysis of Financial Conditions and Results of Operations” beginning on page 157 of this Draft Prospectus. It is relevant to note that in spite of declining revenues, we have had put profits increasing year on year. However we cannot assure that we will be able to continue the same trend and manage the business operations and finance efficiently.

3) Our past revenues have been significantly dependent on two Large Scale Game Publishers i.e. Sony Computer Entertainment (Europe) and Jo Wood Entertainment AG. If our Company is unable to retain any of these two customers or if our customers decide to procure their demands from other suppliers including our competitors, our business, revenues and profitability may be adversely affected.

We have been developing games on a contract basis for Owners of Console Based Gaming Platforms and Game Publishers such as Sony Computer Entertainment (Europe) and Jo Wood Entertainment AG. Following are the details of the revenue derived from these two customers for the last three fiscals:

Particulars	% of total sales FY 2012	% of total sales FY 2011	% of total sales FY 2010
Sony Computer Entertainment (Europe)	99.59%	54.22%	26.00%
Jo Wood Entertainment AG	-	31.56%	68.73%
Total	99.59%	85.79%	94.73%

If our Company is unable to retain any of these two customers or if our customers decide to procure their demands from other suppliers including our competitors, our business, revenues and profitability may be adversely affected.

Also, Jo Wood Entertainment has filed chapter 11 for insolvency. Though the management feels that the amount will be recovered, we can't be sure to what extent the amount can be recovered. We cannot assure that such incidents won't happen in the future.

4) We have experienced negative cash flows in previous years / periods. Any operating losses or negative cash flows in the future could adversely affect our results of operations and financial condition.

We have experienced negative operating as well as financial cash flows, in the past.

Our net cash from / (used in) investment activities amounted to ₹ (6.00) lacs in fiscal 2012, ₹ (8.12) lacs in fiscal 2011, ₹ (6.62) lacs in fiscal 2010, ₹ (84.17) lacs in fiscal 2009 and ₹ (148.74) lacs in fiscal 2008. Our net cash from / (used in) financial activities amounted to ₹ 151.90 lacs for the nine months period ended

December 31, 2012, ₹ (306.52) lacs in fiscal 2012, ₹ 44.53 lacs in fiscal 2011 and ₹ (93.45) lacs in fiscal 2010.

If the negative cash flow trend persists in future, our Company may not be able to generate sufficient amounts of cash flow to finance our Company's working capital, make new capital expenditure, pay dividends, repay loans, make new investments or fund other liquidity needs which could have a material adverse effect on our business and results of operations.

5) *We will not receive any proceeds from Offer for Sale. The Selling Shareholders comprising Promoter and Promoter Group will receive the entire proceeds from the Offer for Sale.*

This Issue includes an Offer for Sale of 23,20,000 Equity Shares of ₹ 10 each fully paid at a cash price of ₹ 15/- per Equity Share aggregating ₹ 348.00 lacs by the Selling Shareholders. The Proceeds of the Offer for Sale will be paid to the Selling Shareholders, who are part of our promoter group members and one existing public shareholder, and our Company will not benefit from such proceeds. We will have access only to the fresh Issue proceeds.

For details on the Offer for Sale, please see section "Capital Structure" and "Issue Structure" beginning on page 48 and 190 respectively of this Draft Prospectus.

6) *Some of our group companies have incurred losses*

Even though none of our group companies have reported losses in the last two financial years, some of our Group Companies had reported losses in FY 2010 (as per its audited financial information) as are shown below:

Sr. No.	Name of Group Company	PAT for FY 2010
1	Planet 41 Televentures Ltd.	(0.10)
2	Net Stick Interactive Pvt. Ltd.	(0.10)
3	Trine Ventures Limited	(0.10)
4	Indmobile Ventures Limited	(0.10)

There can be no assurance that we, or other Group Companies, will not incur losses or have a negative net worth in the future. Any disruption in the operation of these companies could have an adverse affect on our financial condition, results of operation and profitability.

7) *Our strategy to diversify from console based games development to other platforms may not be successful.*

As a part of our strategy to improve our profitability we plan to develop and launch our games directly to customers digitally in addition to selling games to a Publisher like Sony, Nintendo etc. Over the years, we have acquired the experience and skill in the Console gaming space however in the Mobile space our experience is limited. In the case of Mobile gaming, the games have to be promoted on the platform by the Publishers. There is no assurance that the Publisher will promote our games as per the contract which will have an impact on our visibility on the Digital Game Store which will further affect our sales.

8) *Our Promoters and Directors have interest in our Company other than reimbursement of expenses incurred or normal remuneration or benefit.*

Our Promoters and Directors may be deemed to be interested to the extent of Equity Shares held by them, their friends or their relatives or our Group Entities, and benefits arriving from their directorship in our Company. Our Promoters are interested in the transactions entered into between our Company and themselves as well as between our Company and our Group Entities.

9) We do not own our Registered Office from which we operate.

We do not own the premises on which our Registered Office is situated and operates from leased premises. We have entered into an agreement with M/s. Mobile Telecommunications Limited, for occupying the office on rent which is valid for 5 years w.e.f 01/03/2012. If the owner of such premises does not renew the lease deed under which we occupy the premises or renew the lease deeds on terms and conditions that are unfavourable to us, we may suffer a disruption in operations which could have a material adverse effect on its business and operations. For further details in relation to the property leased by our Company, see section titled “Our Business” beginning on page 85.

10) Our insurance coverage may not adequately protect us against all material hazards

We maintain the following insurance coverage:

S. No	Name of the Insurance Company	Type of Policy	Validity Period	Description of Assets covered under the Policy	Sum Insured	Premium P.A.
1	Bajaj Allianz General Insurance Company Limited	Standard Fire and Special Perils Policy	23/02/2013 to 22/02/2014	Electronic Software Units	₹ 56 lacs	₹ 6,386

The price, terms and availability of insurance fluctuate significantly and insurance policies may not continue to be available on commercially reasonable terms or at all. Further, we do not have any insurance for intellectual property claims or communications claims for all our employees. There can be no assurance that any claim under the insurance policies maintained by us will be honoured fully, in part or on time, or that we have obtained sufficient insurance (either in amount or in terms of risks covered) to cover all material losses. To the extent that we suffer loss or damage for events for which we are not insured or for which our insurance is inadequate, the loss would have to be borne by us, and, as a result, our results of operations and financial condition could be adversely affected.

11) In the Preceding one year, we have issued Equity Shares which may be at a price less than the Issue Price.

We have issued Equity Shares in the last 12 months, details of which are provided below:

Date of allotment	No. of Equity Shares Issued	Issue Price (₹)	Nature of Consideration	Reasons for Allotment
March 08, 2013	18,14,700	11.5	Cash	Pre-IPO Allotment

All of the above stated issuances are at a price lower than the Issue Price. For further details and reasons for the difference in pricing, see section “Capital Structure – Notes to Capital Structure - Equity Shares issued at a price which may be lower than the Issue Price during the preceding one year” on page 50 of this Draft Prospectus.

12) We propose to utilize a significant portion of the total Issue Proceeds, constituting approximately 66.14% of the total Fresh Issue Proceeds towards development of a New Game and related Entertainment Media. If we are unable to manage our growth effectively, we may not be able to capitalise on new business opportunities and our business and financial results may be materially and adversely affected.

We have experienced rapid growth, and further expansion may place significant strain on our management and resources. We have since incorporation developed and launched 9 diverse and profitable games. We propose to utilise a portion of the Issue Proceeds to finance the development of a new Mobile Based Social Game for which we propose to incur a total expenditure of ₹. 150.00 Lacs which

is to be funded from the proceeds of the Fresh Issue (i.e. approximately 66.14% of the total Fresh Issue Proceeds)

For further details, please see section “Objects of the Issue” on page 60 of this Draft Prospectus. We cannot assure that we will be able to recoup our costs and sell/lease these games profitably in the short-term or at all. Further, we may have to re-ascertain mid-way if the development of a game is not as per standards due to changes in trends in the market as well as due to other internal and external exigencies. This may entail redoing, modifying, and making significant additional expenses on the same games in the future which could materially adversely affect our cash flows and fund utilisation schedules.

This further expansion may place substantial demands on our management and our operational, technological and other resources. Our planned expansion may also place significant demands on us to maintain consistent graphic and user interest creating qualities in our games and preserve our corporate culture to ensure that our brand does not suffer as a result of any deterioration, whether actual or perceived, in the quality of our games. To manage and support our growth, we may be required to improve our existing operational and administrative systems as well as our financial and management controls. Our continued success also depends on our ability to recruit, train and retain additional qualified financial and management personnel as well as other administrative and sales and marketing personnel, particularly as we expand into new markets. To accommodate our growth, we anticipate that we will need to implement a variety of new and upgraded operational and financial systems, procedures and controls, including the improvement of our accounting and other internal management systems. We also need to continue to manage our relationships with our service providers and customers. All of these endeavours will require substantial management attention and significant additional expenditures. We cannot assure you that we will be able to manage any future growth effectively and efficiently, and any failure to do so may materially and adversely affect our ability to capitalise on new business opportunities, which in turn may have a material adverse effect on our business financial condition, results of operations and prospects.

13) *We propose to utilize an aggregate of ₹ 50.00 lacs, from the Net Proceeds of the Fresh Issue, towards hardware and software costs which may have limited resale value.*

We propose to utilise ₹ 50 lacs out of the Net Proceeds of the Fresh Issue towards purchasing computers, servers and other such necessary hardware and software. *For further details, please see section titled “Objects of the Issue” on page 60 of this Draft Prospectus.* Such hardware, software and furniture may have limited resale value. As such, in the event we decide to change or modify our hardware requirements or office space layouts in the future, we may be able to realize only a limited resale value of such equipment and furniture, which in turn may have a material adverse effect on our results of operations.

14) *We plan to develop our proprietary mobile games technology which will be used to develop our game. This can be a costly affair.*

Introduction of new platforms such as Blackberry 10, Windows Phone etc. may require additional costs in porting of our games. We plan to address this issue by investing in our own proprietary mobile games technology which will be used to develop our game. Developing our own technology would mean the staff is trained to develop on all platforms we are targeting and would also reduce our development expenses versus licensing an existing technology from an overseas company. We will also further plan to license our internal technology out to other developers in the world for a fee.

15) *We face strong competition in our business.*

The Gaming sector in India and Abroad is subject to growing competition in the markets in which we compete. There is increasing competition in respect of price, service and game quality. In addition, there is also competition for suitable platform availability in the gaming sector. A growing, under-served market, such as India, is particularly attractive to new entrants, who may also offer new designs, graphics,

concepts that appeal to consumer tastes. New entrants may include global gaming companies such as Sony and Disney which benefit from global brand recognition and have significant experience in entering and operating in new markets and significant management, marketing and financial resources. We may also face competition from existing, experienced gaming businesses willing to accept low margins on investment in order to enter new markets, as well as from entertainment and digital conglomerates willing to cross-subsidize a new game in order to enter new markets. In addition, the gaming industry in India is fragmented. As a result, in addition to large gaming companies we also compete with smaller boutique games developers within the game types in which we operate. A significant increase in competition, whether from one new competitor or many, could exert downward pressure on prices, lower demand for our products and game concepts, an inability to take advantage of new business opportunities and a loss of market share, all of which would adversely affect our business, financial condition, results of operations and prospects

16) *There are certain audit qualifications in the auditor's report of our previous financial years/periods.*

Our Auditors have qualified their Auditors Reports in previous financial years/periods. The qualifications set out in previous audit reports are as mentioned below:

For 9 Months period ended on 31st December, 2012:

- The Company does not have an internal audit system.
- The company is a unit registered under the STPI. Necessary returns in respect of the same are in the process of being filed*.
- The company is in the process of filing various statutory return viz. TDS, Service tax etc. Further, the dues in respect of the same are also payable and the impact arising on account of the same shall be accounted for in the year in which the return shall be filed / dues paid.

** However, the STPI returns have been filled on April 4, 2013*

For Fiscal 2011-2012

- The Company does not have an internal audit system.
- The Company has not been regular in depositing the dues of Income Tax. Service tax, Professional Tax, FBT and sales tax. The amount payable for Income Tax (TDS), Income Tax, Professional Tax, FBT and Service Tax were 46.14 lacs, 1.86 lacs, 6.72 lacs, 0.38 lacs, and 0.13 lacs respectively as at March 31, 2012.

For Fiscal 2010-2011

- The Company does not have an internal audit system.
- The Company has not been regular in depositing the dues of Income tax. Service tax, FBT and Professional Tax. The amounts payable for Income Tax (TDS), Professional Tax, FBT and Service Tax were 33.72 lacs, 5.53 lacs, 0.38 lacs and 2.25 lacs respectively as at March 31, 2011.

For Fiscal 2009-2010

- The Company does not have an internal audit system.
- The Company has not been regular in depositing the dues of Income tax, Professional Tax and FBT. The amounts payable for Income Tax (TDS), Professional Tax and FBT were 38.56 lacs, 4.12 lacs and 0.38 lacs respectively as at March 31, 2010.

For Fiscal 2008-2009, 2007-2008 and 2006-2007

- The company has not yet started a formal internal Audit department.

17) *We have entered into certain related party transactions and there can be no assurance that such transactions will not have an adverse effect on our business, financial condition, results of operations and prospects.*

We have entered and may continue to enter into a number of related party transactions. While we believe that all our related party transactions have been conducted on an arm's length basis, we cannot assure you that we could not have achieved more favourable terms had such transactions been entered into with unrelated parties. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our business, financial condition, results of operations and prospects. For further details of our historical related party transactions, see the section "*Financial Information*" on page 133 of this Draft Prospectus.

18) *Our Company in the past has delayed in repaying the loan installments, interest and other expenses thereon taken from ICICI Bank Ltd. and Bank of India Ltd.*

Our Company had taken long term debt facility from ICICI Bank and Bank of India in ordinary course of business. The repayment of loan installments, interest and other expenses thereon was not as per the loan agreements with respective banks and there were delay in repaying the installments to the banks. However, the dues were fully settled in fiscal 2012 and we do not have any debt outstanding from the banks as on date and letters conforming the same from ICICI Bank and Bank of India were received.

In case of Bank of India, no reduction/rescheduling was made in the amount of final dues along with interest and all the dues were settled on February 22, 2012. Whereas, in case of ICICI Bank, an ordinary settlement with bank was agreed upon on September 27, 2011 to disburse the final dues of loan amount along with interest and other charges and all the dues were settled on March 28, 2012. For further details on the same, please see the chapter titled "*Outstanding litigation and Material Developments*" beginning on page 169 of this Draft Prospectus.

19) *There are potential conflicts of interest with our Group Companies. Such conflicts of interest may have an adverse effect on our business, financial condition, results of operations and prospects.*

Our Promoter has interests in other companies and entities that may compete with us, including other Group Entities that conduct businesses with operations that are similar to ours. Our Promoter is a Director on the Board of certain other Group Companies as well. For details on his other Directorships, kindly refer to the Chapter titled "*Our Management*" beginning on page 108 of this Draft Prospectus. There is no requirement or undertaking for our Promoter, Promoter Group or Group Entities or such similar entities to conduct or direct any opportunities in the gaming business only to or through us. As a result, conflict of interests may arise in allocating or addressing business opportunities and strategies amongst our Company and our Group Entities in circumstances where our interests differ from theirs. In cases of conflict, our Promoter may favour other Companies in which our Promoter has an interest.

Further, the Memorandum of Association of certain of our Group Companies, including, Planet 41 Mobi Venture Ltd., Net Stick Interactive Pvt. Ltd., and Planet 41 Televentures Ltd entitle such Companies to undertake and carry out businesses that are similar or related to our business. There can be no assurance that such Group Companies will not provide comparable services, expand their presence or acquire interests in competing ventures in the locations in which we operate. As a result, a conflict of interest may occur between our business and the businesses of our Group Companies which could have an adverse effect on our business, financial condition, results of operations and prospects.

20) *We depend on third parties, suppliers and licensors for our business and any failure to deliver on the part of such third parties may have an adverse effect on our business, financial condition and results of operations*

In order to successfully implement our goals, we depend on Platform Holders such as Sony, Microsoft to provide us Development Hardware from time to time and also replace the faulty ones as the need arises. This Hardware is not available for General Public or at a Commercial location. As on date, we have enough hardware from all platform holders to sustain for the next 3-4 years. However, if there is a change in Platform Holder's internal policy and any delay in procurement of the hardware will affect the development schedule of our games which will result in increased costs. Cost of other software Licenses such as Adobe, Autodesk may also increase which would further result in increased costs.

21) *Our computer systems and software data may be damaged or lost.*

Due to the importance of computer systems and data backups to our business, any event affecting our systems could have a material adverse effect on our business. We depend extensively on the reliability of the electronic systems supporting our operations. Our hardware, software and network infrastructure are subject to damage or incapacitation by human error, natural disasters, power loss, sabotage, computer viruses and similar events or the loss of support services from third parties such as internet broadband providers etc. To date we have not experienced loss of data due to systemic failures like viruses etc, but there can be no assurance that we will not encounter disruptions or damage in the future due to substantially increased numbers systems using our office network and increasingly complicated software being utilized. If we experience system interruptions, errors or downtime (which could result from a variety of causes, including changes in client requirements, technological failure, changes to systems and power failures) or are unable to develop necessary technology, our business, prospects, financial condition and results of operations could be materially and adversely affected.

We may also encounter delays or other difficulties incorporating new services and businesses into our information technology systems and there can be no assurance that we will realise the efficiencies and other benefits we anticipate from doing so. We cannot be certain that our backup and protective measures will be sufficient and effective under all circumstances and that disruptions or damage will not occur. Damage or disruption to our infrastructure could result in reduced revenues, increased costs, loss of customers, subscribers and damage to our reputation. If we are unable to provide and sustain high quality services, our credibility, market acceptance and user retention and revenues could be adversely affected.

22) *We may not be able to develop or adopt new technologies in a timely and cost effective manner.*

Any change in market demand as a result of technological changes and improvements may require us to adopt emerging technologies and innovate with new products and services. As new technologies are developed, the products and services we offer may be rendered as obsolete or less competitive. We may not be able to develop and implement new technologies in a timely manner and on a cost effective basis or at all. This may delay the implementation of development services, reduce the quality and functionality of our products, increase our operational costs, reduce our share and impact our revenue streams.

23) *We may seek to make acquisitions, which we may not be able to complete or integrate successfully.*

We evaluate potential acquisition targets from time to time, and we may in the future seek to acquire businesses and assets in order to expand our operations and brand portfolio or to enter new markets. The completion of acquisitions and, if completed, the successful integration of such newly acquired businesses into our operations may be difficult for a variety of reasons, including differing culture or management styles, poor records or internal controls and difficulty in establishing immediate control over

cash flows. As a result, potential future acquisitions pose significant risks to our existing operations, including:

- additional demands placed on our senior management, who are also responsible for managing our existing operations;
- increased overall operating complexity of our business, requiring greater personnel and other resources;
- additional cash expenditures to integrate acquisitions;
- incurrence of additional debt to finance acquisitions and higher debt service costs related thereto; and
- the need to attract and retain sufficient numbers of qualified management and other personnel.

Moreover, when making acquisitions it may not be possible for us to conduct a detailed investigation of the nature of the assets being acquired due to time constraints in making acquisition decisions and other factors. We may also become responsible for additional liabilities or obligations not foreseen at the time of an acquisition. Moreover, even if we are successful in integrating newly acquired assets and acquiring additional assets, expected synergies and cost savings may not materialise, resulting in lower than expected benefits from such acquisitions.

24) Failure to successfully update our games and introduce new games or additional features to our games may adversely affect our business.

Product development is an important factor in our industry in generating increase in sales. We regularly develop and intend to continue to develop and introduce new games and gaming product features. However, these new games and product features may prove to be unsuccessful. We conduct several tests relating to new games / features before implementation, including concept testing with sample target audience in our office facility, in-house testing of products by our research and development department and discussions with game publishers. If a new product is successful in all phases of this testing, only then the same is implemented in the final product. However, there can be no assurance that such efforts will be successful in identifying successful new products and avoiding unsuccessful introductions. Although we rarely substantially modify our games, an inability to successfully introduce new games and product features could adversely affect our business, financial condition, results of operations and prospects.

25) The Gaming Industry has a history of being fragmented and unorganized, lacking sufficient reliable industry data. As a result, third party statistical and financial data in this Draft Prospectus may be incomplete or unreliable.

The Gaming Industry in India is currently not recognised as a separate industry and is grouped as part of the Information and Telecom Industry by the Ministry of Information and Broadcasting in India. As a result, the industry lacks centralized and standardized controls across India. In addition, the Gaming industry has a history of being fragmented and unorganized, comprising unorganized games developers and offshore as well as on shore contract developers. As such, industry data on the Gaming industry in India is limited and may be incomplete or unreliable. In addition, we have not independently verified the data in this Draft Prospectus that comes from the industry publications and other third party sources and therefore we cannot assure you that they are complete or reliable. Such data may also be produced on different bases from those used in other countries. Therefore, discussions of matters relating to India, its economy and our industry in this Draft Prospectus are subject to the caveat that the statistical and other data upon which such discussions are based may be incomplete or unreliable.

26) We are exposed to the risk of piracy which is potentially high in India.

Over the years we have gained sufficient experience and have developed soft material which will help us in the developing the proposed new games. However these soft materials can be used as a feature for

and by other developers as well. In this process of sharing our developed material, the data can be spread across and lead to piracy.

Piracy will also have an adverse effect on our revenues when we publish our games independently since the direct sale of the game will account for our revenue. In India, the pirated versions are available for a cheaper cost and thus give competition to the original version of games.

27) Our promoters currently lack the adequate background and experience in the field of mobile gaming. Thus it is very important to retain our key managerial personnel.

Our promoters have over the years have gained the technical knowhow and experience in the Console Gaming business. However we plan to diversify and explore the Mobile Gaming business where in the experience is very limited. This makes us heavily dependent on our key employees and senior management with significant experience in the Gaming Industry.

According to a study, the attrition rates are set to reach 20 to 25% annually and firms are facing a slowdown in growth and product development work in India as they battle double-digit attrition rates with key personnel quitting to join start-ups or launch their own ventures. In such a scenario, it is very important for us to retain our existing talent and to acquire new talent.

28) We face risks relating to competition for the leisure and entertainment time of users, which has intensified in part due to advances in technology

Our business competes with all other sources of entertainment and information delivery, including broadcast television, handheld devices, films, live events, radio broadcasts, home video products, social media, print media and the internet. Technological advancements, such as new video formats, internet streaming and downloading have increased the number of entertainment and information delivery choices and intensified user fragmentation. If we do not respond appropriately to further increases in the leisure and entertainment choices available to consumers, our competitive position could deteriorate and our results of operations could suffer.

29) Changes in consumer preferences that are largely beyond our control could adversely affect our business, financial condition, results of operations and prospects.

Our business is particularly sensitive to changing consumer preferences, including changes in popularity for gaming platforms, trends in graphics and user interfaces, and consumer acceptance of our game concepts, all of which may be caused by many factors that are generally beyond our control. For example, our “Ra One” games have benefitted from a consumer appetite for the popular movie and its lead actors, but that consumer preference may change. Health, Availability of Physical Sporting activities and other considerations may also result in changes to consumer preferences, which may in turn result in reduced demand for our products. The demand for our products or our costs of doing business may also be adversely affected by public concern about violence in games for children and youth and other factors, such as the use of mobiles for gaming etc. Some or all of our gaming concepts may become less attractive in light of changing consumer preferences, and we may be unable to adapt to such changes in a timely manner or such changes that we adapt to our gaming concepts may be unsuccessful. Any change in consumer preferences that decreases demand for our products or the acceptance of our games or concept etc could materially adversely affect our results of operations and financial conditions.

30) The success of our mobile gaming services business depends on the acceptance of the internet / android phones and relevant pay by mobile services in India, which may be slowed or halted by high costs and other obstacles in India

Introduction of new mobile platforms may split the markets into different genres. Currently we have the Blackberry, Apple iOS, Windows 8 and Android phones with their platforms to publish our proposed games with. However with new mobile platforms coming up, we will have to tie-up with more publishers to

enhance our visibility. This will increase our marketing costs. Further, despite the increased costs of marketing, we cannot be rest assured on the reach of our games through a particular platform. For example the Blackberry Operating System 10.0 may not be released in Japan and may be only in Korea. Thus we may not be able to fully penetrate a particular market due to changing trends and level of acceptance of the platforms and devices on which we would propose to launch our games.

31) *The purposes for which the proceeds of the Fresh Issue are to be utilized are based on management estimates and have not been appraised by any banks or financial institutions*

Our funding requirements and the deployment of the proceeds of the Fresh Issue are based on management estimates and have not been appraised by any banks or financial institutions. Certain estimates are based on quotation received from various vendors. However, in view of the highly competitive nature of the industry in which we operate and introduction of better and improved hardware / software, we may have to revise our management estimates from time to time and, consequently, our funding requirements may also change. This may result in the rescheduling of our expenditure programs and an increase or decrease in our proposed expenditure for a particular object. For further details on quotations received, see section titled “Objects of the Issue” on page 60.

32) *Our business requires us to obtain and renew certain registrations, licenses and permits from government and regulatory authorities and the failure to obtain and renew them in a timely manner may adversely affect our business operations*

Our business operations require us to obtain and renew from time to time, certain approvals, licenses, registrations and permits, some of which have expired and we have either made or are in the process of making an application to obtain such approval for its renewal. We cannot assure you that we will be able to obtain approvals in respect of such applications or any application made by us in the future. If we fail to maintain such registrations and licenses or comply with applicable conditions, or a regulator claims that we have not complied, with such conditions, our certificate of registration for carrying on a particular activity may be suspended and/or cancelled and we will not then be able to carry on such activity. This could materially and adversely affect our business, financial condition and results of operations. Our Company filed certain applications with Registrar of Trade Marks, Trademark Registry, Mumbai for the registration of our logo, name and certain other intellectual properties. These applications are currently pending with the Registry for registration and approvals. For more information about the approvals required in our business and the pending approvals applied for, see sections titled “Key Regulations and Policies” and “Government and Other Statutory Approvals” beginning on pages 96 and 172, respectively.

33) *We may depend on third parties to grant us licenses and rights to their proprietary content and our ability to offer such content may be adversely affected if we are unable to obtain sufficient content at a favourable price or on acceptable terms.*

In future, for providing more realistic gaming experience, we may require licenses and rights of proprietary content from movies, sports associations and other such media whose references, characters and brands may be used by us for our games and non availability of such rights at appropriate costs may limit our ability to provide such games to our customers. Any inability to provide adequate real content in our games may affect our ability to compete effectively with other Game Developers, Publishers and Vendors with more popular proprietary content. This may reduce our gaming popularity and thereby adversely affect our financial condition and results of operations.

34) *Our client's program contents may be tampered with by our employees in violation of applicable agreements and as a result, cause us to breach our contractual obligations in relation to such programs*

Under our contract agreements with Games Publishers like Sony etc we take liability to ensure that our employees do not reproduce copy, edit, interrupt, add or modify the gaming features without the consent of our employing parties. Accordingly, we have our internal control system to ensure the proprietary data

of our clients is properly stored. We verify these procedures on monthly basis to ensure the same. We can give no assurance that the steps taken by us will be adequate to prevent our employees from tampering with the proprietary data of a client. If our client's program contents are tampered with by our employees in violation of any applicable contract agreements or otherwise, our clients may consider us liable for that act and seek damages and compensation from us. We cannot assure you that we will be able to comply with all such obligations and that we will not incur liability nor have a claim for substantial damages against us.

35) *We may be unable to adequately protect our intellectual property as some of our trademarks, logos and copyrights are currently not registered and therefore do not enjoy any statutory protection. Furthermore, we may be subject to claims alleging breach of third party intellectual property rights*

We have made applications for registration of logo and certain other intellectual property as stated below under the provisions of the Trade Marks Act of 1999, which are currently pending registration: .

Following are the Intellectual Properties pending for registration in Our Company's name:

Sr. No	Name of the Intellectual Property	Class of Registration	Date of Application
1	Logo in the name of "Trine Entertainment Limited"	38, 42, 41	February 19, 2013

We cannot assure that we will be able to register these intellectual properties in our name or that third parties will not infringe on our intellectual property, thereby causing damage to our business prospects, reputation and goodwill. Our efforts to protect our intellectual property may not be adequate and any third party claim on any of our unprotected brands may lead to erosion of our business value and our operations could be adversely affected. We may need to litigate in order to determine the validity of such claims and the scope of the proprietary rights of others. Any such litigation could be time consuming and costly and a favourable outcome cannot be guaranteed. We may not be able to detect any unauthorised use or take appropriate and timely steps to enforce or protect our intellectual property.

For further details of our pending approvals, see section titled "Government and Other Statutory Approvals" beginning on page 172.

36) *Taxes and other levies imposed by the Central or State Governments, as well as other financial policies and regulations, may have an adverse effect on our business, financial condition and results of operations*

We are subject to taxes and other levies imposed by the Central or State Governments in India, including, entertainment tax, customs duties, excise duties, central sales tax, state sales tax, fringe benefit tax, service tax, income tax, value added tax and other taxes, duties or surcharges introduced on a permanent or temporary basis from time to time. The central and state tax regime in India is extensive and subject to change from time to time. Any adverse changes in any of the taxes levied by the Central or State Governments, including on software exports, gaming licenses, may adversely affect our competitive position and profitability. We cannot assure you that any existing tax incentives/benefits/levels will continue to be available in the future. Changes in, or elimination of, such tax incentives/benefits/levels could adversely affect our financial condition and results of operations.

37) *If we are not able to attract, motivate, integrate or retain qualified personnel at levels of experience that are necessary to maintain our quality and reputation, it will be difficult for us to manage our business and growth.*

We depend on the services of our executive officers and key employees for our continued operations and growth. In particular, our senior management has significant experience in the Gaming Industry. The loss

of any of our executive officers, key employees or senior management personnel could negatively affect our ability to execute our business strategy, including our ability to maintain our current growth. We do not maintain a key man insurance policy. Our future success would depend in large part on our ability to identify, attract and retain highly skilled managerial and other personnel. Competition for individuals with such specialized knowledge and experience is intense in our industry and we may be unable to attract, motivate, integrate or retain qualified personnel at levels of experience that are necessary to maintain our quality and reputation or to sustain or expand our operations. For Fiscals 2010, 2011 and 2012, our attrition rate for all employees was 6.98 %, 49.23 %, and 7.69 %, respectively. We define attrition as the number of employees that have resigned or have been terminated for any reason during the specified period divided by the No. of Employees on the first day of the specified period + Total No. of new employees joined in the specified period – Total No. of employees resigned/terminated in the specified period. The loss of the services of such personnel or the inability to identify, attract and retain qualified personnel in the future would make it difficult for us to manage our business and growth and to meet our key objectives.

38) *We have not entered into any definitive agreements to use the proceeds of the Fresh Issue*

We intend to use the Net Proceeds as set forth in the section “*Objects of the Issue*” on page 60. We have not entered into any definitive agreements to utilize the Net Proceeds. In particular, we have not placed orders for any of the equipment - software and hardware to be financed from the Net Proceeds. We have relied on third party quotations to calculate the expected amount of the Net Proceeds to be spent on software and hardware. We cannot confirm when we will place our orders and whether we will be able to purchase the necessary materials at the same price at which we obtained the quotations. Consequently, these estimates may be inaccurate and we may require additional funds to implement the objects of the Issue.

39) *Wage increases in India may reduce our profit margins*

One of our significant costs consists of payment of salaries and related benefits to our operations staff and other employees. Because of rapid economic growth in India, increased demand for services from India and increased competition for skilled employees in India, wages for comparably skilled employees in India are increasing at a higher rate than in the United States and Europe. We may need to increase the levels of employee compensation more rapidly than in the past to remain competitive in attracting and retaining the quality and number of skilled employees that our businesses require. Wage increases in the long-term may reduce our competitiveness and our profitability.

40) *We may not declare dividends in the foreseeable future*

In the past, we have not made dividends payments to our equity shareholders in any form. We may retain all future earnings, if any, for use in the operations and expansion of the business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board of Directors and will depend on factors that our Board of Directors deems relevant, including among others, our results of operations, financial condition, cash requirements, business prospects and any other financing arrangements. Accordingly, realisation of a gain on shareholder's investments will depend on the appreciation of the price of the Equity Shares. There is no guarantee that our Equity Shares will appreciate in value.

41) *We are subject to risks arising from exchange rate fluctuations.*

The exchange rate between the Rupee and other currencies is variable and may continue to fluctuate in the future. Fluctuations in the exchange rates may affect the Company to the extent of cost of imported raw material being bought from overseas vendors as well as goods exported by our Company. Any adverse fluctuations with respect to the exchange rate of any foreign currency for Indian Rupees may affect our Company's profitability, since a part of our materials such as software and virtual programs will be purchased in foreign currency.

EXTERNAL RISK FACTORS

42) *Our Company is subject to risk arising from changes in interest rates and banking policies.*

Increased interest rates will have a bearing on profitability and credit controls will have an effect on our liquidity and will have serious effects on adequate working capital requirements. We are dependent on various banks for arranging of our working capital requirement etc. Accordingly, any change in the existing banking policies or increase in interest rates may have an adverse impact on profitability of our company.

43) *We depend primarily on the overseas market for sales of our products and content and, accordingly, adverse economic and financial developments in those countries may have an adverse effect on our business, financial condition and results of operations.*

We focus and depend primarily on the International market for sales of our gaming products. Our Export Sales for the fiscal 2011 and 2012 was ₹ 486.98 lacs and ₹ 403.06 lacs out of our total Sales of ₹ 548.49 lacs and ₹ 404.72 lacs respectively. Demand for our products may be adversely affected by factors such as changes in Global economic scenario, fiscal, export-import and monetary policies, political and financial instability, decline in growth rates of our target economies, changing consumer preferences etc. As a result, a decrease in demand for the products we sell in abroad or the industries we service such as the Gaming, Entertainment and Media. It is difficult to gauge the impact of these fundamental economic changes on our business. Any slowdown in the Global as well as in the Indian economy could adversely affect our business, results of operations, financial condition and prospects.

44) *Instability in financial markets could materially and adversely affect our results of operations and financial condition.*

The Indian economy and financial markets are significantly influenced by worldwide economic, financial and market conditions. Any financial turmoil, especially in the United States of America or Europe, may have a negative impact on the Indian economy. Although economic conditions differ in each country, investors' reactions to any significant developments in one country can have adverse effects on the financial and market conditions in other countries. A loss in investor confidence in the financial systems, particularly in other emerging markets, may cause increased volatility in Indian financial markets. The global financial turmoil, an outcome of the sub-prime mortgage crisis which originated in the United States of America, led to a loss of investor confidence in worldwide financial markets. Indian financial markets have also experienced the contagion effect of the global financial turmoil, evident from the sharp decline in SENSEX, BSE's benchmark index in mid 2012. Any prolonged financial crisis may have an adverse impact on the Indian economy and us, thereby resulting in a material and adverse effect on our business, operations, financial condition, profitability and price of our Equity Shares.

45) *Any downgrading of India's debt rating by an international rating agency could have a negative impact on our business and the trading price of the Equity Shares.*

Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely affect our ability to raise additional financing and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our business and future financial performance and our ability to obtain financing to fund its growth, as well as the trading price of the Equity Shares.

46) *Our ability to raise foreign capital may be constrained by Indian law.*

As an Indian company, we are subject to exchange controls that regulate borrowing in foreign currencies. Such regulatory restrictions limit our financing sources and hence could constrain its ability to obtain financing on competitive terms and refinance existing indebtedness. In addition, we cannot assure you that the required approvals will be granted to it without stringent conditions, if at all. Limitations on raising

foreign debt may have an adverse effect on our business growth, financial condition and results of operations.

47) After this Issue, the price of our Equity Shares may be highly volatile, or an active trading market for the Equity Shares may not develop

The price of our Equity Shares on the Stock Exchanges may fluctuate after this Issue as a result of several factors, including: volatility in the Indian and global securities market; our operations and performance; performance of our competitors; the perception of the market with respect to investments in the cable industry; changes in the implementation of the digitization schedule in India; adverse media reports about us or the cable industry; changes in the estimates of our performance or recommendations by financial analysts; significant developments in India's economic liberalisation and deregulation policies; and significant developments in India's fiscal regulations. There has been no public market for the Equity Shares and the prices of the Equity Shares may fluctuate after this Issue. There can be no assurance that an active trading market for the Equity Shares will develop or be sustained after this Issue, or that the prices at which the Equity Shares are initially traded will correspond to the prices at which the Equity Shares will trade in the market subsequent to this Issue.

48) There are restrictions on daily movements in the price of our 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

Following the Issue, we will be subject to a daily "circuit breaker" imposed by the Stock Exchanges as per SEBI Circular Ref. SMDRPD/Policy/Cir-35/2001 dated June 28, 2001, which does not allow transactions beyond specified increases or decreases in the price of our 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 percentage limit on our circuit breakers will be set by the Stock Exchanges based on the historical volatility in the price and trading volume of our Equity Shares. The Stock Exchanges will not inform us of the percentage limit 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.

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

In accordance with Indian law and practice, approval for listing of the Equity Shares will not be granted until after those Equity Shares have been issued and allotted. Approval will require all other relevant documents authorising the issuing of our Equity Shares to be submitted to the stock exchanges. There could be a failure or delay in listing our Equity Shares on the Stock Exchanges. Any failure or delay in obtaining the approval would restrict your ability to own or dispose of your Equity Shares.

50) Conditions in the Indian securities market and stock exchanges may affect the price and liquidity of our Equity Shares.

Indian stock exchanges, which are smaller and more volatile than stock markets in developed economies, have in the past, experienced problems which have affected the prices and liquidity of listed securities of Indian companies. These problems include temporary exchange closures to manage extreme market volatility, broker defaults, settlement delays and strikes by brokers. In addition, the governing bodies of the Indian stock exchanges have from time to time restricted securities from trading, limited price movements and restricted margin requirements. Further, disputes have occurred on occasion between listed companies and the Indian stock exchanges and other regulatory bodies that, in some cases, have had a negative effect on market sentiment. If similar problems occur in the future, the market price and

liquidity of the Equity Shares could be adversely affected. Further, a closure of, or trading stoppage on, either of the Stock Exchanges could adversely affect the trading price of our Equity Shares.

51) *Political instability or changes in the Government in India or in the Government of the states where we operate could cause us significant adverse effects.*

We are incorporated in India and most of our operations, assets and personnel are located in India. Consequently, our performance and the market price and liquidity of the Equity Shares may be affected by changes in exchange rates and controls, interest rates, Government policies, taxation, social and ethnic instability and other political and economic developments affecting India. The Government has traditionally exercised, and continues to exercise, a significant influence over many aspects of the economy. Since 1991, successive Governments have pursued policies of economic liberalisation and financial sector reforms. However, there can be no assurance that such policies will be continued. Any political instability could affect the rate of economic liberalisation, specific laws and policies affecting foreign investment, the Entertainment and Gaming industry or investment in our Equity Shares. A significant change in the Government's policies, in particular, those relating to the Entertainment and Gaming industry in India, could adversely affect our business, results of operations, financial condition and prospects and could cause the price of our Equity Shares to decline.

52) *Terrorist attacks, civil unrest and other acts of violence or war involving India and other countries could adversely affect the financial markets and our business.*

Terrorist attacks and other acts of violence or war may negatively affect the Indian markets on which our Equity Shares will trade and also adversely affect the worldwide financial markets. These acts may also result in a loss of business confidence, impede travel and other services and ultimately adversely affect our business. In addition, any deterioration in relations between India and Pakistan might result in investor concern about stability in the region, which could adversely affect the price of our Equity Shares.

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

53) *Outbreaks of epidemic diseases may adversely affect our operations.*

Pandemic disease, caused by a virus such as H5N1 (the "**avian flu**" virus), or H1N1 (the "**swine flu**" virus), could have a severe adverse effect on our business. A new and prolonged outbreak of such diseases may have a material adverse effect on our business and financial conditions and results of operations. Although the long term effect of such diseases cannot currently be predicted, previous occurrences of avian flu and swine flu had an adverse effect on the economies of those countries in which they were most prevalent. In the case of any of such diseases, should the virus mutate and lead to human – to - human transmission of the disease, the consequence for our business could be severe. An outbreak of a communicable disease in India, in Abroad or in the particular region in which we conduct business operations would adversely affect our business, future financial performance and results of operations and trading price of our equity shares.

PROMINENT NOTES

1) Key Issue Particulars:

Pre Issue Net worth (Based on audited accounts as on December 31, 2012)	1235.47 lacs
Issue Size	38,32,000 shares of Face Value of ₹ 10 per share at an issue price of ₹ 15 per share
Cost Per Share to the Promoters	₹ 10 per equity share
Net Asset Value per share or Book Value (Based on Restated Financials as on December 31, 2012) (Face Value of ₹ 10/- per share)	₹ 11.28 per share

- 2) Our Company its Promoters / Directors, Company's Associates or Group companies have not been prohibited from accessing the Capital Market under any order or direction passed by SEBI. The Promoters, their relatives, Company, group companies, associate companies are not declared as wilful defaulters by RBI / Government authorities and there are no violations of securities laws committed in the past or pending against them.
- 3) Investors are advised to refer to the paragraph titled "*Basis of Issue Price*" beginning on page 65 of this Draft Prospectus.
- 4) The Lead Manager and our Company shall update this Draft Prospectus and keep the investors / public informed of any material changes till listing of the Equity Shares offered in terms of this Prospectus and commencement of trading.
- 5) Investors are free to contact the Lead Manager for any clarification, complaint or information pertaining to the Issue. The Lead Manager and our Company shall make all information available to the public and investors at large and no selective or additional information would be made available for a section of the investors in any manner whatsoever.
- 6) In the event of over-subscription, allotment shall be made as set out in paragraph titled "*Basis of Allotment*" beginning on page 218 of this Draft Prospectus and shall be made in consultation with the Designated Stock Exchange i.e. BSE. The Registrar to the Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner as set out therein.
- 7) The Directors / Promoters of our Company have no interest in our Company except to the extent of remuneration and reimbursement of expenses (if applicable) and to the extent of any equity shares (of Trine Entertainment Limited) held by them or their relatives and associates or held by the companies, firms and trusts in which they are interested as director, member, partner, and/or trustee, and to the extent of benefits arising out of such shareholding. For further details please see the section titled "*Our Management*" on page 108 of this Draft Prospectus.
- 8) No loans and advances have been made to any person(s) / companies in which Directors are interested except as stated in the Restated Financials provided in this draft prospectus. For details please see "*Financial Information*" beginning on page 133 of this Draft Prospectus.
- 9) For details of transaction by our Company with group companies during the last year, please see "*Related Party Transactions*" in the Financial Information of our Company beginning on page 150 of this Draft Prospectus.
- 10) Except as disclosed in the chapters titled "*Our Promoter and Promoter Group, Our Group Companies*" and "*Related Party Transactions*" beginning on pages 119, 123 and 150 of this Draft

Prospectus, respectively, none of our Group Companies have business interests or other interests or any other transaction with / in our Company.

- 11) Our company was originally incorporated April 27th, 2006.
- 12) Trading in Equity Shares for all investors shall be in dematerialized form only.
- 13) For information on changes in the Company's name and changes in objects clause of the Memorandum of Association of the Company, please see the chapter titled "*History and Certain Corporate Matters*" beginning on page 105 of this Draft Prospectus.

SECTION III: INTRODUCTION

SUMMARY OF OUR INDUSTRY

Our Company's ability to implement its business strategy may be affected by various factors that have an influence on its operations or on the industry segment in which our Company operates. Such factors have been disclosed in the section titled "Risk Factors" on page 11 of this Draft Prospectus. The "Summary of Industry" section should be read in conjunction with such risk factors.

The information in this section has not been independently verified by us, the Lead Manager or any of our or their respective affiliates or advisors. The information may not be consistent with other information compiled by third parties within or outside India. Industry sources and publications generally state that the information contained therein has been obtained from sources it believes to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry and government publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry and government sources and publications may also base their information on estimates, forecasts and assumptions which may prove to be incorrect. Accordingly, investment decisions should not be based on such information.

Overview of Global Gaming Industry

Over the past 30 years, video games have become an important part of contemporary global entertainment and media. Games and gaming have evolved from dedicated, single-game units to massively multiplayer online role-player games with millions of players. Today they are a huge media business worth billions of dollars, and its bestsellers – rather unnoticed by the public – continuously beat blockbuster movies in first week sales revenue.

The ever increasing expansion of the Internet has significantly contributed to the growth of gaming on dedicated video game consoles and PCs, and the possibility to compete with other players around the world is taken for granted by most players. Mobile broadband and a growing penetration of smart phones brought further movement into the gaming ecosystem. Independent developers and small start-up companies were able to compete in the market and deliver their games to huge audiences. The latest step is the rise of social network games on platforms with hundreds of millions of users. The beginning of mobile gaming has blurred the age of users whom gaming used to attract originally. Now users across ages are into gaming, which increases the potential for gaming software. These transformations have not only changed the way games look today, they have also influenced the audience and the business models of the gaming industry.

According to Gartner research, the global video game industry – software, hardware and online gaming – will grow from USD 74 billion (estimate for 2011) to USD 112 billion in sales by 2015. In comparison, movie theatres around the world reported a combined total revenue of USD 31.8 billion in 2010. The industry witnesses a shift from traditional dedicated gaming devices to smart phones and tablets, from big game design companies to smaller studios offering their games in app stores. Gartner predicts that online gaming spending will pass hardware spending by 2015.

Gaming Industry Value Chain:

Gaming industry value chain is made up of six connected and distinctive layers:

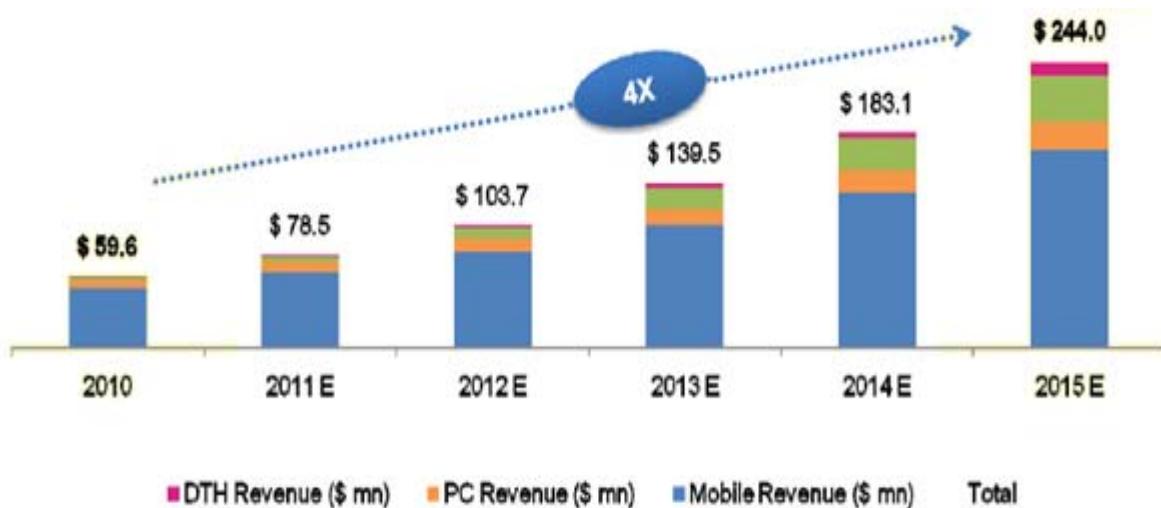
1. **Capital and publishing layer:** involved in paying for development of new titles and seeking returns through licensing of the titles.
2. **Product and talent layer:** includes developers, designers and artists, who may be working under individual contracts or as part of in-house development teams.

3. **Production and tools layer:** generates content production tools, game development middleware, customizable game engines and production management tools.
4. **Distribution layer:** or the "publishing" industry, involved in generating and marketing catalogues of games for retail and online distribution.
5. **Hardware (or Virtual Machine or Software Platform) layer:** or the providers of the underlying platform, which may be console-based, accessed through online media, or accessed through mobile devices such as smart phones. This layer now includes non-hardware platforms such as virtual machines (e.g. Java or Flash), or software platforms such as browsers.
6. **End-users layer:** or the users/players of the games.

Overview of Indian Gaming Industry

Indians are obsessed with entertainment and various media vehicles delivering entertainment are seeing enormous growth in the country. The high profile launches of Microsoft Xbox 360 and Sony's PS3 in India brought in a new dimension to gaming altogether. The jittery gameplay and graphics gave way to movie-like story line with super cool graphics and animations. The real-life simulation games looked less like simulation and more real life, making the game play more engrossing and captivating. However, the high-priced consoles have still not reached the Indian masses.

Casual Gaming in India is at a nascent stage but is expected to grow significantly at a **CAGR of 32%** over 2010-15 periods. Following Figure shows the Segment wise Revenue of Gaming Industry in India:



(Source: 'Casual Gaming in India' Report by Nasscom in Association with IGDA)

Growth Drivers of Gaming Industry in India:

The Gaming Industry in India has increased significantly over the last few years. Growth Drivers of Gaming Industry in India are mentioned below:

1. Increased mobile subscriber base
2. Introduction of 3G enabled handsets
3. Increase in production of console games overseas:
4. Product to services model
5. Broadband Penetration:

6. Marketing and Distribution Chain

Issues and Challenges in front of Gaming Industry in India:

1. Delay in Proposed Technology Advancements
2. Skewed Revenue Sharing Agreement between Game Developers and Telecom Operators
3. Lack of Localized Content
4. Regulatory Hurdles
5. Lack of Skilled Manpower

SUMMARY OF OUR BUSINESS

“Our Company’s ability to successfully implement its business strategy, growth and expansion plans may be affected by various factors. Our Company’s business overview, strengths and strategies must be read along with the risk factors provided in the section entitled “Risk Factors” on page 11 of this Draft Prospectus.

In this section, unless the context otherwise requires, a reference to “we”, “us” and “our” refers to Trine Entertainment Limited. Unless otherwise stated or the context otherwise requires, the financial information used in this section is derived from our restated financial information. This section should be read together with “Our Business” on page 85 “Risk Factors” on page 11 and “Industry Overview” on page 77 of this Draft Prospectus.

COMPANY OVERVIEW

We are a video game developer company focused on delivering games across various console based platforms such as Nintendo, Sony Play stations, XBOX etc. We are also in the process of widening our platform base by developing and releasing online/mobile games as well as games usable across Smart-Phones, Tablets, PC and other emerging connected platforms.

Our Company was founded in 2006 in Mumbai, Maharashtra with a vision that India with its huge young population and high level of I.T. penetration would become one of the fastest growing markets for games in the world. We have launched popular games successfully in each of the last six years and have generated over ₹ 2700 lacs in gaming sales since inception.

We operate through our registered and corporate office in Mumbai having an area of 3,600 Sq. Ft. and a capacity to house over 70 employees in one shift. We have been engaged by our clients on a contract basis to develop games for their respective gaming platforms. Games developed and launched by us in the past include diverse gaming genres as set forth below –

GENRE	GAMES
Action	• Spellforce 2: Faith in Destiny
Action – Adventure	• R.A. One: The Game
Fantasy and Role-playing	• Gothic 3 • Arcania
Sports	• Street Cricket Champions 2 • Move Street Cricket

Our current business operations involve development on contract basis. However, we believe that majority of the revenues and profits collected are taken away by the Publishers while doing business on Contract Basis. Thus we are currently in the process of conceptualizing and developing two new Mobile-based games and self publish them.

Constantly growing young population, steadily rising disposable incomes, rise in wireless usage and a proliferation of game developers has propelled us to move forward and grow our operations. We intend to venture into the business of publishing Video Games Digitally for all major Desktop and Console platforms as well as start developing and publishing Socio-Online Games and Mobile Games. Initially, we plan to develop all the games internally at our Development office and later on we will start to license already developed games and distribute them under our own brand as well as fund new and original Intellectual Property.

We have over 3 years of experience in Developing Cricket games for the World market and we intend to capitalize on the opportunity of being one of the few Organized Game developers in the world for 2nd most popular sport in the world which has over 2 billion fan base worldwide (*Source: Internal Company Estimates*). We intend to distribute our games digitally through several available Digital Game Distribution Channels which are being used by several leading Video Game Companies in the world.

Our current manpower includes 47 permanent employees on our payroll, adequately distributed among various departments such as Game designing, Art, Animation, Programmer, IT, Accounts and Finance, HR and Administration. *For Further details on our Personnel Strength, See the Para Titled “Human Resource” of this Chapter.*

OUR STRENGTHS

1. Quality Infrastructure and Utilities

Our Infrastructure facilities are designed to develop a variety of Games of different genres using a combination of processes. Our registered office from which we operate has a floor area of 3,600 Sq. Ft. which can accommodate more than 70 persons in a single shift. Given the Size of our office, we render adequate space to all our personnel departments such as Programming, Game Designing, Animation, Art and User Interface, IT etc.

Servers and Computers are basic hardware in Gaming Industry. We own our servers, computers and other connected hardware which are instrumental in developing games and animation. It minimizes our dependency on third parties for these machines. Further we are one of the very few companies in India to license “Unreal Engine 3.0” from Epic Games which is a software tool used by many game developers around the globe to develop their games.

2. High Visibility in the Market due to Global Projects

Our Clients are Global Multinational Companies such as Sony Computer Entertainment Europe Ltd. and JoWood Productions Software AG as well as Domestic Companies such as Red Chillies Entertainment Pvt. Ltd. We have successfully developed games for these companies and marked our presence in the International Gaming Market. We have been authorized to develop games for Sony’s Playstation Devices, JoWood Entertainment who further supplies games to Nintendo Platforms, Microsoft’s XBOX 360, Apple IOS and Android based devices. We have developed “R.A. One – The Game” featuring Indian Actors Sharukh Khan and Kareena Kapoor for Sony which have given us recognition in Indian as well as International Market. We have also developed Cricket Games for Indian and International Market which have gained good popularity. For further details on games developed by us, please see the chapter titled “Our Business” beginning on page no. 85 of this Draft Prospectus.

3. Experienced and Innovative management team

Our business is highly specialized. Our management team is trained, experienced and innovative. Our promoters, Mr. Sangam Gupta, who is also our C.E.O, and Mr. Somil Gupta have extensive experience in the Entertainment and Gaming industry and have provided strategic direction to the Company since inception. Our Company is managed by a team of Innovative and experienced personnel having knowledge of every aspect of Gaming Eco-System. The faith of the management in the staff and their performance has enabled us to build up capabilities to expand our business. As on January 31, 2013, we have 53 employees on our payroll which specifically comprises 35 personnel for game design, animations, programming and art designing activities. For Further details of our key management personnel, see chapter titled “*Our Management*” on page 108 of this Draft Prospectus.

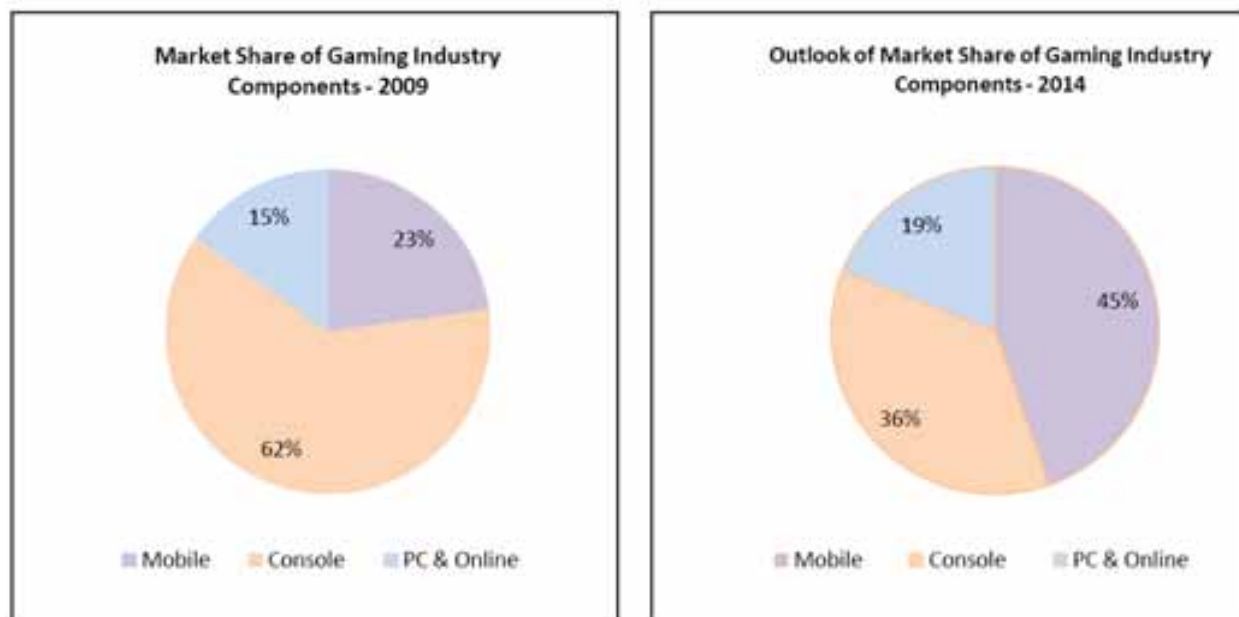
OUR STRATEGY

1. To Diversify Our Business Horizon

Gaming Industry is highly diversified and there are several gaming platform available for gaming. We are currently developing games for Console and PC Platforms but to expand and diversify our business model, we propose to enter the Mobile and Social Gaming Platforms which is growing at a fast pace. We propose to utilize part proceeds of Initial Public Offer to develop two social games to diversify our product portfolio. *For further details of our Future Projects, Please see the chapter titled "Objects to the Issue" on page no. 60 of this Draft Prospectus.*

Mobile and Social Gaming Platforms are anticipated to grow rapidly and we are targeting this segment of Gaming Industry along with our current business model to balance our operations and to provide steady revenues in the future.

Following figure sets forth the details of market share of different gaming platforms in India:



(Source: "Indian Gaming Industry, 2012" Report by Gyan Research and Analytics Pvt. Ltd)

2. To Publish Games developed by us

Gaming Industry can be segregated into two major pillars, first one is the Game Developer and second one is the Game Publisher/Distributor. Our current business operations involve development of games on contract basis and selling them to the publishers. We believe that majority of the revenues and profits collected are taken away by the Publishers. Thus we intend to publish our games and enhance our profit margins.

We further propose to augment our growth by engaging into the Business of Publishing Video Games Digitally for all major Desktop and Console platforms and simultaneously also start developing and Publishing Online Games for Mobile devices as well. Initially we plan to develop all the games internally at our Development offices and then license already developed games and distribute them under our own brand as well as fund new and original Intellectual Property. We intend to distribute our games digitally through various available Digital Game Distribution Channels which are being used by several leading

Video Game Companies in the world. Depending on the platform on which the game is released, specific channel will be used in the distribution and marketing of the game. The following are the major Distribution Channels which we intend to use for distributing our games:

- Sony Playstation - PSN Store
- Microsoft XBOX - XBOX Live Arcade
- PC - Steam, Direct to Drive and through our own portal
- Mac - Apple App Store and through our own portal
- iOS - Apple App Store
- Android - Google Play and through Telecom Operators

3. To refurbish our Infrastructure Facilities, hire additional manpower and compete successfully

Our existing office and its infrastructural and development facilities have wide scope of improvement. Given the scale of our business operations and ever changing industry face, we strategize to refurbish our office space by installing new Technology and Equipment, Furniture and Fixture and hire additional skilled Manpower in order to penetrate our existing customer base as well as new market. Buying of new hardware, software and other relevant technology will help us to compete in the global market and keep us equivalent with the latest gaming technologies available. We intend to hire innovative and creative manpower, which is a necessity in the Gaming Industry to cater the need of specialized and creative gaming content. With better infrastructure and innovative applications we shall be able to deliver better quality products to our clients and expand our existing customer base. *For further details of Utilization of Funds for the purpose of Infrastructure Expansion, see the chapter titled "Objects of the Issue".*

4. Pursue selective strategic acquisitions and investments and Build our Brand Value

We intend to acquire existing Game Studios both in Global as well as in Indian market to expand our business Operations. These business acquisitions may help us in capturing existing customer base of respective game studios, acquire their Intellectual Properties and Know-How and fetch us trained and experienced Manpower. Business Acquisitions are instrumental in fast business growth and may help us to save both time and money to expand our business operations. Acquiring a well-established running business will also help us to build our Brand Value and Goodwill across the globe.

SUMMARY OF OUR FINANCIALS

The following summary of financial data has been prepared in accordance with Indian GAAP, the Companies Act and the SEBI (ICDR) Regulations, 2009 and restated as described in the Auditor's Report in the section titled "Financial Statements". You should read this financial data in conjunction with our financial statements for Financial Year 2008, 2009, 2010, 2011, 2012 and for the nine months period ended December 31, 2012 including the notes thereto and the reports thereon, which appears under the chapter titled "Financial Information" and chapter titled "Management's Discussion and Analysis of Financial Conditions and Results of Operations" beginning on pages 133 and 157 of this Draft Prospectus.

ANNEXURE I: RESTATED STATEMENT OF ASSETS AND LIABILITIES

(₹ in lacs)

Sr. No.	Particulars	As at Dec. 31, 2012	As At March 31, 2012	As At March 31, 2011	As At March 31, 2010	As At March 31, 2009	As At March 31, 2008
	Assets						
1	Non Current Assets						
	(a) Fixed Assets						
	(i) Tangible Assets	129.99	163.36	228.07	282.67	340.16	393.64
	(ii) Intangible Assets	50.56	92.55	153.65	210.01	265.01	245.29
	(iii) Capital Work in Progress	-	-	-	-	-	-
	(b) Non Current Investment	-	-	-	-	-	-
	(c) Deferred Tax Assets (Net)	-	-	-	-	-	-
	(d) Long Term Loan and Advances	66.35	65.00	50.00	50.00	49.50	49.50
	(e) Other Non Current Assets	1.57	1.96	2.35	2.75	3.14	3.53
	Total (1)	248.47	322.87	434.08	545.42	657.82	691.95
2	Current Assets						
	(a) Current Investments		-	-			
	(b) Inventories	1,062.00	973.50	932.00	862.47	516.00	425.00
	(c) Trade Receivables	211.72	257.34	259.84	81.44	145.87	62.37
	(d) Cash and Cash Equivalents	24.13	12.47	8.62	52.39	21.65	0.55
	(e) Short Term Loans and Advances	123.64	73.96	80.76	85.49	61.20	46.33
	(f) Other Current Assets	12.21	15.12	7.19	1.73	3.89	2.81
	Total (2)	1,433.71	1,332.41	1,288.42	1,083.51	748.62	537.06
	Total (1 + 2) A	1,682.17	1,655.28	1,722.50	1,628.93	1,406.44	1,229.01
	Liabilities						
3	Non-Current Liabilities						

Sr. No.	Particulars	As at Dec. 31, 2012	As At March 31, 2012	As At March 31, 2011	As At March 31, 2010	As At March 31, 2009	As At March 31, 2008
	(a) Long Term Borrowings	25.00	25.00	402.22	454.61	547.29	590.96
	(b) Deferred Tax Liabilities (Net)	-	-	-	-	-	-
	(c) Other Long Term Liabilities	-	-	-	-	-	-
	(d) Long Term Provisions	1.87	1.87	5.53	1.87	2.49	6.13
	Total (3)	26.87	26.87	407.75	456.47	549.78	597.09
4	Current Liabilities						
	(a) Short Term Borrowings	-	-	-	-	-	-
	(b) Trade Payables	103.82	202.08	236.14	308.39	63.41	61.35
	(c) Other Current Liabilities	292.69	362.54	153.62	115.96	128.50	65.06
	(d) Short Term Provisions	7.26	-	-	-	-	-
	Total (4)	403.77	564.61	389.76	424.35	191.91	126.41
	Total (3 + 4) B	430.63	591.48	797.51	880.82	741.69	723.50
	Share Application Money (C)	14.50	112.30	-	79.16	6.00	-
5	Net Worth (A - B -C- 1(e))	1,235.47	949.54	922.63	666.21	655.61	501.98
	Represented by Shareholder's Fund :						
	(a) Share Capital	1,095.00	844.92	844.92	605.00	605.00	465.00
	(b) Reserves and Surplus	142.03	106.58	80.07	63.95	53.75	40.51
		1,237.03	951.50	924.98	668.95	658.75	505.51
	Less: Miscellaneous Expenditure (1(e))	(1.57)	(1.96)	(2.35)	(2.75)	(3.14)	(3.53)
	Net Worth	1,235.47	949.54	922.63	666.21	655.61	501.98

- * Item no. 1(e) contains Miscellaneous Expenditure to the extent not written off till date.
- * Share Application Money, not forming part of Net worth, is considered separately.
- * Contingent Liability for the Period ended on 31 December, 2012 are not ascertainable and the same was Nil for earlier Periods reported here.

ANNEXURE II: RESTATED STATEMENT OF PROFITS & LOSSES

(₹ in Lacs)

Sr. No.	Particulars	As at Dec. 31, 2012	As At March 31, 2012	As At March 31, 2011	As At March 31, 2010	As At March 31, 2009	As At March 31, 2008
I	Revenue from Operations	307.23	404.72	548.49	653.41	635.21	155.55
II	Other Income	25.16	13.05	0.29	0.27	-	-
III	Total Revenue (I+II)	332.39	417.76	548.78	653.68	635.21	155.55
IV	Expenses:						
	Material Purchase	2.06	0.70	1.74	258.46	4.21	-
	Changes in Inventories	(88.50)	(41.50)	(69.53)	(346.47)	(91.00)	(425.00)
	Employee Benefits	133.90	146.10	193.33	240.83	265.47	231.08
	Financial Cost	0.38	41.60	63.84	73.93	74.00	53.80
	Depreciation	90.23	117.15	119.37	118.89	117.92	82.65
	Other Expenses	151.61	127.20	220.25	295.51	249.27	166.77
	TOTAL EXPENSES	289.68	391.25	529.00	641.15	619.86	109.29
V	Profit Before Exceptional and Extraordinary Items and Tax (III-IV)	42.71	26.51	19.78	12.53	15.35	46.26
VI	Add/Less: Exceptional Items	-	-	-	-	-	-
VII	Profit Before Extraordinary Items and Tax (V-VI)	42.71	26.51	19.78	12.53	15.35	46.26
VIII	Add/Less: Prior period & Extraordinary Items	-	-	-	0.46	-	-
IX	Profit Before Tax (VII-VIII)	42.71	26.51	19.78	12.07	15.35	46.26
X	Tax Expense:						
	1) Current Tax						
	Income Tax	7.26	-	3.67	1.87	1.52	5.20
	Fringe Benefit Tax	-	-	-	-	0.60	0.55
	2) Tax Relating to earlier Year	-	-	-	-	-	-
	3) Deferred Tax	-	-	-	-	-	-
	Total Tax Expense (X)	7.26	-	3.67	1.87	2.12	5.75
XI	Profit/(Loss) for the period continuing Operations (IX-X)	35.45	26.51	16.12	10.21	13.24	40.51
XII	Profit from Discontinuing Operations	-	-	-	-	-	-
XIII	Tax Expense of Discontinuing Operations	-	-	-	-	-	-
XIV	Profit/ (Loss) from Discontinuing Operations (after Tax) (XII-XIII)	-	-	-	-	-	-
XV	Profit for the period (XIII-XIV)	35.45	26.51	16.12	10.21	13.24	40.51

ANNEXURE III: RESTATED STATEMENT OF CASH FLOWS

(₹ in Lacs)

Particulars	As at Dec. 31, 2012	As At March 31, 2012	As At March 31, 2011	As At March 31, 2010	As At March 31, 2009	As At March 31, 2008
Cash Flow from Operating Activities:						
Net Profit (adjusted) Before Tax and Extra Ordinary Items	42.71	26.51	19.78	12.07	15.35	46.26
<i>Adjustment for:</i>						
Interest Income	-	(0.35)	(0.29)	(0.27)	-	-
Depreciation	90.23	117.15	119.37	118.89	117.92	82.65
Income Tax	-	(3.67)	-	(1.52)	(5.20)	-
Fringe Benefit Tax	-	-	-	(0.59)	(0.55)	0.22
Interest & Finance Charges	0.38	41.60	63.84	73.93	74.00	53.80
Preliminary Expenses	0.39	0.39	0.39	0.39	0.39	0.39
Operating Cash Flow before working capital changes (A)	133.71	181.63	203.09	202.90	201.91	183.33
Adjustment for Changes in Working Capital:						
(Increase) / Decrease in Closing Stock	(88.50)	(41.50)	(69.53)	(346.47)	(91.00)	(425.00)
(Increase) / Decrease in Trade Receivables	45.62	2.50	(178.41)	64.44	(83.51)	(62.37)
(Increase) / Decrease in Short Term Loans and Advance	(49.68)	6.80	4.73	(24.29)	(14.87)	(32.07)
(Increase) / Decrease in Other Current Assets	2.91	(7.93)	(5.46)	2.16	(1.08)	-
Increase / (Decrease) in Trade Payables	(98.26)	(34.06)	(72.25)	244.97	2.07	35.59
Increase / (Decrease) in Other Current Liabilities	(69.84)	208.91	37.66	(12.92)	63.43	51.97
Cash Generated / (Used) in Working capital changes (B)	(257.75)	134.72	(283.26)	(72.10)	(124.96)	(431.88)
Net Cash provided by/(used in) Operating Activities (A + B)	(124.03)	316.35	(80.17)	130.80	76.95	(248.55)
Cash Flow From Investing activities:						
Sales / (Purchase) of Fixed Asset	(14.86)	8.65	(8.41)	(6.39)	(84.17)	(236.62)
(Increase) / Decrease of Capital Work in Progress	-	-	-	-	-	92.38
(Increase) / Decrease in Other noncurrent assets	-	-	-	-	-	-
(Increase) / Decrease in Long term Loans & Advances	(1.35)	(15.00)	-	(0.50)	-	(4.50)
(Increase) / Decrease in Investments	-	-	-	-	-	-
Interest Received	-	0.35	0.29	0.27	-	-
Net Cash generated / (Used) in Investing	(16.21)	(6.00)	(8.12)	(6.62)	(84.17)	(148.74)

Particulars	As at Dec. 31, 2012	As At March 31, 2012	As At March 31, 2011	As At March 31, 2010	As At March 31, 2009	As At March 31, 2008
activities (C)						
Cash Flow from financing activities:						
Increase in Capital	250.08	-	239.92	-	140.00	268.50
Proceeds from Borrowings (Net)	-	-	-	-	-	200.16
Increase / Decrease in Share Application money	(97.80)	112.30	(79.16)	73.16	6.00	-
(Increase)/ Decrease in Miscellaneous Expenditure	-	-	-	-	-	(0.15)
Interest and Finance Charges	(0.38)	(41.60)	(63.84)	(73.93)	(74.00)	(53.80)
Repayment of Long Term Borrowings		(377.22)	(52.39)	(92.68)	(43.67)	(16.34)
Net Cash Generated from / (Used) in financing activities (D)	151.90	(306.52)	44.53	(93.45)	28.33	398.36
Net Increase / (Decrease) in cash and Cash equivalent	11.66	3.84	(43.76)	30.73	21.10	1.07
Cash and Cash Equivalent as at the beginning of the year	12.47	8.62	52.39	21.65	0.55	(0.52)
Cash and Cash Equivalent as at the end of the year (Period)	24.13	12.47	8.62	52.39	21.65	0.55

Note: The above stated Cash Flow Statement has been prepared under the Indirect Method as given in the Accounting Standard on Cash Flow Statement (AS-3) as per Companies Accounting Standard Rules.

THE ISSUE

PRESENT ISSUE IN TERMS OF THIS DRAFT PROSPECTUS

Equity Shares Offered: Present Issue of Equity Shares by our Company	38,32,000 Equity Shares of ₹ 10 each (the “Equity Shares”) for cash at a price of ₹ 15 per Equity Share (including a Share premium of ₹ 5 per Equity Share) aggregating to ₹ 574.80 lacs consisting of an Offer For Sale of upto 23,20,000 Equity Shares by the Selling Shareholders / Promoters aggregating to 348.00 Lacs and Fresh Issue of 15,12,000 Equity Shares aggregating to ₹ 226.80 Lacs.
Of which:	
Issue Reserved for the Market Makers	2,00,000 Equity Shares of ₹ 10 each for cash at a price of ₹ 15 per share aggregating ₹ 30 lacs
Net Issue to the Public	36,32,000 Equity Shares of ₹ 10 each for cash at a price of ₹ 15 per share aggregating ₹ 544.80 lacs
Equity Shares outstanding prior to the Issue	1,27,64,700 Equity Shares
Equity Shares outstanding after the Issue	1,42,76,700 Equity Shares
Objects of the Issue	Please see the chapter titled “ <i>Objects of the Issue</i> ” on page 60 of this Draft Prospectus

This issue is being made in terms of Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time. For further details, please see the section titled “*Issue Related Information*” beginning on page 186 of this Draft Prospectus.

GENERAL INFORMATION

Our Company was incorporated as Trine Animation & Studios Limited on April 27, 2006 under the Companies Act, bearing Registration No. 161436 and having its Registered Office in Mumbai, Maharashtra. Subsequently, the name of our company was changed to Trine Entertainment Limited and a fresh Certificate of Incorporation consequent upon change of name was issued on September 7, 2007 by the Registrar of Companies, Mumbai, Maharashtra. The Company's Corporate Identity Number is U32301MH2006PLC161436 and its Registered Office is situated at 301/302, B Wing, Interface-16 Building, Malad (West), Mumbai – 400064, Maharashtra.

Brief Company and Issue Information

Registered & Corporate Office	301/302, B Wing, Interface-16 Building, Malad (West), Mumbai – 400064, Maharashtra Tel No.: +91 – 22 - 40311111 Fax No.: +91 – 22 - 40311110
Date of Incorporation	April 27, 2006
Company Registration No.	161436
Company Identification No.	U32301MH2006PLC161436
Address of Registrar of Companies	100, Everest, Marine Drive, Mumbai - 400 002
Issue Programme	Issue Opens on : [●] Issue Closes on : [●]
Designated Stock Exchange	SME Platform of BSE Limited
Company Secretary & Compliance Officer	Mr. Ravindra Mishra 301/302, B Wing, Interface-16 Building, Malad (West), Mumbai – 400064. Tel No.: +91 – 22 - 40311111 Fax No.: +91 – 22 - 40311110 Email: ipo@trine.co.in

Board of Directors of the Company

The following table sets forth the Board of Directors of our Company:

Name	Designation	DIN No.
Mr. Somil Gupta	Whole Time Director	00164819
Mr. Sangam Gupta	Whole Time Director	00164901
Mr. Mandar Joshi	Non Executive Independent Director	06430515
Mr. Haresh Vazirani	Non Executive Independent Director	06503313

For further details pertaining to the educational qualification and experience of our Directors, please see the Chapter titled “Our Management” on beginning on page 108 of this Draft Prospectus.

Note: Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre or post-Issue related problems, such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary account and refund orders. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to the SCSBs, giving full details such as name, address of applicant, application number, number of Equity Shares applied for, amount paid on

application and designated branch or the collection centre of the SCSB where the ASBA Application Form was submitted by the ASBA Bidders.

Details of Key Intermediaries pertaining to this Issue and Our Company

Lead Manager of the Issue

Aryaman Financial Services Limited

60, Khatau Building, Gr. Floor,
Alkesh Dinesh Modi Marg,
Opp. P.J. Tower (BSE Bldg.),
Fort, Mumbai – 400 001
Tel. No.: +91 – 22 – 2261 8264
Fax No.: +91 – 22 – 2263 0434
Website: www.afsl.co.in
Email: ipo@afsl.co.in
Contact Person: Mrs. Samaira Sainani
SEBI Registration No.: INM000011344

Registrar to the Issue

Bigshare Services Private Limited

E-2/3 Ansa Industrial Estate,
Saki Vihar Road, Sakinaka,
Andheri (E), Mumbai – 400072
Tel No.: +91 – 22 – 4043 0200
Fax No.: +91 – 22 – 2847 5207
Contact Person: Mr. Ashok Shetty
Email: ipo@bigshareonline.com
Website: www.bigshareonline.com
SEBI Registration No.: INR000001385

Legal Advisor to the Issue

Juris Matrix (Advocates & Solicitors)

302, Apeejay House,
130, Mumbai Samachar Marg,
Fort, Mumbai – 400001
Tel No.: +91 – 22 – 2285 6164
Fax No.: +91 – 22 – 2283 4519
Contact Person: Mr. Anil Shah
Email: anil@jurismatrix.net

Statutory Auditors of our Company

MSKP & Associates

1001, A Wing, 10th Floor,
Rassaz Castle, Gundavli,
Western Express Highway,
Andheri (East), Mumbai – 400 069,
Tel No.: +91-22-6523 6959
Contact Person: Narendra Khandal
Email: mumbai@mkps.in
Website: www.mkps.in

Bankers to our Company

Axis Bank Limited

5, 6 & 7, Link House,
Opposite Hanuman Mandir,
New Link Road, Malad (West),
Mumbai – 400 064,
Tel No.: +91-22-6141 5400,
Contact Person: Gaurav Padma
Email: gaurav.padma@axisbank.co.in
Website: www.axisbank.com

Bankers to the Issue / Escrow Collection Banks

[•] (to be appointed later)

Refund Banker to the Issue

[•] (to be appointed later)

Self Certified Syndicate Banks

The list of Banks that have been notified by SEBI to act as SCSBs for the ASBA process are provided on <http://www.sebi.gov.in>. For details on designated branches of SCSBs collecting the ASBA Application Forms, kindly refer to the above mentioned SEBI link.

Brokers to the Issue

All members of the recognized stock exchanges would be eligible to act as Brokers to the Issue.

Statement of Inter-se Allocation of Responsibilities

Aryaman Financial Services Limited is the Sole Lead Manager to this issue, and hence is responsible for all the issue management related activities.

Monitoring Agency

As per Regulation 16(1) of the SEBI (ICDR) Regulations, 2009 the requirement of Monitoring Agency is not mandatory if the issue size is below ₹ 50000 lacs. Since the Issue size is below ₹ 50000 lacs, our Company has not appointed a monitoring agency for this issue. However, as per the Clause 52 of the SME Listing Agreement to be entered into with BSE upon listing of the equity shares and the corporate governance requirements, the audit committee of our Company, would be monitoring the utilization of the proceeds of the Issue.

IPO Grading

Since the issue is being made in terms of Chapter XB of the SEBI (ICDR) Regulations, there is no requirement of appointing an IPO Grading agency.

Trustees

This being an Issue of Equity Shares, the appointment of trustees is not required.

Details of the Appraising Authority

The objects of the Issue and deployment of funds are not appraised by any independent agency/ bank/ financial institution.

Credit Rating

This being an Issue of Equity Shares, no credit rating is required.

Expert Opinion

Our Company has not obtained any other expert opinion.

Underwriting

This Issue is 100% Underwritten. The Underwriting agreement is dated May 15, 2013. Pursuant to the terms of the Underwriting Agreement; the obligations of the Underwriters are several and are subject to certain conditions specified therein. The Underwriters have indicated their intention to underwrite the following number of specified securities being offered through this Issue:

Details of the Underwriter	No. of Shares Underwritten	Amount Underwritten (₹ in lacs)	% of the Total Issue Size Underwritten
Aryaman Financial Services Ltd. 60, Khatau Building, Gr. Floor, Alkesh Dinesh Modi Marg, Opp. P.J. Tower (BSE Bldg.), Fort, Mumbai – 400 001 Tel. No.: +91 – 22 – 2261 8264 Fax No.: +91 – 22 – 2263 0434 Email: ipo@afsl.co.in	36,32,000	544.80	94.78%

Details of the Underwriter	No. of Shares Underwritten	Amount Underwritten (₹ in lacs)	% of the Total Issue Size Underwritten
Aryaman Broking Ltd. 60, Khatau Building, Gr. Floor, Alkesh Dinesh Modi Marg, Opp. P.J. Tower (BSE Bldg.), Fort, Mumbai – 400 001 Tel. No.: +91 – 22 – 2261 8264 Fax No.: +91 – 22 – 2263 0434 Email: aryabroking@gmail.com	2,00,000	30.00	5.21%
Total	38,32,000	574.80	100.00%

As per Regulation 106 P (2) of SEBI (ICDR) Regulations, 2009, the Lead Manager has agreed to underwrite to a minimum extent of 15% of the Issue out of its own account.

In the opinion of the Board of Directors (based on certificate given by the Underwriters), the resources of the above mentioned Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The above – mentioned Underwriters are registered with SEBI under Section 12(1) of the SEBI Act or registered as broker with the Stock Exchange.

Details of the Market Making Arrangement for this Issue

Our Company and the Lead Manager, Aryaman Financial Services Limited have entered into an agreement dated May 15, 2013 with Aryaman Broking Limited, a Market Maker registered with the SME Platform of BSE in order to fulfill the obligations of Market Making.

The Market Maker shall fulfill the applicable obligations and conditions as specified in the SEBI (ICDR) Regulations, and its amendments from time to time and the circulars issued by the BSE and SEBI regarding this matter from time to time.

Following is a summary of the key details pertaining to the Market Making arrangement:

1. The Market Maker shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the Stock Exchange. Further, the Market Maker shall inform the exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker.
2. The minimum depth of the quote shall be ₹ 1,00,000. However, the investors with holdings of value less than ₹ 1,00,000 shall be allowed to offer their holding to the Market Maker in that scrip provided that he sells his entire holding in that scrip in one lot along with a declaration to the effect to the selling broker.
3. The Inventory Management and Buying/Selling Quotations and its mechanism shall be as per the relevant circulars issued by SEBI and BSE SME Platform from time to time.
4. Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker, for the quotes given by him.
5. There would not be more than five Market Makers for a script at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors.

6. On the first day of the listing, there will be pre-opening session (call auction) and there after the trading will happen as per the equity market hours. The circuits will apply from the first day of the listing on the discovered price during the pre-open call auction.
7. The Market Maker may also be present in the opening call auction, but there is no obligation on him to do so.
8. There will be special circumstances under which the Market Maker may be allowed to withdraw temporarily/fully from the market – for instance due to system problems or any other problems. All controllable reasons require prior approval from the Exchange, while force-majeure will be applicable for non controllable reasons. The decision of the Exchange for deciding controllable and non-controllable reasons would be final.
9. The Market Maker shall have the right to terminate said arrangement by giving a three months notice or on mutually acceptable terms to the Lead Manager, who shall then be responsible to appoint a replacement Market Maker.

In case of termination of the above mentioned Market Making Agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of the Lead Manager to arrange for another Market Maker in replacement during the term of the notice period being served by the Market Maker but prior to the date of releasing the existing Market Maker from its duties in order to ensure compliance with the requirements of regulation 106V of the SEBI (ICDR) Regulations, 2009. Further the Company and the Lead Manager reserve the right to appoint other Market Makers either as a replacement of the current Market Maker or as an additional Market Maker subject to the total number of Designated Market Makers does not exceed five or as specified by the relevant laws and regulations applicable at that particulars point of time.

The Market Making Agreement is available for inspection at our Registered Office from 11.00 a.m. to 5.00 p.m. on working days.

10. **Risk containment measures and monitoring for Market Maker:** BSE SME Exchange will have all margins which are applicable on the BSE Main Board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. BSE can impose any other margins as deemed necessary from time-to-time.
11. **Punitive Action in case of default by Market Maker:** BSE SME Exchange will monitor the obligations on a real time basis and punitive action will be initiated for any exceptions and/or non-compliances. Penalties / fines may be imposed by the Exchange on the Market Maker, in case he is not able to provide the desired liquidity in a particular security as per the specified guidelines. These penalties / fines will be set by the Exchange from time to time. The Exchange will impose a penalty on the Market Maker in case he is not present in the market (offering two way quotes) for at least 75% of the time. The nature of the penalty will be monetary as well as suspension in market making activities / trading membership.

The Department of Surveillance and Supervision of the Exchange would decide and publish the penalties / fines / suspension for any type of misconduct/ manipulation/ other irregularities by the Market Maker from time to time.

12. **Price Band and Spreads:** SEBI Circular bearing reference no: CIR/MRD/DP/ 02/2012 dated January 20, 2012, has laid down that for issue size up to ₹ 25000 lacs, the applicable price bands for the first day shall be:
 - a. In case equilibrium price is discovered in the Call Auction, the price band in the normal trading session shall be 5% of the equilibrium price.

- b. In case equilibrium price is not discovered in the Call Auction, the price band in the normal trading session shall be 5% of the issue price.
- c. Additionally, the trading shall take place in TFT segment for first 10 days from commencement of trading.

The following spread will be applicable on the BSE SME Exchange/ Platform:

Sr. No.	Market Price Slab (in ₹)	Proposed spread (in % to sale price)
1	Up to 50	9
2	50 to 75	8
3	75 to 100	6
4	Above 100	5

- 13. All the above mentioned conditions and systems regarding the Market Making Arrangement are subject to change based on changes or additional regulations and guidelines from SEBI and Stock Exchange from time to time.**

CAPITAL STRUCTURE

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

(₹ in lacs, except share data)

Sr. No.	Particulars	Aggregate Value at Nominal Value	Aggregate Value at Issue Price
A	Authorised Share Capital		
	2,50,00,000 Equity Shares of face value of ₹10 each	2500.00	-
B	Issued, Subscribed and Paid-up Share Capital before the Issue		
	1,27,64,700 Equity Shares of face value of ₹ 10 each	1276.47	-
C	Present Issue in terms of this Draft Prospectus*		
	Issue of 38,32,000 Equity Shares of ₹ 10 each at a price of ₹ 15 per Equity Share consisting of:	383.20	574.80
	Fresh Issue of 15,12,000 Equity Shares of ₹ 10 each at a price of ₹ 15 per Equity Share	151.20	226.80
	Offer For Sale of 23,20,000 Equity Shares of ₹ 10 each at a price of ₹ 15 per Equity Share	232.00	348.00
	<i>Which comprises:</i>		
	2,00,000 Equity Shares of ₹ 10 each at a price of ₹ 15 per Equity Share reserved as Market Maker Portion	20.00	30.00
	Net Issue to Public of 36,32,000 Equity Shares of ₹ 10 each at a price of ₹ 15 per Equity Share to the Public	363.20	544.80
	<i>Of which:</i>		
	At least 18,16,000 Equity Shares of ₹ 10 each at a price of ₹ 15 per Equity Share will be available for allocation for Investors of up to ₹ 2.00 lacs	181.60	272.40
	18,16,000 Equity Shares of ₹ 10 each at a price of ₹ 15 per Equity Share will be available for allocation for Investors of above ₹ 2.00 lacs	181.60	272.40
D	Equity Share Capital after the Issue		
	1,42,76,700 Equity Shares of ₹ 10 each	1427.67	2141.51
E	Securities Premium Account		
	Before the Issue	27.22	
	After the Issue	102.82	

*The present Issue has been authorized pursuant to a resolution of our Board dated January 21, 2013 and by Special Resolution passed under Section 81(1A) of the Companies Act, 1956 at an Extra ordinary General Meeting of our shareholders held on February 11, 2013.

Our Company has no outstanding convertible instruments as on the date of this Draft Prospectus.

Classes of Shares

As on date, the Company has only one class of share capital i.e. Equity Shares of ₹ 10 each.

Changes in Authorized Share Capital

- (i) The initial authorised share capital of ₹ 1,00,00,000 divided into 1,00,00,000 Equity Shares of ₹ 1 each was consolidated and made to Equity Share of ₹ 10 each, making the Authorised Equity Share Capital to 10,00,000 Equity Shares pursuant to shareholders resolution dated August 16, 2006.
- (ii) The authorised share capital of ₹1,00,00,000 divided into 10,00,000 Equity Shares of ₹ 10 each was increased to ₹ 3,50,00,000 divided into 35,00,000 Equity Shares of ₹ 10 each pursuant to a resolution of our shareholders dated August 16, 2006.
- (iii) The authorised share capital of ₹ 3,50,00,000 divided into 35,00,000 Equity Shares of ₹ 10 each was increased to ₹ 11,00,00,000 divided into 1,10,00,000 Equity Shares of ₹ 10 each pursuant to a resolution of our shareholders dated March 31, 2008.
- (iv) The authorised share capital of ₹ 11,00,00,000 divided into 1,10,00,000 Equity Shares of ₹ 10 each was increased to ₹ 25,00,00,000 divided into 2,50,00,000 Equity Shares of ₹ 10 each pursuant to a resolution of our shareholders dated February 11, 2013.

Notes to the Capital Structure

1. Share Capital History of our Company:

a) Equity Share Capital

Our Company has made allotments of Equity Shares from time to time. The following is the Equity Share Capital Build-up of our Company:

Date of Allotment of Equity Shares	No. of Equity Shares	Face Value (₹)	Issue Price (₹)	Nature / Reason of Allotment	Nature of Consideration	Cumulative No. of Equity Shares	Cumulative Paid Up Share Capital (₹)	Cumulative Share Premium (₹)
On Incorporation	5,00,000	1	1	Subscription to MoA	Cash	5,00,000	5,00,000	Nil
August 16, 2006	50,000	10	NA	Consolidation of Equity Shares	-	50,000	5,00,000	Nil
August 26, 2006	8,50,000	10	10	Further Allotment	Cash	9,00,000	90,00,000	Nil
February 15, 2007	10,65,000	10	10	Further Allotment	Cash	19,65,000	1,96,50,000	Nil
June 08, 2007	7,35,000	10	10	Further Allotment	Cash	27,00,000	2,70,00,000	Nil
March 31, 2008	12,50,000	10	10	Further Allotment	Cash	39,50,000	3,95,00,000	Nil
March 31, 2008	70,00,00 ⁽¹⁾	10	10	Further Allotment	Cash	1,09,50,000	10,95,00,000	Nil
March 08, 2013	18,14,700	10	11.5	Further Allotment	Cash	1,27,64,700	12,76,47,000	27,22,050

⁽¹⁾ Originally allotted as partly paid up shares i.e. ₹ 1 per share towards the issue price of ₹10. These shares have been subsequently made fully paid up as explained below:

Date of Board Meeting	Particulars
March 31, 2009	70,00,000 shares were made paid up to ₹ 3 per share.
March 31, 2011	34,27,375 shares were made paid up to ₹ 10 per share.
May 11, 2012	35,72,625 shares were made paid up to ₹ 10 per share.

b) Shares allotted for consideration other than cash

Our Company has not issued any Equity Share for consideration other than cash.

c) No shares have been allotted in terms of any scheme approved under sections 391-394 of the Companies Act, 1956.

d) No bonus shares have been issued out of Revaluation Reserves.

e) We have allotted equity shares during the preceding one year (March 08, 2013) at a price which was lower than the issue price i.e. ₹ 11.5 to PeeyushAggarwal, HimanshuAggarwal, Kaushlya Rani Goel, Sampada Sharma, NeelamGoel, AmbikaGoel, PuneetGoel, Sachin Goel, Raj Rani Aggarwal, Narendra Kumar Goel, Bhuvnesh Sharma, VarunAggarwal, ParasSaraogi, JainenderSaraogi, Satya Narayan Saria, Sagar Kumar Aggarwal, SavitaAggarwal, SaurabhAggarwal, Vipin Gupta & Sons (Huf), Savitri Devi Gupta, Manisha Mittal, Shilpee Jain, Komal Jain, Ajay Mittal, Anita Gaba, DhruvGaba, Rajesh Gaba, Dinesh Gaba, Sanjay Duggal, Dev Raj Aggarwal (Huf), Subhash Mittal, Deepali Mittal, Pardeep Kumar (Huf), Neelam Aggarwal, Shalu Mittal, Ankit Singhal, Vaibhav Singhal, Rommy Aggarwal, Naresh Aggarwal, NitinAggarwal, Monika Mittal, Nirmal Mittal, JeetmalChoraria. None of these form part of our Promoter Group.

- The reason of above stated allotment was to fund pre IPO monetary requirements of our company.
- Face Value of equity shares allotted in above stated allotment is ₹10 per share.

f) Shareholding of Our Promoters, Promoter Group Members and Group Companies:

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

Date of Allotment / Transfer	Date of shares being made fully paid up	Allotment / Transfer	Consideration	No. of Shares	Face Value (₹)	Issue Price (₹)	Cumulative no. of Equity shares	% of Pre-Issue Paid Up Capital	% of Post-Issue Paid Up Capital
Promoter Shareholding:									
Mr. Somil Gupta									
April 27, 2006	April 27, 2006	Subscription to MOA	Cash	1,00,000	1	1	1,00,000	-	-
August 16, 2006	August 16, 2006	Consolidation of shares	-	10,000	10	NA	10,000	0.08 %	0.07 %
August 26, 2006	August 26, 2006	Further Allotment	Cash	2,50,000	10	10	2,60,000	2.04 %	1.82 %
June 08, 2007	June 08, 2007	Further Allotment	Cash	3,00,000	10	10	5,60,000	4.39 %	3.92 %
March 31, 2008	March 31, 2011	Further Allotment	Cash	27,52,375	10	0	33,12,375	25.95 %	23.20 %

Date of Allotment / Transfer	Date of shares being made fully paid up	Allotment / Transfer	Consideration	No. of Shares	Face Value (₹)	Issue Price (₹)	Cumulative no. of Equity shares	% of Pre-Issue Paid Up Capital	% of Post-Issue Paid Up Capital
March 31, 2008	May 11, 2012	Further Allotment	Cash	2,60,125	10	0	35,72,500	27.99 %	25.02 %
Mr. Sangam Gupta									
April 27, 2006	April 27, 2006	Subscription to MOA	Cash	1,00,000	1	1	1,00,000	-	-
August 16, 2006	August 16, 2006	Consolidation of shares	-	10,000	10	NA	10,000	0.08 %	0.07 %
August 26, 2006	August 26, 2006	Further Allotment	Cash	2,50,000	10	10	2,60,000	2.04 %	1.82 %
March 31, 2008	May 11, 2012	Further Allotment	Cash	33,12,500	10	10	35,72,500	27.99 %	25.02 %
Promoter Group Members and Group Companies Shareholding:									
Ms. Saryu Gupta									
April 27, 2006	April 27, 2006	Subscription to MOA	Cash	1,00,000	1	1	1,00,000	-	-
August 16, 2006	August 16, 2006	Consolidation of shares	-	10,000	10	NA	10,000	0.08 %	0.07%
March 11, 2013	March 11, 2013	Transfer	Cash	(10,000)	10	10	-	-	-
Mrs. Madhulika Gupta									
April 27, 2006	April 27, 2006	Subscription to MOA	Cash	80,000	1	1	80,000	-	-
August 16, 2006	August 16, 2006	Consolidation of shares	-	8,000	10	NA	8,000	0.06 %	0.06 %
August 26, 2006	August 26, 2006	Further Allotment	Cash	3,50,000	10	10	3,58,000	2.80 %	2.51 %
Mr. Manmohan Gupta									
February 15, 2007	February 15, 2007	Further Allotment	Cash	55,000	10	10	55,000	0.43 %	0.39 %
June 08, 2007	June 08, 2007	Further Allotment	Cash	1,75,000	10	10	2,30,000	1.80 %	1.61 %
February 13, 2013	February 13, 2013	Transfer	Cash	2,15,000	10	10	4,45,000	3.49 %	3.12 %
March 11, 2013	March 11, 2013	Transfer	Cash	10,000	10	10	4,55,000	3.56 %	3.18 %
Planet 41 Mobi-Venture Ltd.									
February 15, 2007	February 15, 2007	Further Allotment	Cash	8,60,000	10	10	8,60,000	6.74 %	6.02 %
June 08, 2007	June 08, 2007	Further Allotment	Cash	55,000	10	10	9,15,000	7.17 %	6.41 %

Notes:

- None of the shares belonging to our Promoters have been pledged till date.
- The entire Promoters' shares shall be subject to lock-in from the date of listing of the equity shares issued through this Draft Prospectus for periods as per applicable Regulations of the SEBI (ICDR) Regulations. For details please see Note no. 2 of "Capital Structure" on page 52 of this Draft Prospectus.

- g) None of the members of the Promoter Group, Directors and their immediate relatives have entered into any transactions in the Equity shares of our Company within the last six months from the date of this Draft Prospectus, except as disclosed in the following table:

Date of Transaction	Name of Transferor	Name of Transferee	No. of Equity Shares	Issue Price (₹10)	Nature of Transaction	Nature of Consideration
February 13, 2013	Aditya Vikram Singh	Manmohan Gupta	10,000	10 /-	Transfer	Cash
February 13, 2013	Deepak Jani	Manmohan Gupta	50,000	10 /-	Transfer	Cash
February 13, 2013	Interworld Digital Limited	Manmohan Gupta	1,55,000	10 /-	Transfer	Cash
February 13, 2013	Saryu Gupta	Manmohan Gupta	10,000	10 /-	Transfer	Cash

- h) None of the members of the Promoter Group, Directors and their immediate relatives have financed the purchase by any other person of Equity shares of our Company other than in the normal course of business of the financing entity within the period of six months immediately preceding the date of this Draft Prospectus.

2. Promoter's Contribution and other Lock-In details:

a) Details of Promoters' Contribution locked-in for 3 years

Pursuant to the Regulation 32(1) and 36(a) of the SEBI (ICDR) Regulations, an aggregate of 20% of the Post-Issue Equity Share Capital of Our Company shall be locked-in for a period of three years from the date of Allotment of Equity Shares in this Issue. The lock-in of the Equity Shares would be created as per applicable law and procedure and details of the same shall also be provided to the Stock Exchange before listing of the Equity Shares.

Our Promoters and Promoter's Group have granted consent to include such number of Equity Shares held by them as may constitute 20% of the Post-Issue Equity Share Capital of our Company as Promoters' Contribution and have agreed not to sell or transfer or pledge or otherwise dispose of in any manner, the Promoters' Contribution from the date of filing of this Draft Prospectus until the commencement of the lock-in period specified above.

The details of the Equity Shares locked-in for a period of three years are as follows:

Name of Promoter	No. of Shares locked in	As a % of Post Issue Share Capital
Mr. Sangam Gupta	14,27,670	10.00 %
Mr. Somil Gupta	14,27,670	10.00 %
Total	28,55,340	20.00 %

For details on the date of Allotment of the above Equity Shares, the nature of Allotment, face value and the price at which they were acquired by Mr. Sangam Gupta and Mr. Somil Gupta, please see Note 1(f) under "Notes to Capital Structure" on page 50 of this Draft Prospectus.

The minimum Promoters' Contribution has been brought to the extent of not less than the specified minimum lot and from the persons defined as Promoters under the SEBI (ICDR) Regulations, 2009. The Promoters' Contribution constituting 20% of the post-Issue capital shall be locked-in for a period of three years from the date of Allotment of the Equity Shares in the Issue.

All Equity Shares, which are to be locked-in, are eligible for computation of Promoters' Contribution, in accordance with the SEBI (ICDR) Regulations, 2009. Accordingly, we confirm that the Equity Shares proposed to be included as part of the Promoters' Contribution:

- a) have not been subject to pledge or any other form of encumbrance; or
- b) have not been acquired, during preceding three years, for consideration other than cash and revaluation of assets or capitalization of intangible assets is not involved in such transaction;
- c) is not resulting from a bonus issue by utilization of revaluation reserves or unrealized profits of the Issuer or from bonus issue against Equity Shares which are ineligible for minimum Promoters' Contribution;
- d) have not been acquired by the Promoters during the period of one year immediately preceding the date of filing of this Draft Prospectus at a price lower than the Issue Price, except the bonus shares issued.
- e) have not been issued to our Promoters on conversion of Partnership Firms into Limited Companies.
- f) include those for which specific written consent has been obtained from the shareholders for inclusion of their subscription in the minimum Promoters' Contribution subject to lock-in.
- g) does not include Private placement made by solicitation of subscription from unrelated persons either directly or through any intermediary

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.

We further confirm that our Promoters' Contribution of 20% of the Post Issue Equity does not include any contribution from Alternative Investment Funds.

b) Details of Shares locked-in for one year:

- Pursuant to Regulation 37 of the SEBI (ICDR) Regulations, in addition to the Promoters' Contribution to be locked-in for a period of 3 years, as specified above, the entire Pre-Issue issue Equity Share capital will be locked in for a period of one (1) year from the date of Allotment in this Issue.
- Pursuant to Regulation 39 of the SEBI Regulations, the Equity Shares held by our Promoters can be pledged only with banks or financial institutions as collateral security for loans granted by such banks or financial institutions for the purpose of financing one or more of the objects of the issue and the pledge of shares is one of the terms of sanction of such loan. However, as on date of this Draft Prospectus, none of the Equity Shares held by our Promoters have been pledged to any person, including banks and financial institutions.
- Pursuant to Regulation 40 of the SEBI (ICDR) Regulations, Equity Shares held by our Promoters, which are locked in as per Regulation 36 of the SEBI (ICDR) Regulations, may be transferred to and amongst our Promoters/ Promoter Group or to a new promoter 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 Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011 as applicable.

- Pursuant to Regulation 40 of the SEBI (ICDR) Regulations, Equity Shares held by shareholders other than our Promoters, which are locked-in as per Regulation 37 of the SEBI (ICDR) Regulations, may be transferred to any other person holding shares, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011 as applicable.

3. Pre-Issue and Post Issue Shareholding of our Promoters and Promoter's Group and Group Companies

Set forth is the shareholding of our Promoters and Promoters' Group before and after the proposed issue:

Sr. No.	Name of Shareholder	Pre-Issue		Post-Issue	
		No. of Equity Shares	As a % of Issued Equity	No. of Equity Shares	As a % of Issued Equity
A	Promoters				
1	Somil Gupta	35,72,500	27.99 %	35,72,500	25.02 %
2	Sangam Gupta	35,72,500	27.99 %	35,72,500	25.02 %
	Total (A)	71,45,000	55.97 %	71,45,000	50.05 %
B	Promoter Group & Relatives				
1	Manmohan Gupta	4,55,000	3.56 %	2,25,000	1.58 %
2	Madhulika Gupta	3,58,000	2.80 %	-	-
4	Planet 41 Mobi-Ventures Limited	9,15,000	7.17 %	9,15,000	6.41%
	Total (B)	17,28,000	13.54%	11,40,000	7.99 %
C	Other Associates Acting in Concert				
	<i>None</i>	-	-	-	-
	Total (C)	-	-	-	-
Grand Total (A+B+C)		88,73,000	69.51 %	82,85,000	58.03 %

4. The top ten shareholders of our Company and their Shareholding is as set forth below:

- The top ten Shareholders of our Company as on the date of this Draft Prospectus are:

Sr. No.	Name of Shareholders	No. of Shares	% of Shares to Pre – Issue Share Capital
1	Sangam Gupta	35,72,500	27.99 %
2	Somil Gupta	35,72,500	27.99 %
3	Peeyush Agarwal	27,08,600	21.22 %
4	Planet 41 Mobi-Venture Limited	9,15,000	7.17 %
5	Manmohan Gupta	4,55,000	3.56 %
6	Madhulika Gupta	3,58,000	2.80 %
7	Jeetmal Choraria	2,00,000	1.57 %
8	Usha Srivastav	1,50,000	1.18 %
9	Naresh Aggarwal	50,000	0.39 %
10	Nitin Aggarwal	50,000	0.39 %
11	Monika Aggarwal	50,000	0.39 %
Total		1,20,81,600	94.65 %

b. The top ten Shareholders of our Company ten days prior to date of this Draft Prospectus are:

Date of transaction	Name of Share Holders	No. of Shares	% of Shares to Pre – Issue Share Capital
1	Sangam Gupta	35,72,500	27.99 %
2	Somil Gupta	35,72,500	27.99 %
3	Peeyush Agarwal	27,08,600	21.22 %
4	Planet 41 Mobi-Venture Limited	9,15,000	7.17 %
5	Manmohan Gupta	4,55,000	3.56 %
6	Madhulika Gupta	3,58,000	2.80 %
7	Jeetmal Choraria	2,00,000	1.57 %
8	Usha Srivastav	1,50,000	1.18 %
9	Naresh Aggarwal	50,000	0.39 %
10	Nitin Aggarwal	50,000	0.39 %
11	Monika Aggarwal	50,000	0.39 %
Total		1,20,81,600	94.65 %

c. The top ten Shareholders of our Company two years prior to date of this Draft Prospectus are:

Sr. No.	Name of Share Holders	No. of Shares	% of Shares to Pre – Issue Share Capital
1	Sangam Gupta	35,72,500	27.99 %
2	Somil Gupta	35,72,500	27.99 %
3	Peeyush Agarwal	19,25,000	15.08 %
4	Planet 41 Mobi Entertainment Ltd.	9,15,000	7.17 %
5	Madhulika Gupta	3,58,000	2.80 %
6	Manmohan Gupta	2,30,000	1.80 %
7	Interworld Digital Ltd.	1,55,000	1.21 %
8	Usha Srivastav	1,50,000	1.18 %
9	Deepak Jani	50,000	0.39 %
10	Saryu Gupta	10,000	0.08 %
11	Aaditya Vikram Singh	10,000	0.08 %
Total		1,09,48,000	85.77 %

- Neither the Company, nor its Promoters, Directors and the Lead Manager have entered into any buyback and/or standby arrangements for purchase of Equity Shares of the Company from any person.
- None of our Directors or Key Managerial Personnel holds Equity Shares in the Company, except as stated in the Chapter titled “*Our Management*” on page 108 of this Draft Prospectus.
- Investors may note that in case of over-subscription, allotment will be on proportionate basis as detailed in “*Issue Procedure - Basis of Allotment*” on page 218 of this Draft Prospectus.
- An investor cannot make an application for more than the number of Equity Shares offered in this Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investor.
- An over-subscription to the extent of 10% of the Issue can be retained for the purpose of rounding off to the nearest integer during finalizing the allotment, subject to minimum allotment, which is the minimum application size in this Issue. Consequently, the actual allotment may go up by a maximum

of 10% of the Issue, as a result of which, the post-issue paid up capital after the Issue would also increase by the excess amount of allotment so made. In such an event, the Equity Shares held by the Promoters and subject to lock-in shall be suitably increased; so as to ensure that 20% of the post Issue paid-up capital is locked in.

10. Under subscription, if any, in any of the categories, would be allowed to be met with spill-over from any of the other categories or a combination of categories at the discretion of our Company in consultation with the Lead Manager and Designated Stock Exchange. Such inter-se spill over, if any, would be effected in accordance with applicable laws, rules, regulations and guidelines
11. No payment, direct, indirect in the nature of discount, commission, and allowance, or otherwise shall be made either by us or by our Promoters to the persons who receive allotments, if any, in this Issue.
12. As on date of filing of this Draft Prospectus with Designated Stock Exchange, the entire issued share capital of our Company is fully paid-up. The Equity Shares offered through this Public Issue will be fully paid up.
13. On the date of filing the Draft Prospectus with Designated Stock Exchange, there are no outstanding financial instruments or any other rights that would entitle the existing Promoters or shareholders or any other person any option to receive Equity Shares after the Issue.
14. There shall be only one denomination of Equity Shares of our Company unless otherwise permitted by law. Our Company shall comply with disclosure and accounting norms as may be specified by SEBI from time to time.
15. Since the entire application money is being called on application, all successful applications, shall be issued fully paid up shares only. Also, as on the date of filing of this Draft Prospectus the entire pre-issue share capital of the Company has been made fully paid up.
16. Except as disclosed in the Draft Prospectus, our Company presently does not have any intention or proposal to alter its capital structure for a period of six months commencing from the date of opening of this Issue, by way of split / consolidation of the denomination of Equity Shares or further issue of Equity Shares or securities convertible into Equity Shares, whether on a preferential basis or issue of bonuses or rights or further public issue of specified securities or Qualified Institutional Placement.
17. We have not issued any Equity Shares out of revaluation reserves. We have not issued any Equity Shares for consideration other than cash except as stated in this Draft Prospectus.
18. As on date of filing this Draft Prospectus, there are no outstanding ESOP's, warrants, options or rights to convert debentures, loans or other instruments convertible into the Equity Shares, nor has the company ever allotted any equity shares pursuant to conversion of ESOP's till date.
19. Our Company shall ensure that transactions in the Equity Shares by our Promoters and our Promoter Group between the date of this Draft Prospectus and the Issue Closing Date shall be reported to the Stock Exchange within twenty-four hours of such transaction.
20. The Lead Manager and its associates do not directly or indirectly hold any shares of the Company.
21. Our Company has Fifty One (51) shareholders, as on the date of filing of this Draft Prospectus.
22. Our Company has not revalued its assets since incorporation.
23. Our Company has not made any public issue or rights issue since its incorporation.

24. There will be no further issue of capital whether by way of issue of bonus shares, preferential allotment, and rights issue or in any other manner during the period commencing from submission of this Draft Prospectus with SEBI until the Equity Shares to be issued pursuant to the Issue have been listed.

25. Shareholding Pattern of the Company

The following is the shareholding pattern of the Company as on the date of filing of this Draft Prospectus:

Category Code	Category of shareholder	Pre-Issue					Shares Pledged or otherwise encumbered	
		No. of shareholders	Total number of shares	Number of shares held in dematerialised form	Total shareholding as a % of total number of shares		No. of shares	As a % of total no. of Shares
(A)	Promoter and Promoter Group							
-1	Indian							
(a)	Individuals/ Hindu Undivided Family	4	79,58,000	-	62.34%	62.34%	-	-
(b)	Central Government/ State Government(s)	-	-	-	-	-	-	-
(c)	Bodies Corporate	1	9,15,000	-	7.17%	7.17%	-	-
(d)	Financial Institutions/ Banks	-	-	-	-	-	-	-
(e)	Any Other (specify)	-	-	-	-	-	-	-
	<i>Sub-Total (A)(1)</i>	5	88,73,000		69.51%	69.51%	-	-
-2	Foreign							
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	-	-	-	-	-	-	-
(b)	Bodies Corporate	-	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-	-
(d)	Any Other (specify)	-	-	-	-	-	-	-
	<i>Sub-Total (A)(2)</i>	-	-	-	-	-	-	-
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+ (A)(2)	5	88,73,000		69.51%	69.51%	-	-
(B)	Public shareholding							
-1	Institutions							
(a)	Mutual Funds/UTI	-	-	-	-	-	-	-
(b)	Financial Institutions/ Banks	-	-	-	-	-	-	-
(c)	Central Government/ State Government(s)	-	-	-	-	-	-	-
(d)	Venture Capital Funds	-	-	-	-	-	-	-
(e)	Insurance Companies	-	-	-	-	-	-	-

Category Code	Category of shareholder	Pre-Issue					Shares Pledged or otherwise encumbered	
		No. of shareholders	Total number of shares	Number of shares held in dematerialised form	Total shareholding as a % of total number of shares		No. of shares	As a % of total no. of Shares
(f)	Foreign Institutional Investors	-	-	-	-	-	-	-
(g)	Foreign Venture Capital Investors	-	-	-	-	-	-	-
(h)	Nominated investors (as defined in Chapter XB of SEBI (ICDR) Regulations)	-	-	-	-	-	-	-
(i)	Market Makers	-	-	-	-	-	-	-
(j)	Any Other (specify)	-	-	-	-	-	-	-
	<i>Sub-Total (B)(1)</i>	-	-	-	-	-	-	-
-2	Non-institutions							
(a)	Bodies Corporate	-	-	-	-	-	-	-
(b)	Individuals –	43	8,34,100	-	6.53%	6.53%	-	-
	i. Individual shareholders holding nominal share capital up to ₹ 1 lac						-	-
	ii. Individual shareholders holding nominal share capital in excess of ₹ 1 lac	3	30,57,600	-	23.95%	23.95%	-	-
(c)	Any Other (specify)	-	-	-	-	-	-	-
	<i>Sub-Total (B)(2)</i>	46	38,91,700	-	30.49%	30.49%	-	-
	Total Public Shareholding (B)= (B)(1)+ (B)(2)	46	38,91,700	-	30.49%	30.49%	-	-
	TOTAL (A)+(B)	51	1,27,64,700	-	100.00%	100.00%	-	-
(C)	<i>Shares held by Custodians and against which Depository Receipts have been issued</i>	-	-	-	-	-	-	-
	GRAND TOTAL (A)+(B)+(C)	51	1,27,64,700	-	100.00%	100.00%	-	-

26. The Details of Equity Shares being offered for sale are as follows:

Sr. No.	Name of the Selling Share Holders	No. of Shares	% of Shares to Pre – Issue Share Capital
1	Madhulika Gupta	3,58,000	2.80 %
2	Usha Srivastav	1,50,000	1.18 %
3	Manmohan Gupta	2,30,000	1.80 %

Sr. No.	Name of the Selling Share Holders	No. of Shares	% of Shares to Pre – Issue Share Capital
4	Peeyush Agarwal	15,82,000	12.39 %
Total		23,20,000	18.18 %

Following table sets forth the details of Equity Shares held by the Selling Shareholders:

Date of Allotment of Equity Shares / Transfer	Nature of Transaction	Consideration	No. of Shares	Face Value (₹)	Issue/Acquisition Price (₹)	Cumulative no. of Equity shares	% of Pre-Issue Paid Up Capital	% of Post-Issue Paid Up Capital
Manmohan Gupta								
February 15, 2007	Further Allotment	Cash	55,000	10	10	55,000	0.43%	0.38 %
June 08, 2007	Further Allotment	Cash	1,75,000	10	10	2,30,000	1.80%	1.61 %
Total			2,30,000					
Usha Srivastav								
February 15, 2007	Further Allotment	Cash	1,50,000	10	10	1,50,000	1.18 %	1.05 %
Total			1,50,000					
Madhulika Gupta								
April 27, 2006	On Incorporation	Cash	8,000	10	10	8,000	0.06 %	0.06 %
August 26, 2006	Further Allotment	Cash	3,50,000	10	10	3,58,000	2.80 %	2.51 %
Total			3,58,000					
Peeyush Agarwal								
March 31, 2008	Further Allotment	Cash	12,50,000	10	10	12,50,000	9.79 %	8.76 %
March 31, 2008*	Further Allotment	Cash	3,32,000	10	10	15,82,000	12.39 %	11.08 %
Total			15,82,000					
GRAND TOTAL			23,20,000				18.18 %	16.25 %

* These Shares were issued as partly paid shares at ₹ 1 per share. The same were made ₹ 3 paid –up on March 31, 2009 and fully paid-up (₹ 10) on March 31, 2011.

OBJECTS OF THE ISSUE

The Issue includes a fresh Issue of 15,12,000 Equity Shares and an Offer for Sale of 23,20,000 Shares by the Selling Shareholders. Our Company will not receive any proceeds from the Offer for Sale, and all the proceeds from there shall be received by the Selling Shareholders as a consideration to the sale of their shares

The Object of the Fresh Issue is to raise funds for:

- Financing the estimated expenditure of Production of Mobile Social Game;
- Acquiring new hardware and software;

Further, we expect to receive the benefits of listing on the SME Platform of BSE Ltd.

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

Issue Proceeds & Net Proceeds

The details of the proceeds of the Issue are set forth in the table below:

Particulars	Amount (₹ in Lacs)
Gross Proceeds from the Issue	226.80
Issue related Expenses	26.80*
Net Proceeds from the Issue	200.00

**The Total Issue Expense is ₹ 60.10 lacs, which will be borne by the Selling Shareholders and Company in Proportionate basis of the Share offered, except the regulatory fees which will be borne by the Company.*

Fund Requirements

The funds raised from the Net proceeds of the Issue are to be utilized as shown below:

Sr. No.	Particulars	Amount (₹ in lacs)
1	Financing the estimated expenditure of Production of Mobile Social Game	150.00
2	Acquiring new hardware and software; and	50.00
	TOTAL	200.00

Means of Finance

The above mentioned fund requirements are to be financed as shown below:

Sr. No.	Particulars	Amount (₹ in lacs)
1	Proceeds from the Fresh Issue	226.80
	TOTAL	226.80

Since the entire fund requirements are to be financed from the IPO Proceeds, there is no requirement to make firm arrangements of finance under Regulation 4(2)(g) of the SEBI Regulations through verifiable means towards at least 75% of the stated means of finance, excluding the amounts to be raised through the Issue.

The fund requirement and deployment is based on internal management estimates and quotations received from external product/service providers/vendors and have not been appraised by any bank or financial institution. In view of the competitive environment of the industry in which our Company operates, our Company may have to revise its business plan from time to time and consequently its capital requirements may also change. Our Company's historical capital expenditure may not be reflective of its future capital expenditure plans. Our Company may have to revise its estimated costs, fund allocation and fund requirements owing to factors such as economic and business conditions, increased competition and other external factors which may not be within the control of its management. This may entail rescheduling or revising the planned expenditure and funding requirements, including the expenditure for a particular purpose at the discretion of the Company's management. For further details on the risks involved in our expansion plans and executing our business strategies, please see the chapter titled "*Risk Factors*" beginning on page 11 of this Draft Prospectus

In case of any increase in the actual utilization of funds earmarked for the Objects, such additional funds for a particular activity will be met by way of means available to our Company, including from internal accruals. If the actual utilization towards any of the Objects is lower than the proposed deployment such balance will be used for future growth opportunities including funding existing objects, if required and general corporate purposes.

In case of delays in raising funds from the Issue, our company may deploy certain amounts towards any of the above mentioned Objects through a combination of Internal Accruals or Unsecured Loans (Bridge Financing) and in such case the Funds raised shall be utilized towards repayment of Unsecured Loans or recouping of Internal Accruals. However, we confirm that no bridge financing has been availed as on date, which is subject to being repaid from the Issue Proceeds.

DETAILS OF THE FUND REQUIREMENTS

1. *To finance the estimated expenditure of Production of Mobile Social Game*

As a Gaming company we are dedicated to surprising, engaging and delighting an audience that been growing continuously with innovative gaming concepts and peripherals. We have successfully developed and released Nine (9) games on various consoles and platforms worldwide for our clients and received repeated business from them. In order to expand our operations, we intend to get into the business of Developing and self-publishing of our Games.

During the span of our operations, we have established good reputation in the country and overseas with the artists, technical staff and higher level management which we leverage today and will continue to do so in future for our Self-Publishing goals.

Over the past 6 years since incorporation we have built several Intellectual Properties for which we have not sold the rights to any third party. We intend to finish these Properties and release them ourselves. The total cost of producing a Mobile Social Game for which funds are proposed to be raised through Public Issue is estimated as follows:

Particulars of the Game	Estimated Cost (₹ Lacs)
Mobile Game (Untitled)	150.00

The estimated cost of the game identified above is not fixed and may undergo a change depending upon the treatment that is given to the Game Design.

Estimated expenditure details for the Production of the Mobile Game is as given below

Particulars	Amount (₹ in Lacs)
Art Department (including Concept Artists, Character Artists, Environment Artists, Lighting Artists and Animation Team)	75.00
Technical Department (Gameplay Programmers, Engine Programmers, Graphic Programmers, Network Engineers, AI Engineers, Animation Programmers)	35.00
Production Department (Game Designers, Game Producers, Art Directors, and VFX Staff)	15.00
Quality Assurance	5.00
External Contractors (Sound Designers/Studio, Level Designers, Lighting Artists, Sketch Artists and Studio)	15.00
Miscellaneous (Including office and general expenses, Insurance and Contingency)	5.00
TOTAL	150.00

The Company may alternatively, consider buying a game or a phase thereof using the above funds or part thereof. Games are developed in a phase wise manner after which the phases are compiled to form a single product. The game so bought will be completed and/or finalized before launching it as a product.

This alternative reduces the implementation time of the game development.

2. Acquire new hardware

In order to develop and launch innovative applications to further penetrate the existing customer base as well as new markets, the company continuously needs to develop new services, mobile marketing and media solutions portfolio. With the proceeds of the Issue we plan to modify our existing Development Facility in order to successfully complete the above mentioned Games. This is proposed to be achieved by installing additional hardware, software and other relevant infrastructure there. The company proposes to incur a total expenditure of approximately ₹ 50 lacs towards purchase of new office furniture, new equipment i.e. hardware and other office equipment to be installed. Following table sets forth further details of above mentioned expenditure:

(₹ In Lacs)

Particulars	Quantity Required	Estimated Cost	Estimates based on
SharePoint Server	2	10.00	Quotation form A' Niche Info Tech Solutions Pvt. Ltd. Dated 07/03/2013
Project Web Server	2	10.00	Quotation form A' Niche Info Tech Solutions Pvt. Ltd. Dated 07/03/2013
EMC Storage	1	10.00	Quotation form A' Niche Info Tech Solutions Pvt. Ltd. Dated 07/03/2013
Mac Development Machines	1	20.00	Quotation form A' Niche Info Tech Solutions Pvt. Ltd. Dated 07/03/2013
Total		50.00	

The above supplier/vendor is not related to our Company and our Promoters / Group Entities. The Company does not intend to utilise the issue proceeds to procure any second hand hardware. For further details of the risk involved, please see risk factor no. 31 on page 21 of the Draft Prospectus.

ISSUE RELATED EXPENSES

The total estimated Issue Expense aggregates to ₹ 60.10 lacs, which is 10.46 % of the Issue Size. The details of the Issue Expenses are tabulated below:

Sr. No.	Particulars	Amount (₹ in lacs)
1	Issue Management fees including fees and reimbursements of Market Making fees, selling commissions, brokerages, and payment to other intermediaries such as Legal Advisors, Registrars and other out of pocket expenses.	45.00
2	Printing & Stationery, Distribution, Postage, etc.	5.00
3	Advertisement and Marketing Expenses	5.00
4	Regulatory and other Expenses	5.10
Total		60.10*

*The Total Issue Expense is ₹ 60.10 lacs, which will be borne by the Selling Shareholders and Company in Proportionate basis of the Share offered, except the regulatory fees which will be completely borne by the Company. The amount payable by the company will be ₹ 26.80 Lacs and the balance ₹ 33.30 Lacs will be borne by the Selling Shareholders.

The amount set aside towards Issue related Expenses shall be utilized in FY 2013-14.

Schedule of Implementation

No.	Activity	Start Date	Completion Date
1. Production of Mobile Game			
A	Pre-Production	1.08.2013	30.09.2013
B	Production	30.09.2013	28.02.2014
C	Completion and Release	28.02.2014	31.03.2014

Year wise Deployment of Funds

The entire funds from the Issue will be utilised in the Financial Year 2013 – 2014.

Appraisal

The fund requirements and deployment detailed above has not been appraised by any bank or financial institution and is based on our internal management estimates.

Monitoring of Utilisation of Funds

As the net proceeds of the Issue will be less than ₹ 50,000 lacs, under the SEBI Regulations, it is not mandatory for us to appoint a monitoring agency.

The management of our Company will monitor the utilization of funds raised through this public issue. Pursuant to Clause 52 of the SME Listing Agreement, our Company shall on half-yearly basis disclose to the Audit Committee the Applications of the proceeds of the Issue. On an annual basis, our Company shall prepare a statement of funds utilized for purposes other than stated in this Draft Prospectus and place it before the Audit Committee. Such disclosures shall be made only until such time that all the proceeds of the Issue have been utilized in full. The statement will be certified by the Statutory Auditors of our Company.

Interim Use of Funds

Our management, in accordance with the policies established by the Board, will have flexibility in deploying the proceeds received from the Issue. Pending utilization of the proceeds of the Issue for the purposes described above, we may invest the funds in high quality interest bearing liquid instruments including money market mutual funds, deposits with banks or temporarily deploy the funds in working capital loan accounts and other investment grade interest bearing securities as may be approved by the Board. Such investments would be in accordance with the investment policies approved by our Board from time to time and at the prevailing commercial rates at the time of investment. No part of the Issue proceeds will be paid to our Promoters, Directors, key management personnel or Promoter Group Company/entity.

BASIS FOR ISSUE PRICE

The Issue Price has been determined by our Company in consultation with the Lead Manager on the basis of the key business strengths. The face value of the Equity Shares is ₹ 10 and Issue Price is ₹ 15 per Equity Shares and is 1.5 times of the face value. Investors should read the following basis with the sections titled “Risk Factors” and “Financial Information” and the chapter titled “Our Business” beginning on pages 11, 133 and 85 respectively, of this Draft Prospectus to get a more informed view before making any investment decisions. The trading price of the Equity Shares of Our Company could decline due to these risk factors and you may lose all or part of your investments.

Qualitative Factors

Some of the qualitative factors that help differentiate us from our competitors and enable us to compete successfully in our industry are:

1. Quality Infrastructure and Utilities
2. High Visibility in the Market due to Global Projects
3. Experienced and Innovative management team

For further details regarding the above mentioned factors, which form the basis for computing the Issue Price, please see “Our Business” beginning on page 85 of this Draft Prospectus.

Quantitative Factors

Information presented in this chapter is derived from our Restated Financial Statements prepared in accordance with Indian GAAP.

1) Earnings Per Share (EPS)

Year ended March 31	Basic EPS (in ₹)	Diluted EPS (in ₹)	Weight
2012	0.31	0.31	3
2011	0.22	0.22	2
2010	0.17	0.17	1
Weighted Average	0.25	0.25	

The Basic and Diluted EPS (not annualized) for the nine months period ended December 31, 2012 was ₹ 0.33 per equity share.

Notes:

- a. Basic EPS has been calculated as per the following formula:
(Net profit/ (loss) as restated, attributable to Equity Shareholders)/ (Weighted average number of Equity Shares outstanding during the year/period)
- b. Diluted EPS has been calculated as per the following formula:
(Net profit/ (loss) as restated, attributable to Equity Shareholders)/ (Diluted weighted average number of Equity Shares outstanding during the year/period)
- c. Earnings per share calculations are in accordance with Accounting Standard 20 “Earnings per Share” prescribed by the Companies (Accounting Standard) Rules, 2006
- d. The face value of each Equity Share is ₹ 10.

2) Price Earnings Ratio (P/E) in relation to the Issue price of ₹ 15 per share

Particulars	P/E Ratios
P/E ratio based on Basic EPS as at March 31, 2012	48.39
P/E ratio based on Diluted EPS as at March 31, 2012	48.39
Industry P/E*	NA

*Currently there is no listed entity in India operating in our business segment and hence a strict comparison with us is not possible due to significant differences in business models.

3) Return on Networth (RoNW)

Year ended March 31	RoNW (%)	Weight
2012	2.79 %	3
2011	1.75 %	2
2010	1.53 %	1
Weighted Average	2.23 %	

RoNW for the nine months period ended December 31, 2012 was 2.87 %.

Note: Return on Net worth has been calculated as per the following formula:

Net profit/loss after tax, as restated / Networth excluding preference share capital and revaluation reserve

4) Minimum Return on Net Worth after Issue needed to maintain the Pre-Issue Basic EPS for the FY 2011-12 (based on Restated Financials) at the Issue Price of ₹ 15 is 1.62 %.

5) Net Asset Value (NAV)

Financial Year	NAV (in ₹)
NAV as at March 31, 2012	8.67
NAV as at December 31, 2012	11.28
After Issue	19.07
Issue Price	15.00

Note: Net Asset Value has been calculated as per the following formula:

Net worth / actual no. of equity shares at year/period end.

6) Comparison with Industry peers

We are an Indian based game developer for various gaming platforms such as Console, Mobile and Socio-Online.

Currently there is no listed entity in India operating in this particular business segment and hence a strict comparison with us is not possible due to significant differences in business models.

7) The Company in consultation with the Lead Manager believes that the issue price of ₹ 15 per share for the Public Issue is justified in view of the above parameters. The investors may also want to peruse the Risk Factors and Financials of the company including important profitability and return ratios, as set out in the Auditor's Report included in the Offer Document to have more informed view about the investment proposition. The Face Value of the Equity Shares is ₹ 10 per share and the Issue Price is 1.5 times of the face value i.e. ₹ 15 per share.

STATEMENT OF TAX BENEFITS

The Board of Directors
Trine Entertainment Limited
301-302, 3rd Floor, B - Wing
Interface - 16
Link Road, Malad (W)
Mumbai – 400 064

Statement of Possible Tax Benefits available to “Trine Entertainment Limited” and its shareholders

Dear Sirs,

We hereby report that the enclosed statement provides the possible tax benefits available to Trine Entertainment Limited ('the Company') under the Income-tax Act, 1961, presently in force in India and to the shareholders of the Company under the Income Tax Act, 1961 and Wealth Tax Act, 1957 and the Gift Tax Act, 1958, presently in force in India.

Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Statute. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon their fulfilling such conditions which based on business imperatives the Company faces in the future, the Company may or may not choose to fulfill.

The benefits discussed in the enclosed statement are not exhaustive. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for Professional advice.

In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own Tax Consultant with respect to the specific tax implications arising out of their participation in the issue.

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

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

The contents of the enclosed statement are based on information, explanations and representations obtained from the Company and on the basis of their understanding of the business activities and operations of the Company.

We shall not be liable to any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this statement.

For M K P S & Associates
Chartered Accountants
Firm's Regn.No.302014E

CA Narendra Khandal
Partner
M. No.: 065025
Place: Mumbai
Date: February, 23, 2013

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

- 1) Dividends earned are exempt from tax in accordance with and subject to the provisions of section 10(34) read with section 115-O of the Act. However, as per section 94(7) of the Act, losses arising from sale/ transfer of shares, where such shares are purchased within three months prior to the record date and sold within three months from the record date, will be disallowed to the extent such loss does not exceed the amount of dividend claimed exempt.
- 2) The Company will be entitled to amortise certain preliminary expenditure, specified under section 35D(2) of Income Tax Act, subject to the limit specified in Section 35D(3). The deduction is allowable for an amount equal to one-fifth of such expenditure for five Assessment Years.
- 3) Income by way of interest, premium on redemption or other payment on notified securities, bonds, certificates issued by the Central Government is exempt from tax under section 10(15) of the Income-tax Act, 1961 (herein after referred to as 'the Act') in accordance with and subject to the conditions and limits as may be specified in notifications.
- 4) In accordance with section 32 of the Act, the company is entitled to claim on specified tangible assets (being Buildings, Plant & Machinery, Vehicles, Furniture & fittings and computers) and Intangible assets (being Patent, Trademarks, Knowhow, Copyrights, Licenses, Franchises or any other business or commercial rights of similar nature) owned by it and used for the purpose of its business.
- 5) The amount of tax paid under Section 115JB by the company for any assessment year beginning on or after 1st April 2006 will be available as credit for ten years succeeding the Assessment Year in which MAT credit becomes allowable in accordance with the provisions of Section 115JAA.
- 6) In case of Loss under the head "Profit and Gains from Business or Profession", it can be set-off against other income and the excess loss after set-off can be carried forward for set-off -against business income of the next eight Assessment Years.
- 7) The unabsorbed depreciation, if any, can be adjusted against any other income and can be carried forward indefinitely for set-off against the income of future years.
- 8) If the company invests in the equity shares of another company, as per the provisions of Section 10(38), any income arising from the transfer of a long term capital asset being an equity share in a company is not includible in the total income, if the transaction is chargeable to Securities Transaction Tax.
- 9) Income earned from investment in units of a specified Mutual Fund is exempt from tax under section 10(35) of the Act. However, as per section 94(7) of the Act, losses arising from the sale/redemption of units purchased within three months prior to the record date (for entitlement to receive income) and sold within nine months from the record date, will be disallowed to the extent such loss does not exceed the amount of income claimed exempt.
- 10) Further, as per section 94(8) of the Act, if an investor purchases units within three months prior to the record date for entitlement of bonus, and is allotted bonus units without any payment on the basis of holding original units on the record date and such person sells/redeems the original units within nine months of the record date, then the loss arising from sale/redemption of the original units will be ignored for the purpose of computing income chargeable to tax and the amount of loss ignored shall be regarded as the cost of acquisition of the bonus units.
- 11) In accordance with section 112, the tax on capital gains on transfer of listed shares, where the transaction is not chargeable to securities transaction tax, held as long term capital assets will be the lower of:

- a) 20 per cent (plus applicable surcharge and education cess) of the capital gains as computed after indexation of the cost or
- b) 10 per cent (plus applicable surcharge and education cess) of the capital gains as computed without indexation.

12) In accordance with Section 111A, the tax on capital gains arising from the transfer of a short term asset being an equity share in a company or a unit of an equity oriented fund, is chargeable to tax at the rate of 15% (plus applicable surcharge and education cess), where such transaction is chargeable to Securities Transaction Tax. And if the provisions of Section 111A are not applicable to the short term capital gains, in case of non chargeability to Securities Transaction Tax, then the tax will be chargeable at the rate of 30% (plus applicable surcharge and education cess) as applicable.

13) Under section 36(1)(vii), any bad debt or part thereof written off as irrecoverable in the accounts is allowable as a deduction from the total income.

14) Section 14A of the Act restricts claim for deduction of expenses incurred in relation to incomes which do not form part of the total income under the Act. Thus, any expenditure incurred to earn tax exempt income is not tax deductible expenditure.

15) The company is engaged in the business of software development and gaming and is registered with the Software Technology Park as an 100% EOU and as such is eligible for the various tax benefits under the Income Tax Act from time to time allowable for the same.

Section 115-O

Tax rate on distributed profits of domestic companies (Dividend Distribution Tax) is 15%, the surcharge on Income tax is at 5%, and the Education Cess 2% and Higher Education Cess is at 1%.

Tax Rates

The tax rate is 30%. The surcharge on Income tax is 5%, only if the total income exceeds ₹. 100 Lacs. Education Cess 2% and Higher Education Cess is at 1%.

Under Central Excise and Customs Act

The Company will be entitled to claim excise refund for duty paid on capital goods purchased under the duty drawback scheme of DGFT subject to fulfillment of export obligations in eight years.

GENERAL TAX BENEFITS TO THE SHAREHOLDERS OF THE COMPANY

(I) Under the Income-tax Act, 1961

A) Residents

1) Dividends earned on shares of the Company are exempt from tax in accordance with and subject to the provisions of section 10(34) read with section 115-O of the Act. However, as per section 94(7) of the Act, losses arising from sale/transfer of shares, where such shares are purchased within three months prior to the record date and sold within three months from the record date, will be disallowed to the extent such loss does not exceed the amount of dividend claimed exempt.

2) Shares of the company held as capital asset for a period of more than twelve months preceding the date of transfer will be treated as a long term capital asset.

3) Long term capital gain arising on sale of shares is fully exempt from tax in accordance with the provisions of section 10(38) of the Act, where the sale is made on or after October 1, 2004 on a recognized stock exchange and the transaction is chargeable to securities transaction tax.

4) Section 14A of the Act restricts claim for deduction of expenses incurred in relation to incomes which do not form part of the total income under the Act. Thus, any expenditure incurred to earn tax exempt income (i.e. dividend/exempt long-term capital gains) is not tax deductible expenditure.

5) Under section 36(1)(xv) of the Act, Securities Transaction Tax paid by a Shareholder in respect of taxable securities transactions entered into in the course of its business, would be allowed as a 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".

6) As per the provision of Section 71(3), if there is a Loss under the head "Capital Gains", it cannot be set-off against the income under any other head. Section 74 provides that the short term capital loss can be set-off against both Short Term and Long Term Capital Gain. But Long Term Capital Loss cannot be set-off against Short Term Capital Gain. The unabsorbed Short Term Capital Loss can be carried forward for next Eight Assessment Years and can be set off against any Capital Gains in subsequent years. The Unabsorbed Long Term Capital Loss can be carried forward for next eight Assessment Years and can be set off only against Long Term Capital Gains in subsequent years.

7) Taxable Long Term Capital Gains would arise [if not exempt under section 10(38) or any other section of the Act] to a resident shareholder where the equity shares are held for a period of more than 12 months prior to the date of transfer of the shares. In accordance with and subject to the provisions of Section 48 of the Act, in order to arrive at the quantum of capital gains, the following amounts would be deductible from the full value of consideration:

- a) Cost of acquisition/improvement of the shares as adjusted by the cost inflation index notified by the Central Government; and
- b) Expenditure incurred wholly and exclusively in connection with the transfer of shares

8) Under Section 112 of the Act, Taxable Long-Term Capital Gains are subject to tax at a rate of 20% (plus applicable surcharge and education cess) after indexation, as provided in the second proviso to section 48 of the Act. However, in case of listed securities or units, the amount of such tax could be limited to 10% (plus applicable surcharge and education cess), without indexation, at the option of the shareholder.

9) Short Term Capital Gains on the transfer of equity shares, where the shares are held for a period of not more than 12 months would be taxed at 15% (plus applicable surcharge and education cess), where the sale is made on or after October 1, 2004 on a recognized stock exchange and the transaction is chargeable to securities transaction tax. In all other cases, the short term capital gains would be taxed at the normal rates of tax (plus applicable surcharge and education cess) applicable to the resident investor. Cost indexation benefits would not be available in computing tax on Short Term Capital Gain.

10) Under section 54EC of the Act, Long Term Capital Gain arising on the transfer of shares of the Company [other than the sale referred to in section 10(38) of the Act] is exempt from tax to the extent the same is invested in certain notified bonds within a period of six months from the date of such transfer (up to a maximum limit of ₹. 50 Lacs) for a minimum period of three years.

11) In accordance with section 54F, Long-Term Capital Gains arising on the transfer of the shares of the Company held by an individual and Hindu Undivided Family on which Securities Transaction Tax is not payable, shall be exempt from Capital Gains Tax, if the net consideration is utilised, within a period of one year before, or two years after the date of transfer, in the purchase of a new residential house, or for construction of a residential house within three years. Such benefit will not be available if the individual-

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

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

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

14) If an individual or HUF receives any property, from any person other than specified relative which includes shares, without consideration, the aggregate fair market value of which exceeds ₹. 50,000, the whole of the fair market value of such property will be considered as income in the hands of the recipient. Similarly, if an individual or HUF receives any property, which includes shares, for consideration which is less than the fair market value of the property by an amount exceeding Rs 50,000, the fair market value of such property as exceeds the consideration will be considered as income in the hands of the recipient

Tax Rates

For Individuals, HUFs, BOI and Association of Persons:

Slab of income (₹.)	Rate of tax (%)
0 – 200,000	Nil
200,001 – 500,000	10%
500,001 – 10,00,000	20%
10,00,001 and above	30%

Notes:

- In respect of women residents below the age of 60 years, the basic exemption limit is ₹. 200,000.
- In respect of senior citizens resident in India, the basic exemption limit is ₹. 250,000. (Age more than 60 years)
- In respect of Super citizens resident in India, the basic exemption limit is ₹. 500,000. (Age more than 80 years)
- Education cess @ 2% and Higher Education cess @1% will be levied on income tax.

B) Non-Residents

1) Dividends earned on shares of the Company are exempt in accordance with and subject to the provisions of section 10(34) read with Section 115-O of the Act. However, as per section 94(7) of the Act, losses arising from sale/ transfer of shares, where such shares are purchased within three months prior to the record date and sold within three months from the record date, will be disallowed to the extent such loss does not exceed the amount of dividend claimed exempt.

2) Long Term Capital Gain arising on sale of Company's shares is fully exempt from tax in accordance with the provisions of section 10(38) of the Act, where the sale is made on or after October, 1 2004 on a recognized Stock Exchange and the transaction is chargeable to Securities Transaction Tax.

3) In accordance with section 48, capital gains arising out of transfer of capital assets being shares in the Company shall be computed by converting the cost of acquisition, expenditure in connection with such transfer and the full value of the consideration received or accruing as a result of the transfer into the same foreign currency as was initially utilized in the purchase of the shares and the capital gains computed in such foreign currency shall be reconverted into Indian currency, such that the aforesaid manner of computation of capital gains shall be applicable in respect of capital gains accruing/arising from every reinvestment thereafter in, and sale of, shares and debentures of, an Indian company including the Company.

4) As per the provisions of Section 90, the Non Resident shareholder has an option to be governed by the provisions of the tax treaty, if they are more beneficial than the domestic law wherever in India has entered into Double Taxation Avoidance Agreement (DTAA) with the relevant Country for Avoidance of Double Taxation of Income.

5) In accordance with section 112, the tax on capital gains on transfer of listed shares, where the transaction is not chargeable to Securities Transaction Tax, held as long term capital assets will be at the rate of 10% (plus applicable surcharge and education cess). A non-resident will not be eligible for adopting the indexed cost of acquisition and the indexed cost of improvement for the purpose of computation of long-term capital gain on sale of shares.

6) In accordance with Section 111A, the tax on capital gains arising from the transfer of a short term asset being an equity share in a company or a unit of an equity oriented fund, is chargeable to tax at the rate of 15% (plus applicable surcharge and education cess), where such transaction is chargeable to Securities Transaction Tax. If the provisions of Section 111A are not applicable to the short term capital gains, then the tax will be chargeable at the applicable normal rates plus surcharge and education cess as applicable.

7) Under section 54EC of the Act, long term capital gain arising on the transfer of shares of the Company [other than the sale referred to in section 10(38) of the Act] is exempt from tax to the extent the same is invested in certain notified bonds within a period of six months from the date of such transfer (up to a maximum limit of ₹. 50 lacs) for a minimum period of three years.

8) In accordance with section 54F, long-term capital gains arising on the transfer of the shares of the Company held by an individual and Hindu undivided family on which Securities Transaction Tax is not payable, shall be exempt from capital gains tax if the net consideration is utilised, within a period of one year before, or two years after the date of transfer, in the purchase of a new residential house, or for construction of a residential house within three years subject to regulatory feasibility. Such benefit will not be available if the individual:

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

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

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

C) Non-Resident Indians

Further, a Non-Resident Indian has the option to be governed by the provisions of Chapter XII-A of the Income-tax

Act, 1961 which reads as under:

1) In accordance with section 115E, income from investment or income from long-term capital gains on transfer of assets other than specified asset shall be taxable at the rate of 20% (plus education cess). Income by way of long term capital gains in respect of a specified asset (as defined in Section 115C (f) of the Income-tax Act, 1961), shall be chargeable at 10% (plus education cess).

2) In accordance with section 115F, subject to the conditions and to the extent specified herein, long-term capital gains arising from transfer of shares of the company acquired out of convertible foreign exchange, and on which Securities Transaction Tax is not payable, shall be exempt from capital gains tax, if the net consideration is invested within six months of the date of transfer in any specified new asset.

3) In accordance with section 115G, it is not necessary for a Non-Resident Indian to file a return of income under section 139(1), if his total income consists only of investment income earned on shares of the company acquired out of convertible foreign exchange or income by way of long-term capital gains earned on transfer of shares of the company acquired out of convertible foreign exchange or both, and the tax deductible has been deducted at source from such income under the provisions of Chapter XVII-B of the Income-tax Act, 1961.

4) In accordance with Section 115-I, where a Non-Resident Indian opts not to be governed by the provisions of Chapter XII-A for any Assessment Year, his total income for that assessment year (including income arising from investment in the company) will be computed and tax will be charged according to the other provisions of the Income-tax Act, 1961.

5) As per the provisions of Section 90, the NRI shareholder has an option to be governed by the provisions of the tax treaty, if they are more beneficial than the domestic law wherever India has entered into Double Taxation Avoidance Agreement (DTAA) with the relevant Country for avoidance of double taxation of income.

6) In accordance with section 10(38), any income arising from the transfer of a long term capital asset being an equity share in a company is not includible in the total income, if the transaction is chargeable to Securities Transaction Tax.

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

8) In accordance with Section 111A capital gains arising from the transfer of a short term asset being an equity share in a company or a unit of an equity oriented fund where such transaction has suffered Securities Transaction Tax is chargeable to tax at the rate of 15% (plus applicable surcharge and education cess). If the provisions of Section 111A are not applicable to the short term capital gains, then the tax will be chargeable at the applicable normal rates plus surcharge and education cess.

9) Under section 54EC of the Act, long term capital gain arising on the transfer of shares of the Company [other than the sale referred to in section 10(38) of the Act] is exempt from tax to the extent the same is invested in certain notified bonds within a period of six months from the date of such transfer (upto a maximum limit of ₹. 50 lacs) for a minimum period of three years.

10) In accordance with section 54F, long-term capital gains arising on the transfer of the shares of the Company held by an individual or Hindu Undivided Family on which Securities Transaction Tax is not payable, shall be exempt from capital gains tax if the net consideration is utilised, within a period of one year before, or two years after the date of transfer, in the purchase of a new residential house, or for construction of a residential house within three years subject to regulatory feasibility. Such benefit will not be available if the individual or Hindu Undivided Family-

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

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

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

D) Foreign Institutional Investors (FIIs)

1) In accordance with section 10(34), dividend income declared, distributed or paid by the Company (referred to in section 115-O) will be exempt from tax in the hands of Foreign Institutional Investors (FIIs).

2) In accordance with section 115AD, FIIs will be taxed at 10% (plus applicable surcharge and education cess) on long-term capital gains (computed without indexation of cost and foreign exchange fluctuation), if Securities Transaction Tax is not payable on the transfer of the shares and at 15% (plus applicable surcharge and education cess) in accordance with section 111A on short-term capital gains arising on the sale of the shares of the Company which is subject to Securities Transaction Tax. If the provisions of Section 111A are not applicable to the short term capital gains, then the tax will be charged at the rate of 30% plus applicable surcharge and education cess, as applicable.

In accordance with section 10(38), any income arising from the transfer of a long term capital asset being an equity share in a company is not includible in the total income, if the transaction is chargeable to Securities Transaction Tax.

3) As per the provisions of Section 90, the Non Resident shareholder has an option to be governed by the provisions of the tax treaty, if they are more beneficial than the domestic law wherever India has entered into Double Taxation Avoidance Agreement (DTAA) with the relevant Country for avoidance of double taxation of income.

4) Under section 196D (2) of the Income-tax Act, 1961, no deduction of Tax at Source will be made in respect of income by way of capital gain arising from the transfer of securities referred to in section 115AD.

5) Under section 54EC of the Act, Long Term Capital Gain arising on the transfer of shares of the Company [other than the sale referred to in section 10(38) of the Act] is exempt from tax to the extent the same is invested in certain notified bonds within a period of six months from the date of such transfer (Upto a maximum limit of Rs 50 lacs) for a minimum period of three years.

E) Persons carrying on business or profession in shares and securities.

Under section 36(1)(xv) of the Act, securities transaction tax paid by a shareholder in respect of taxable securities transactions entered into in the course of its business, would be allowed as a 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".

A nonresident taxpayer has an option to be governed by the provisions of the Income-tax Act, 1961 or the provisions of a Tax Treaty that India has entered into with another country of which the investor is a tax resident, whichever is more beneficial (section 90(2) of the Income tax Act, 1961).

F) Mutual Funds

Under section 10(23D) of the Act, exemption is available in respect of income (including capital gains arising on transfer of shares of the Company) of a Mutual Fund registered under the Securities and Exchange Board of India Act, 1992 or such other Mutual fund set up by a public sector bank or a public financial institution or authorized by the Reserve Bank of India and subject to the conditions as the Central Government may specify by notification.

G) Venture Capital Companies/Funds

In terms of section 10(23FB) of the I.T. Act, income of:-

Venture Capital Company which has been granted a certificate of registration under the Securities and Exchange Board of India Act, 1992; and Venture Capital Fund, operating under a registered trust deed or a venture capital scheme made by Unit trust of India, which has been granted a certificate of registration under the Securities and Exchange Board of India Act, 1992, from investment in a Venture Capital Undertaking, is exempt from income tax, Exemption available under the Act is subject to investment in domestic Company whose shares are not listed and which is engaged in certain 'specified' business/industry.

(II) Under the Wealth Tax and Gift Tax Act

1) "Asset" as defined under section 2(ea) of the Wealth-tax Act, 1957 does not include shares held in a Company and hence, these are not liable to wealth tax.

2) Gift tax is not leviable in respect of any gifts made on or after October 1, 1998. Any gift of shares of the Company is not liable to gift-tax. However, in the hands of the Donee the same will be treated as income unless the gift is from a relative as defined under Explanation to Section 56(vi) of Income-tax Act, 1961.

Notes:

- 1) The above Statement sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares.

- 2) The above statement covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law.
- 3) The above statement of possible tax benefits are as per the current direct tax laws relevant for the assessment year 2013-14. Several of these benefits are dependent on the Company or its shareholder fulfilling the conditions prescribed under the relevant tax laws.
- 4) This statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for Professional advice. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her investment in the shares of the Company.
- 5) In respect of non-residents, the tax rates and consequent taxation mentioned above will be further subject to any benefits available under the relevant DTAA, if any, between India and the Country in which the non-resident has fiscal domicile.
- 6) No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

For M K P S & Associates
Chartered Accountants
Firm's Regn.No.302014E

CA Narendra Khandal
Partner
M. No.: 065025
Place: Mumbai
Date: February 23, 2013

SECTION IV: ABOUT OUR COMPANY

INDUSTRY OVERVIEW

The information in this section has not been independently verified by us, the Lead Manager or any of our or their respective affiliates or advisors. The information may not be consistent with other information compiled by third parties within or outside India. Industry sources and publications generally state that the information contained therein has been obtained from sources it believes to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry and government publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry and government sources and publications may also base their information on estimates, forecasts and assumptions which may prove to be incorrect. Accordingly, investment decisions should not be based on such information.

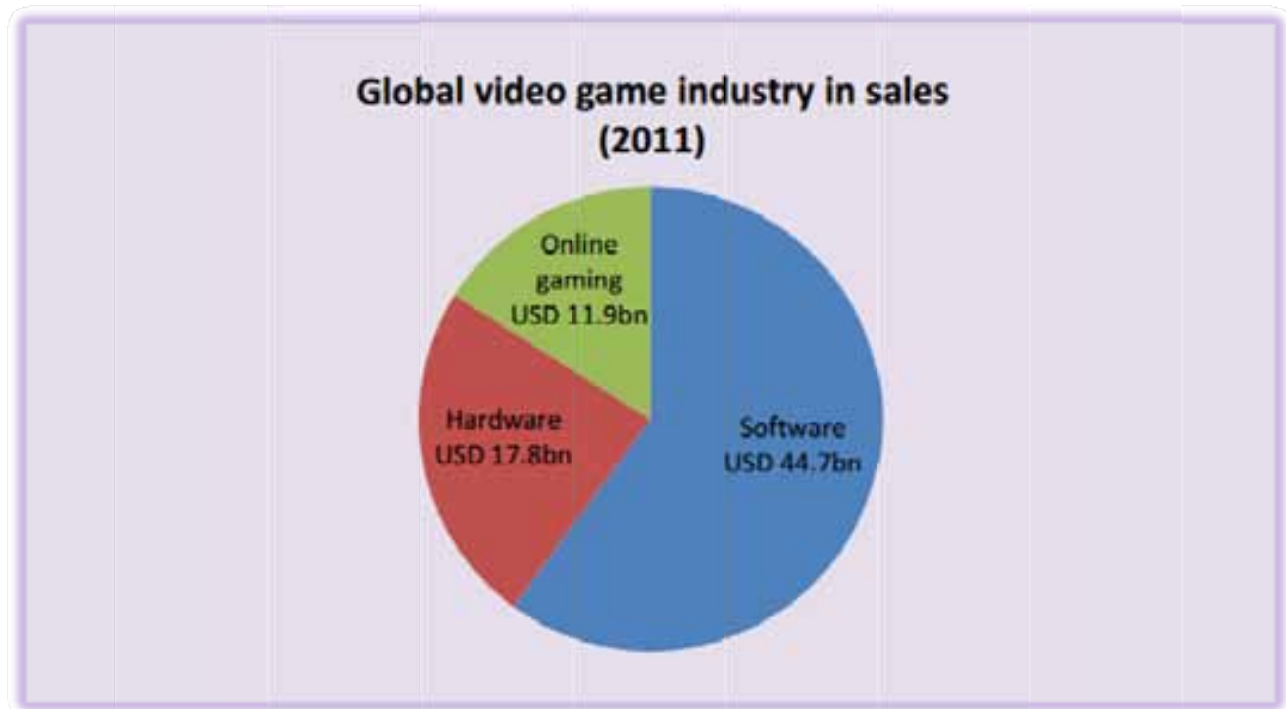
Overview of Global Gaming Industry

Over the past 30 years, video games have become an important part of contemporary global entertainment and media. Games and gaming have evolved from dedicated, single-game units to massively multiplayer online role-player games with millions of players. Today they are a huge media business worth billions of dollars, and its bestsellers – rather unnoticed by the public – continuously beat blockbuster movies in first week sales revenue.

The ever increasing expansion of the Internet has significantly contributed to the growth of gaming on dedicated video game consoles and PCs, and the possibility to compete with other players around the world is taken for granted by most players. Mobile broadband and a growing penetration of smart phones brought further movement into the gaming ecosystem. Independent developers and small start-up companies were able to compete in the market and deliver their games to huge audiences. The latest step is the rise of social network games on platforms with hundreds of millions of users. The beginning of mobile gaming has blurred the age of users whom gaming used to attract originally. Now users across ages are into gaming, which increases the potential for gaming software. These transformations have not only changed the way games look today, they have also influenced the audience and the business models of the gaming industry.

The video games industry has undergone a total transformation in recent years. Gone are low technology games, inferior quality consoles, and disconnected users. The industry today is at the vanguard of technology and it appears infallible. A series of new reports from *DFC Intelligence* forecasts that the global market for video games is expected to grow from \$67 billion in 2012 to \$82 billion in 2017. This forecast includes revenue from dedicated console hardware and software (both physical and online), dedicated portable hardware and software, PC games and games for mobile devices such as mobile phones, tablets, music players and other devices that can play games as a secondary feature. New console systems from Nintendo, Microsoft and Sony are expected to help the console segment regain momentum in the 2014 to 2015 timeframe.

According to Gartner research, the global video game industry – software, hardware and online gaming – will grow from USD 74 billion (estimate for 2011) to USD 112 billion in sales by 2015. In comparison, movie theatres around the world reported a combined total revenue of USD 31.8 billion in 2010. The industry witnesses a shift from traditional dedicated gaming devices to smartphones and tablets, from big game design companies to smaller studios offering their games in app stores. Gartner predicts that online gaming spending will pass hardware spending by 2015.



(Source: Gartner, The New York Times Bits Blog)

Terminals and Platforms for Gaming:

Video games have come a long way, with terminals often reflecting the state-of-the art in consumer electronics of the era. From single-game units (pong machines) in arcade halls in the 1970s and 1980s, to console or PC games transported on ROM cartridges, tape cassettes, discs, CD-ROMs and DVDs, to gaming on the smartphone. Following are the Terminals and Platforms for Gaming;

1. Console and handheld console

Many parents are familiar with Microsoft, Nintendo, Sega, Sony and their lines of gaming products which have taken their children by storm. They, too, have evolved considerably over the years with networking capabilities, input devices (including steering wheels, guitars, natural user interfaces) and graphic capabilities to enhance the gaming experience. Each brand has created its own gaming ecosystem to retain customers. These walled gardens of hardware, games, accessories and online gaming communities make it impossible for consumers to use third-party equipment or just to export scores or achievements from one console to the other.

2. Personal computers (PCs)

Computer games have contributed to the success of home and personal computers since the early days. Atari and Commodore are mentioned as two successful companies in this context, which were first successful in the arcade and game console segments, and then introduced 8-bit home computers for gaming, programming and other applications. Although system requirements may vary from game to game, the latest titles often recommend high graphics and processing power, broadband Internet connection for online play, etc. Similar to other types of contemporary media, in particular music and movies, traditional physical distribution channels tend to have become less important in comparison to online delivery, direct download or streaming.

3. Mobile phones and tablets

In little over a decade, mobile gaming has been established as a dominant part of contemporary gaming culture. It started with simple, single-player games embedded on basic handsets, progressed to games on feature phones purchased by sending an SMS to a premium number, reaching full bloom on smartphones in the mobile app era. Compared to dedicated handheld gaming consoles, some of the latest smartphones barely lack in processing power and graphics capabilities. The communication features, especially mobile broadband, enable gamers to network and interact, to play on websites, to purchase gaming applications (apps) and virtual in-game goods.

Consulting firm Deloitte predicts that in 2011 more than fifty per cent of computing devices sold globally will not be PCs (400 million units), but smartphones (375 million) and tablets (50 million). Subscription data show that mobile telephony is becoming a near-ubiquitous infrastructure. By the end of 2010, there were an estimated 5.3 billion mobile cellular subscriptions (not handsets) worldwide, including 940 million subscriptions to 3G services.

4. Social network websites and instant messaging clients

With over 600 million active users worldwide, social network website Facebook has become a part of the everyday life of many. After opening up the Facebook platform to external developers, games that use social connections have spread very rapidly. Gaming on social network sites is becoming increasingly popular and fashionable: about 20 per cent (47% male, 53% female) of the US population has played a game on a social network, according to a three-month study undertaken by market researcher NPD Group. Of all social network gamers surveyed, over a third indicated they had never played a game before.

Google has recently launched its own social network site (Google+), gained tens of millions of users and started supporting games programmed by third parties within weeks.

China's leading social networking site Qzone is hardly known in the west, but it might soon surpass Facebook in number of active users. Qzone is a component of Tencent's QQ Internet services, which also include a range of online gaming services.

Gaming Industry Value Chain:

Gaming industry value chain is made up of six connected and distinctive layers:

1. **Capital and publishing layer:** involved in paying for development of new titles and seeking returns through licensing of the titles.
2. **Product and talent layer:** includes developers, designers and artists, who may be working under individual contracts or as part of in-house development teams.
3. **Production and tools layer:** generates content production tools, games, development middleware, customizable game engines and production management tools.
4. **Distribution layer:** or the "publishing" industry, involved in generating and marketing catalogues of games for retail and online distribution.
5. **Hardware (or Virtual Machine or Software Platform) layer:** or the providers of the underlying platform, which may be console-based, accessed through online media, or accessed through mobile devices such as smart phones. This layer now includes non-hardware platforms such as virtual machines (e.g. Java or Flash), or software platforms such as browsers.

6. **End-users layer:** or the users/players of the games.

The above mentioned layers constitute **Gaming Ecosystem** which can be depicted below:

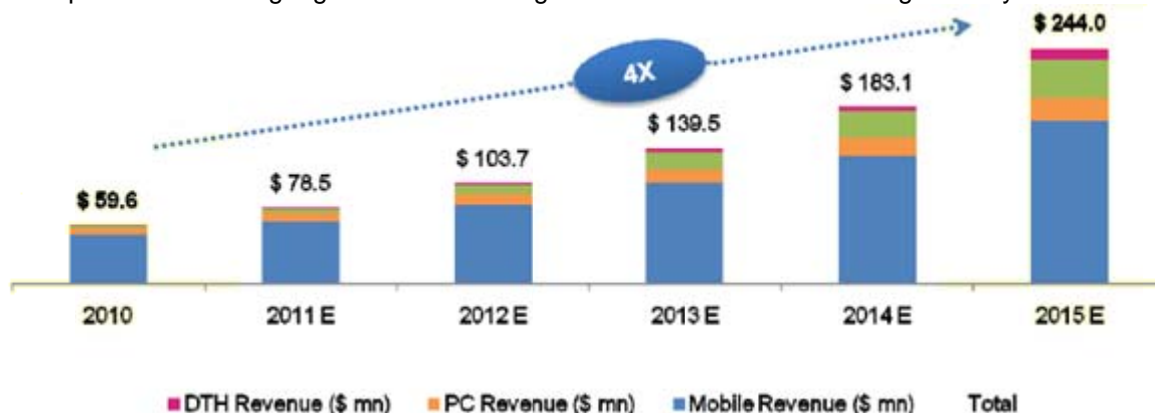


(Source: <http://www.scribd.com>, "A Study on the Growth Prospects of Indian Gaming Industry")

Overview of Indian Gaming Industry

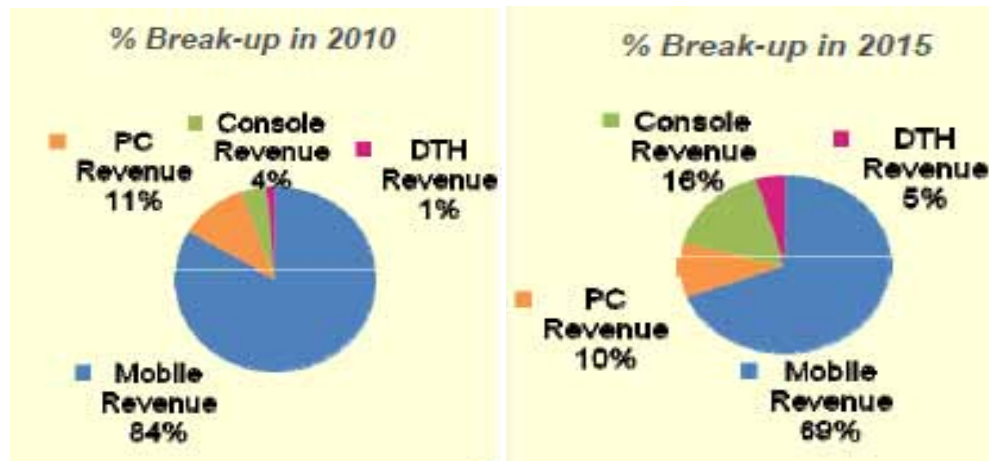
Indians are obsessed with entertainment and various media vehicles delivering entertainment are seeing enormous growth in the country. The high profile launches of Microsoft Xbox 360 and Sony's PS3 in India brought in a new dimension to gaming altogether. The jittery gameplay and graphics gave way to movie-like story line with super cool graphics and animations. The real-life simulation games looked less like simulation and more real life, making the game play more engrossing and captivating. However, the high-priced consoles have still not reached the Indian masses.

Casual Gaming in India is at a nascent stage but is expected to grow significantly at a **CAGR of 32%** over 2010-15 periods. Following Figure shows the Segment wise Revenue of Gaming Industry in India:



(Source: 'Casual Gaming in India' Report by Nasscom in Association with IGDA)

Following Figure shows the Segment wise Revenue Break-up in 2010 and Estimated Revenue Break-up in 2015 of Gaming Industry:



(Source: 'Casual Gaming in India' Report by Nasscom in Association with IGDA)

Encouraged with the above, EA, Zapak and several other game publishers entered the Indian shores allowing for easier availability of their software. While the PC gaming industry has been plagued with piracy, there has been a tremendous growth nevertheless with correct pricing, better support and easily availability of games in various branded and non branded outlets.

Game Development Activities in India

In India, traditionally the focus is been on developing console based games and online gaming content for the overseas market. Now to grow the domestic market several companies are taking various initiatives such as:

1. Localization of games/content to better address the gaming needs of the target audience:

Though most of the development work is being done for overseas market, however, in future the focus would shift to the domestic market. Currently several Indian companies are starting to focus on customizing content for the Indian market using local themes, icons & games

2. Creation of gaming zones/ Organized cyber cafe chains:

These play a critical role in development of the online gaming ecosystem and various companies are doing different things to maximize this opportunity. Some are opening their own gaming zones while others are tying up with existing cafe and helping them upgrade to gaming zones by providing marketing support.

3. Mainstream Advertising:

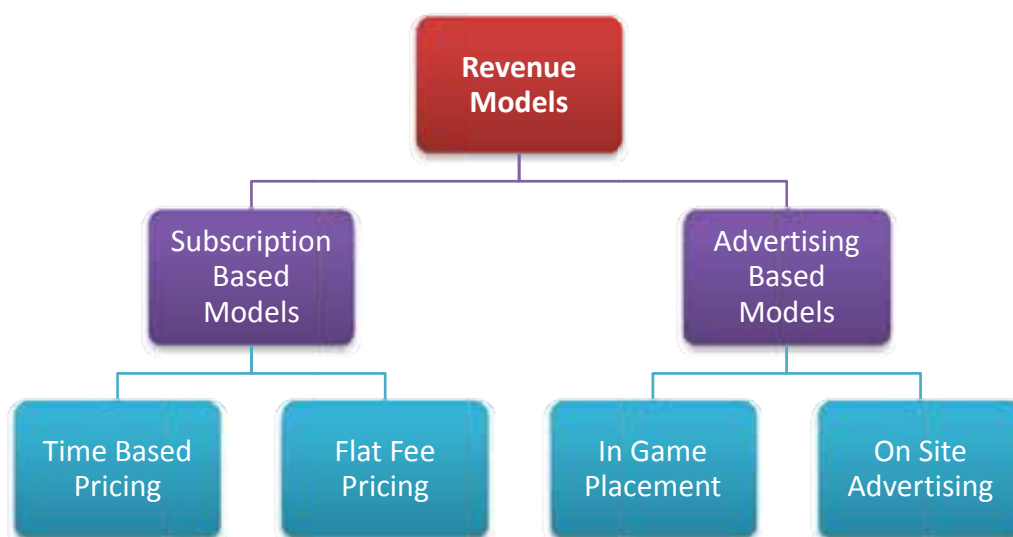
To drive traffic and build awareness, some companies has taken the mainstream advertising route. This is generating interest & driving traffic to the site. The key challenge would be to retain the users through sticky content.

4. Enabling payment mechanisms:

Recognizing that the low penetration of credit cards & debit cards can be a potential bottleneck, several companies are taking an initiative in enabling online payment through other platforms. This is all the more important because the core gaming segment of users, school and college students do not have access to bank cards. One of the initiatives being experimented is Pre-paid gaming cards. These cards would enable both subscription for the gaming service and purchase of in-game add-ons.

Revenue Models for Gaming Industry:

1. **Subscription based pricing models:** These are very common and popular models where the users generally pay a monthly fee that entitles them to unlimited usage during that month.
2. **Advertising based pricing models:** These Models generally rely on some sort of sponsorship or advertising. Games derive their revenue from the sponsoring company which pays for the development of the game and generally recognizes value in messaging provided by the game.

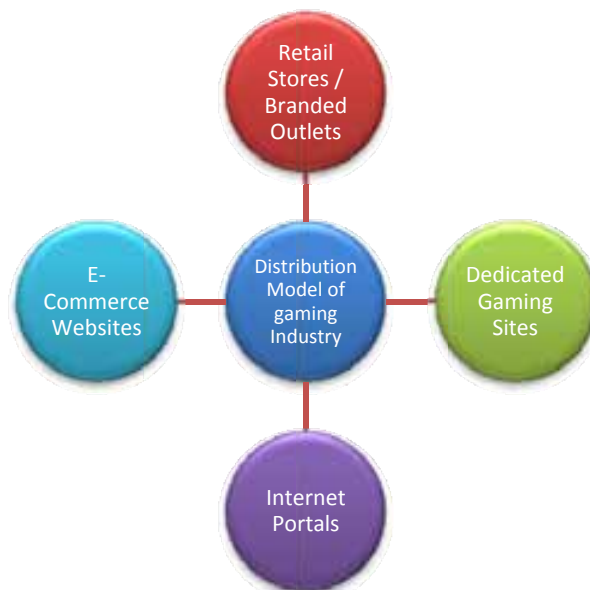


(Source: <http://www.scribd.com>, "A Study on the Growth Prospects of Indian Gaming Industry")

Distribution Model of Gaming Industry

The distribution model adopted plays a major role in how fast the game actually reaches the gamer. Distribution model chosen also plays a crucial role in dissuading piracy by making games more affordable and more conveniently available.

The four main models used currently in India are depicted in the diagram below:



(Source: <http://www.scribd.com>, “A Study on the Growth Prospects of Indian Gaming Industry”)

Growth Drivers of Gaming Industry in India:

The Gaming Industry in India has increased significantly over the last few years. Growth Drivers of Gaming Industry in India are mentioned below:

1. Increased mobile subscriber base:

Mobile subscriber base in India has been growing at more than 60 percent per annum. The growth rate is expected to continue in the near future as the gross mobile penetration rate in India is comparatively well below that of the developed countries. With the rise of mobile penetration in the country, a larger customer base would gain exposure to mobile games, and this would lead to a rise in mobile game downloads.

2. Introduction of 3G enabled handsets:

The launch of 3G enabled mobile handsets has provided more efficient, high-speed, data-enabled networks to mobile gamers, thus resulting in a rise in the usage of mobile games. Further advancement into 4G enabled telecom services would add greater fillip to the growth of the mobile gaming segment.

3. Increase in production of console games overseas:

A rise in production of console games overseas would fuel the console gaming market in India, as a large number of customers are always looking out for new gaming innovations in this segment. Most Indian gaming companies are not being able to produce games that would attract gamers in India.

4. Product to services model:

Console gaming companies are shifting their focus from product to service oriented model. The console gaming system not only provides the option of playing games, but is also packed with other services such as uploading photos, watching movies and so on.

5. Broadband Penetration:

Broadband penetration in India reached 9.1 million in 2010; and is expected to grow rapidly. This would help to increase the spread of the gaming market in India.

6. Marketing and Distribution Chain:

Advertising of gaming products through social networking channels and a strong distribution base of gaming products is likely to propel growth of the pc gaming segment.

(Source: "Indian Gaming Industry, 2012" Report by Gyan Research and Analytics Pvt. Ltd)

Issues and Challenges in front of Gaming Industry in India:

1. Delay in Proposed Technology Advancements:

If the adoption of 3G and 4G enabled handsets is delayed, the mobile gaming segment is likely to be hit adversely. In such a scenario, the growth process might slow down or become stagnant. The pricing of 4G services is also a cause for concern, as higher prices would lead to lower usage of such value added services.

2. Skewed Revenue Sharing Agreement between Game Developers and Telecom Operators:

Telecom operators in India have the billing right with subscribers and usually acquire a revenue share in the range of 60–70 percent. Thus, gaming companies end up with a revenue share of around only 25–30 percent. As compared to the Indian markets, content companies in the developed countries secure a revenue share of around 60 percent. This is negatively impacting the development of the gaming industry in India and could inhibit its growth process.

3. Lack of Localized Content:

The console gaming segment mainly uses content developed overseas. There is a lack of localized content based on Indian culture and contexts. Console gaming with a localized content could go a long way in developing the gaming industry in India.

4. Regulatory Hurdles:

The presence of high import duty coupled with indirect taxes has made the prices of console games dearer by 40 percent, as compared to the prices prevailing in the grey market. Infact, the presence of the grey market is a major cause for concern as authorized game retailing chains are being badly affected by it.

5. Lack of Skilled Manpower:

The development of the gaming industry is constrained by the lack of skilled manpower. The demand for skilled manpower is expected to grow in tandem with the growth of the gaming industry. Infrastructural developmental initiatives, in order to avoid the problem of the availability of trained manpower, are the need of the hour

(Source: "Indian Gaming Industry, 2012" Report by Gyan Research and Analytics Pvt. Ltd)

OUR BUSINESS

In this section, unless the context otherwise requires, a reference to "we", "us" and "our" refers to Trine Entertainment Limited. Unless otherwise stated or the context otherwise requires, the financial information used in this section is derived from our restated financial information. This section should be read together with "Risk Factors" on page 11 and "Industry Overview" on page 77 of this Draft Prospectus.

COMPANY OVERVIEW

We are a video game developer company focused on delivering games across various console based platforms such as Nintendo, Sony Play stations, XBOX etc. We are also in the process of widening our platform base by developing and releasing online/mobile games as well as games usable across Smart-Phones, Tablets, PC and other emerging connected platforms.

Our Company was founded in 2006 in Mumbai, Maharashtra with a vision that India with its huge young population and high level of I.T. penetration would become one of the fastest growing markets for games in the world. We have launched popular games successfully in each of the last six years and have generated over ₹ 2700 lacs in gaming sales since inception.

We operate through our registered and corporate office in Mumbai having an area of 3,600 Sq. Ft. and a capacity to house over 70 employees in one shift. We have been engaged by our clients on a contract basis to develop games for their respective gaming platforms. Games developed and launched by us in the past include diverse gaming genres as set forth below –

GENRE	GAMES
Action	<ul style="list-style-type: none">• Spellforce 2: Faith in Destiny
Action – Adventure	<ul style="list-style-type: none">• R.A. One: The Game
Fantasy and Role-playing	<ul style="list-style-type: none">• Gothic 3• Arcania
Sports	<ul style="list-style-type: none">• Street Cricket Champions 2• Move Street Cricket

Our current business operations involve development on contract basis. However, we believe that majority of the revenues and profits collected are taken away by the Publishers while doing business on Contract Basis. Thus we are currently in the process of conceptualizing and developing two new Mobile-based games and self publish them.

Constantly growing young population, steadily rising disposable incomes, rise in wireless usage and a proliferation of game developers has propelled us to move forward and grow our operations. We intend to venture into the business of publishing Video Games Digitally for all major Desktop and Console platforms as well as start developing and publishing Socio-Online Games and Mobile Games. Initially, we plan to develop all the games internally at our Development office and later on we will start to license already developed games and distribute them under our own brand as well as fund new and original Intellectual Property.

We have over 3 years of experience in Developing Cricket games for the World market and we intend to capitalize on the opportunity of being one of the few Organized Game developer in the world for 2nd most popular sport in the world which has over 2 billion fan base worldwide (*Source: Internal Company Estimates*). We intend to distribute our games digitally through several available Digital Game Distribution Channels which are being used by several leading Video Game Companies in the world.

Our current manpower includes 47 permanent employees on our payroll, adequately distributed among various departments such as Game designing, Art, Animation, Programmer, IT, Accounts and Finance, HR and Administration. *For Further details on our Personnel Strength, See the Para Titled “Human Resource” of this Chapter.*

OUR STRENGTHS

1. Quality Infrastructure and Utilities

Our Infrastructure facilities are designed to develop a variety of Games of different genres using a combination of processes. Our registered office from which we operate has a floor area of 3,600 Sq. Ft. which can accommodate more than 70 persons in a single shift. Given the Size of our office, we render adequate space to all our personnel departments such as Programming, Game Designing, Animation, Art and User Interface, IT etc.

Servers and Computers are basic hardware in Gaming Industry. We own our servers, computers and other connected hardware which are instrumental in developing games and animation. It minimizes our dependency on third parties for these machines. Further we are one of the very few companies in India to license “Unreal Engine 3.0” from Epic Games which is a software tool used by many game developers around the globe to develop their games.

2. High Visibility in the Market due to Global Projects

Our Clients are Global Multinational Companies such as Sony Computer Entertainment Europe Ltd. and JoWood Productions Software AG as well as Domestic Companies such as Red Chillies Entertainment Pvt. Ltd. We have successfully developed games for these companies and marked our presence in the International Gaming Market. We have been authorized to develop games for Sony’s Playstation Devices, JoWood Entertainment who further supplies games to Nintendo Platforms, Microsoft’s XBOX 360, Apple IOS and Android based devices. We have developed “R.A. One – The Game” featuring Indian Actors Sharukh Khan and Kareena Kapoor for Sony which have given us recognition in Indian as well as International Market. We have also developed Cricket Games for Indian and International Market which have gained good popularity. For further details on games developed by us, please see the chapter titled “Our Business” beginning on page no. 85 of this Draft Prospectus.

3. Experienced and Innovative management team

Our business is highly specialized. Our management team is trained, experienced and innovative. Our promoters, Mr. Sangam Gupta, who is also our C.E.O, and Mr. Somil Gupta have extensive experience in the Entertainment and Gaming industry and have provided strategic direction to the Company since inception. Our Company is managed by a team of Innovative and experienced personnel having knowledge of every aspect of Gaming Eco-System. The faith of the management in the staff and their performance has enabled us to build up capabilities to expand our business. As on January 31, 2013, we have 53 employees on our payroll which specifically comprises 35 personnel for game design, animations, programming and art designing activities. For Further details of our key management personnel, see chapter titled “Our Management” on page 108 of this Draft Prospectus.

OUR STRATEGY

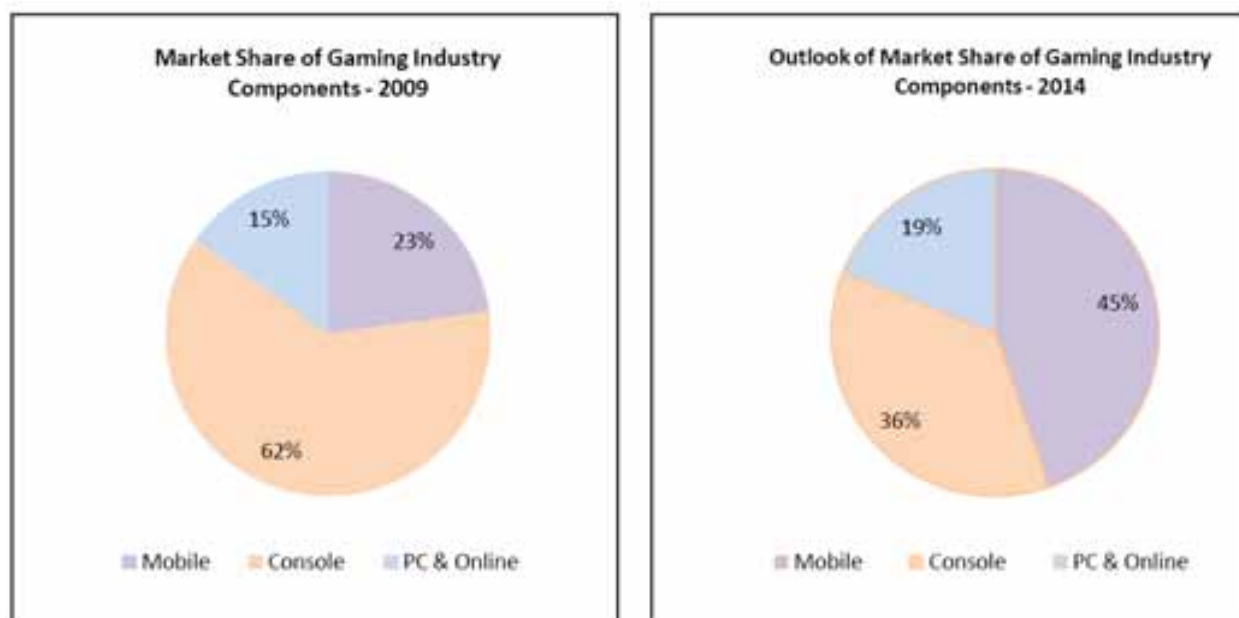
1. To Diversify Our Business Horizon

Gaming Industry is highly diversified and there are several gaming platform available for gaming. We are currently developing games for Console and PC Platforms but to expand and diversify our business model, we propose to enter the Mobile and Social Gaming Platforms which is growing at a fast pace. We propose to utilize part proceeds of Initial Public Offer to develop two social games to diversify our product

portfolio. For further details of our Future Projects, Please see the chapter titled “Objects to the Issue” on page no. 60 of this Draft Prospectus.

Mobile and Social Gaming Platforms are anticipated to grow rapidly and we are targeting this segment of Gaming Industry along with our current business model to balance our operations and to provide steady revenues in the future.

Following figure sets forth the details of market share of different gaming platforms in India:



(Source: “Indian Gaming Industry, 2012” Report by Gyan Research and Analytics Pvt. Ltd)

2. To Publish Games developed by us

Gaming Industry can be segregated into two major pillars, first one is the Game Developer and second one is the Game Publisher/Distributor. Our current business operations involve development of games on contract basis and selling them to the publishers. We believe that majority of the revenues and profits collected are taken away by the Publishers. Thus we intend to publish our games and enhance our profit margins.

We further propose to augment our growth by engaging into the Business of Publishing Video Games Digitally for all major Desktop and Console platforms and simultaneously also start developing and Publishing Online Games for Mobile devices as well. Initially we plan to develop all the games internally at our Development offices and then license already developed games and distribute them under our own brand as well as fund new and original Intellectual Property. We intend to distribute our games digitally through various available Digital Game Distribution Channels which are being used by several leading Video Game Companies in the world. Depending on the platform on which the game is released, specific channel will be used in the distribution and marketing of the game. The following are the major Distribution Channels which we intend to use for distributing our games:

- Sony Playstation - PSN Store
- Microsoft XBOX - XBOX Live Arcade
- PC - Steam, Direct to Drive and through our own portal
- Mac - Apple App Store and through our own portal
- iOS - Apple App Store

- Android - Google Play and through Telecom Operators

3. To refurbish our Infrastructure Facilities, hire additional manpower and compete successfully

Our existing office and its infrastructural and development facilities have wide scope of improvement. Given the scale of our business operations and ever changing industry face, we strategize to refurbish our office space by installing new Technology and Equipment and hire additional skilled Manpower in order to penetrate our existing customer base as well as new market. Buying of new hardware, software and other relevant technology will help us to compete in the global market and keep us equivalent with the latest gaming technologies available. We intend to hire innovative and creative manpower, which is a necessity in the Gaming Industry to cater the need of specialized and creative gaming content. With better infrastructure and innovative applications we shall be able to deliver better quality products to our clients and expand our existing customer base. *For further details of Utilization of Funds for the purpose of Infrastructure Expansion, see the chapter titled "Objects of the Issue".*

4. Pursue selective strategic acquisitions and investments and Build our Brand Value

We intend to acquire existing Game Studios both in Global as well as in Indian market to expand our business Operations. These business acquisitions may help us in capturing existing customer base of respective game studios, acquire their Intellectual Properties and Know-How and fetch us trained and experienced Manpower. Business Acquisitions are instrumental in fast business growth and may help us to save both time and money to expand our business operations. Acquiring a well-established running business will also help us to build our Brand Value and Goodwill across the globe.

DETAILS OF OUR BUSINESS OPERATIONS

LOCATION

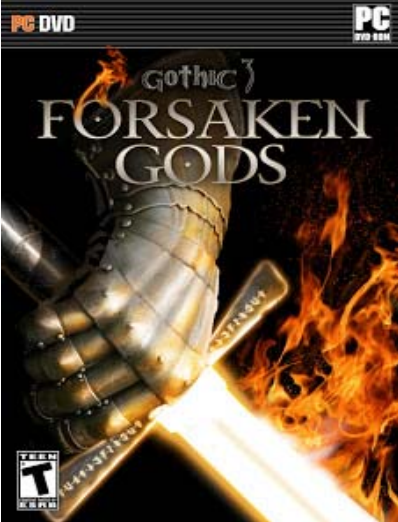

Registered Office



Our Registered office is situated at 301/302, B Wing, Interface-16 Building, Malad (West), Mumbai – 400064, Maharashtra.

OUR PRODUCTS AND SERVICES

We are an Indian based Game Developer. Our products empower the Game Publisher/Distributors to meet the needs of their customer's interest with state-of-art technology that delivers innovative, feature rich experience to the end user. We have developed Games for Sony, Nintendo and other platform.

Following are the major Games developed by us:

Game Title	Platforms, Release Date and Publisher	Description
 <p>Gothic 3 : Forsaken Gods</p>	<p>Platform: PC</p> <p>PC Release Date : November 2008</p> <p>Publisher : JoWood Entertainment AG</p>	<p>Forsaken Gods is a standalone expansion for <i>Gothic 3</i>. It was developed by our company and published by JoWood Entertainment AG. The game was released in Europe and North America on November 21, 2008.</p> <p>Gothic 3 is a fantasy-themed role-playing game.</p> <p>When released Gothic 3 was the #1 franchise in Germany.</p>
 <p>Arcania</p>	<p>Platforms: PC, XBOX360, Playstation 3</p> <p>Release Date : November 2010</p> <p>Publisher : JoWood Entertainment AG</p>	<p>Arcania was the sequel to Gothic 3 franchise and was praised by several media around the world for its Graphics and new and unique Gameplay elements.</p>

Game Title	Platforms, Release Date and Publisher	Description
 <p>Street Cricket 2</p>	<p>Platforms: PS2 and PSP</p> <p>Release Date First Version: November 2010</p> <p>Release Date Sequel : June 2012</p> <p>Publisher : Sony</p>	<p>Street Cricket Champions franchise is the bestselling Cricket Game franchise on PS2 and PSP and is the highest selling cricket game in India.</p> <p>The franchise has sold over 5,00,000 units in India alone so far.</p>
 <p>RA.ONE: The GAME</p>	<p>Platforms: PS3 and PS2</p> <p>Release Date : October 2011</p> <p>Publisher : Sony</p>	<p>Developed together with Shahrukh Khan and Kareena Kapoor. Ra.One the Game was the first ever Bollywood game to be released on a console in the world.</p> <p>The game sold over 60,000 units within first week and was covered and featured by several leading press media across the globe.</p> <p>The game featured actual voices dubbed by Shahrukh Khan, Kareena Kapoor and Arjun Rampal specifically for the game and was promoted by the stars throughout India</p>

Game Title	Platforms, Release Date and Publisher	Description
 <p>Move Street Cricket</p>	<p>Platforms: PS3</p> <p>Release Date First Version : February 2012</p> <p>Release Date Sequel : March 2013</p> <p>Publisher : Sony</p>	<p>Move Street Cricket franchise is one of the bestselling Cricket games across the world for PlayStation 3 and is the only game in its category to feature Move-motion controller.</p> <p>The game has got very good reviews and according to Sony it is one of the best Move based games available to date in its category.</p>

CLIENT BASE

We have been developing games on a contract basis for Owners of Console Based Gaming Platforms such as Sony Computer Entertainment (Europe) and Jo Wood Entertainment AG. Following are the details of the revenue derived from these two customers for the last three fiscals:

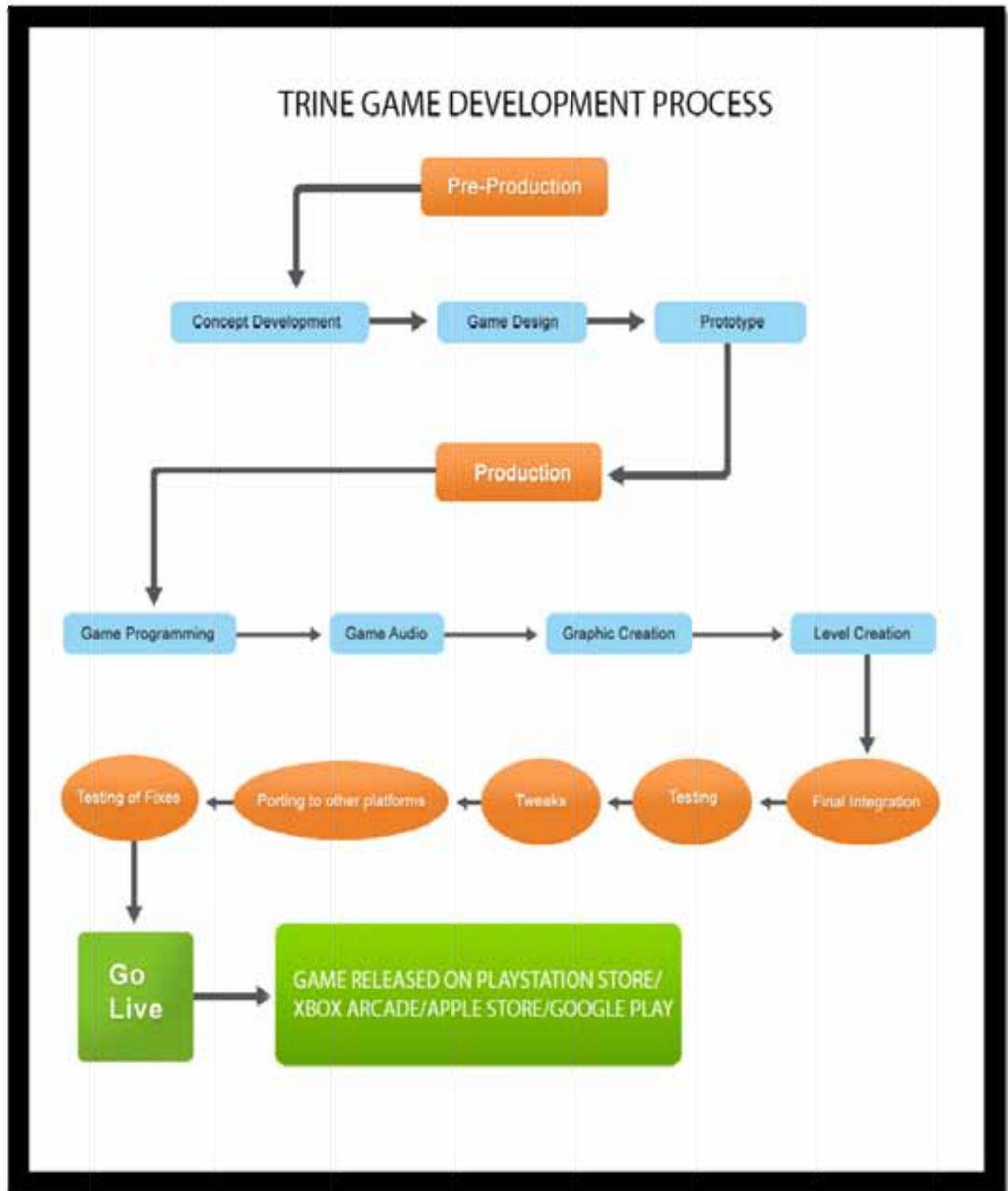
Particulars	% of total sales FY 2012	% of total sales FY 2011	% of total sales FY 2010
Sony Computer Entertainment (Europe)	99.59%	54.22%	26.00%
Jo Wood Entertainment AG	-	31.56%	68.73%
Total	99.59%	85.79%	94.73%

While Continuing our Console-based game development, we propose to develop Mobile-based and Socio-Online Games to diversify our client base. Having a stream of products for our clients will help us in achieving steady revenues in the future. For this purpose, we intend to use part proceeds of Initial Public offer in developing Mobile-based and Socio-Online Games.

GAME DEVELOPMENT PROCESS

Game development is a software development process, as a video game is software with art, audio, and gameplay. Formal software development methods are often overlooked. Games with poor development methodology are likely to run over budget and time estimates, as well as contain a large number of bugs. Planning is important for individual and group projects alike.

Following Flow Chart presents the Game Development Process of Our Company:



Game development process can be divided in to three different levels which can be described as below:

1. PRE-PRODUCTION

Pre-production or *design phase* is a planning phase of the project focused on idea and concept development and production of initial design documents. The goal of concept development is to produce clear and easy to understand documentation, which describes all the tasks, schedules and estimates for the development team. The suite of documents produced in this phase is called production plan. A Prototype of game is developed at this stage.

2. PRODUCTION

Production is the main stage of development, when assets and source code for the game are produced. Mainstream production is usually defined as the period of time when the project is fully staffed. Programmers write new source code, artists develop game assets such as sprites or 3D Models, Sound engineers develop sound effects, composers develop music for the game, Level Designers create levels, and writers write dialogue for cut scenes and Non Playing Scenarios. For assuring quality of the product, The Game goes through testing phase. A Game under production goes into many versions such as First Playable, Alpha and Beta etc. Final version of the game is called Gold-Master which used as a master for production of the game.

3. POST-PRODUCTION

After the Game is in Gold-Master and is released. Post Production work happens mainly by Maintenance Engineers to ensure that the post-release support is provided to the end consumers and their bug related issues are addressed and fixed. Depending on the type of the Project and Scope the team size is approximately 3-5% of the original development staff. Project Maintenance is usually done for approximately 10-12 months from the date of the release of the Game.

EXPORT OBLIGATIONS

We have obtained certificate under Importer-Export Code. We have no export obligations as on December 31, 2012. For further details on the same please see to chapter titled – “Government and Other Statutory Approvals” beginning on page 172 of this Draft Prospectus.

MARKETING SET UP

Our Marketing Team is headed by our C.E.O. and WTD – Mr Sangam Gupta. Currently we discuss games and ideas with Games Publishers like Sony etc. and develop and deliver games on a contract basis. However, going forward we intend to engage into the Business of Video Games Publishing Digitally for all major Desktop and Console platforms as well as start developing and Publishing Online Games for Mobile devices. For details regarding our Strategy for Digital Distribution etc. please see “Our Strategy” on page 86 of this Chapter.

INFRASTRUCTURE FACILITIES AND UTILITIES

Power

For our game development activities, requirement of power is met with electricity supply of state government electricity board.

Human Resources

The details of manpower employed as on 31st January, 2013 are as under:

Sr. No.	Category	No. of Employees
1	Animation, Art, Game Design and Programming	35
2	Production and Quality Analyst	7
3	Company Secretary	1
4	Accounts, Administration, HR and Finance	8
5	IT and Technology	2

Servers, Computers and Software

High-end servers, computer and latest software relevant for game development are part of our basic infrastructure. We own all our server computers and other computers. We have subscribed to some mandatory software and virtual tools, which are useful in creating animations, writing codes and designing overall game software. We have licensed “Unreal Engine 3.0” from Epic Games which is a software tool used by many game developers around the globe to develop their games.

COMPETITION

We face competition in our Game Development business from national and international game developers and studios. The Gaming Industry is extremely fragmented and it is not possible for us to specifically point out our direct competitors, however, we believe that we may face stiff competition from all small scale games developers as well as large organized players such as Electronic Arts, Zynga and Disney etc.

COLLABORATIONS

We have not entered into any technical or other collaboration till date.

PROPERTY

Our registered office is leased by us. We have also leased three flats for our business purposes. Following are the details of Properties leased by us:

Location	Area	Name of Owner	Consideration	Term of Rent
Our Office Premises				
301/302, B Wing, Interface-16 Building, Malad (West), Mumbai – 400064, Maharashtra	3,600 sq. ft.	M/s. Mobile Telecommunications Limited	Deposit: ₹ 20,00,000 (interest free refundable) Rent: ₹ 4,00,000 per month	5 years w.e.f. 01/03/2012
Details Of Accommodation Provided For Employees				
Flat No. D-804, N. G. Garden, Inside Gaurav Garden, Bunder Pakhadi Road, Kandivali (West), Mumbai – 400067	810 sq. ft.	Molkampally Mathew Jinoy	Deposit: ₹ 75,000 (interest free refundable) Rent: ₹ 20,000 per month	11 Months w. e. f. 20 th March, 2013 to 19 th February, 2014
Flat No. A-2, Sai Chand Tara, Saibaba Complex, Mohan Gokhale Road, Goregaon (East), Mumbai – 400063, Maharashtra	565 sq. ft.	Mr. Sudheer Parulekar	Deposit: ₹ 60,000 (interest free refundable) Rent: ₹ 17,000 per month	11 Months w.e.f. 1 st December, 2012 to 31 st October, 2013

INTELLECTUAL PROPERTY

Our Company has filed an application dated February 19, 2013 before the Trade Marks Registry for registration of its new logo under Class 38. For further information, please see the chapter titled “Government and Other Statutory Approvals” on page 172 of this Draft Prospectus.

Following are the Intellectual Properties registered in Our Company’s name:

Sr. No	Name of the Intellectual Property	Class of Registration	Date of Registration
1	Logo in Name of “Trine Game Studios”	9, 28, 42	March 27, 2007
2	Streets of Mumbai	9, 16, 28, 38, 41, 42	November 29, 2007
3	Gamepad	9, 16, 28, 38	August 28, 2007
4	Legends of Great India	28	April 09, 2007

INSURANCE

Our Company has obtained certain insurance coverage to sufficiently cover all normal risks associated with its operations. Following are the details regarding the insurance coverage obtained by our company:

Sr. No.	Name of the Insurance Company	Type of Policy	Validity Period	Description of Assets covered	Policy No.	Sum Insured	Premium P.A.
1	Bajaj Allianz General Insurance Company Limited	Standard Fire and Special Perils Policy	23/02/2013 to 22/02/2014	Electronic Software Units	OG-13-1901-4001-00007669	₹ 56 lacs	₹ 6,386

KEY INDUSTRY REGULATIONS AND POLICIES

The following description is an overview of certain laws and regulations in India and abroad, which are relevant to our Company. Information detailed in this chapter has been obtained from publications available in the public domain. The regulations set out below are not exhaustive, and are only intended to provide general information to Bidders and is neither designed nor intended to be a substitute for professional legal advice.

Taxation statutes such as the Income Tax Act, 1961, Central Sales Tax Act, 1956 and applicable local sales tax statutes, and other miscellaneous regulations and statutes such as labour laws apply to us as they do to any other Indian company. The statements below are based on the current provisions of laws, and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions. For details of government approvals obtained by us, see the chapter titled “Government and Other Statutory Approvals” beginning on page 172 of this Draft Prospectus.

I INFORMATION TECHNOLOGY LAWS

- **The Information Technology Act, 2000**

The Information Technology Act, 2000 (“**the IT Act**”) was enacted with the purpose of providing legal recognition to electronic transactions. In addition to providing for the recognition of electronic records, creating a mechanism for the authentication of electronic documentation through digital signatures, the IT Act also provides for civil and criminal liability including fines and imprisonment for various computer related offences. These include offences relating to unauthorised access to computer systems, modifying the contents of such computer systems without authorisation, damaging computer systems, the unauthorised disclosure of confidential information and computer fraud. In view of India’s growing IT/BPO sector, the government of India has recently approved an Amendment to the IT Act, especially with regard to the growing need for data protection.

- **Information Technology Amendment Act, 2008**

The Information Technology (Amendment) Act, 2008, which came into force on October 27, 2009, amended the IT Act and inter alia gives recognition to contracts concluded through electronic means, creates liability for failure to protect sensitive personal data and gives protection to intermediaries in respect of third party information liability.

- **The Information Technology (Reasonable Security Practices and Procedures and Sensitive Personal Data or Information) Rules 2011**

Recently, the Department of Information Technology under the Ministry of Communications & Information Technology, Government of India notified the Information Technology (Reasonable security practices and procedures and sensitive personal data or information) Rules, 2011 in respect of section 43A of the IT Act (the “Personal Data Protection Rules”) and the Information Technology (Intermediaries guidelines) Rules, 2011 in respect of section 79(2) of the IT Act (the “Intermediaries Rules”).

- **Information Technology (Personal Data Protection) Rules**

The Personal Data Protection Rules prescribe directions for the collection, handling, disclosure and protection of sensitive personal data.

- **Information Technology (Intermediaries Guidelines) Rules 2011**

Government has notified Information Technology (Intermediaries guidelines) Rules, 2011 under Section 79 of the Information Technology Act, 2000. These rules provide for the intermediaries which includes social networking sites to observe due diligence and safeguards for prevention of hosting of obscene, blasphemous, pornographic, paedophilic, defamatory etc. material on their website. Further, sections 67, 67A and 67B of the Information Technology Act, 2000 provides stringent punishment and fine for publishing or transmitting obscene material in electronic form as well as for publishing or transmitting material containing sexually explicit act, or depicting children engaged in sexually explicit act.

- **Information Technology (Intermediate) Rules**

The Intermediaries Rules require persons receiving, storing, transmitting or providing any service with respect to electronic messages to not host, publish, transmit or share any information prohibited under the Intermediaries Rules and to disable such information after obtaining knowledge of it. Further, the Department of Personnel and Training under the Ministry of Personnel, Public Grievances and Pensions, Government of India has proposed to introduce a new legal framework that would balance national interest with concerns of privacy, data protection and security.

II. INTELLECTUAL PROPERTY LAWS

Intellectual Property in India enjoys protection under both common law and statute. Under statute, India provides for the protection of patent protection under the Patents Act, 1970, copyright protection under the Copyright Act, 1957 and trademark protection under the Trade Marks Act, 1999. The above enactments provide for protection of intellectual property by imposing civil and criminal liability for infringement. In addition to the above domestic legislations India is a party to several international treaties related to intellectual property including the Patent Co-operation Treaty, 1970, the Paris Convention for the Protection of Industrial Property, 1883, the International Convention for the Protection of Literary and Artistic Works signed at Berne in 1886 (the Universal Copyright Convention of 1952), the Rome Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organizations 1961 and as a member of the World Trade Organization is a signatory to the Agreement on Trade Related aspects of Intellectual Property Rights, 1995 (the TRIPS Agreement).

DOMESTIC

- **Patent Act, 1970**

The Patents Act, 1970 („**Patents Act**“) is the primary legislation governing patent protection in India. In addition to broadly requiring that an invention satisfy the requirements of novelty, utility and non obviousness in order for it to avail patent protection, the Patents Act further provides that patent protection may not be granted to certain specified types of inventions and materials even if they satisfy the above criteria. The term of a patent granted under the Patents Act is for a period of twenty years from the date of filing of application for the patent. The Patents Act deems that computer programs per se are not „inventions“ and are therefore, not entitled to patent protection. This position was diluted by The Patents Amendment Ordinance, 2004, which included as patentable subject matter:

1. Technical applications of computer programs to industry; and
2. Combinations of computer programs with the hardware.

However, the Patents Amendment Act, 2005, does not include this specific amendment and consequently, the Patents Act, as it currently stands, disentitles computer programs per se from patent protection. The public use or publication of an invention prior to the making of an application for a patent, may disentitle the said invention to patent protection on grounds of lack of novelty. Under the Patents Act,

an invention will be regarded as having ceased to be novel (and hence not patentable), inter alia, by the existence of:

1. Any earlier patent on such invention in any country;
2. Prior publication of information relating to such invention;
3. An earlier product showing the same invention; or
4. A prior disclosure or use of the invention that is sought to be patented.

Following its amendment by the Patents Amendment Act, 2005, the Patents Act permits opposition to grant of a patent to be made, both pre-grant and post-grant. The grounds for such patent opposition proceedings, inter alia, include lack of novelty, inventiveness and industrial applicability, non-disclosure or incorrect mention of source and geographical origin of biological material used in the invention and anticipation of invention by knowledge (oral or otherwise) available within any local or indigenous community in India or elsewhere. The Patents Act also prohibits any person resident in India from applying for patent for an invention outside India without making an application for the invention in India. Following a patent application in India, a resident must wait for six weeks prior to making a foreign application or may obtain the written permission of the Controller of Patents to make foreign applications prior to this six week period. The Controller of Patents is required to obtain the prior consent of the Central Government before granting any such permission in respect of inventions relevant for defence purpose or atomic energy. This prohibition on foreign applications does not apply, however, to an invention for which a patent application has first been filed in a country outside India by a person resident outside India.

- **Copyright Act, 1957**

The Copyright Act, 1957 ("Copyright Act") protects original literary, dramatic, musical and artistic works, Cinematographic films and sound recordings from unauthorized use of such works. Unlike the case with patents, copyright protects the expressions and not the ideas. There is no copyright in an idea. The object of copyright law is to encourage authors, artists and composers to create original works by rewarding them with unlike the case with patents; copyright protects the expressions and not the ideas. There is no copyright in an idea. The object of copyright law is to encourage authors, artists and composers to create original works by rewarding them with exclusive right for a fixed period to reproduce the works for commercial exploitation. Copyrights subsist in following class of works:

- a) Original literary, musical, dramatic and artistic works
- b) Cinematograph films
- c) Sound recordings

Under the copyright law the creator of the original expression in a work is its author who is vested with a set of exclusive rights with respect to the use and exploitation of the work. The author is also the owner of the copyright, unless there is a written agreement by which the author assigns the copyright to another person or entity, such as a publisher. Where work is done under a "work for hire" agreement, the copyright vests with the hirer i.e., the person providing the work. The owner of copyright in a work can assign or license his copyright to any person, such as publisher, under a written agreement. Copyright subsists in a work since the time it come into being. Therefore, registration of copyright neither creates any rights nor precludes enforcement of the existing ones. However, owing to its evidentiary value, a registered copyright is easier to establish in the court of law. The term of copyright varies across different types of works. In the case of broadcasts, the Act grants "broadcast reproduction rights" to broadcasting organizations which subsist for 25 years.

- **Trade Marks Act, 1999**

The Indian law of trademarks is enshrined in the Trade Marks Act; The Trade Marks Act seeks to provide for the registration of trademarks relating to goods and services in India. A trade mark means a mark

used in relation to goods for the purpose of indicating a connection in the course of trade between the goods and the proprietor. While registration of a trademark is not compulsory it offers better legal protection. Any person can apply for registration of a trademark to the Trademark Registry under whose jurisdiction the principal place of the business of the applicant in India falls. The term of a trademark registration is for a period of ten years. The renewal is possible for further period of 10 years each.

There is no system as yet wherein a single trademark application is sufficient to protect the trademark right internationally. However, Paris convention to which India is a party provides certain privileges to member countries in trademark registration. A party that files their first trademark application in a member state of the Convention, such as India, can within six months of that filing date file applications in other member countries claiming the priority of the first application. If such a trademark is accepted for registration it will be deemed to have registered from the same date on which the application is made in the home country.

INTERNATIONAL

- **Patent Co-operation Treaty 1970**

The Treaty makes it possible to seek patent protection for an invention simultaneously in each of a large number of countries by filing an "international" patent application. Such an application may be filed by anyone who is a national or resident of a Contracting State. It may generally be filed with the national patent office of the Contracting State of which the applicant is a national or resident or, at the applicant's option, with the International Bureau of WIPO in Geneva.

- **Paris convention for the Protection of Industrial Property, 1883**

The Paris Convention for the Protection of Industrial Property, signed in Paris, France, on March 20, 1883, was one of the first intellectual property treaties. It established a Union for the protection of industrial property. The Convention is still in force as of 2013. According to Articles 2 and 3 of this treaty, juristic and natural persons who are either national of or domiciled in a state party to the Convention shall, as regards the protection of industrial property, enjoy in all the other countries of the Union, the advantages that their respective laws grant to nationals.

- **International Convention for the Protection of literary and Artistic Works adopted at Berne in 1886**

The Berne Convention for the Protection of Literary and Artistic Works, usually known as the Berne Convention, is an international agreement governing copyright, which was first accepted in Berne, Switzerland in 1886. The Berne Convention requires its signatories to recognize the copyright of works of authors from other signatory countries (known as members of the Berne Union) in the same way as it recognizes the copyright of its own nationals.

- **Universal copyright convention adopted at Geneva in 1952**

The UCC was developed by United Nations Educational, Scientific and Cultural Organization as an alternative to the Berne Convention for those states which disagreed with aspects of the Berne Convention, but still wished to participate in some form of multilateral copyright protection. These states included developing countries and the Soviet Union, which thought that the strong copyright protections granted by the Berne Convention overly benefited Western developed copyright-exporting nations, and the United States and most of Latin America. The United States and Latin America were already members of a Pan-American copyright convention, which was weaker than the Berne Convention. The Berne Convention states also became party to the UCC, so that their copyrights would exist in non-Berne convention states.

- **Rome convention for the protection of Performance. Producers of Phonograms and Broadcasting organization, 1961**

The Rome Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organisations was accepted by members of BIRPI, the predecessor to the modern World Intellectual Property Organization, on October 26, 1961. The agreement extended copyright protection for the first time from the author of a work to the creators and owners of particular, physical manifestations of intellectual property, such as audiocassettes or DVDs.

III THE COMPANIES ACT, 1956

The Act deals with laws relating to companies and certain other associations. It was enacted by the parliament in 1956. The Companies Act primarily regulates the formation, financing, functioning and winding up of companies. The Act prescribes regulatory mechanism regarding all relevant aspects including organizational, financial and managerial aspects of companies. Regulation of the financial and management aspects constitutes the main focus of the Act. In the functioning of the corporate sector, although freedom of companies is important, protection of the investors and shareholders, on whose funds they flourish, is equally important. The Companies Act plays the balancing role between these two competing factors, namely, management autonomy and investor protection.

IV THE COMPETITION ACT, 2002

The Competition Act, 2002 (the “**Competition Act**”) prohibits anti-competitive agreements, abuse of dominant positions by enterprises and regulates “combinations” in India. The Competition Act also established the Competition Commission of India (the “**CCI**”) as the authority mandated to implement the Competition Act. The provisions of the Competition Act relating to combinations were notified recently on March 4, 2011 and came into effect on June 1, 2011. Combinations which are likely to cause an appreciable adverse effect on competition in a relevant market in India are void under the Competition Act. A combination is defined under Section 5 of the Competition Act as an acquisition, merger or amalgamation of enterprise(s) that meets certain asset or turnover thresholds. There are also different thresholds for those categorized as ‘Individuals’ and ‘Group’. The CCI may enquire into all combinations, even if taking place outside India, or between parties outside India, if such combination is likely to have an appreciable adverse effect on competition in India. Effective June 1, 2011, all combinations have to be notified to the CCI within 30 days of the execution of any agreement or other document for any acquisition of assets, shares, voting rights or control of an enterprise under Section 5(a) and (b) of the Competition Act (including any binding document conveying an agreement or decision to acquire control, shares, voting rights or assets of an enterprise); or the board of directors of a company (or an equivalent authority in case of other entities) approving a proposal for a merger or amalgamation under Section 5(c) of the Competition Act. The obligation to notify a combination to the CCI falls upon the acquirer in case of an acquisition, and on all parties to the combination jointly in case of a merger or amalgamation.

V FEMA REGULATIONS

As laid down by the FEMA Regulations, no prior consents and approvals are required from the Reserve Bank of India, for Foreign Direct Investment under the ‘automatic route’ within the specified sectoral caps. In respect of all industries not specified as FDI under the automatic route, and in respect of investment in excess of the specified sectoral limits under the automatic route, approval may be required from the FIPB and/or the RBI. Presently, investments in companies engaged in the telecom sector fall under the RBI’s ‘automatic route’ for FDI/NRI investment of up to 100%. The RBI, in exercise of its power under the FEMA, has notified the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 (“FEMA Regulations”) to prohibit, restrict or regulate, transfer by or issue security to a person resident outside India. Foreign investment in India is governed primarily by the provisions of the FEMA which relates to regulation primarily by the RBI and the rules, regulations

and notifications thereunder, and the policy prescribed by the Department of Industrial Policy and Promotion, Ministry of Commerce & Industry, Government of India.

VI LABOUR RELATED LAWS

India has stringent labour related legislation. We are required to comply with certain labour and industrial laws, which includes the Industrial Disputes Act 1947, the Employees' Provident Funds and Miscellaneous Provisions Act 1952, the Minimum Wages Act, 1948, the Payment of Bonus Act 1965, Workmen Compensation Act, 1923, the Payment of Gratuity Act, 1972, the Payment of Wages Act, 1936 and the Factories Act, 1948, amongst others.

- **Industrial Disputes Act, 1947**

The Industrial Disputes Act, 1947 (the "IDA") was enacted to make provision for investigation and settlement of industrial disputes and for other purposes specified therein. The IDA distinguishes between (i) employees who are 'workmen' and (ii) employees who are not 'workmen'. Workmen have been provided several benefits and are protected under various labour legislations, whilst those persons who have been classified as managerial employees and earning salary beyond a prescribed amount may not generally be afforded statutory benefits or protection, except in certain cases. Employees may also be subject to the terms of their employment contracts with their employer, which contracts are regulated by the provisions of the Indian Contract Act, 1872. The IDA also sets out certain requirements in relation to the termination of the services of the workman's services. This includes detailed procedure prescribed for resolution of disputes with labour, removal and certain financial obligations up on retrenchment.

- **Employees' Provident Funds and Miscellaneous Provisions Act, 1952**

Employees Provident Funds and Miscellaneous Provisions Act, 1952 ("EPFA") was introduced with the object to institute compulsory provident fund for the benefit of employees in factories and other establishments. The EPFA provides for the institution of provident funds and pension funds for employees in establishments where more than 20 persons are employed and factories specified in Schedule I of the EPFA. Under the EPFA, the Central Government has framed the "Employees Provident Fund Scheme", "Employees Deposit-linked Insurance Scheme" and the "Employees Family Pension Scheme". Liability is imposed on the employer and the employee to contribute to the funds mentioned above, in the manner specified in the statute. There is also a requirement to maintain prescribed records and registers and filing of forms with the concerned authorities. The EPFA also prescribes penalties for avoiding payments required to be made under the abovementioned schemes.

- **Payment of Gratuity Act, 1972**

The Payment of Gratuity Act, 1961 ("the **POG Act**") provides for payment of gratuity to employees employed in factories, shops and establishments who have put in a continuous service of 5 years, in the event of their superannuation, retirement, resignation, death or disablement. The rule of '5 years continuous service' is however relaxed in case of death or disablement of an employee. Gratuity is calculated at the rate of 15 days wages for every completed year of service with the employer. Under the POG Act, an employer is obliged for a maximum gratuity payout of ₹ 3,50,000 for an employee. The POG Act also requires the employer to obtain and maintain an insurance policy for the employer's obligation towards payment of gratuity.

- **Payment of Bonus Act, 1965**

The Payment of Bonus Act, 1965 ("the **POB Act**") is applicable to every establishment employing 20 or more employees. The POB Act provides for payment of the minimum bonus to the employees specified under the Act. It further requires for the maintenance of certain books and registers and submission of Annual Return within 30 days of payment of the bonus to the Inspector.

- **Contract Labour (Regulation and Abolition) Act, 1970**

This legislation applies to every establishment in which twenty or more workmen are employed or were employed in the past twelve months as contract labour and to every contractor employing or having employed in the past twelve months twenty or more workmen. With the aim of regulating the employment of contract labour in certain establishments and to abolish it in certain circumstances the Government has appointed an authority to ensure adherence to the provisions of this Act.

- **Payment of Wages Act, 1936**

The Payment of Wages Act, 1936 applies to the persons employed in the factories and in industrial or other establishments where the monthly wages payable to such persons is less than ₹ 6,500/-.

- **Minimum Wages Act, 1948**

The Minimum Wages Act, 1948 ("MWA") came in to force with the objective to provide for the fixation of a minimum wage payable by the employer to the employee. Under the MWA, the appropriate government (Central or State) is authorized to fix the minimum wages to be paid to the persons employed in scheduled or non scheduled employment. Every employer is required to pay not less than the minimum wages to all employees engaged to do any work whether skilled, unskilled, and manual or clerical (including out-workers) in any employment listed in the schedule to the MWA, in respect of which minimum rates of wages have been fixed or revised under the MWA.

- **Industrial Employment Standing Orders Act, 1946**

Under the Industrial Employment Standing Orders Act, 1946 every establishment employing more than 50 employees is required to formulate rules and regulations for its employees and the same should be submitted for approval to the Deputy Labour Commissioner.

- **Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959**

Under the Act, all establishments are required to intimate vacancies in the different departments to the employment exchange prior to conducting the necessary recruitment. However, under the Act only intimation is mandatory, not the filling up of such vacancies. Further, the Act also requires the establishments to file quarterly and bi-annual returns with the concerned authorities.

- **The Workmen Compensation Act, 1923**

The Workmen Compensation Act, 1923 ("WCA") has been enacted with the objective to provide for the payment of compensation to workmen by employers for injuries caused due to accidents arising out of and in the course of employment, and for occupational diseases resulting in death or disablement. The WCA makes every employer liable to pay compensation if personal injury, disablement either partial or total or loss of life is caused to a workman (including those employed through a contractor) by accident arising out of and in the course of his employment. In case the employer fails to pay compensation in accordance with the provisions of WCA within one month from the date it falls due, the commissioner appointed under the WCA may direct the employer to pay the compensation amount along with interest and may also impose a penalty.

- **The Maternity Benefits Act, 1961**

The purpose of the Maternity Benefit Act is to regulate the employment of pregnant women and to ensure that they get paid leave for a specified period during and after their pregnancy. It provides, *inter alia*, for

paid leave of 12 weeks, payment of maternity benefits and enacts prohibitions on dismissal, reduction of wages paid to pregnant women, etc.

VII TAX RELATED LEGISLATIONS

- **Value Added Tax, 2005**

Value Added Tax (“**VAT**”) is charged on sale of goods in the States under the law enacted by each State in respect thereof. VAT is however, not chargeable on the value of services which do not involve a transfer of goods. VAT is a multi-point levy on each of the entities in the supply chain with the facility of setoff of input tax that is the tax paid at the stage of purchase of goods by a trader and on purchase of raw materials by a manufacturer. Only the value addition in the hands of each of the entities is subject to tax.

- **Income Tax Act, 1961**

The Income Tax Act, 1961 (“**IT Act**”) is applicable to every company, whether domestic or foreign whose income is taxable under the provisions of this Act or Rules made there under depending upon its “Residential Status” and “Type of Income” involved. Every company assessable to income tax under the IT Act is required to comply with the provisions thereof, including those relating to Tax Deduction at Source, Advance Tax, Minimum Alternative Tax and like. Every such company is also required to file its returns by 30th September of each assessment year.

- **Service Tax**

Service tax is charged on ‘taxable services’ as defined in Chapter V of Finance Act, 1994, which requires a service provider of taxable services to collect service tax from the recipient of such services and pay such tax to the Government. According to Rule 6 of the Service Tax Rules, every assessee is required to pay Service tax in TR 6 challan by the 5th of the month immediately following the month to which it relates. Further, under Rule 7 (1) of Service Tax Rules, the company is required to file a half yearly return in Form ST 3 by the 25th of the month immediately following the half year to which the return relates.

- **Customs Act, 1962**

The provisions of the Customs Act, 1962 and Rules made there under are applicable at the time of import of goods into India from a place outside India or at the time of export of goods out of India to a place outside India. Any Company requiring to import or export any goods is required to get itself registered and obtain an Importer Exporter Code (IEC) number.

VIII SHOPS AND ESTABLISHMENT ACT

The conditions of service of employees of IT companies are inter alia regulated by the relevant shops and establishments law in which the IT unit is situated. This is a State specific legislation and each State has framed its own rules for the Act. The State Government can exempt any establishment from all or any provisions of this Act either permanently or for a specified period. Establishments are required to be registered under the provisions of local shops and establishments legislations applicable in the states in which such establishments are set up. The provisions of this legislation are applicable to all persons employed in an establishment, whether with or without wages, the only exception being that of the members of the employer’s family.

The main objectives of the Shops and Establishments Act is to

- Regulate the working & employment conditions of the workers employed in shops & establishments, including, commercial establishments.

- Fix the number of working hours, rest intervals, overtime, holidays, leave and termination of service.

The Company is having its registered office at Mumbai and the provisions of the Bombay Shops and Establishments Act, 1948 are applicable to the Company and the Company is registered under the Act. The Maharashtra Shops and Commercial Establishment Act provides that any employee who is asked to work on any holiday including a National Holiday, should be paid either a) Twice the normal wages; or b) Wages for such day in addition to the provision of a substituted holiday with wages on any other day.

HISTORY AND CERTAIN CORPORATE MATTERS

Our Company was originally incorporated as Trine Animation Studios Limited on April 27, 2006 under the Companies Act, 1956 bearing the Registration Number 161436 having registered office in Mumbai, Maharashtra. Our company obtained the Certificate for Commencement of Business on June 14, 2006. Pursuant to a resolution passed in EGM dated August 21, 2007, the name was changed to Trine Entertainment Limited and a Fresh Certificate of Incorporation was obtained by the Registrar of Companies on September 7, 2007.

We are a video games developer focused on delivering games across various console based platforms such as Nintendo, Sony Play stations, XBOX 360, DS, etc. We are also in the process of widening our platform base by developing and releasing online/mobile games as well as games usable across Smart-Phones, Tablets, PC and other emerging connected platforms.

For further details regarding our business operations, please see the Chapter titled “*Our Business*” beginning on page 85 of this Draft Prospectus.

Our Company has 51 (Fifty One) shareholders, as on the date of filing of this Draft Prospectus.

Major events in the history of Our Company:

Year	Major Event
2006	<ul style="list-style-type: none"> - Incorporation of our Company and commencement of Business Activities - Operations started in Animation and Gaming with staff of 7 people
2007	<ul style="list-style-type: none"> - Start Development on a leading IP - Gothic 3 : Forsaken Gods
2008	<ul style="list-style-type: none"> - Trine becomes first Authorized developer for Nintendo DS and Nintendo Wii in India - Trine becomes first game developer in India to have a global retail release for a PC Video Game as Gothic 3: Forsaken Gods was released on November 21, 2008
2009	<ul style="list-style-type: none"> - Sony signs MoU with Trine to develop games for PlayStation 2 - Trine develops and releases “The Guild 2: Venice” an expansion to the original game called “The Guild 2” which was published by JoWood Entertainment AG - Trine releases Driver’s Ed and Learn Geography on Nintendo DS which were published by Dream Catcher Games
2010	<ul style="list-style-type: none"> - Trine becomes first company in India to be authorized to Develop and Publish Games for Playstation 3 platform - Trine releases Wii Yoga game on Nintendo Wii - Trine releases Street Cricket Champions on Playstation 2 and PSP
2011	<ul style="list-style-type: none"> - Sony invests in Trine to Develop “Ra.One: The Game” for Playstation 2 and Playstation 3 - Sony awards a contract to Trine to Develop Move Street Cricket game on Playstation 3 - Ra.One is released during Diwali season on Playstation 2 and Playstation 3 and becomes one of the best selling game
2012	<ul style="list-style-type: none"> - Trine releases Move Street Cricket for Playstation 3 - Trine becomes authorized developer and Publisher for PSVita by Sony - Street Cricket Champions 2 is released for Playstation 2 and PSP
2013	<ul style="list-style-type: none"> - Increase in Authorised Capital from ₹ 11 Crores to ₹ 25 Crores

For details on the changes in our Registered Office Address, please see Para “*Changes in Registered Office of Our Company*” on page 106 of this chapter.

Main Objects of our Company

The main object of our Company is as follows:

1. To Act as a Render Farm facility for In house Production and outsource the Facility for the purpose of rendering Digital content for full or partial Animated Motion picture, T.V., Ads, PC and console game. Where the Company will buy the ideas and Exclusive rights of the content individuals and other Companies worldwide and to carry on the Business of Animation, VFX and SFX training academy, where the Company will provide training in the field of computer generated Images for motion Pictures, T.V., Ads, and PC and Console Games to Individuals, in-house employees and other institution, To Develop, produce, distribute, coproduce, purchase sale, lease, copyright, patent of any type of, gaming content, animation, models, characters, special and Visual effects, graphics, landscape, music, lighting, rendering, rigging, environments textures, recordings, story, script, lyrics, tunes, edits, and all kinds of digitally and analogue created contents.
2. To act as Producers, financiers, exhibitors, consultants, advisors, directors and distributors of CG (computer graphics) content for Animated Motion Picture, T.V, Ads, and PC and Console and mobile interactive Games in Digital formats, talkie version or otherwise in 70 MM, 35MM, 16MM or otherwise in Indian version or any other Version or in any Colour version or Black and White version and to let the same on hire or otherwise for distribution or exhibition or to sell the wholly or Such part thereof or part right thereof for such consideration or upon such terms and conditions as may be deemed necessary or expedient length, size and colour for any world territory including Indian and overseas on outright basis, Minimum Guarantee or Advance Basis or simple Commission basis to carry on the Business of Animation, Visual effects and special effects for Movies, TV, Ads, PC and Mobile and Console Games.

Changes in Registered Office of our Company

Date of Change of Registered Office	Changed From	Changed To
September 02, 2006	G-16, Laxmi Industrial Estate, New Link Road, Andheri (W), Mumbai – 400 053	122 Linkway Estate, Link Road, Malad (W), Mumbai – 400 064
August 02, 2007	122 Linkway Estate, Link Road, Malad (W), Mumbai – 400 064	601A-2 Palm Court, M Block, Above D Mart, Malad West, Mumbai – 400 064
February 13, 2013	601A-2 Palm Court, M Block, Above D Mart, Malad West, Mumbai – 400 064	301/302, B Wing, Interface-16 Building, Malad (West), Mumbai – 400064, Maharashtra

The changes in our registered office were to ensure greater operational efficiency.

Amendments to the Memorandum of Association

Dates on which some of the main clauses of the Memorandum of Association of our Company have been changed citing the details of amendment as under:

DATE	NATURE OF AMMENDMENT
August 16, 2006	The authorized share capital was increased from ₹ 1,00,00,000 to ₹ 3,50,00,000
August 21, 2007	the name of the company was changed from “Trine Animation Studios Limited” to “Trine Entertainment Limited”

DATE	NATURE OF AMMENDMENT
March 31, 2008	The authorized share capital was increased from ₹ 3,50,00,000 to ₹ 11,00,00,000
February 11, 2013	The authorized share capital was increased from ₹ 11,00,00,000 to ₹ 25,00,00,000

Shareholders' Agreement

There are no Shareholders' Agreements existing as on the date of this Draft Prospectus.

Other Confirmations

Our Company is not operation under any injunction or restraining order.

Time and Cost Overrun

In respect of projects undertaken by our company since its incorporation, there have been no time and cost overrun.

Subsidiaries

As on the date of this Draft Prospectus, there are no subsidiaries of our company.

Joint Venture

As on the date of this Draft Prospectus, there are no joint ventures of our company.

Other Agreements

Except the contracts/agreements entered in the ordinary course of the business carried on or intended to be carried on by our Company, we have not entered into any other agreement/contract as on the date of this Draft Prospectus.

Financial Partners

We do not have any financial partners as on the date of this Draft Prospectus.

Strategic Partners

We do not have any strategic partners as on the date of this Draft Prospectus.

OUR MANAGEMENT

Board of Directors

At present, we have 2 Executive Whole Time Directors and 2 Non-Executive Independent Directors.

The following table sets forth details regarding our Company's Board of Directors as on the date of this Draft Prospectus:

Sr. No.	Name, Designation, Address, and Occupation	Term & DIN	D.O.B., Age & Nationality	Other Directorships
1	Mr. Sangam Gupta Whole Time Director <i>Address:</i> 403-404, Palm Court C.H.S, Link Road, Behind D Mart, Malad (West), Mumbai-400064, Maharashtra <i>Occupation:</i> Business	<i>Term:</i> 01/01/2013 to 31/12/2015 <i>DIN:</i> 00164901	<i>DoB:</i> August 20, 1985 <i>Age:</i> 27 years <i>Nationality:</i> Indian	<ul style="list-style-type: none"> • Planet 41 Mobi-Venture Ltd. • Net Stick Interactive Pvt. Ltd. • Planet 41 Televentures Ltd. • Trine Ventures Ltd. • Indmobile Ventures Ltd.
2	Mr. Somil Gupta Chairman and Whole Time Director <i>Address:</i> 1108 B Wing, New Link Road, Ankur Goregaon, Mumbai- 400062, Maharashtra <i>Occupation:</i> Business	<i>Term:</i> 01/01/2013 to 31/12/2015 <i>DIN:</i> 00164819	<i>DoB:</i> September 19, 1978 <i>Age:</i> 34 years <i>Nationality:</i> Indian	<ul style="list-style-type: none"> • Planet 41 Mobi-Venture Ltd. • Net Stick Interactive Pvt. Ltd. • Planet 41 Televentures Ltd. • Trine Ventures Ltd. • Indmobile Ventures Ltd. • Linqpay India Pvt. Ltd. • Link Online Pvt. Ltd.
3	Mr. Mandar Joshi Independent Director <i>Address:</i> F-1/105, Govinddham, Mumbai-Pune Road, Kalwa (W), Thane, Maharashtra - 400605 <i>Occupation:</i> Professional	<i>Term:</i> Liable to retire by rotation <i>DIN:</i> 06430515	<i>DoB:</i> July 11, 1986 <i>Age:</i> 26 years <i>Nationality:</i> Indian	None
4	Mr. Haresh Vazirani Independent Director <i>Address:</i> F-87, Green Park Main, New Delhi - 110016 <i>Occupation:</i> Professional	<i>Term:</i> Liable to retire by rotation <i>DIN:</i> 06503313	<i>DoB:</i> January 26, 1986 <i>Age:</i> 27 years <i>Nationality:</i> Indian	None

For further details on their qualification, experience etc., please see their respective biographies under the heading "Brief Biographies" below.

Other Notes:

- None of the Directors on our Board are related to each other, except for Mr. Sangam Gupta, being the brother of Mr. Somil Gupta.
- There are no arrangements or understanding with major shareholders, customers, suppliers or others, pursuant to which any of the Directors were selected as a Director.
- There are no service contracts entered into by the Directors with our Company providing for benefits upon termination of employment.
- None of our directors are/have been directors in any listed company, whose shares have been suspended or delisted from any stock exchange in the past.

Brief Biographies

- **Mr. Sangam Gupta**

Mr. Sangam Gupta, aged 27 years is the Founder Promoter, Director and C.E.O. of our Company. He was awarded an Associate of Science Degree (Diploma in Game Design & Development Degree Program) by Full Sail Real World Education, Florida (U.S.A.) in March 2005. He was also awarded Bachelor of Science Degree (Diploma in Game Development Degree Program) by Full Sail Real World Education of Florida (U.S.A.) in March 2006. He has an experience of more than 7 Years in Gaming and Entertainment Industry. He heads the Game Development Operations of our Company. His functional responsibility in our Company involves handling the overall business affairs of the Company including devising business marketing strategies and overall administration of our Company.

- **Mr. Somil Gupta**

Mr. Somil Gupta, aged 34 years is the Founder Promoter and Chairman of our Company. He is a Bachelors of Engineering in Computer Science. He is an Associate of Science from Full Sail Real World Education, Florida (U.S.A.). He was awarded Diploma in Computer Animation by Full Sail Real World Education of Florida (U.S.A.). He has an experience of more than 13 Years in Gaming and Entertainment Industry, Media Sector Operations, His functional responsibility in our Company involves devising business marketing strategies and looking after the financials of our Company.

- **Mr. Mandar Joshi**

Mr. Mandar Joshi, aged 26 years, was appointed as the Non Executive Independent Director of our Company with effect from February 11, 2013. He completed his graduation in the field of Commerce and also completed CA. His professional experience includes conducting various types of Audits like Statutory Audits, Tax Audits, Stock Audits, System Audits, Direct and Indirect Tax matters etc. He is currently providing consultancy services in the areas of Income Tax, Service Tax, VAT etc. He is also involved in preparation of Project Appraisal Reports for new as well as existing projects and arranging bank finance through various modes. He holds an Intermediate degree in ICWA and is Pursuing ICWA final, Diploma in IFRS from ACCA UK and DISA from ICAI.

- **Mr. Haresh Vazirani**

Mr. Haresh Vazirani, aged 27 years, was appointed as a Non-Executive Independent Director of our Company with effect from February 11, 2013. He completed his Bachelor of Engineering in Civil Engineering from Delhi College of Engineering, University of Delhi in 2007. He also holds Master of Business Administration Degree from Indian School of Business. He has been serving as an Associate in

Sun Apollo Private Equity for the last one and half years. His core competencies include Private Equity, Business strategy, Entrepreneurship etc.

Borrowing Powers of our Board of Directors

Pursuant to a Resolution passed by our shareholders at the EGM held on February 11, 2013 and subject to the provisions of the Companies Act, 1956 and other laws in force, our Articles of Association authorize our Board of Directors to borrow any sum or sums of money from time to time at their discretion, for the purpose of the business of the Company on such terms and conditions as it may think appropriate, which together with the monies already borrowed by the Company, (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) may exceed at any time, the aggregate of the paid-up capital of the Company and its free reserves (that is to say, reserves, not set apart for any specific purpose) by a sum not exceeding ₹ 250 Crores. We confirm that the borrowing powers of directors are in compliance with the relevant provision of the Companies Act, 1956.

For further details of the provisions of our Articles of Association regarding borrowing powers, please see the section titled "*Main Provisions of the Articles of Association of our Company*" beginning on page 213 of this Draft Prospectus.

Remuneration of Directors

a) Executive Directors

The remuneration of our Executive Directors is as per the terms of appointment contained below:

- **Mr. Sangam Gupta, Director**

The compensation package payable to him as resolved in the Board meeting held on February 11, 2013 is stated hereunder:

Salary, allowances and Perquisites: Not exceeding ₹ 1,00,000 /- per month in accordance with the limits specified in Section I of Part II of Schedule XIII of the Companies Act, 1956.

Bonus: Nil

Commission: Subject to overall limit laid down in Section 198 and 309 of the Companies Act, 1956, such percentage of the net profit of the company as may be decided by the board of director for each financial year.

- **Mr. Somil Gupta, Chairman and Director**

The compensation package payable to him as resolved in the Board meeting held on February 11, 2013 is stated hereunder:

Salary, allowances and Perquisites: Not exceeding ₹ 1,50,000 /- per month in accordance with the limits specified in Section I of Part II of Schedule XIII of the Companies Act, 1956.

Bonus: Nil

Commission: Subject to overall limit laid down in Section 198 and 309 of the Companies Act, 1956, such percentage of the net profit of the company as may be decided by the board of director for each financial year.

b) Non-Executive Independent Directors

The Board of Directors have accorded their approval for payment of sitting fee, in their meeting held on February 14, 2013, whereby the Non-Executive Independent Directors of our Company would be entitled to a sitting fee of ₹1000 /- for attending every meeting of Board or its committee thereof.

No remuneration was paid to the Non-Executive Independent Directors in the preceding fiscal year.

Shareholding of Directors

The following table sets forth the shareholding of our Directors as on the date of this Draft Prospectus:

Name of Directors	No. of Equity Shares held
Mr. Sangam Gupta	35,72,500
Mr. Somil Gupta	35,72,500
Mr. Mandar Joshi	-
Mr. Haresh Vazirani	-
TOTAL	71,45,000

Interest of Directors

Except as stated in the chapter titled “*Related Party Transactions*” beginning on page 150 of this Draft Prospectus, all 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 committees thereof as well as to the extent of remuneration and/or reimbursement of expenses payable to them in accordance with the provisions of the Companies Act and in terms of the Articles.

The Directors may also be regarded as interested in the shares, if any, held by them or that may be subscribed by and allotted/transferred to the companies, firms and trusts and other entities in which they are interested as Directors, members, partners and/or trustees or otherwise as also any benefits, monetary or otherwise derived there from.

Interest as to Property

We have not entered into any contracts, agreements or arrangements during the preceding two years from the date of this Draft Prospectus in which our directors are directly or indirectly interested and no payments have been made to them in respect of any contracts, agreements or arrangements which are proposed to be made to them.

Changes in our Board of Directors in the last three years

NAME	DATE OF CHANGE	REASON
Ms. Saryu Gupta	January 21, 2013	Resignation
Mr. Sangam Gupta	February 11, 2013	Re-Appointed as Whole Time Director
Mr. Somil Gupta	February 11, 2013	Re-Appointed as Chairman and Whole Time Director
Mr. Mandar Joshi	February 11, 2013	Appointed as Non-Executive Independent Director
Mr. Haresh Vazirani	February 11, 2013	Appointed as Non-Executive Independent Director

Corporate Governance

The provisions of the listing agreements, to be entered into by our Company with the Stock Exchanges, will be applicable to our Company immediately upon the listing of our Equity Shares with the Stock Exchanges. We have complied with the corporate governance code in accordance with Clause 52 (as applicable) of the listing agreement, particularly in relation to appointment of Independent Directors to our Board and constitution of the Audit Committee, Shareholders'/ Investors' Grievance Committee and Remuneration Committee.

Our Company undertakes to take all necessary steps to continue to comply with all the requirements of Clause 52 of the listing agreement. In addition, our Company intends to adopt a code of conduct for prevention of insider trading.

We have constituted the following committees of our Board of Directors for compliance with corporate governance requirements:

- a) Audit Committee
- b) Shareholder's / Investors' Grievance Committee
- c) IPO Committee

Audit Committee

Our Company has constituted an Audit Committee, as per the provisions of Section 292A of the Companies Act and Clause 52 of Listing Agreement. The constitution of the Audit Committee was approved at the Meeting of the Board of Directors held on February 14, 2013. The Committee functions as prescribed under Section 292A of the Companies Act, 1956 and Clause 52 of the listing agreement. The members of the committee at present are:

S. No.	Name	Designation in Committee	Nature of Directorship
1	Mandar Joshi	Chairman	Non-Executive Independent
2	Haresh Vazirani	Member	Non-Executive Independent
3	Sangam Gupta	Member	Whole Time Director

Powers of the Audit Committee

- a) To investigate any activity within its terms of reference;
- b) To seek information from any employee;
- c) To obtain outside legal or other professional advice; and
- d) To secure attendance of outsiders with reasonable expertise, if considered necessary

The terms of reference of the audit committee are broadly defined as under:

- a) Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- b) Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- c) Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- d) Appointment, removal and terms of remuneration of internal auditors.
- e) Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:

- i. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of 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 involving estimates based on the exercise of judgment by management;
 - iv. Significant adjustments made in the financial statements arising out of audit findings;
 - v. Compliance with listing and other legal requirements relating to the financial statements;
 - vi. Disclosure of any related party transactions;
 - vii. Qualifications in the draft audit report.
- f) Reviewing, with the Management, the quarterly financial statements before submission to the Board for approval.
- g) Monitoring the use of the proceeds of the proposed initial public offering of the Company.
- h) Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
- h) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
- i) Discussions with internal auditors on any significant findings and follow up thereon.
- k) Reviewing internal audit reports and adequacy of the internal control systems.
- j) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- k) Reviewing management letters/letters of internal control weaknesses issued by the statutory auditors
- l) Discussion with internal auditors any significant findings and follow up there on.
- m) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- n) 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.
- o) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- p) To review the functioning of the whistle blower mechanism, when the same is adopted by the Company and is existing.
- q) Carrying out any other function as may be statutorily required to be carried out by the Audit Committee.
- r) The Audit Committee shall have full access to financial and other allied information contained in the records of the Company and external professional advice, if necessary.

Meeting of Audit Committee and relevant Quorum

The audit committee shall meet at least 4 times in a year and not more than 4 months shall elapse between 2 meetings. The quorum shall be either 2 members or one third of the members of the Audit Committee whichever is greater, but there shall be a minimum of 2 Independent Directors, who are members, present.

Shareholders' / Investor' Grievance Committee

Our Company has constituted a Shareholders'/Investors' Grievance Committee as required under Clause 52 of the Listing Agreement. The constitution of the Shareholders'/Investor' Grievance Committee was approved by a Meeting of the Board of Directors held on February 14, 2013. The committee is formed to specifically look into the redressal of shareholder and investor complaints. The members of the committee at present are:

S. No.	Name	Designation in Committee	Nature of Directorship
1	Haresh Vazirani	Chairman	Non-Executive Independent
2	Mandar Joshi	Member	Non-Executive Independent
3	Sangam Gupta	Member	Whole Time Director

The terms of reference of the Shareholders'/ Investors' Grievance Committee shall be as follows:

- Efficient transfer of shares; including review of cases for refusal of transfer / transmission of shares and debentures;
- Redressal of shareholder and investor complaints like transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends etc;
- Issue of duplicate / split / consolidated share certificates;
- Allotment and listing of shares;
- Review of cases for refusal of transfer / transmission of shares and debentures;
- Reference to statutory and regulatory authorities regarding investor grievances; and
- To otherwise ensure proper and timely attendance and redressal of investor queries and grievances.

Quorum for Shareholders' / Investors' Grievance Committee

The quorum necessary for a meeting of the Shareholders' / Investors' Grievance Committee shall be 2 members or one third of the members, whichever is greater.

IPO Committee

Our Company has constituted an IPO Committee. The constitution of the IPO Committee was approved by a Meeting of the Board of Directors held on February 14, 2013. The members of the committee at present are:

S. No.	Name	Designation in Committee	Nature of Directorship
1	Somil Gupta	Chairman	Whole Time Director
2	Sangam Gupta	Member	Whole Time Director
3	Mandar Joshi	Member	Non-Executive Independent

The terms of reference of the IPO Committee are:

- to decide on the actual size of the IPO, including any offer for sale by promoters/shareholders, and/or reservation for employees or shareholders of promoting companies or shareholders of group companies and/or any other reservations or firm allotments as may be permitted, timing, pricing and

all the terms and conditions of the issue of the shares, including the price, and to accept any amendments, modifications, variations or alterations thereto;

- b) to appoint and enter into arrangements with the lead manager, co-managers to the issue, underwriters to the issue, syndicate members to the issue, advisors to the issue, stabilizing agent, brokers to the issue, escrow collection bankers to the issue, registrars, legal advisors to the Company, legal advisors as to Indian and overseas jurisdictions, advertising and/or promotion or public relations agencies and any other agencies or persons;
- c) to finalize and settle and to execute and deliver or arrange the delivery of the offering documents (the Draft Prospectus and Prospectus (including the draft international wrap and final international wrap, if required, for marketing of the Issue in jurisdictions outside India), syndicate agreement, underwriting agreement, escrow agreement, stabilization agreement and all other documents, deeds, agreements and instruments as may be required or desirable in connection with the issue of shares or the IPO by the Company;
- d) to open one or more separate current account(s) in such name and style as may be decided, with a scheduled bank to receive applications along with application monies in respect of the issue of the shares of the Company;
- e) to open one or more bank account of the Company such name and style as may be decided for the handling of refunds for the Issue;
- f) to make any applications to the RBI, FIPB and such other authorities, as may be required, for the purpose of issue of shares by the Company to non-resident investors including but not limited to NRIs, FIIs, FVCI's and other non-residents;
- g) to make applications for listing of the equity shares of the Company in one or more stock exchange(s) and to execute and to deliver or arrange the delivery of the listing agreement(s) or equivalent documentation to the concerned stock exchange(s);
- h) to settle all questions, difficulties or doubts that may arise in regard to the Issue or allotment of shares as it may, in its absolute discretion deem fit; and
- i) to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or desirable for such purpose, or otherwise in relation to the Issue or any matter incidental or ancillary in relation to the Issue, including without limitation, allocation and allotment of the shares as permissible in law, issue of share;
- j) Certificates in accordance with the relevant rules.

Quorum for IPO Committee

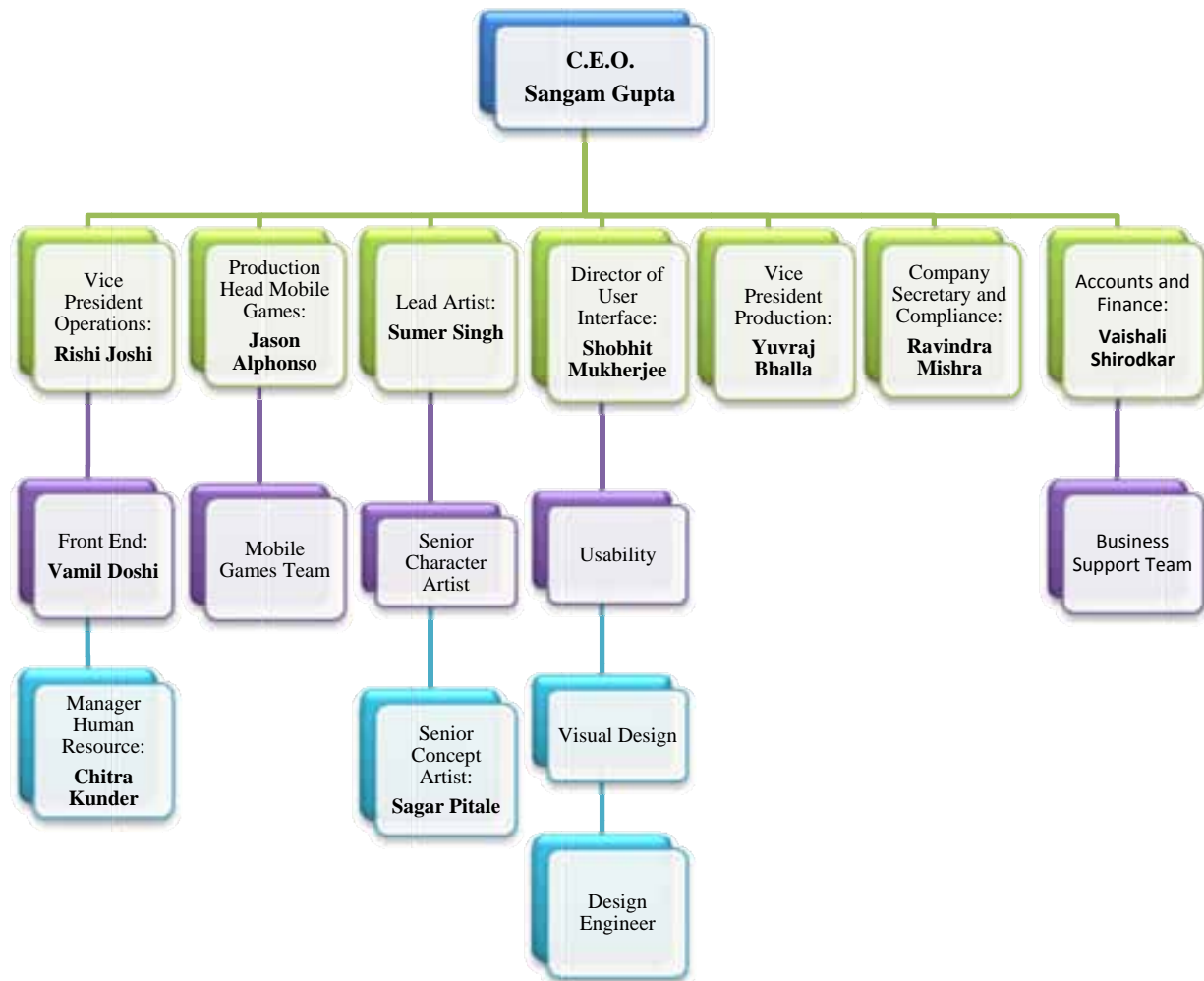
The quorum necessary for a meeting of the IPO Committee shall be 2 members or one third of the members, whichever is greater.

Policy on Disclosure and Internal Procedure for Prevention of Insider Trading

Our company undertakes to comply with the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 1992 after listing of our Company's Equity Shares on the Stock Exchanges. Mr. Ravindra Mishra, Compliance Officer is responsible for setting forth policies, procedures, monitoring and adherence to the rules for the preservation of price sensitive information and the implementation of the code of conduct under the overall supervision of the Board.

Management Organization Structure

Following is the Organization Structure of Our Company:



Key Managerial Personnel

The following table sets forth the Key Managerial Personnel and their significant details:

Name of Employee	Designation & Functional Area	Date of Joining	Current C.T.C (₹ in lacs)	Qualification	Name of Previous Employer(s)	Total years of Experience
Mr. Jason Alphonso	Production Head – Mobile	15/01/2013	9.84	<ul style="list-style-type: none"> Diploma in Computer Graphics (M.A.A.C., Mumbai) H.S.C 	<ul style="list-style-type: none"> Reliance Media Works Pixion Studios Jump Games Dimension – Z Varie Marketing Commit Studios 	10 years
Mr. Rishi Joshi	Vice President – Operations	01/02/2012	7.50	<ul style="list-style-type: none"> H.S.C 	-	1.3 year
Mr. Yuvraj Bhalla	Animator	14/06/2010	9.00	<ul style="list-style-type: none"> 3D Animation Course (Frame boxx) B.A. 	<ul style="list-style-type: none"> Anibrain Studio (Internship) Bohemia Restaurant Frameboxx 	7 years
Mr. Shobhit Mukherjee	Game Designer	28/11/2011	3.90	<ul style="list-style-type: none"> B.A. (Game Design and Production) H.S.C 	-	1.6 years
Mr. Ravindra Mishra	Company Secretary and Compliance Officer	06/02/2013	3.64	<ul style="list-style-type: none"> B.Com. Company Secretary LL.B (General) 	<ul style="list-style-type: none"> M/s. Anil Mayekar & Associates Cybersol Technologies Pvt. Ltd. Embroidery Control System Pvt. Ltd. 	6 years
Ms. Vaishali Shirodkar	Manager – Accounts and Finance	21/05/2007	4.20	<ul style="list-style-type: none"> B.Com Advance Diploma in Computer Application 	<ul style="list-style-type: none"> More & More CA Firm 	8 years
Mr. Sumer Singh	Lead Artist	02/09/2010	6.00	<ul style="list-style-type: none"> Matriculate – ICSE Board Diploma in 3D and Game Art 	-	2.8 years

The aforementioned KMP are on the payrolls of our Company as permanent employees.

Also, they are not related parties as per the Accounting Standard 18.

Relationship amongst the Key Managerial Personnel

None of the aforementioned KMP's are related to each other.

Also, none of them have been selected pursuant to any arrangement/understanding with major shareholders/ customers/ suppliers.

Shareholding of Key Managerial Personnel

None of the KMP in our Company holds any shares of our Company as on the date of filing of this Draft Prospectus.

Interest of Key Managerial Personnel

The Key Managerial Personnel of our Company do not have any interest in our Company, other than to the extent of remuneration of benefits to which they are entitled as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business. Further, if any Equity Shares are allotted to our Key Managerial Personnel prior to/ in terms of this Issue, they will be deemed to be interested to the extent of their shareholding and / or dividends paid or payable on the same.

Bonus or Profit Sharing Plan for the Key Managerial Personnel during the last three years

Our Company does not have fixed bonus/profit sharing plan for any of the employees, key managerial personnel.

Loans taken by Key Management Personnel

None of our Key Managerial Personnel have taken any loan from our Company.

Employee Share Purchase and Employee Stock Option Scheme

Presently, we do not have ESOP/ESPS scheme for employees.

Payment or Benefit to our Officers

Except for the payment of salaries and *yearly bonus(not necessarily)*, we do not provide any other benefits to our employees.

Changes in the Key Managerial Personnel in the three years preceding the date of filing this Draft Prospectus

Name	Designation	Date of Joining	Date of Leaving
Mr. Yuvraj Bhalla	Animator	June 14, 2010	N.A.
Mr. Vishal Jain	Art Director	August 30, 2011	N.A.
Mr. Shobhit Mukherjee	Game Designer	November 28, 2011	N.A.
Mr. Rishi Joshi	Vice President – Operations	February 01, 2012	N.A.
Mr. Jason Alphonso	Production Head – Mobile	January 15, 2013	N.A.
Mr. Ravindra Mishra	Company Secretary	February 06, 2013	N.A.

OUR PROMOTERS AND PROMOTER GROUP

OUR PROMOTERS

Mr. Sangam Gupta and Mr. Somil Gupta are the Promoters of our Company.

The details of our Promoters are provided below:



Mr. Sangam Gupta

PAN: AOAPM7104H

Passport No.: Z2174117

Driver's License No.: PO3102003384999

Voter's ID No.: NLF2110542

Bank A/c No.: 219010100126731

Name of Bank & Branch: Axis Bank, Malad (W) Branch



Mr. Somil Gupta

PAN: AJSPG3579R

Passport No.: E6757944

Driver's License No.: MH02 20080129983

Voter's ID No.: NLF2110559

Bank A/c No.: 219010100126724

Name of Bank & Branch: Axis Bank, Malad (W) Branch

For additional details on the age, background, personal address, educational qualifications, experience, positions/posts and Directorship held in the past, please see the Chapter titled "Our Management" beginning on page 108 of this Draft Prospectus.

For details of the build-up of our Promoter's shareholding in our Company, please see "Capital Structure –Notes to Capital Structure" on page 49 of this Draft Prospectus.

Other Understandings and Confirmations

We confirm that the PAN, the Bank Account Number and the Passport Number of the Promoters have been submitted to the Stock Exchange where the securities of our Company are proposed to be listed, at the time of filing of this Draft Prospectus with the Stock Exchange.

Our Promoter, the members of our Group Companies and relatives of our Promoters (as per the Companies Act) have confirmed that they have not been identified as wilful defaulters by the RBI or any other governmental authority.

No violations of securities laws have been committed by our Promoters or members of our Promoter Group or any Group Companies in the past or are currently pending against them. None of (i) our Promoters, Promoter Group or Group Companies or persons in control of or on the boards of bodies corporate forming part of our Group Companies (ii) the Companies with which our Promoters are or were associated as a Promoter, Director or person in control, are debarred or prohibited from accessing the capital markets or restrained from buying, selling, or dealing in securities under any order or directions passed for any reasons by the SEBI or any other authority or refused listing of any of the securities issued by any such entity by any stock exchange in India or abroad.

Outstanding Litigation

There are no outstanding litigations against our Promoters except as disclosed in the sections titled “Risk Factors” and “Outstanding Litigation and Material Developments” on page 11 and 169 respectively.

Companies with which the Promoter has disassociated in the last three years

Except as disclosed below, our Promoters have not disassociated themselves from any of the companies, firms or entities during the last three years preceding the date of this Draft Prospectus:

Sr. No.	Name of the Company	Particulars of Disassociation
1	Digicine Manoranjan Private Limited	Mr. Somil Gupta and Mr. Sangam Gupta have resigned from this company w.e.f. June 01, 2011 due to pre-occupation. Mr. Somil Gupta and Mr. Sangam Gupta held 10,000 Equity Shares each in Digicine Manoranjan Pvt. Ltd. which subsequent to their resignation, were transferred to Mr. Manmohan Gupta (Member of Promoter Group) on July 13 th , 2011.
2	Somil Securities Private Limited	Mr. Somil Gupta has resigned from this company w.e.f June 01, 2011 due to pre-occupation. He does not hold any shares in the company as on date and has not transacted in any of this company's shares in the last three years.

Experience of Our Promoters in the business of Our Company

Our Promoters Mr. Sangam Gupta and Mr. Somil Gupta have an experience of over 7 years and 13 years respectively, in the line of business of our company. Our Promoters are assisted by a team of highly qualified professionals to manage the operations of our Company.

Interests of Promoter and Common Pursuits

The Promoters of our Company are interested to the extent that they have promoted our Company and that they along with their relatives and other members of the Promoter Group hold Equity Shares in our Company. For details on the shareholding of our Promoters and Promoter Group in our Company, please see the chapter titled “*Capital Structure*” beginning on page 48 of this Draft Prospectus.

All Promoters are also Directors of the Company and hence may be interested to the extent of their remuneration and reimbursement payable to them by the Company. For further details kindly refer to the Chapter titled “*Our Management*” beginning on page 108 of this Draft Prospectus.

Payment of benefits to the Promoters

Except as stated in “*Annexure XIX -Related Party Transactions*” of the “*Auditor's Report*” on page 150 of this Draft Prospectus, there has been no payment of benefits to the Promoters during the two years preceding the date of this Draft Prospectus.

Interest of Promoters in the Promotion of our Company

Our Company is promoted by Mr. Sangam Gupta and Mr. Somil Gupta in order to carry on its present business. Our Promoters are interested in our Company as mentioned above under “Our Promoters and Promoter Group – Common Pursuits of our Promoters” and to the extent of their shareholding and directorship in our Company and the dividend declared, if any, by our Company.

Interest of Promoters in the Property of our Company

Our Promoters have confirmed that they do not have any interest in any property acquired by our Company within two years preceding the date of this DP or proposed to be acquired by our Company as on the date of filing of the DP. Further, other than as mentioned in the sections titled “Our Business”, our Promoters do not have any interest in any transactions in the acquisition of land, construction of any building or supply of any machinery.

Interest of Promoters in our Company other than as Promoters

Other than as promoters, our Promoters are interested in our Company to the extent of their shareholding and directorship in our Company and the dividend declared, if any, by our Company. For details see section titled “Our Management”, “Capital Structure” and “Financial Indebtedness” on pages 108, 48 and 168, respectively.

Except as mentioned in this section and the sections titled “Our Business”, “History and Corporate Structure”, and “Financial Information- Related Party Transactions” on page 85, 105, and 150, respectively, our Promoters do not have any interest in our Company other than as promoters.

Related Party Transactions

Except as stated in “Financial Information *Annexure XIX* - Related Party Transactions” on page 150, our Company has not entered into related party transactions with our Promoters or our Group Companies.

Shareholding of the Promoter Group in our Company

For details of shareholding of members of our Promoter Group as on the date of filing of this DP see section titled “Capital Structure – Notes to Capital Structure” beginning on page 49.

Other confirmations

Our Company has neither made any payments in cash or otherwise to the Promoters or to firms or companies in which our Promoters are interested as members, directors or promoters nor have our Promoters been offered any inducements to become directors or otherwise to become interested in any firm or company, in connection with the promotion or formation of our Company otherwise than as stated in the section “Financial Information *Annexure XIX* - Related Party Transactions” on page 150.

Payment or benefit to the Promoter

Except as stated in the section titled “*Related Party Transactions*” on page 150 of this Draft Prospectus, there has been no amount or benefit paid to our Promoters or Promoter Group during the two years preceding the date of this Draft Prospectus.

OUR PROMOTER GROUP

In addition to our Promoters named above, the following natural persons and companies form part of our Promoter Group.

1. Natural Persons

The natural persons who are part of our Promoter Group (being the immediate relatives of our Promoters), apart from our individual Promoters mentioned above, are as follows:

Sr. No.	Name	Relation with Promoters
1	Manmohan Gupta	Father of Sangam Gupta and Somil Gupta
2	Madhulika Gupta	Mother of Sangam Gupta and Somil Gupta
3	Ruchika Gupta	Wife of Sangam Gupta
4	Saryu Gupta	Sister of Sangam and Somil Gupta

2. Promoter Group Companies and Entities

The companies that form part of our Promoter Group are as follows:

Sr. No.	Name of Promoter Group Entity
1	Planet 41 Mobi-Venture Ltd.
2	Net Stick Interactive Pvt. Ltd.
3	Planet 41 Televentures Ltd
4	Trine Ventures Ltd.
5	Indmobile Ventures Ltd.
6	Linqpay India Pvt. Ltd.
7	Link Online Pvt. Ltd.
8	Digicine Manoranjan Pvt. Ltd.
9	Somil Securities Pvt. Ltd.
10	M.M. Commodities Pvt. Ltd.
11	Digicine Entertainment Pvt. Ltd.

OUR GROUP COMPANIES

The following companies are promoted by our Promoters and thus are our Group Companies as defined under Schedule VIII of the SEBI Regulations:

Unless otherwise stated, none of the companies forming part of the Group Companies had remained defunct during the five years preceding the date of this Draft Prospectus or is a sick company under the meaning of SICA and none of them are under winding up. Further, all the Group Companies are unlisted companies and they have not made any Public Issue of securities (including rights) in the preceding three years. The information provided in this chapter is as on the date of this Draft Prospectus.

Name of Our Group Companies	
<i>Five Largest Group Companies (based on turnover – Fiscal 2012)</i>	
1.	Planet 41 Mobi-Venture Ltd.
2.	Planet 41 Televentures Ltd.
3.	Net Stick Interactive Pvt. Ltd.
4.	Trine Ventures Ltd.
5.	Linqpay India Pvt. Ltd.
<i>Other Group Companies</i>	
6.	Indmobile Ventures Ltd.
7.	Link Online Pvt. Ltd.

Five Largest Group Companies (based on turnover- Fiscal 2012)

1. Planet 41 Mobi-Venture Ltd. (herein after known as “PMVL”)

Corporate Information

Planet 41 Mobi Venture Ltd. was incorporated under the Companies Act on September 13, 2006 in the state of Maharashtra. PMVL is engaged in the business of entertainment industry and to develop, distribute, create, duplicate, share, contentment and application for mobile phones and all type of gadgets and produce Picture, T.V. serials of all types and to own, or otherwise acquire studios, halls, cinema, laboratories, take events management programmers, develop software for entertainment or for other purposes, broadcasting television channels, and all type of programming to act full fledged TV channels in any part of the world.

Its registered office is situated at 110 Link Way Estate, Link Road, Malad (West), Mumbai- 400064, Maharashtra.

Board of Directors

- Mr. Somil Gupta
- Mr. Sangam Gupta
- Mr. Kaushik Kapoor

Shareholding Pattern

The shareholding Pattern of PMVL as on date of this Draft Prospectus is as follows:

Sr. No.	Name of Shareholder	No. of Equity Shares Held	% of Total Equity Holding
A	Promoter & Promoter's Group	57,55,200	85.04 %
B	Others	10,12,585	14.96 %
	Total	67,67,785	100.00%

Financial Performance

The summary of audited financials of PMVL is as follows:

(₹ in lacs, unless stated otherwise)

Sr. No.	Particulars	As at March 31		
		2012	2011	2010
1	Equity Capital	676.78	676.78	676.78
2	Reserves (excluding revaluation reserve) and Surplus	276.07	311.04	64.50
3	Income including other income	262.69	268.77	115.12
4	Profit/ (Loss) after tax	10.69	32.07	22.67
5	Earnings per share (face value of ₹10 each) (in ₹)	0.16	0.47	0.34
6	Net asset value (in ₹)	13.11	14.60	10.98

2. Planet 41 Televentures Limited (herein after known as “PTVL”)

Corporate Information

Planet 41 Televentures Ltd. was incorporated under the Companies Act on November 07, 2008 in the state of Maharashtra. PTVL is engaged in the business to buy, sell, develop, produce, rent, lease, hire, download, upload, duplicate, broadcast, license entertainment content and software for movies, television, mobile, IPTV, DVD, VCD, Audio, Video and invest in computer games, console games, mobile games.

Its registered office is situated at 110, Link Way Estate, New Link Road, Malad (W), Mumbai – 400 064

Board of Directors

- Mr. Somil Gupta
- Mr. Sangam Gupta
- Mr. Saryu Gupta

Shareholding Pattern

The shareholding Pattern of PTVL as on date of this Draft Prospectus is as follows:

Sr. No.	Name of Shareholder	No. of Equity Shares Held	% of Total Equity Holding
A	Promoter & Promoter's Group	48,000	98.00%
B	Others	2,000	2.00%
	Total	50,000	100.00%

Financial Performance

The summary of audited financials of PTVL is as follows:

(₹ in lacs, unless stated otherwise)

Sr. No.	Particulars	As at March 31		
		2012	2011	2010
1	Equity Capital	5.00	5.00	5.00
2	Reserves (excluding revaluation reserve) and Surplus	0.11	(0.00)*	(0.21)

Sr. No.	Particulars	As at March 31		
		2012	2011	2010
3	Income including other income	9.91	0.45	-
4	Profit/ (Loss) after tax	0.11	0.20	(0.10)
5	Earnings per share (face value of ₹10 each) (in ₹)	0.22	0.41	(0.20)
6	Net asset value (in ₹)	9.85	9.52	8.99

* Amount is (0.002)

3. Trine Ventures Limited (herein after known as “TVL”)

Corporate Information

Trine Ventures Limited was incorporated under the Companies Act on July 17, 2008 in the state of Maharashtra. TVL is engaged in the business of Music Production, Recording Distribution, Publishing & Management Performing Arts and Choreography.

Its registered office is situated at 110, Link Way Estate, Link Road, Malad (W), Mumbai – 400 064.

Board of Directors

- Mr. Somil Gupta
- Mr. Sangam Gupta
- Mr. Saryu Gupta

Shareholding Pattern

The shareholding Pattern of TVL as on date of this Draft Prospectus is as follows:

Sr. No.	Name of Shareholder	No. of Equity Shares Held	% of Total Equity Holding
A	Promoter & Promoter's Group	49,900	99.80%
B	Others	100	0.20%
	Total	50,000	100.00%

Financial Performance

The summary of audited financials of TVL is as follows:

(₹ in lacs, unless stated otherwise)

Sr. No.	Particulars	As at March 31		
		2012	2011	2010
1	Equity Capital	5.00	5.00	5.00
2	Reserves (excluding revaluation reserve) and Surplus	0.02	0.00	(0.21)
3	Income including other income	8.65	2.25	-
4	Profit/ (Loss) after tax	0.02	0.21	(0.10)
5	Earnings per share (face value of ₹10 each) (in ₹)	0.04	0.42	(0.20)
6	Net asset value (in ₹)	9.69	9.53	8.99

4. Net Stick Interactive Pvt. Ltd. (herein after known as “NSIPL”)

Corporate Information

Net Stick Interactive Pvt. Ltd. was incorporated under the Companies Act on June 25, 2008 in the state of Maharashtra. NSIPL is engaged in the business to buy, sell, procure, commission, install, hire, rent information centres, call centres, kiosks for providing information, content, films, entertainment, information, news, current affairs, software (programme) for their exhibition, distribution and dissemination on phone, mobile, internet, TV channels or cable channels etc.

Its registered office is situated at 110, Link Way Estate, New Link Road, Malad (W), Mumbai – 400 064.

Board of Directors

- Mr. Somil Gupta
- Mr. Sangam Gupta
- Mr. Vrushbah Patil

Shareholding Pattern

The shareholding Pattern of NSIPL as on date of this Draft Prospectus is as follows:

Sr. No.	Name of Shareholder	No. of Equity Shares Held	% of Total Equity Holding
A	Promoter & Promoter's Group	7,000	70.00 %
B	Others	3,000	30.00 %
	Total	10,000	100.00%

Financial Performance

The summary of audited financials of NSIPL is as follows:

(₹ in lacs, unless stated otherwise)

Sr. No.	Particulars	As at March 31		
		2012	2011	2010
1	Equity Capital	1.00	1.00	1.00
2	Reserves (excluding revaluation reserve) and Surplus	0.04	0.01	-
3	Income including other income	1.30	1.13	-
4	Profit/ (Loss) after tax	0.03	0.21	(0.10)
5	Earnings per share (face value of ₹10 each) (in ₹)	0.31	2.08	(1.00)
6	Net asset value (in ₹)	9.79	9.1	6.80

5. Linqpay India Pvt. Ltd. (herein after known as “LIPL”)

Corporate Information

Linqpay India Pvt. Ltd. was incorporated under the Companies Act on June 1, 2010 in the state of Maharashtra. LIPL is engaged in the business of payment service provider facilitating the use of Internet, mobile phones, IVR, SMS, WAP, USSD, 3G, Kiosks and other technologies for consumer to business, consumer to consumer and business to business, fund transfers from a bank account/Financial Institutions or authorized companies, persons, agencies and/ or a debit or credit card to a

bank/debit/credit card account and authorized persons, agencies and business of creation, invention, research, market, consult, advise, test service, install, billing, accounting, sell, buy, license and development of hardware & software.

Its registered office is situated at 110, Link Way Estate, Link Road, Malad (W), Mumbai – 400 064.

Board of Directors

- Mr. Somil Gupta
- Mr. Manmohan Gupta

Shareholding Pattern

The shareholding Pattern of LIPL as on date of this Draft Prospectus is as follows:

Sr. No.	Name of Shareholder	No. of Equity Shares Held	% of Total Equity Holding
A	Promoter & Promoter's Group	10,000	100.00 %
B	Others	-	-
	Total	10,000	100.00%

Financial Performance

The summary of audited financials of LIPL is as follows:

(₹ in lacs, unless stated otherwise)

Sr. No.	Particulars	As at March 31		
		2012	2011	2010*
1	Equity Capital	1.00	1.00	N.A.
2	Reserves (excluding revaluation reserve) and Surplus	0.01	-	N.A.
3	Income including other income	0.62	0.55	N.A.
4	Profit/ (Loss) after tax	0.01	-	N.A.
5	Earnings per share (face value of ₹10 each) (in ₹)	0.03	-	N.A.
6	Net asset value (in ₹)	7.88	7.75	N.A.

*The Company was incorporated in June, 2010 and hence the Annual Report for the financial year 2009-10 is not available.

Other Group Companies

6. Indmobile Ventures Ltd. (herein after known as "IVL")

Corporate Information

Indmobile Ventures Limited was incorporated under the Companies Act on November 10, 2008 in the state of Maharashtra. IVL is engaged in the business of m-commerce, web, telecom, datacom, networking, electronic media, ecommerce, internet and all kinds of communication systems and services and to carry on business of assembly, installation, operation, maintenance, servicing, public mobile telecommunication networks, private telecommunication networks etc.

Its registered office is situated at 110, Link Way Estate, Link Road, Malad (W), Mumbai – 400 064.

Board of Directors

- Mr. Somil Gupta
- Mr. Sangam Gupta
- Mr. Saryu Gupta

Shareholding Pattern

The shareholding Pattern of IVL as on date of this Draft Prospectus is as follows:

Sr. No.	Name of Shareholder	No. of Equity Shares Held	% of Total Equity Holding
A	Promoter & Promoter's Group	48,000	96.00%
B	Others	2,000	4.00%
	Total	50,000	100.00%

Financial Performance

The summary of audited financials of IVL is as follows:

(₹ in lacs, unless stated otherwise)

Sr. No.	Particulars	As at March 31		
		2012	2011	2010
1	Equity Capital	5.00	5.00	5.00
2	Reserves (excluding revaluation reserve) and Surplus	(17.75)	0.03	-
3	Income including other income	19.66	4.79	-
4	Profit/ (Loss) after tax	(17.78)	0.23	(0.10)
5	Earnings per share (face value of ₹10 each) (in ₹)	(35.55)	(0.46)	(0.20)
6	Net asset value (in ₹)	(44.31)	(8.88)	8.99

7. Link Online Pvt. Ltd. (herein after known as "LOPL")

Corporate Information

Link Online Pvt. Ltd. was incorporated under the Companies Act on January 10, 2013 in the state of Punjab. LOPL is engaged in the business of selling of Air Tickets in retail as well as whole sale, Booking and Reserving Accommodation, seats and Berths in Aero planes, Ship, Boats, Steam Ships, Motor Buses & To develop, design and host websites Portal, act as internet & E-commerce/M-Commerce service providers, provide all kinds of internet related services including running of cyber cafes, advertising for clients on the internet, provide E-mail and bullion board services, constant R&D activities, procurement of hardware and software related to the internet services and development, technology transfer and other related information technology services including medical transcription, data processing, VSAT related services, E.R.P. pagers, audios, videos and to buy, sell, deal, export in all kinds of goods and services through relating to internet and rendering services for/or paying and accepting money through internet and providing turnkey internet solutions.

Its registered office is situated at SCO 2437, GROUND FLOOR SECTOR 22-C, CHANDIGARH- 160022, Chandigarh,

Board of Directors

- Mr. Somil Gupta

- Mr. Atul Jain

Shareholding Pattern

The shareholding Pattern of LOPL as on date of this Draft Prospectus is as follows:

Sr. No.	Name of Shareholder	No. of Equity Shares Held	% of Total Equity Holding
A	Promoter & Promoter's Group	5,000	50.00%
B	Others	5,000	50.00%
	Total	10,000	100.00%

Financial Performance

The summary of audited financials of LOPL is as follows:

(₹ in lacs, unless stated otherwise)

Sr. No.	Particulars	As at March 31		
		2012*	2011*	2010*
1	Equity Capital	1.00	N.A.	N.A.
2	Reserves (excluding revaluation reserve) and Surplus	N.A.	N.A.	N.A.
3	Income including other income	N.A.	N.A.	N.A.
4	Profit/ (Loss) after tax	N.A.	N.A.	N.A.
5	Earnings per share (face value of ₹10 each) (in ₹)	N.A.	N.A.	N.A.
6	Net asset value (in ₹)	N.A.	N.A.	N.A.

*The Company was incorporated in January, 2013 and hence the Annual Report for the financial year 2009-10, 2010-11 and 2011-12 is not available.

Nature and Extent of Interest of Group Companies

a) In the promotion of the Company

None of the Group Companies have any interest in the promotion of the Company, except to the extent of their shareholding in the Company, if any. For details regarding the shareholding of our Group Companies in our company, please see the chapter titled "Capital Structure" beginning on page 48 of this Draft Prospectus.

b) In the properties acquired or proposed to be acquired by the Company in the past two years

Our Company has not acquired nor does it propose to acquire any properties from its Group Companies.

c) In transactions for acquisition of land, construction of building and supply of machinery

None of the Group Companies have any interest in any transactions for acquisition of land, construction of building and supply of machinery by our Company.

Related Business Transactions within the Group Companies and Significance on the Financial Performance of the Company

For details, please see the chapter titled “*Related Party Transactions*” beginning on page 150 of this Draft Prospectus.

Sale / Purchase between Group Companies

We have not entered into any sale / purchase transaction with our group companies.

Business Interest of Group Companies in the Company

Except as disclosed above, and in the Chapters titled “*Our Business*” and “*Related Party Transactions*” beginning on pages 85 and 150 respectively of this Draft Prospectus, none of the Group Companies have any business interest in our Company.

Common Pursuits of Promoters and Group Companies

None of our Group Companies is currently engaged in businesses similar to ours. However, certain of our Group Companies have been authorized by their respective Memorandum of Associations to undertake activities which are similar to ours. Following are the Group Companies, whose main objects are similar to ours and this may result in potential conflicts of interest with our Company in the future:

- Planet 41 Mobi-Venture Ltd.
- Net Stick Interactive Pvt. Ltd.
- Planet 41 Televentures Ltd.
- Trine Ventures Ltd.
- Indmobile Ventures Ltd.
- Linqpay India Pvt. Ltd.
- Link Online Pvt. Ltd.

Our Company has not adopted any measures for mitigating such conflict situations. For further details on the related party transactions, to the extent of which our Company is involved, please see the chapter titled “*Related Party Transactions*” beginning on page 150 of this Draft Prospectus.

DIVIDEND POLICY

The declaration and payment of dividend will be recommended by our Board and approved by the shareholders of our Company at their discretion and will depend on a number of factors, including the results of operations, earnings, capital requirements and surplus, general financial conditions, contractual restrictions, applicable Indian legal restrictions and other factors considered relevant by the Board. The Board may also from time to time pay interim dividend. Our Company has not declared any dividends since its incorporation.

RELATED PARTY TRANSACTIONS

For details on related party transactions of our Company, see Annexure XIX - Notes to Accounts to the restated financial information, in section titled "*Financial Information*" on page 133 of this Draft Prospectus.

SECTION V – FINANCIAL INFORMATION

FINANCIAL STATEMENTS

Auditor's Report

To
The Board of Directors
Trine Entertainment Limited
301-302, 3rd Floor, B – Wing,
Interface – 16,
Link Road, Malad (W),
Mumbai – 400 064.

Auditors' Report on Restated Financial Information in connection with the Initial Public Offering of Trine Entertainment Limited

Dear Sirs,

1. The accompanying restated financial information ("Restated Financial Information") of TRINE ENTERTAINMENT LIMITED (hereinafter referred to as the "Company"), comprising Financial Information in paragraph A below and Other Financial Information in paragraph B below, has been prepared by the Management of the Company in accordance with the requirements of paragraph B (1) of Part II of Schedule II to the Companies Act, 1956 (hereinafter referred to as the "Act") and Item (IX) of Part (A) of Schedule VIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the "SEBI Regulations") issued by the Securities and Exchange Board of India (the "SEBI") in connection with the Proposed Initial Public Offering of Equity Shares of the Company (the "Issue") and has been approved by the Board of Directors and initialled by us for identification purposes. For the purposes of our examination, we have placed reliance on:
 - a) the audited financial statements of the Company for the nine months ended December 31, 2012 and the years ended March 31, 2012, March 31, 2011 and March 31, 2010, on which we have expressed our audit opinion vide our reports dated April 4, 2013, September 3, 2012, September 2, 2011 and September 3, 2010 respectively; and
 - b) the audited financial statements of the Company for the years ended March 31, 2009, and March 31, 2008 on which another firm of Chartered Accountants has expressed their audit opinions vide their reports dated August 28, 2009 and September 3, 2008 respectively

Managements' Responsibility for the Restated Financial Information

2. The preparation of the Restated Financial Information, which is to be included in the Draft Prospectus ("DP"), is the responsibility of the Management of the Company and has been approved by the Board of Directors at its meeting held on April 4, 2013. The Board of Directors' responsibility includes designing, implementing and maintaining internal control relevant to the preparation and presentation of the Restated Financial Information. The Board of Directors is also responsible for identifying and ensuring that the Company complies with the laws and regulations applicable to its activities.

Auditors' Responsibilities

3. Our work has been carried out in accordance with Generally Accepted Auditing Standards, as per the (Revised) Guidance Note on Reports in Company Prospectuses issued by the Institute of Chartered Accountants of India and pursuant to the requirements of Schedule II to the Act. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act and the SEBI Regulations in connection with the Issue.

A. Financial Information as per audited financial statements:

4. We have examined the following summarized financial statements of the Company contained in Restated Financial Information of the Company:
 - a) the "Restated Statement of Assets and Liabilities" as at December 31, 2012, March 31, 2012, March 31, 2011, March 31, 2010, March 31, 2009 and March 31, 2008;
 - b) the "Restated Statement of Profit and Loss Account" for the nine months ended December 31, 2012 and the years ended March 31, 2012, March 31, 2011, March 31, 2010, March 31, 2009 and March 31, 2008 ; and
 - c) the "Restated Statement of Cash Flows" for the nine months ended December 31, 2012 and the years ended March 31, 2012, March 31, 2011, March 31, 2010, March 31, 2009 and March 31, 2008
5. The Restated Financial information, has been derived from the audited financial statements of the Company as at December 31, 2012, March 31, 2012, March 31, 2011, March 31, 2010, March 31, 2009 and March 31, 2008 and for the nine months ended December, 2012 and the years ended March 31, 2012, March 31, 2011, March 31, 2010, March 31, 2009 and March 31, 2008.
6. We draw your attention to the following:
 - a) the Restated Financial information should be read in conjunction with the basis of preparation, significant accounting policies and other Notes as given in Annexure XXII in so far as they have a bearing on the financial information;
 - b) the Restated Financial information does not contain all the disclosures required by the Accounting Standards referred to in sub-section (3C) of section 211 of the Act.
7. We have not audited any financial statements of the Company as of any date or for any period subsequent to December 31, 2012. Accordingly, we do not express any opinion on the financial position, results or cash flows of the Company as of any date or for any period subsequent to December 31, 2012.

B. Other Financial Information

8. At the Company's request, we have also examined the following Other Financial Information relating to the Company as at December 31, 2012, March 31, 2012, March 31, 2011, March 31, 2010, March 31, 2009 and March 31, 2008, and for the nine months ended December 31, 2012 and the years ended March 31, 2012, March 31, 2011, March 31, 2010, March 31, 2009 and March 31, 2008 proposed to be included in the DRHP, prepared by the Management of the Company and as approved by the Board of Directors of the Company and annexed to this report:
- a) Annexure IV Restated Statement of Fixed Assets
 - b) Annexure V: Restated Statement Of Long Term Loans And Advances
 - c) Annexure VI: Restated Statement Of Other Non Current Assets
 - d) Annexure VII: Restated Statement Of Inventories
 - e) Annexure VIII: Restated Statement Of Trade Receivables
 - f) Annexure IX: Restated Statement Of Cash And Cash Equivalents
 - g) Annexure X: Restated Statement Of Short Term Loans And Advances
 - h) Annexure XI : Restated Statement Of Other Current Assets
 - i) Annexure XII: Restated Statement Of Long Term Borrowings
 - j) Annexure XIII: Restated Statement Of Long Term Provisions
 - k) Annexure XIV: Restated Statement Of Trade Payables
 - l) Annexure XV: Restated Statement Of Other Current Liabilities
 - m) Annexure XVI: Restated Statement Of Reserve And Surplus
 - n) Annexure XVII: Restated Statement Of Other Income
 - o) Annexure XVIII: Restated Statement Of Capitalization
 - p) Annexure XIX: Restated Statement Of Transactions With Related Parties
 - q) Annexure XX: Restated Statement Of Accounting Ratios
 - r) Annexure XXI: Restated Statement of Tax Shelter
 - s) Annexure XXII: Significant Accounting Policies to Restated Financial Statements and Other Notes

Opinion

9. In our opinion:
- a) the Restated Financial Information of the Company, as attached to this report and as mentioned in paragraphs A and B above, read with basis of preparation, respective significant accounting policies and other relevant notes have been prepared in accordance with Part II of Schedule II to the Act and the SEBI Regulations;
 - b) adjustments have been made with retrospective effect to reflect the changes in accounting policies of the Company or for regrouping / reclassification of the figures reported earlier to reflect the same accounting treatment as per the accounting policies as at December, 2012 for all the reporting periods;
 - c) the qualifications made the auditors' reports have been dealt with while preparing the restated financial information
10. This report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by us and by another firm of chartered accountants on the financial statements of the Company.
11. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

Restriction on Use

This report is addressed to and is provided to enable the Board of Directors of the Company to include this report in the Draft Prospectus, prepared in connection with the Proposed Initial Public Offering of Equity Shares of the Company, to be filed by the Company with the Recognized Stock Exchange and the concerned Registrar of Companies.

For MKPS & Associates
Chartered Accountants
Firm's Regn No. 302014E

CA Narendra Khandal
Partner
M No. 065025

Mumbai, April 04, 2013

ANNEXURE I: RESTATED STATEMENT OF ASSETS AND LIABILITIES

(₹ in lacs)

Sr. No.	Particulars	As at Dec. 31, 2012	As At March 31, 2012	As At March 31, 2011	As At March 31, 2010	As At March 31, 2009	As At March 31, 2008
	Assets						
1	Non Current Assets						
	(a) Fixed Assets						
	(i) Tangible Assets	129.99	163.36	228.07	282.67	340.16	393.64
	(ii) Intangible Assets	50.56	92.55	153.65	210.01	265.01	245.29
	(iii) Capital Work in Progress	-	-	-	-	-	-
	(b) Non Current Investment	-	-	-	-	-	-
	(c) Deferred Tax Assets (Net)	-	-	-	-	-	-
	(d) Long Term Loan and Advances	66.35	65.00	50.00	50.00	49.50	49.50
	(e) Other Non Current Assets	1.57	1.96	2.35	2.75	3.14	3.53
	Total (1)	248.47	322.87	434.08	545.42	657.82	691.95
2	Current Assets						
	(a) Current Investments	-	-	-	-	-	-
	(b) Inventories	1,062.00	973.50	932.00	862.47	516.00	425.00
	(c) Trade Receivables	211.72	257.34	259.84	81.44	145.87	62.37
	(d) Cash and Cash Equivalents	24.13	12.47	8.62	52.39	21.65	0.55
	(e) Short Term Loans and Advances	123.64	73.96	80.76	85.49	61.20	46.33
	(f) Other Current Assets	12.21	15.12	7.19	1.73	3.89	2.81
	Total (2)	1,433.71	1,332.41	1,288.42	1,083.51	748.62	537.06
	Total (1 + 2) A	1,682.17	1,655.28	1,722.50	1,628.93	1,406.44	1,229.01
	Liabilities						
3	Non-Current Liabilities						
	(a) Long Term Borrowings	25.00	25.00	402.22	454.61	547.29	590.96
	(b) Deferred Tax Liabilities (Net)	-	-	-	-	-	-
	(c) Other Long Term Liabilities	-	-	-	-	-	-
	(d) Long Term Provisions	1.87	1.87	5.53	1.87	2.49	6.13
	Total (3)	26.87	26.87	407.75	456.47	549.78	597.09
4	Current Liabilities						
	(a) Short Term Borrowings	-	-	-	-	-	-

Sr. No.	Particulars	As at Dec. 31, 2012	As At March 31, 2012	As At March 31, 2011	As At March 31, 2010	As At March 31, 2009	As At March 31, 2008
	(b) Trade Payables	103.82	202.08	236.14	308.39	63.41	61.35
	(c) Other Current Liabilities	292.69	362.54	153.62	115.96	128.50	65.06
	(d) Short Term Provisions	7.26	-	-	-	-	-
	Total (4)	403.77	564.61	389.76	424.35	191.91	126.41
	Total (3 + 4) B	430.63	591.48	797.51	880.82	741.69	723.50
	Share Application Money (C)	14.50	112.30	-	79.16	6.00	-
5	Net Worth (A - B -C- 1(e))	1,235.47	949.54	922.63	666.21	655.61	501.98
	Represented by Shareholder's Fund :						
	(a) Share Capital	1,095.00	844.92	844.92	605.00	605.00	465.00
	(b) Reserves and Surplus	142.03	106.58	80.07	63.95	53.75	40.51
	Total (a+b)	1,237.03	951.50	924.98	668.95	658.75	505.51
	<i>Less: Miscellaneous Expenditure (1(e))</i>	<i>1.57</i>	<i>1.96</i>	<i>2.35</i>	<i>2.75</i>	<i>3.14</i>	<i>3.53</i>
	Net Worth	1,235.47	949.54	922.63	666.21	655.61	501.98

- * Item no. 1(e) contains Miscellaneous Expenditure to the extent not written off till date.
- * Share Application Money, not forming part of Net worth, is considered separately.
- * Contingent Liability for the Period ended on 31 December, 2012 is not ascertainable and the same was Nil for earlier Periods reported here.

ANNEXURE II: RESTATED STATEMENT OF PROFITS & LOSSES

(₹ in lacs)

Sr. No.	Particulars	As at Dec. 31, 2012	As At March 31, 2012	As At March 31, 2011	As At March 31, 2010	As At March 31, 2009	As At March 31, 2008
I	Revenue from Operations	307.23	404.72	548.49	653.41	635.21	155.55
II	Other Income	25.16	13.05	0.29	0.27	-	-
III	Total Revenue (I+II)	332.39	417.76	548.78	653.68	635.21	155.55
IV	Expenses:						
	Material Purchase	2.06	0.70	1.74	258.46	4.21	-
	Changes in Inventories	(88.50)	(41.50)	(69.53)	(346.47)	(91.00)	(425.00)
	Employee Benefits	133.90	146.10	193.33	240.83	265.47	231.08
	Financial Cost	0.38	41.60	63.84	73.93	74.00	53.80
	Depreciation	90.23	117.15	119.37	118.89	117.92	82.65
	Other Expenses	151.61	127.20	220.25	295.51	249.27	166.77
	TOTAL EXPENSES	289.68	391.25	529.00	641.15	619.86	109.29
V	Profit Before Exceptional and Extraordinary Items and Tax (III-IV)	42.71	26.51	19.78	12.53	15.35	46.26
VI	Add/Less: Exceptional Items	-	-	-	-	-	-
VI I	Profit Before Extraordinary Items and Tax (V-VI)	42.71	26.51	19.78	12.53	15.35	46.26
VI II	Add/Less: Prior period & Extraordinary Items	-	-	-	0.46	-	-
IX	Profit Before Tax (VII-VIII)	42.71	26.51	19.78	12.07	15.35	46.26
X	Tax Expense:						
	1) Current Tax						
	Income Tax	7.26	-	3.67	1.87	1.52	5.20
	Fringe Benefit Tax	-	-	-	-	0.60	0.55
	2) Tax Relating to earlier Year	-	-	-	-	-	-
	3) Deferred Tax	-	-	-	-	-	-
	Total Tax Expense (X)	7.26	-	3.67	1.87	2.12	5.75
XI	Profit/(Loss) for the period continuing Operations (IX-X)	35.45	26.51	16.12	10.21	13.24	40.51
XI I	Profit from Discontinuing Operations	-	-	-	-	-	-
XI II	Tax Expense of Discontinuing Operations	-	-	-	-	-	-
XI V	Profit/ (Loss) from Discontinuing Operations (after Tax) (XII-XIII)	-	-	-	-	-	-
XV	Profit for the period (XIII-XIV)	35.45	26.51	16.12	10.21	13.24	40.51

ANNEXURE III: RESTATED STATEMENT OF CASH FLOWS

(₹ in lacs)

Particulars	As at Dec. 31, 2012	As At March 31, 2012	As At March 31, 2011	As At March 31, 2010	As At March 31, 2009	As At March 31, 2008
Cash Flow from Operating Activities:						
Net Profit (adjusted) Before Tax and Extra Ordinary Items	42.71	26.51	19.78	12.07	15.35	46.26
<i>Adjustment for:</i>						
Interest Income	-	(0.35)	(0.29)	(0.27)	-	-
Depreciation	90.23	117.15	119.37	118.89	117.92	82.65
Income Tax	-	(3.67)	-	(1.52)	(5.20)	-
Fringe Benefit Tax	-	-	-	(0.59)	(0.55)	0.22
Interest & Finance Charges	0.38	41.60	63.84	73.93	74.00	53.80
Preliminary Expenses	0.39	0.39	0.39	0.39	0.39	0.39
Operating Cash Flow before working capital changes (A)	133.71	181.63	203.09	202.90	201.91	183.33
Adjustment for Changes in Working Capital:						
(Increase) / Decrease in Closing Stock	(88.50)	(41.50)	(69.53)	(346.47)	(91.00)	(425.00)
(Increase) / Decrease in Trade Receivables	45.62	2.50	(178.41)	64.44	(83.51)	(62.37)
(Increase) / Decrease in Short Term Loans and Advance	(49.68)	6.80	4.73	(24.29)	(14.87)	(32.07)
(Increase) / Decrease in Other Current Assets	2.91	(7.93)	(5.46)	2.16	(1.08)	-
Increase / (Decrease) in Trade Payables	(98.26)	(34.06)	(72.25)	244.97	2.07	35.59
Increase / (Decrease) in Other Current Liabilities	(69.84)	208.91	37.66	(12.92)	63.43	51.97
Cash Generated / (Used) in Working capital changes (B)	(257.75)	134.72	(283.26)	(72.10)	(124.96)	(431.88)
Net Cash provided by/(used in) Operating Activities (A + B)	(124.03)	316.35	(80.17)	130.80	76.95	(248.55)
Cash Flow From Investing activities:						
Sales / (Purchase) of Fixed Asset	(14.86)	8.65	(8.41)	(6.39)	(84.17)	(236.62)
(Increase) / Decrease of Capital Work in Progress	-	-	-	-	-	92.38
(Increase) / Decrease in Other noncurrent assets	-	-	-	-	-	-
(Increase) / Decrease in Long term Loans & Advances	(1.35)	(15.00)	-	(0.50)	-	(4.50)
(Increase) / Decrease in Investments	-	-	-	-	-	-
Interest Received	-	0.35	0.29	0.27	-	-
Net Cash generated / (Used) in Investing	(16.21)	(6.00)	(8.12)	(6.62)	(84.17)	(148.74)

Particulars	As at Dec. 31, 2012	As At March 31, 2012	As At March 31, 2011	As At March 31, 2010	As At March 31, 2009	As At March 31, 2008
activities (C)						
Cash Flow from financing activities:						
Increase in Capital	250.08	-	239.92	-	140.00	268.50
Proceeds from Borrowings (Net)	-	-	-	-	-	200.16
Increase / Decrease in Share Application money	(97.80)	112.30	(79.16)	73.16	6.00	-
(Increase)/ Decrease in Miscellaneous Expenditure	-	-	-	-	-	(0.15)
Interest and Finance Charges	(0.38)	(41.60)	(63.84)	(73.93)	(74.00)	(53.80)
Repayment of Long Term Borrowings		(377.22)	(52.39)	(92.68)	(43.67)	(16.34)
Net Cash Generated from / (Used) in financing activities (D)	151.90	(306.52)	44.53	(93.45)	28.33	398.36
Net Increase / (Decrease) in cash and Cash equivalent	11.66	3.84	(43.76)	30.73	21.10	1.07
Cash and Cash Equivalent as at the beginning of the year	12.47	8.62	52.39	21.65	0.55	(0.52)
Cash and Cash Equivalent as at the end of the year (Period)	24.13	12.47	8.62	52.39	21.65	0.55
*The above stated Cash Flow Statement has been prepared under the Indirect Method as given in the Accounting Standard on Cash Flow Statement (AS-3) as per Companies Accounting Standard Rules.						

ANNEXURE IV: RESTATED STATEMENT OF FIXED ASSETS

(₹ in lacs)

Sr. No.	Particulars	Rate	Gross Block			Depreciation			Net Block	
			Cost as at 1.4.2012	Addition s/ Adjustm ent	As at 31.12.2012	Upto 31.03.2012	For the year	As at 31.12.2012	As at 31.12.2012	As at 31.3.2012
	Tangible Assets: (A)									
1	Furniture & Fittings	6.33%	108.50	1.35	109.85	34.27	5.22	39.49	70.36	74.23
2	Computer	16.21%	340.22	13.96	354.17	269.20	42.58	311.78	42.39	71.02
3	Office Equipments	4.75%	5.08	-	5.08	0.43	0.18	0.61	4.46	4.65
4	Studio Equipment	4.75%	10.58	-	10.58	2.50	0.38	2.88	7.70	8.08
5	Projector	4.75%	5.95	-	5.95	1.32	0.21	1.53	4.43	4.64
6	Plant And Machinery	13.91%	0.84	-	0.84	0.11	0.09	0.19	0.65	0.74
	Sub Total		471.18	15.30	486.48	307.82	48.67	356.49	129.99	163.36
	Intangible Assets: (B)									
7	Computer Software	16.21%	340.72	-	340.28	248.16	41.56	289.72	50.56	92.55
	Total (A+B)		811.89	15.30	826.75	555.98	90.23	646.21	180.55	255.91

Sr No	Particulars	Rate	Gross Block			Depreciation			Net Block	
			Cost as at 1.4.2011	Addition s/ Adjustm ent	As at 31.03.2012	Upto 31.03.2011	For the year	As at 31.03.2012	As at 31.03.2012	As at 31.3.2011
	Tangible Assets: (A)									
1	Furniture & Fittings	6.33%	108.64		108.50	27.40	6.87	34.27	74.23	81.24
2	Computer	16.21%	343.85	1.77	340.22	214.16	55.04	269.20	71.02	129.69
3	Office Equipments	4.75%	3.85	1.23	5.08	0.21	0.22	0.43	4.65	3.63
4	Studio Equipment	4.75%	10.58	-	10.58	2.00	0.50	2.50	8.08	8.59
5	Projector	4.75%	5.95	-	5.95	1.03	0.28	1.32	4.64	4.92
6	Plant And Machinery	13.91%	-	0.84	0.84	-	0.11	0.11	0.74	-

	Sub Total		472.87	3.84	471.18	244.80	63.02	307.82	163.36	228.07
	Intangible Assets: (B)									
7	Computer Software	16.21%	347.67	19.34	340.72	194.02	54.14	248.16	92.55	153.65
	Total (A+B)		820.55	23.18	811.89	438.82	117.15	555.98	255.91	381.72

(₹ in lacs)

Sr No	Particulars	Rate	Gross Block			Depreciation			Net Block	
			Cost as at 1.4.2010	Addition s/ Adjustm ent	As at 31.03.2011	Upto 31.03.2010	For the year	As at 31.03.2011	As at 31.03.2011	As at 31.3.2010
	Tangible Assets: (A)									
1	Furniture & Fittings	6.33%	108.64	-	108.64	20.52	6.88	27.40	81.24	88.12
2	Computer	16.21%	338.17	5.67	343.85	158.93	55.23	214.16	129.69	179.25
3	Office Equipment	4.75%	1.11	2.74	3.85	0.09	0.12	0.21	3.63	1.01
4	Studio Equipment	4.75%	10.58	-	10.58	1.50	0.50	2.00	8.59	9.09
5	Projector	4.75%	5.95	-	5.95	0.75	0.28	1.03	4.92	5.20
6	Plant And Machinery	13.91%	-	-	-	-	-	-	-	-
	Sub Total		464.46	8.41	472.87	181.79	63.01	244.80	228.07	282.68
	Intangible Assets: (B)									
7	Computer Software	16.21%	347.67	-	347.67	137.67	56.36	194.02	153.65	210.01
	Total (A+B)		812.14	8.41	820.55	319.46	119.37	438.82	381.72	492.68

(₹ in lacs)

Sr No	Particulars	Rate	Gross Block			Depreciation			Net Block	
			Cost as at 1.4.2009	Additions / Adjustme nt	As at 31.03.2010	Upto 31.03.2009	For the year	As at 31.03.2010	As at 31.03.2010	As at 31.3.2009
	Tangible Assets: (A)									
1	Furniture & Fittings	6.33%	108.64	-	108.64	13.64	6.88	20.52	88.12	95.00
2	Computer	16.21%	333.68	4.49	338.17	104.11	54.82	158.93	179.24	229.57
3	Office Equipments	4.75%	0.56	0.55	1.11	0.04	0.05	0.09	1.01	0.52
4	Studio Equipment	4.75%	10.58	-	10.58	0.99	0.50	1.50	9.09	9.59
5	Projector	4.75%	5.95	-	5.95	0.47	0.28	0.75	5.20	5.49
6	Plant And Machinery	13.91%	-	-	-	-	-	-	-	-
	Sub Total		459.42	5.04	464.46	119.26	62.53	181.79	282.67	340.16
	Intangible Assets: (B)									
7	Computer Software	16.21%	346.32	1.35	347.67	81.31	56.36	137.67	210.01	265.01
	Total (A+B)		805.75	6.39	812.14	200.57	118.89	319.46	492.68	605.18

(₹ in lacs)

Sr No	Particulars	Rate	Gross Block			Depreciation			Net Block	
			Cost as at 1.4.2008	Addition s/ Adjustm ent	As at 31.03.2009	Upto 31.03.2008	For the year	As at 31.03.2009	As at 31.03.2009	As at 31.3.2008
	Tangible Assets: (A)									
1	Furniture & Fittings	6.33%	107.84	0.80	108.64	6.77	6.88	13.64	95.00	101.08
2	Computer	16.21%	326.39	8.06	333.68	50.02	54.09	104.11	229.57	276.37
3	Office Equipments	4.75%	0.51	0.05	0.56	0.02	0.03	0.04	0.52	0.50
4	Studio Equipment	4.75%	10.42	0.17	10.58	0.49	0.50	0.99	9.59	9.93
5	Projector	4.75%	5.95	-	5.95	0.18	0.28	0.47	5.49	5.77
6	Plant And Machinery	13.91%	-	-	-	-	-	-	-	-

	Sub Total		451.12	9.07	459.42	57.48	61.78	119.26	340.16	393.64
	Intangible Assets: (B)									
7	Computer Software	16.21%	270.46	75.86	346.32	25.17	56.14	81.31	265.01	245.29
	Total (A+B)		721.57	84.94	805.75	82.65	117.92	200.57	605.18	638.92

(₹ in lacs)

Sr No	Particulars	Rate	Gross Block			Depreciation			Net Block	
			Cost as at 1.4.2007	Addition s/ Adjustm ent	As at 31.03.2008	Upto 31.03.2007	For the year	As at 31.03.2008	As at 31.03.2008	As at 31.3.2007
	Tangible Assets: (A)									
1	Furniture & Fittings	6.33%	104.62	3.22	107.84	-	6.77	6.77	101.08	104.62
2	Computer	16.21%	270.99	55.40	326.39	-	50.02	50.02	276.37	270.99
3	Office Equipments	4.75%	0.23	0.28	0.51	-	0.02	0.02	0.50	0.23
4	Studio Equipment	4.75%	10.14	0.28	10.42	-	0.49	0.49	9.93	10.14
5	Projector	4.75%	-	5.95	5.95	-	0.18	0.18	5.77	-
6	Plant And Machinery	13.91%	-		-	-	-	-	-	-
	Sub Total		385.98	65.13	451.12	-	57.48	57.48	393.64	385.98
	Intangible Assets: (B)									
7	Computer Software	16.21%	98.97	171.49	270.46	-	25.17	25.17	245.29	98.97
	Total (A+B)		484.95	236.62	721.57	-	82.65	82.65	638.92	484.95

ANNEXURE V: RESTATED STATEMENT OF LONG TERM LOANS AND ADVANCES

(₹ in lacs)

Particulars	As at Dec. 31, 2012	As At March 31, 2012	As At March 31, 2011	As At March 31, 2010	As At March 31, 2009	As At March 31, 2008
Security Deposits-						
<u>Secured: Considered Good</u>						
Rent Deposits	46.35	45.00	50.00	50.00	49.50	49.50
Mobile Telecommunication Deposit	20.00	20.00	-	-	-	-
Total	66.35	65.00	50.00	50.00	49.50	49.50

ANNEXURE VI: RESTATED STATEMENT OF OTHER NON CURRENT ASSETS

(₹ in lacs)

Particulars	As at Dec. 31, 2012	As At March 31, 2012	As At March 31, 2011	As At March 31, 2010	As At March 31, 2009	As At March 31, 2008
Misc. Expenditure not written off during the year	1.57	1.96	2.35	2.75	3.14	3.53
Total	1.57	1.96	2.35	2.75	3.14	3.53

ANNEXURE VII: RESTATED STATEMENT OF INVENTORIES

(₹ in lacs)

Particulars	As at Dec. 31, 2012	As At March 31, 2012	As At March 31, 2011	As At March 31, 2010	As At March 31, 2009	As At March 31, 2008
<i>(as verified, valued and certified by the management)</i>						
Stock-in-Trade (Finished & semi-finished)	1,062	973.50	932.00	862.47	516.00	425.00
Total	1,062	973.50	932.00	862.47	516.00	425.00

ANNEXURE VIII: RESTATED STATEMENT OF TRADE RECEIVABLES

(₹ in lacs)

Particulars	As at Dec. 31, 2012	As At March 31, 2012	As At March 31, 2011	As At March 31, 2010	As At March 31, 2009	As At March 31, 2008
Trade Receivable, Unsecured						
For more than 180 Days:			100.70	14.33	31.80	
Others:						
-Considered Good	211.72	257.34	159.15	67.11	114.08	62.37
-Considered Doubtful	-	-	-			
Total	211.72	257.34	259.84	81.44	145.87	62.37

ANNEXURE IX: RESTATED STATEMENT OF CASH AND CASH EQUIVALENTS
(₹ in lacs)

Particulars	As at Dec. 31, 2012	As At March 31, 2012	As At March 31, 2011	As At March 31, 2010	As At March 31, 2009	As At March 31, 2008
Cash In Hand	21.40	9.27	5.17	10.23	15.46	0.55
Balance with Scheduled Bank						
in current Account	0.13	0.62	1.21	39.90	3.94	-
in Deposit Account	2.59	2.59	2.25	2.25	2.25	-
Total	24.13	12.47	8.62	52.39	21.65	0.55

ANNEXURE X: RESTATED STATEMENT OF SHORT TERM LOANS AND ADVANCES
(₹ in lacs)

Particulars	As at Dec. 31, 2012	As At March 31, 2012	As At March 31, 2011	As At March 31, 2010	As At March 31, 2009	As At March 31, 0₹2008
Advances Recoverable in Cash or Kind or for Value to be Received:-						
Secured, Considered Good		-	-			
Loans to related Parties						
MM Commodities Pvt. Ltd.	61.40	-	56.99		2.45	
Manmohan Gupta	-				5.18	3.43
Planet 41	-	-	0.29	0.78		
Madhulika Gupta	-	-			1.45	1.45
Sangam Gupta	-	2.64	-			
Somil Gupta	-	2.58	-			
Loan To Directors	-	-	-	11.70		-
Other Advances	62.25	68.74	23.48	73.00	52.12	41.45
Total	123.64	73.96	80.76	85.49	61.20	46.33

ANNEXURE XI: RESTATED STATEMENT OF OTHER CURRENT ASSETS
(₹ in lacs)

Particulars	As at Dec. 31, 2012	As At March 31, 2012	As At March 31, 2011	As At March 31, 2010	As At March 31, 2009	As At March 31, 2008
Advance payment of Tax and / or TDS	0.70	0.70	4.15	0.51	1.62	0.23
Staff Advances	10.62	13.53	2.47	0.89	2.28	2.58
Accrued Income	0.89	0.89	0.57	0.34	-	-
Total	12.21	15.12	7.19	1.73	3.89	2.81

ANNEXURE XII: RESTATED STATEMENT OF LONG TERM BORROWINGS

(₹ in lacs)

Particulars	As at Dec. 31, 2012	As At March 31, 2012	As At March 31, 2011	As At March 31, 2010	As At March 31, 2009	As At March 31, 2008
SECURED LOAN						
Bank of India	-	-	282.52	327.17	365.20	396.35
ICICI Bank	-	-	93.33	102.22	120.95	161.41
Total	-	-	375.85	429.38	486.15	557.76
UNSECURED LOAN						
From Directors/ Promoters/ Relatives	-	-	1.37	-	46.66	25.71
From Body corporates (Related)	25.00	25.00	25.00	25.00	14.48	7.50
Easy pay Loan	-	-	-	0.22	-	-
Total	25.00	25.00	26.37	25.22	61.14	33.21
Grand Total	25.00	25.00	402.22	454.61	547.29	590.96

Security and Repayment Details:

Secured by the hypothecation of all the current assets of the company and hypothecation of machinery. Also secured by personal guarantee of all the Directors and personal guarantee of Mr. Manmohan Gupta, Ms. Madhulika Gupta, Somil Securities Pvt. Ltd., MM Commodities Pvt. Ltd., Equitable mortgaged of title deed of properties belonging to Mr. Manmohan Gupta, Ms. Madhulika Gupta, Somil Securities Pvt. Ltd. & MM Commodities Pvt. Ltd.

ANNEXURE XIII: RESTATED STATEMENT OF LONG TERM PROVISIONS

(₹ in lacs)

Particulars	As at Dec. 31, 2012	As At March 31, 2012	As At March 31, 2011	As At March 31, 2010	As At March 31, 2009	As At March 31, 2008
Income Tax	1.87	1.87	5.53	1.87	1.52	5.20
<i>Others:</i>						
Provision for FBT	-	-	-	-	0.97	0.93
Total	1.87	1.87	5.53	1.87	2.49	6.13

ANNEXURE XIV: RESTATED STATEMENT OF TRADE PAYABLES

(₹ in lacs)

Particulars	As at Dec. 31, 2012	As At March 31, 2012	As At March 31, 2011	As At March 31, 2010	As At March 31, 2009	As At March 31, 2008
Trade Payables:						
For Trade	103.82	202.08	236.14	308.39	63.41	61.35
Total	103.82	202.08	236.14	308.39	63.41	61.35

ANNEXURE XV: RESTATED STATEMENT OF OTHER CURRENT LIABILITIES
(₹ in lacs)

Particulars	As at Dec. 31, 2012	As At March 31, 2012	As At March 31, 2011	As At March 31, 2010	As At March 31, 2009	As At March 31, 2008
From Relatives	5.00	83.35	-	-	-	-
From Promoter Group Companies	9.10	16.00	2.00	-	-	-
From Others	129.46	126.14	23.13	6.43	4.84	14.79
Duties and taxes	58.40	53.38	41.88	42.01	33.87	24.29
Other Expenses Payable	90.73	83.67	86.62	67.51	89.79	25.98
Provision for Exchange loss	-	-	-	-	8.45	-
Short term overdrawing bank	-	-	-	-	-	2.15
Others	-	-	-	8.41	-	0.54
Total	292.69	362.54	153.62	115.96	128.50	65.06

ANNEXURE XVI: RESTATED STATEMENT OF RESERVE AND SURPLUS
(₹ in lacs)

Particulars	As at Dec. 31, 2012	As At March 31, 2012	As At March 31, 2011	As At March 31, 2010	As At March 31, 2009	As At March 31, 2008
Profit and Loss a/c :						
Balance as at the beginning of the year	106.58	80.07	63.95	53.75	40.51	-
Add: Additions during the year	35.45	26.51	16.12	10.21	13.24	40.51
Total	142.03	106.58	80.07	63.95	53.75	40.51

ANNEXURE XVII: RESTATED STATEMENT OF OTHER INCOME
(₹ in lacs)

Particulars	As at Dec. 31, 2012	As At March 31, 2012	As At March 31, 2011	As At March 31, 2010	As At March 31, 2009	As At March 31, 2008
Rent recovered from Employees	1.10	-	-	-	-	-
Provisions w/off	5.14	-	-	-	-	-
Foreign Exchange Gain/ (Loss)	18.91	12.69	-	-	-	-
Interest Received	-	0.35	0.29	0.27	-	-
Total	25.16	13.05	0.29	0.27	-	-

ANNEXURE XVIII: RESTATED STATEMENT OF CAPITALIZATION

(₹ in lacs)

Particular	Pre Issue as at 31st December 2012	Post Issue
Debt		
Long Term Debt	25.00	25.00
Short Term Debt	-	-
Total Debts (A)	25.00	25.00
Equity (Shareholder's funds)		
Equity share capital	1,095.00	1,982.47
Reserve and Surplus	142.03	595.25
Total Equity(B)	1,237.03	2,577.72
Long Term Debt / Equity Shareholder's funds	0.02 : 1	0.01 : 1
Total Debts / Equity Shareholder's funds	0.02 : 1	0.01 : 1

Notes:

- The above has been computed on the basis of Restated Summary Statements and Post Issue Data of the Company.
- There has been change in capital structure of our company since the date as which financial information is disclosed in the Draft Prospectus due to further allotment of shares on March 8, 2013. For further details of this allotment, kindly refer to Chapter titled "Capital Structure" on page 48 of this Prospectus.

ANNEXURE XIX: RESTATED STATEMENT OF TRANSACTIONS WITH RELATED PARTIES

(₹ in lacs)

Name of the related party	Nature of relationship	For Dec 31, 2012	Bal. Outstan ding	As at 31 st March									
				2012	Bal. Outstan ding	2011	Bal. Outstan ding	2010	Bal. Outsta nding	2009	Bal. Outsta nding	2008	2012
<u>Remuneration to Directors</u>													
Mr. Somil Gupta	Director	12.48	2.80	15.72	-	14.97	-	16.28	-	14.89	-	12.02	-
Mr. Sangam Gupta	Director	8.44	1.88	11.08	-	11.16	-	11.33	-	10.71	-	8.49	-
Ms. Saryu Gupta	Director	-	-	-	-	-	-	-	-	-	-	1.50	-
Total		20.91	4.68	26.79	-	26.13	-	27.61	-	25.60	-	22.02	-
<u>Sale of Goods</u>													
Digicine Manoranjan Pvt Ltd	Associate	39.75	-	-	-	-	-	-	-	-	-	-	-
Total		39.75	-	-	-	-	-	-	-	-	-	-	-

Name of the related party	Nature of relationship	For Dec 31, 2012	Bal. Outstan ding	As at 31 st March									
				2012	Bal. Outstan ding	2011	Bal. Outstan ding	2010	Bal. Outsta nding	2009	Bal. Outsta nding	2008	2012
<u>Share Capital</u>													
Mr. Somil Gupta	Director	-	14.50	32.71	32.71	192.67	-	73.16	73.16	60.25	-	60.13	-
Mr. Sangam Gupta	Director	231.88	-	79.59	79.59	-	-	-	-	66.25	-	33.13	
Ms. Saryu Gupta	Relative of Director	-	-	-	-	-	-	-	-	-	-	-	-
Mr. Manmohan Gupta	Relative of Director	-	-	-	-	-	-	-	-	-	-	17.50	-
Mr. Madhulika Gupta	Relative of Director	-	-	-	-	-	-	-	-	-	-	-	-
M/s. Planet 41 Mobi Venture Pvt. Ltd.	Associate	-	-	-	-	-	-	-	-	-	-	5.50	-
M/s. Interworld Digital Ltd.	Associate	-	-	-	-	-	-	-	-	-	-	15.50	-
	Total	231.88	14.50	112.30	112.30	192.67	-	73.16	73.16	126.50	-	131.75	-
<u>Current/Loan Accounts (Debits)</u>													
Mr. Somil Gupta	Director	1.84	4.42	7.60	2.58	4.81	13.57	82.16	14.50	7.12	-	18.36	-
Mr. Sangam Gupta	Director	155.94	-	3.07	-	3.57	-	12.85	-	1.80	-	-	-
Mr. Mamohan Gupta	Relative of Director	213.00	-	106.89	-	5.18	-	-	-	1.75	5.18	11.92	3.43
Mrs. Madhulika Gupta	Relative of Director	0.50	-	-	-	1.75	1.75	0.30	-	-	1.45	2.00	1.45
Planet 41 Mobi-Ventures Pvt. Ltd.	Associate	-	-	-	-	13.48	10.50	14.48	10.50	21.49	-	23.50	3.00
Interworld Digital Ltd.	Associate	169.58	-	46.35	36.85	42.18	-	34.05	-	3.96	-	6.11	-
Digicine Manoranjan Pvt. Ltd.	Associate	2.64	-	2.00	-	-	-	-	-	-	-	-	-
M. M. Commodities Pvt. Ltd.	Associate	96.40	61.40	108.90	49.69	146.53	56.99	48.10	-	2.45	2.45	-	-
	Total	639.90	65.81	274.82	89.12	217.50	82.80	191.94	25.00	38.57	9.08	61.89	7.88
<u>Current/Loan Accounts (Credits)</u>													
Mr. Somil Gupta	Director	0.01	-	18.59	-	5.75	-	42.86	-	22.85	24.80	27.43	9.07
Mr. Sangam Gupta	Director	6.75	0.46	152.29	149.65	4.00	0.44	5.50	-	7.02	7.35	2.22	2.13
Mr. Manmohan Gupta	Relative of Director	213.00	-	96.89	-	15.18	10.00	5.18	-	-	-	8.49	-

Name of the related party	Nature of relationship	For Dec 31, 2012	Bal. Outstanding	As at 31 st March									
				2012	Bal. Outstanding	2011	Bal. Outstanding	2010	Bal. Outstanding	2009	Bal. Outstanding	2008	2012
Mrs. Madhulika Gupta	Relative of Director	-	4.50	6.75	5.00	-	-	1.75	-	-	-	-	-
Planet 41 Mobi-Ventures Pvt. Ltd.	Associate	-	-	10.50	-	13.48	-	-	-	28.47	3.98	20.50	-
Interworld Digital Ltd.	Associate	22.89	22.48	9.50	-	42.18	-	34.05	-	-	-	10.07	3.96
Digicine Manoranjan Pvt. Ltd.	Associate	11.74	9.10	-	-	2.00	2.00	-	-	-	-	-	-
M. M. Commodities Pvt. Ltd.	Associate	84.69	-	116.20	-	89.55	-	50.55	-	-	-	-	-
Total		339.08	36.54	410.72	154.65	172.13	12.44	139.89	-	58.34	36.13	68.71	15.16

ANNEXURE XX: RESTATED STATEMENT OF ACCOUNTING RATIOS

(₹ in lacs except share data)

Ratios	As at Dec. 31, 2012	As At March 31, 2012	As At March 31, 2011	As At March 31, 2010	As At March 31, 2009	As At March 31, 2008
Restated PAT as per P & L Account	35.45	26.51	16.12	10.21	13.24	40.51
Actual Number of Equity Shares outstanding at the end of the year	10950000	10950000	10950000	10950000	10950000	10950000
Equivalent Weighted Avg. number of Equity Shares at the end of the year	10822685	8449163	7259441	6050000	6038493	4650000
Net Worth	1235.47	949.54	922.63	666.21	655.61	501.98
Earnings Per Share:						
Basic	0.33	0.31	0.22	0.17	0.22	0.87
Diluted	0.33	0.31	0.22	0.17	0.22	0.87
Return on Net Worth (%)	2.87%	2.79%	1.75%	1.53%	2.02%	8.07%
Net Asset Value Per Share (₹) - based on actual no. of equity shares at the end of the year	11.28	8.67	8.43	6.08	5.99	4.58
Nominal Value per Equity share (₹)	10.00	10.00	10.00	10.00	10.00	10.00

Notes to Accounting Ratios:

- The above statement should be read with the Significant Accounting Policies to Restated Financial Statements and Other Notes to Accounts in Annexure XXII.
- Formulas used for calculating above ratios are as under:
 - Basic EPS is being calculated by using the formula: (Net Profit after excluding extraordinary items / Equivalent Weighted Average No. of outstanding Equity shares)
 - Net Asset Value is being calculated by using the formula: (Net Worth / Actual No. of Equity Shares at the year-end)

- iii. Return of Net Worth is being calculated by using the formula: (Profit After Tax / Networth)
- iv. Net Tangible Assets comprises Net Fixed Assets and Net Working Capital.

Other Notes:

- There are no revaluation reserves in last five years in our company.
- As there is no dilutive capital in the company, Basic and Diluted EPS are similar.
- There are no Shares being issued under Bonus Allotment.
- EPS for the nine months period ended on December 31, 2012 is not annualized.

Annexure XXI : Tax-Shelter Statement

(₹ In lacs)

Particulars	31.03.12	31.03.11	31.03.10	31.03.09
Profit before current and deferred taxes (as per the books of accounts)	26.51	19.78	12.07	15.35
Adjustments :				
Add:				
Donation	Nil	Nil	Nil	Nil
Professional Tax payable	Nil	Nil	Nil	Nil
Expenses disallowed u/s 40(a)	70.10	41.96	65.90	67.74
Total	96.61	61.74	77.97	83.09
Less:				
Difference between tax depreciation and book depreciation	(53.23)	(52.27)	(17.57)	(45.55)
Difference between tax Gratuity and accounts gratuity	Nil	Nil	Nil	Nil
Expenses disallowed now allowed	5.65	54.13	5.32	Nil
Exemption and benefits		53.17	106.64	37.54
Total	(47.58)	55.03	94.40	83.09
Business Profit/Loss	144.19	6.71	(16.43)	Nil
TOTAL INCOME	144.19	6.71	(16.43)	Nil
Set-off of brought forward unabsorbed loss/depreciation	144.19	6.71	Nil	Nil
Taxable Profit	Nil	Nil	Nil	Nil
Tax Liability on above or on Book Profit u/s 115JB	Nil	3.67	1.87	1.52
Deferred Tax	Nil	Nil	Nil	Nil
Fringe Benefit Tax	Nil	Nil	Nil	0.60
Tax as per P/L A/c	Nil	3.67	1.87	2.12

Annexure – XXII: Significant Accounting Policies to Restated Financial Statements and Other Notes to Accounts**NATURE OF OPERATIONS:**

The Company is in the business of providing software and gaming services.

A. SIGNIFICANT ACCOUNTING POLICIES:**1. Basis of preparation of Financial Statements:-**

The financial statements have been prepared on accrual basis under the historical cost convention in accordance with the generally accepted accounting principles in India and as per the Accounting Standards issued by the Institute of Chartered Accountants of India and as notified by the Companies (Accounting Standard) Rules, 2006 and other relevant provisions of the Companies Act, 1956.

2. Fixed Assets:-

Fixed Assets are stated at cost less depreciation. The cost is inclusive of interest and incidental expenses incurred during construction period.

3. Depreciation:-

Depreciation on all Tangible assets is provided on Straight Line Method (SLM) at the rates prescribed under Schedule XIV of the Companies Act, 1956.

4. Investments:-

Long term investments are carried at cost. Provision for permanent diminution in value is being made.

5. Valuation of Inventories:-

Items of inventories are valued at lower of cost or net realisable value. Cost of inventories comprise of all costs including cost of purchases, cost of conversion and other costs incurred in bringing the inventory to their present condition.

6. Revenue Recognition:-

Revenue (Income) is recognised only when it is reasonably certain that the ultimate collection will be made. Revenue and Expenses are accounted on an accrual basis and at historical cost.

7. Sales:-

Sales are recognised on despatch of material / supplies to customers. Sales are net of trade discount, rebates and indirect taxes payable. Rebates and discounts are accounted for as and when determined.

8. Provisions, Contingent Liabilities & Contingent Assets:-

Provision are recognized when the Company has a present legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made for the amount of the obligation.

Contingent Liabilities are not recognized but are disclosed by way of Notes forming part of Accounts. Contingent assets are neither recognized nor disclosed.

9. Employee benefits:-

Contribution payable by the Company to its superannuation scheme, Gratuity & Provident Fund and for any other retirement benefit is charged to revenue. The provision for leave encashment is determined on actual basis in accordance with the rules of the Company.

10. Foreign Exchange Transactions:-

a) Transactions in Foreign Currency are accounted at the exchange rate prevailing on the date of Transactions. Exchange differences arising in respect of monetary assets & monetary liabilities are recognized in the Profit & Loss A/c.

b) None monetary items denoted in foreign currency are stated at the rate prevailing on the date of the transaction.

11. Borrowing Costs:-

Borrowing Costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are charged to revenue.

12. Taxes on Income:-

Tax expense comprises both current and deferred tax. Current tax is measured at the amount expected to be paid to the tax authorities, after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961.

Deferred tax assets/liabilities are recognised for future tax consequences attributable to the timing differences between taxable income and accounting income that are capable of reversal in one or more subsequent periods and are measured using the tax rates and laws that have been enacted or substantively enacted as on the Balance Sheet date. Deferred Tax Asset is not recognised unless, in the management judgment, there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax asset can be realised.

13. Impairment of Assets:-

An asset is treated as impaired when the carrying cost exceeds its recoverable value. An Impairment loss is charged to the profit & loss account in the year in which an asset is identified as impaired. The company does not have any fixed assets during the period under review hence the question of impairment does not arise.

B. OTHER NOTES TO ACCOUNTS:-

14. Unexpired Capital Commitments:

(₹ In Lacs)

Particulars	As at December 31, 2012
Unexpired Capital Commitments (Net off Capital Advances)	Nil
Contingent Liability towards the litigation for the premises	Not Ascertainable
Other contingent Liabilities	Nil

15. The company has not recognised deferred tax in view of there being accumulated losses in the earlier years.
16. The Company does not have any information as to which of its creditors are registered under the Micro, Small & Medium Enterprises Development Act, 2006. Hence, disclosures as required under Schedule VI of the Companies Act, 1956 are not available.
17. Balances of Loans & advances, Sundry Debtors, Creditors, other current Liabilities & other current assets are subject to their confirmation and consequential reconciliation.
18. Closing Stock is valued on the basis of the certificate provided by an independent engineer, the same has been relied upon by the auditors being a technical matter.
19. On the basis of the review carried out by the management there was no indication of impairment of fixed assets of the Company.
20. The company has not created any liability for the employee benefits as required under AS – 15. The same in the view of the company is not likely to be material and shall be accounted for at the time of actual payments.
21. i) The company is a unit registered under the STPI. Necessary returns in respect of the same are in the process of being filed.
ii) The company is in the process of filing various statutory return viz. TDS, Service tax, etc. Further, the dues in respect of the same are also payable, The total dues payable as on December 31, 2012 for a period of more than 6 months aggregate to ₹ 60.28 Lacs. The impact arising on account of the same shall be accounted for in the year in which the returns shall be filed / dues paid.
22. Appropriate adjustments have been made in the restated financial statements, wherever required, by reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the groupings as per the latest audited financials of the Company. However, none of these regroupings affect the Net Profit after Tax of the company for the respective year(s).
23. Figures in bracket indicate corresponding figures for the year ended March 31, 2012 and the same have been regrouped/ rearranged/ reclassified wherever considered necessary to conform to current classification.

For Trine Entertainment Limited

Somil Gupta
(Director)

Sangam Gupta
(Director)

for MKPS & Associates
Chartered Accountants
Firm's Regn No. 302014E

Narendra Khandal
Partner
Membership No. 65025

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion of our financial condition and results of operations together with our restated consolidated financial statements including the notes thereto and the examination reports thereon, which appear elsewhere in this Draft Prospectus. This discussion contains forward-looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors such as those set forth in the section "Risk Factors", which discusses a number of factors and contingencies that could impact our financial condition and results of operations.

Unless otherwise indicated, references in this discussion and analysis to our results of operations or financial condition for a specified year are to our financial year ended March 31 of such year. In this section, any reference to "we", "us", "our", unless the context otherwise implies, refers to our Company.

Business Overview

We are a video game developer company focused on delivering games across various console based platforms such as Nintendo, Sony Play stations, XBOX etc. We are also in the process of widening our platform base by developing and releasing online/mobile games as well as games usable across Smart-Phones, Tablets, PC and other emerging connected platforms.

Our Company was founded in 2006 in Mumbai, Maharashtra with a vision that India with its huge young population and high level of I.T. penetration would become one of the fastest growing markets for games in the world. We have launched popular and successful games in each of the last six years and have generated over ₹ 2700 lacs in gaming sales since our inception in 2006.

We operate through our corporate office in Mumbai having a 3,600 sq. ft. area and having a capacity to house over 70+ developers in one shift. We have been engaged by our clients on a contract basis to develop games for their respective gaming platforms. Games developed and launched by us in the past include diverse gaming genres such as in Fantasy and role-playing Genre – "Gothic 3" and "Arcania", in Action Genre – "Spellforce 2: Faith in Destiny", in Sports Genre – "Street Cricket Champions 2" and "Move Street Cricket" and in Action – Adventure Genre – "R.A. One: The Game". We are currently in the process of conceptualizing and developing a new Mobile-based game.

For further details regarding our business operations, kindly refer to the Chapter titled "Our Business" on page 85 of this Draft Prospectus.

Significant Developments

Except as disclosed elsewhere in this Draft Prospectus, there have been no significant developments after the date of the last audited financials i.e. the nine months period ended December 31, 2012.

Basis of Presentation

We have included in this Draft Prospectus audited financial statements, as restated, for the Fiscal Years ended March 31, 2012, 2011, 2010, 2009 and 2008 and the nine months period ended December 31, 2012. All figures in relation to our income from operations, expenditures, employee remuneration, operation, selling and distribution expenses and finance costs are derived from our restated financial statements, which give effect to the restatement adjustments.

Our financial statements are prepared under the historical cost convention in accordance with fundamental accounting assumptions and Indian GAAP and the relevant provisions of the Companies Act, including accounting standards notified there-under.

Our business consists of a single business segment which comprises the development of games for different platforms and we have no geographical segments which are subject to different risks and returns.

Our financial statements are presented in Indian rupees.

Significant Factors Affecting Results of Operations

Our financial condition and results of operations could be mainly affected by the following factors:

- ✓ General economic and business conditions;
- ✓ Company's ability to successfully implement their expansion, business and growth strategies;
- ✓ Prevailing trends in the Gaming and Entertainment industry, consumer preference, our human resources;
- ✓ Increasing competition in the Gaming industry;
- ✓ Cyclical fluctuations in the operating results;
- ✓ Changes in laws and regulations that apply to the industry in which we operate;
- ✓ Changes in fiscal, economic or political conditions in India;

For further details regarding key risks pertaining to our operations, kindly refer to the Section titled "*Risk Factors*" on page 11 of this Draft Prospectus.

Significant Accounting Policies

1. Basis of preparation of Financial Statements:

The financial statements have been prepared on accrual basis under the historical cost convention in accordance with the generally accepted accounting principles in India & as per Accounting Standards issued by the Institute of Chartered Accountants of India and as notified by the Companies (Accounting Standard) Rules, 2006 and other relevant provisions of the companies act, 1956.

2. Fixed Assets:

Fixed assets are stated at cost less depreciation. The cost is inclusive of interest & incidental expenses incurred during construction period.

3. Depreciation:

Depreciation on all tangible assets is provided on Straight Line Method (SLM) at the rate and manner prescribed in schedule XIV of the Companies Act, 1956 over their useful life.

4. Investment

Long term investments are carried at cost. Provision for permanent diminution in value is being made.

5. Valuation of Inventories:

Closing Stock is valued at the cost or the Net realizable value whichever is lower. Cost includes cost of purchase, cost of conversion and other costs incurred in bringing the inventory to their present condition.

6. Revenue Recognition:

Revenue is recognized only when it is reasonably certain that the ultimate collection will be made. Revenue & expenses are accounted on accrual basis and at historical cost.

7. Sales:

Sales are recognized on dispatch of material/ supplies to the customers. Sales are net of trade discount, rebates and indirect taxes payable. Rebates and expenses are accounted for as & when determined

8. Provisions, Contingent Liabilities & Contingent Assets:

Provisions are recognized when the company has a present legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation & a reliable estimate can be made for the amount of obligation.

Contingent liabilities are not recognized but are disclosed by way of Notes forming part of the Accounts. Contingent assets are neither recognized nor disclosed.

9. Employee Benefits:

Contribution payable by the company to its superannuation scheme, Gratuity & Provident fund and for any other retirement benefit is charged to revenue. The provision for leave encashment is determined on actual basis in accordance with the rules of the company.

10. Foreign Exchange Transactions:

- a) Transactions in foreign currency are accounted at the exchange rate prevailing on the date of transaction. Exchange differences arising in respect of monetary assets & monetary liabilities are recognized in the Profit & Loss Account
- b) Non monetary items denoted in foreign currency are stated at the rate prevailing on the date of the transaction.

11. Borrowing:

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are charged to revenue.

12. Taxes on income:

Tax expense comprise of both current & deferred tax. Current tax is measured at the amount expected to be paid to the tax authorities, after taking into consideration benefits admissible under the provisions of the Income tax act, 1962.

Deferred tax assets/ liabilities are recognized for future tax consequences attributable to the timing differences between taxable income and accounting income that are capable of reversal in one or more subsequent periods & are measured using the tax rates and laws that have been enacted or substantively enacted as on the Balance Sheet date. Deferred Tax asset is not recognized unless, in the management judgment, there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

13. Impairment of Assets:

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the Profit and Loss account in the year in which an asset is identified as impaired. The company does not have any fixed assets during the period under review hence the question of impairment does not arise.

Discussion on Results of Operations

The following table sets forth select financial data from the profit and loss account of our financial statements, for the fiscals 2012, 2011, 2010 and nine months period ended December 31, 2012, the components of which are also expressed as percentages of the total income for such periods –

(₹ in lakhs)								
Particulars	As at		As at March 31					
	31-Dec-12	In %	2012	In %	2011	In %	2010	In %
INCOME:								
Revenue from Operations	307.23	92.43%	404.72	96.88%	548.49	99.95%	653.41	99.96%
Other Income	25.16	7.57%	13.05	3.12%	0.29	0.05%	0.27	0.04%
Total Income (A)	332.39	100.00%	417.77	100.00%	548.78	100.00%	653.68	100.00%
EXPENDITURE:								
Material Purchase	2.06	0.62%	0.7	0.17%	1.74	0.32%	258.46	39.54%
Changes in Inventories	-88.5	-26.63%	-41.5	-9.93%	-69.53	-12.67%	-346.47	-53.00%
Employee Benefit Expenses	133.9	40.28%	146.1	34.97%	193.33	35.23%	240.83	36.84%
Finance Cost	0.38	0.11%	41.6	9.96%	63.84	11.63%	73.93	11.31%
Depreciation	90.23	27.15%	117.15	28.04%	119.37	21.75%	118.89	18.19%
Administrative and Other Expenses	151.61	45.61%	127.2	30.45%	220.25	40.13%	295.51	45.21%
Total Expenditure (B)	289.68	87.15%	391.25	93.65%	529	96.40%	641.15	98.08%
Profit Before Exceptional and Extraordinary Items and Tax (A-B) C	42.71	12.85%	26.51	6.35%	19.78	3.60%	12.53	1.92%
Add/Less: Prior period & Extraordinary Items (D)	-	-	-	-	-	-	0.46	0.07%
Net Profit/(Loss) Before Tax (C-D) E	42.71	12.85%	26.51	6.35%	19.78	3.60%	12.07	1.85%
Less: Tax Expenses								
Income Tax	7.26	2.18%	-	-	3.67	0.67%	1.87	0.29%
Fringe Benefit Tax	-	-	-	-	-	-	-	-
Deferred Tax (Asset)\Liability	-	-	-	-	-	-	-	-
Total tax Expenses (F)	7.26	2.18%	-	-	3.67	0.67%	1.87	0.29%
Net Profit/(Loss) After Tax (E-F) G	35.45	10.67%	26.51	6.35%	16.12	2.94%	10.21	1.56%

Main Components of our Profit and Loss Account

Income

Our total income comprises of revenue from operations and other income.

Revenue from Operations

Our revenue from operations (i.e. our Game Development activities) as a percentage of total income was 96.88%, 99.95% and 99.96% in fiscals 2012, 2011 and 2010 respectively and 92.43% for the nine months period ended on December 31, 2012.

Other Income

Our other income primarily includes interest on loans and Foreign Exchange Gains. Other income, as a percentage of total income was 3.12%, 0.05% and 0.04% in fiscals 2012, 2011 and 2010 respectively. It accounted to 7.57% of total income for the nine months period ended December 31, 2012.

Expenditure

Our total expenditure primarily consists of Material Purchases, Employee Benefit Expenses, Financial Cost, Depreciation and Amortization Expenses and Administrative and other expenses.

Cost of Materials Purchased

Costs of materials Purchased are primarily in relation to content purchases required for game development.

Employee Benefit Expenses

Expenses in relation to employees' remuneration and benefits include salary, bonus and allowances, workmen and staff welfare costs etc. It represents one of our significant expenses.

Administrative and Other Expenses

Administrative and Other expenses primarily include Rent and Accommodation, Electricity, Legal and Professional, Advertisement and Sale Promotion, Software Licenses, Remuneration to Directors, Tours and travels etc.

Financial Cost

Financial Cost primarily consists of interest expenses and Bank Charges. The interest expenditure is primarily for bank borrowings.

Depreciation and Amortization Expenses

Depreciation and Amortization Expenses primarily consist of depreciation/amortization on the fixed assets and Intangible Assets of our Company which primarily includes plant and machinery, computers, furniture and fixtures, Projectors and Studio and office equipments.

Provision for Tax

Income taxes are accounted for in accordance with Accounting Standard – 22 on “Accounting for Taxes on Income” (“AS-22”), prescribed under the Companies (Accounting Standards) Rules, 2006. Our Company provides for current tax as well as deferred tax, as applicable.

Provision for current taxes is made at the current tax rates after taking into consideration the benefits available to our Company under the provisions of the I. T. Act.

Deferred tax arises from the timing differences between book profits and taxable profits that originate in one period and are capable of reversal in one or more subsequent periods and is measured using the tax rates and laws applicable as of the date of the financial statements. Our Company provides for deferred tax liability on such timing differences subject to prudent considerations in respect of deferred tax assets.

Review for the nine months period ended December 31, 2012

Income

Our total income for the nine months period ended December 31, 2012 was ₹ 332.39 lakhs. In the current period, the revenue earned from operations is 92.43% of the total income. Other income for said period was recorded at ₹ 25.16 lakhs or 7.57% of total income.

Cost of Material Purchase

Our cost of materials purchased was ₹ 2.06 lakhs or 0.62% of the total income for the nine months period ended December 31, 2012.

Employee Benefit Expenses

Our Employee Benefit Expenses accounted to ₹ 133.9 lakhs for the nine months period ended December 31, 2012. As a proportion of total income, it was 40.28%. Our staff costs were driven by a general increase in the salaries and allowances paid to our employees in comparison to previous Financial Year.

Administrative and Other Expenses

Our Administrative and Other Expenses accounted to ₹ 151.61 lakhs for the nine months period ended December 31, 2012. As a proportion of total income, it was 45.61%.

Financial Cost

Our Financial Expenses accounted to ₹ 0.38 lakhs for the nine months period ended December 31, 2012. As a proportion of total income, it was 0.38%. Our financial costs decreased significantly in the above mentioned period in comparison to just preceding financial year as there were no bank borrowings in the said period.

Depreciation and Amortization Expenses

Our Depreciation and Amortization Expenses accounted to ₹ 90.23 lakhs for the nine months period ended December 31, 2012. As a proportion of total income, it was 27.15%.

Profit before Tax

Primarily due to the reasons described above, our profit before tax was ₹ 42.71 lakhs for the nine months period ended December 31, 2012.

Profit after Tax

Our profit after tax was ₹ 35.45 lakhs for the nine months period ended December 31, 2012.

Debtors

Our debtors accounted to ₹ 211.72 lakhs for nine months period ended December 31, 2012. All of our debtors were outstanding for more than nine months.

Unsecured Loans

Our Unsecured Loans accounted to ₹ 25.00 lakhs for nine months period ended December 31, 2012.

Fiscal 2012 compared with fiscal 2011

Income

In fiscal 2012, we recorded a total income of ₹ 417.77 lakhs, which was 23.87%, lower than income of ₹ 548.78 lakhs in fiscal 2011. The Major cause for this decrease was losing one of our major customers named JoWood entertainment AG which constituted 31.56% of our sales in fiscal 2011. Other income increased from ₹ 0.29 lakhs in fiscal 2011 to ₹ 13.05 lakhs in fiscal 2012.

Cost of Materials Purchased

We purchased ₹ 0.70 lakhs of materials in fiscal 2012, compared to purchases of materials of ₹ 1.74 lakhs in fiscal 2011. The 59.77% decrease in cost of materials purchases was attributable to our decreased sales revenue in fiscal 2012 compared to the prior financial year.

Employee Benefit Expenses

Our staff costs decreased by ₹ 47.23 lakhs, or 24.42%, from ₹ 193.33 lakhs in fiscal 2011 to ₹ 146.1 lakhs in fiscal 2012. This decrease in our staff costs were driven by a cut in the personnel strength of our company.

Administrative and Other Expenses

Administrative and other Expenses decreased to ₹ 127.2 lakhs in fiscal 2012 from ₹ 220.25 lakhs in fiscal 2011, showing a decrease of 42.24%. During 2012, the administrative and other expenses were 30.45% of total income as against 40.13% during fiscal 2011. The decrease in the said expenses was due to a proportionate decrease in sales volumes.

Financial Cost

Financial expenses decreased from ₹ 63.84 lakhs in fiscal 2011 to ₹ 41.6 lakhs in fiscal 2012, showing a decrease of 34.83%. During 2012, our Company recorded Financial charges of 9.96% of the total income as against 11.63% during 2011. The decrease in interest costs as compared to total income is due the funds disbursed from various financial institutions were partly repaid.

Depreciation and Amortization Expenses

Depreciation and Amortization expenses decreased by ₹ 2.22 lakhs, from ₹ 119.37 lakhs in fiscal 2011 to ₹ 117.15 lakhs in fiscal 2012. This decrease was due to decrease in gross fixed assets.

Profit before Tax

Due to a better profit margin and operational efficiency and due to the above mentioned reduction in employee & finance costs, our PBT increased by ₹ 6.73 lakhs from ₹ 19.78 lakhs in fiscal 2011 to ₹ 26.51 lakhs in fiscal 2012.

Profit after Tax

Our profit after tax increased by ₹ 10.39 lakhs from ₹ 16.12 lakhs in fiscal 2011 to ₹ 26.51 lakhs in fiscal 2012. This increase in PAT was due to no tax expenses in fiscal in 2012.

Debtors

Our debtors decreased from ₹ 259.84 lakhs in fiscal 2011 to ₹ 257.34 lakhs in fiscal 2012, showing a decrease of 0.96%. All of our debtors were outstanding for more than six months.

Loans and Borrowings

Our Loans and Borrowings amounted to ₹ 25.00 lakhs for fiscal 2012 and the same were 402.22 lakhs in fiscal in 2011. This change in Loans and Borrowings was mainly due to the repayment of bank borrowing in fiscal 2012.

Fiscal 2011 compared with fiscal 2010

Income

In fiscal 2011, we recorded income of ₹ 548.48 lakhs, which was 16.05%, lower than income of ₹ 653.68 lakhs in fiscal 2010. A decrease of 16.06% in revenue from operations, to ₹ 548.49 lakhs in fiscal 2011 from ₹ 653.41 lakhs in the fiscal 2010, was the primary driver of overall decrease in income. Other income increased by ₹ 0.02 lakhs or 7.41% from ₹ 0.27 lakhs in fiscal 2010 to ₹ 0.29 lakhs in fiscal 2011.

Cost of Materials Purchased

We purchased ₹ 1.74 lakhs of materials in fiscal 2011, compared to purchases of materials of ₹ 258.46 lakhs in fiscal 2010. The 99.33% decrease in cost of materials purchased was mainly due to consumption of inventory purchased in earlier years and partly due to our decreased sales revenue in fiscal 2011 compared to fiscal 2010.

Employee Benefit Expenses

Our staff costs decreased by ₹ 47.50 lakhs, or 19.72%, from ₹ 240.83 lakhs in fiscal 2010 to ₹ 193.33 lakhs in fiscal 2011. This decrease in our staff costs were driven by a cut in the personnel strength of our company.

Administrative and Other Expenses

Administrative and other Expenses decreased to ₹ 220.25 lakhs in fiscal 2011 from ₹ 295.51 lakhs in fiscal 2010, showing a decrease of 25.47%. During 2011, the administrative and other expenses were 40.13% of total income as against 45.21% during fiscal 2010. The decrease in the said expenses was due to a proportionate decrease in sales volumes.

Financial Cost

Financial expenses decreased from ₹ 73.93 lakhs in fiscal 2010 to ₹ 63.84 lakhs in fiscal 2011, showing a decrease of 13.65%. During 2011, our Company recorded Financial charges of 11.63% of the total income as against 11.31% during fiscal 2010.

Depreciation and Amortization Expenses

Depreciation and Amortization expenses increased by ₹ 0.48 lakhs, from ₹ 118.89 lakhs in fiscal 2010 to ₹ 119.37 lakhs in fiscal 2011. This increase was due to increase in gross fixed assets.

Profit before Tax

Due to a better profit margin and operational efficiency and due to the above mentioned reduction in employee & finance costs, our PBT increased by ₹ 7.71 lakhs from ₹ 12.07 lakhs in fiscal 2010 to ₹ 19.78 lakhs in fiscal 2011.

Profit after Tax

Our profit after tax increased by ₹ 5.91 lakhs from ₹ 10.21 lakhs in fiscal 2010 to ₹ 16.12 lakhs in fiscal 2011. This increase in PAT was due to better operating margin on revenue.

Debtors

Our debtors increased from ₹81.44 lakhs in fiscal 2010 to ₹ 259.84 lakhs in fiscal 2011, showing an increase of 178.41 lakhs or 219.08%. All of our debtors were outstanding for more than six months.

Loans and Borrowings

Our Loans and Borrowings amounted to ₹ 402.22 lakhs for fiscal 2011 in comparison to ₹ 454.61 lakhs in fiscal 2010. The decrease in Loans and Borrowings was due to part repayment of Bank Borrowings in fiscal 2011.

Fiscal 2010 compared with fiscal 2009

Income

In fiscal 2010, we recorded income of ₹ 653.41 lakhs, which was 18.20%, higher than income of ₹ 635.21 lakhs in fiscal 2009. An increase of 18.20% in revenue from operations, to ₹ 653.41 lakhs in fiscal 2011 from ₹ 635.21 lakhs in the fiscal 2010, was the primary driver of overall increase in income. Other income amounted to ₹ 0.27 lakhs in fiscal 2010, whereas the same was nil in fiscal 2009.

Cost of Materials Purchased

We purchased ₹ 258.46 lakhs of materials in fiscal 2010, compared to purchases of materials of ₹ 4.21 lakhs in fiscal 2009. The higher purchases of material were made to ensure an adequate availability of materials required for gaming development activities.

Employee Benefit Expenses

Our staff costs decreased by ₹24.64 lakhs, or 19.28%, from ₹ 265.47 lakhs in fiscal 2009 to ₹ 240.83 lakhs in fiscal 2010. This decrease in our staff costs were driven by a cut in the personnel strength of our company.

Administrative and Other Expenses

Administrative and other Expenses increased to ₹ 295.51 lakhs in fiscal 2010 from ₹ 249.27 lakhs in fiscal 2009, showing an increase of 18.55%. During 2010, the administrative and other expenses were 45.21% of total income as against 39.24% during fiscal 2009. The increase in the said expenses was due to a proportionate increase in sales volumes.

Financial Cost

Financial expenses decreased from ₹ 74.00 lakhs in fiscal 2009 to ₹ 73.93 lakhs in fiscal 2010, showing a decrease of 0.09%. During 2010, our Company recorded financial charges of 11.31% of the total income as against 11.65% during fiscal 2009.

Depreciation and Amortization Expenses

Depreciation and Amortization expenses increased by ₹ 0.97 lakhs, from ₹ 117.92 lakhs in fiscal 2009 to ₹ 118.89 lakhs in fiscal 2010. This increase was due to increase in gross fixed assets.

Profit before Tax

Due to a comparatively less profit margin, our PBT decreased by ₹ 3.28 lakhs from ₹ 15.35 lakhs in fiscal 2009 to ₹ 12.07 lakhs in fiscal 2010.

Profit after Tax

Our profit after tax decreased by ₹ 3.03 lakhs from ₹ 13.24 lakhs in fiscal 2009 to ₹ 10.21 lakhs in fiscal 2010. This decrease in PAT was due to comparatively less operating margin on revenue.

Debtors

Our debtors decreased from ₹145.87 lakhs in fiscal 2009 to ₹ 81.44 lakhs in fiscal 2010, showing an decrease of 64.44 lakhs or 44.17%. The reason of decline in debtors was realization of funds outstanding to respective debtors. All of our debtors were outstanding for more than six months.

Loans and Borrowings

Our Loans and Borrowings amounted to ₹ 454.61 lakhs for fiscal 2010 in comparison to ₹ 547.29 lakhs in fiscal 2009. The decrease in Loans and Borrowings was due to part repayment of Bank Borrowings in fiscal 2010.

OTHER MATTERS

1. Unusual or infrequent events or transactions

Except as described in this Draft Prospectus, during the periods under review there have been no transactions or events, which in our best judgment, would be considered unusual or infrequent.

2. Significant economic changes that materially affected or are likely to affect income from continuing Operations

Other than as described in the chapters titled “Risk Factors” and “Management’s Discussion and Analysis of Financial Conditions and Results of Operations”, beginning on pages 11 and 157 respectively of this Draft Prospectus respectively, to our knowledge there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenues or income of our Company from continuing operations.

3. Known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations

Other than as described in the chapter titled “*Risk Factors*” and “*Management’s Discussion and Analysis of Financial Conditions and Result of Operations*”, beginning on pages 11 and 157 respectively of this Draft Prospectus respectively to our knowledge there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenues or income of our company from continuing operations.

4. Future relationship between Costs and Income

Other than as described in the chapter titled “*Risk Factors*” on page 11 of this Draft Prospectus, to our knowledge there are no factors, which will affect the future relationship between costs and income or which are expected to have a material adverse impact on our operations and finances.

5. The extent to which material increases in revenue or income from operations are due to increased volume, introduction of new products or services or increased prices

Increases in revenues are by and large linked to increases in volume of business activity carried out by the Company.

6. Total turnover of each major industry segment in which the issuer company operates.

The Company is operating in Gaming and Entertainment Industry. Relevant industry data, as available, has been included in the chapter titled “*Industry Overview*” beginning on page 77 of this Draft Prospectus.

7. Status of any publicly announced new products or business segments

Please see to the chapter titled “*Business Overview*” beginning on page 85 of this Draft Prospectus.

8. The extent to which the business is seasonal.

Our business is not seasonal in nature.

9. Any significant dependence on a single or few suppliers or customers

Our Business is dependent on few customers who further sale the content to their customers. However we propose to diversify into new business segments to expand our customer base. Following are our major customers:

1. Sony Computer Entertainment Europe
2. Alia Digital Technology Services Pvt. Ltd.
3. JoWood Entertainment AG
4. Baba Arts Ltd.
5. Red Chillies Entertainment Pvt. Ltd.

10. Competitive Conditions

Despite the fact that we are not affected by competition in the short-term, our results of operations could be affected by competition in the gaming sector in India and in abroad in the future. We expect competition to intensify due to possible new entrants in the market, existing competitors further expanding their operations and our entry into new markets where we may compete with well-established gaming companies. This we believe may impact our financial condition and operations.

FINANCIAL INDEBTEDNESS

Set forth below is a summary of the aggregate borrowings of our Company as of December 31, 2012:

Nature of Borrowing	Amount (in ₹ lacs)
Secured borrowings	Nil
Unsecured borrowings	25.00

Negative covenants:

The Company does not have any outstanding Secured Borrowings as of December 31, 2012. Hence there are no Negative Covenants applicable to the Company, its project or this proposed Public Offer.

SECTION VI – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated herein, there are no outstanding or pending litigation, suits, civil prosecution, criminal proceedings or tax liabilities against our Company, our Directors, our Promoters and our Group Companies and there are no defaults, non-payment of statutory dues, over dues to banks and financial institutions, defaults against bank and financial institutions and there are no outstanding debentures, bonds, fixed deposits or preference shares issued by our Company; no default in creation of full security as per the terms of the issue, no proceedings initiated for economic or other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (I) of Part I of Schedule XIII of the Companies Act, 1956), and no disciplinary action has been taken by SEBI or any stock exchanges against our Promoters, our Directors and Group Companies.

PART A: CONTINGENT LIABILITIES OF OUR COMPANY

Contingent Liabilities of the company are not ascertainable. *(Source: Restated Auditor's Report)*

PART B: LITIGATION RELATING TO OUR COMPANY

I. CASES FILED BY OUR COMPANY

CIVIL CASES

Our Company had purchased premises situated at 601 A-2, 6th Floor, Palm Court, M Block, Above UTI Bank, Link Road, Malad (W)-400 064 from Mrs. Dariya Devi K Hiran and Mr. Naresh K Hiran and in view of the peculiar facts instead of entering into a sale agreement, an agreement for leave and license came to be prepared. The Company has been in lawful use, occupation and possession thereof. Since, Mrs. Dariya Devi K Hiran and Mr. Naresh Hiran made an attempt to forcibly dispossess the Company from the said premises, our Company preferred Suit No.1241 of 2011 in the City Civil Court at Dindoshi under Section 34 and 38 of the Specific Relief Act, 1963 for peaceful use, occupation and possession. An Ad Interim Relief Order dated 24.06.2011 was passed in favour of the Company. An appeal was preferred to the Hon'ble High Court by Mrs. Dariya Devi & Mr. Naresh Hiran against the same and vide Order of Hon'ble High Court dated 11.10.2011 wherein the Company was directed to deposit a monthly compensation amounting to ₹ 7 lacs from 1.07.2011 to December, 2011. Of which an amount of ₹ 14 lacs has been paid by the Company. Thereafter, the Company filed Notice of Motion for permanent injunction and the final Order on the Notice of Motion No.1571 of 2011 was passed on 22.12.2011 wherein the notice of motion was dismissed and Mrs. Dariya Devi and Mr. Naresh Hiran was permitted to withdraw the amount of ₹ 14 lacs deposited by the Company with the Court subject to final decision in the suit. Since the Company had acquired new premises by then and was not in need of retaining the possession of the said premises, notice of motion 573 of 2012 was filed to permit the Company to surrender the keys in the Court which is pending final hearing. Our Company continues to be in possession of the suit premises but Mrs. Dariya Devi Claims that they have already taken the possession and have prevented staff of our Company from entering the said premises. The Company has therefore taken out contempt notice being Motion No.823 of 2012 and also presented Notice of Motion No.836 of 2012 for appointment of Court Receiver and the matter is still pending before the Hon'ble City Civil Court. The next date of hearing is 15.06.2013

There are no other civil proceedings apart from the captioned case filed by our Company.

CRIMINAL CASES

Under Negotiable Instruments Act, 1881 under dishonour of cheque

Case No. 834/SS/2007 was instituted on 21.05.2007 in the Court of Ld. Metropolitan Magistrate, 43rd Court, Borivali, Mumbai against Mr. Arvind Singh under Section 138 of Negotiable Instruments Act, 1881. Cheque No.118891 of ₹ 3,72,841/- (Rupees Three Lacs Seventy Two Thousand Eight Hundred Forty One Only) dated 21.03.2007, issued towards refund of the security deposit taken pursuant to the leave and license agreement executed with the Respondent pertaining to the premises situated at Unit No.507, Shalimar Morya Park, New Link Road, Andheri(West) was dishonoured on 21.03.2007 due to stop payment done by the Respondent. The case is open for hearing. The next date of hearing is June 13, 2013.

II. CASES FILED AGAINST OUR COMPANY

CIVIL PROCEEDINGS

Under Indian Contract Act for payment of unpaid salary

Case No.1524 of 2011 was instituted on 04.05.2011 in High Court of Bombay by the erstwhile employee of the Company Mr. Chintan Shroff alleging non-payment of salary for the period June, 2010 – August, 2010. The claim amount involved is ₹ 75,000/- (Rupees Seventy Five Thousand Only). The case has been transferred to City Civil Court with effect from October 03, 2012. The next date of hearing is August 02, 2013.

Under Companies Act, 1956:

During subsistence of proceedings before the Hon'ble City Civil Court, a Company Petition under section 433, 434 and 439 of the Companies Act, 1956 has been initiated by Mrs. Dariya Devi K Hiran and Mr. Naresh K Hiran against the Company for winding up and the same is being challenged by the Company. Winding up petition is in pursuance to the civil case filed by our company against Mrs. Dariya Devi & Mr. Naresh Hiran in the Dindoshi Court. The next date of hearing is 04.07.2013. The claim amount involved in the petition is to the tune of ₹ 94,44,978/- (Rupees Ninety Four Lacs Forty Four Thousand Nine Hundred and Seventy Eight only)

CRIMINAL PROCEEDINGS

There are no criminal proceedings filed against our Company.

III. TAX PROCEEDINGS INVOLVING OUR COMPANY

There are no tax proceedings neither pending against our Company nor filed by our Company.

IV. LITIGATIONS INVOLVING OUR PROMOTERS

(i) Proceedings of Civil nature-

(a) By the promoters: NIL

(b) Against the promoters: NIL

(ii) Proceedings of a Criminal nature-

(a) By the promoters: NIL

(b) Against the promoters: NIL

V. LITIGATIONS INVOLVING DIRECTORS OF OUR COMPANY

(i) Proceedings of Civil nature-

(a) By the Directors of our Company: NIL

(b) Against the Directors of our Company: NIL

(ii) Proceedings of a Criminal nature-

(a) By the Directors of our Company: NIL

(b) Against the Directors of our Company: NIL

VI. LITIGATIONS INVOLVING OUR GROUP COMPANIES

(a) By the Group Companies: NIL

(b) Against the Group Companies: NIL

MATERIAL DEVELOPMENTS

In the opinion of the Board of Directors of our Company, since the date of the last audited financial statements disclosed in this Draft Prospectus there have not arisen, any circumstances that materially or adversely affect or are likely to affect our profitability or value of assets or our ability to pay material liabilities within the next twelve (12) months.

Defaults:

Our Company, in the past has delayed in repaying the Loan and Interest Instalments of the loans taken from ICICI Bank Limited and Bank of India Limited.

Our Company had taken loans from ICICI Bank Ltd. and Bank of India Ltd. which were repaid in fiscal 2012. Repayment of Loan Instalments along with the interest was not made on appropriate dates as per the loan agreements. However, we have repaid the full loan amount along with the Interest thereon to the respective banks and no amount is pending towards the same as on date.

In case of Bank of India, no reduction/rescheduling was made in the amount of final dues along with interest and all the dues were settled on February 22, 2012. Whereas, in case of ICICI Bank, an ordinary settlement with bank was agreed upon on September 27, 2011 to disburse the final dues of loan amount along with interest and other charges and all the dues were settled on March 28, 2012. The details of the same are mentioned in the following table:

(₹ in Lacs)

ICICI Bank	
Particulars	Amount
Outstanding Dues on September 27, 2011 (Including Interest and Cost as per ICIC Bank Ltd.)	80.15
Amount Paid to ICICI Bank Ltd. as final settlement	55.00
Reduction on Final Payment	25.15

GOVERNMENT AND OTHER STATUTORY APPROVALS

Our Company has received the necessary licenses, permissions and approvals from the Central and State Governments and other government agencies/certification bodies required for its business and no other material approvals are required by us for carrying on its present business activities. It must, however, be distinctly understood that in granting the above approvals, the Government and other authorities do not take any responsibility for the financial soundness of the Company or for the correctness of any of the statements or any commitments made or opinions expressed.

In view of the approvals listed below, the Company can undertake its current business activities and no further material approvals from any statutory authority are required to continue those activities.

The following statement sets out the details of licenses, permissions and approvals taken by the Company under various Central and State Laws for carrying out its business.

I. APPROVALS PERTAINING TO THIS ISSUE

1. The Board of Directors has, subject to a resolution passed at its meeting held on January 21, 2013 authorised the Issue subject to the approval of the shareholders of the Company under Section 81(1A) of the Companies Act, 1956 and approvals by such other authorities as may be necessary.
2. The shareholders of the Company have, pursuant to a resolution dated February 11, 2013 under Section 81(1A) of the Companies Act, 1956 authorised the Issue.

II. INCORPORATION AND OTHER DETAILS

1. The Company was incorporated on April 27, 2006 in Mumbai as Trine Animation & Studios Limited and was allotted Company Identification Number (CIN) U32301MH2006PLC161436. The company thereafter changed its name to Trine Entertainment Ltd and received a fresh certificate of incorporation dated September 7, 2007 consequent upon the name change from RoC Mumbai, Maharashtra.

III. APPROVALS FOR BUSINESS/GENERAL APPROVALS

Sr. No	Particulars	Granting Authorities	Registration/Approval/Code No./ Artistic Work No.	Date of Issue	Period of Validity if specified
1.	Certificate for Commencement of Business	Registrar of Companies, Mumbai	U32301MH2006PLC161436	14.06.2006	-
2.	Permanent Account No.	Income Tax Department, Govt. of India	AACCT4311Q	27.04.2006	-
3.	Tax Deduction Account No. (TAN)	Income Tax Department, Govt. of India	MUMT13159G		-
4.	Service Tax Registration Number	Central Board of Excise and Customs	AACCT4311QST001	11.05.2006	-
5.	Importer Exporter Code(IEC)	Govt. Of India, Ministry of Commerce	0306088011	12.03.2007	
6.	Registration under Professional Tax	Profession Tax Officer, Profession Tax Division, Mumbai	Reg No: PT/R/1/1/33/15991 Enroll No:	19.06.2007 16.06.2007	-

Sr. No	Particulars	Granting Authorities	Registration/Approval/Code No./ Artistic Work No.	Date of Issue	Period of Validity if specified
			PT/E/1/1/33/18/2954		
7.	Registration certificate of Establishment under the Bombay Shops & Establishment Act	Inspector Under the Bombay Shops & Establishments Act, 1948	760311393	05.03.2013	14.12.2013

The workforce of the Company being more than 20 employees, the provisions of Employees' Provident Funds & Miscellaneous Provisions Act, 1952 become applicable. The Company is in the process of making application for registering itself under the aforesaid act. However, none of the employees draw salary less than ₹ 6,500/- p.m. as is laid down under the Act and thereby the deduction of the PF from the salary of the employees is not mandated.

IV. APPROVALS OBTAINED IN RELATION TO INTELLECTUAL PROPERTY

Sr. No.	Name of Intellectual Property	Class of registration	Date of registration
1	Logo in Name of "Trine Game Studios"	9, 28	March 27, 2007
2	Streets of Mumbai (Game/IP)	9, 16, 28, 38, 41, 42	November 29, 2007
3	Gamepad (Game/IP)	9, 16, 28, 38	August 28, 2007
4	Legends of Great India (Game/IP)	28	April 09, 2007

V. PENDING APPROVALS IN RELATION TO INTELLECTUAL PROPERTY

Sr. No.	Particulars of Mark	Granting Authority	Application No.	Date of Filing	Class
1.	Registration of Trade Mark "TRINE ENTERTAINMENT LTD" under Class 38	Registrar of Trade Marks, Mumbai	2491318	19.02.2013	38
2.	Registration of Trade Mark "TRINE ENTERTAINMENT LTD" under Class 42	Registrar of Trade Marks, Mumbai	2491320	19.02.2013	42
3.	Registration of Trade Mark "TRINE ENTERTAINMENT LTD" under Class 41	Registrar of Trade Marks, Mumbai	2491319	19.02.2013	41

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

Our Board of Directors have vide resolution dated January 21, 2013, authorised the Issue, subject to the approval by the shareholders of our Company under Section 81 (1A) of the Companies Act.

The shareholders have authorised the Issue, by passing a Special Resolution at the Extraordinary General Meeting held on February 11, 2013 in accordance with the provisions of Section 81(1A) of the Companies Act, 1956.

The Company has obtained approval from BSE vide letter dated [●] to use the name of BSE in this offer Document for listing of equity shares on the SME platform of the BSE. BSE is the designated stock exchange.

Prohibition by SEBI, the RBI or Governmental Authorities

We confirm that there is no prohibition on our Company, its Directors, Promoters and entities forming part of our Promoter Group from accessing the capital market or operating in the capital markets under any order or direction passed by SEBI.

We further confirm that none of our Company, its Promoters, its Group Companies or the relatives of our Promoters and Group Companies was ever identified as wilful defaulters by RBI or other authorities.

Association with Securities Market

We confirm that none of our Directors are associated with the Securities Market in any manner and no action has been initiated against these entities by SEBI at any time.

Eligibility for the Issue

Our Company is an "Unlisted issuer" in terms of the SEBI (ICDR) Regulation; and this Issue is an "Initial Public Offer" in terms of the SEBI (ICDR) Regulations.

This Issue is being made in terms of Regulation 106 (M) (2) of Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time, whereby, an issuer whose post issue face value capital is more than ten crore rupees and upto twenty five crore rupees, shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange ("SME Exchange", in this case being the SME Platform of BSE).

We confirm that:

- a) In accordance with Regulation 106 (P) of the SEBI (ICDR) Regulations, this issue has been hundred percent underwritten and that the Lead Manager to the Issue has underwritten more than 15% of the total Issue Size. For further details pertaining to the said underwriting please see "*General Information- Underwriting*" on page 44 of this Draft Prospectus.
- b) In accordance with Regulation 106(R) of the SEBI (ICDR) Regulations, we shall ensure that the total number of proposed allottees in the issue is greater than or equal to fifty, otherwise, the entire application money will be refunded forthwith. If such money is not repaid within eight days from the date our Company becomes liable to repay it then our Company and every officer in default shall, on and from expiry of eight days, be liable to repay such application money, with interest as prescribed under Section 73 of the Companies Act, 1956.

- c) In accordance with Regulation 106(O) of the SEBI (ICDR) Regulations, we have not filed any Draft Offer Document with SEBI nor has SEBI issued any observations on our Offer Document. Also, we shall ensure that our Lead Manager submits the copy of Prospectus along with a Due Diligence Certificate including additional confirmations as required to SEBI at the time of filing the Prospectus with Stock Exchange and the Registrar of Companies.
- d) In accordance with Regulation 106(V) of the SEBI (ICDR) Regulations, we have entered into an agreement with the Lead manager and Market Maker to ensure compulsory Market Making for a minimum period of three years from the date of listing of equity shares offered in this issue. For further details of the arrangement of Market Making please see “General Information- Details of the Market Making Arrangements for this Issue” on page 45 of this Draft Prospectus.

We further confirm that we shall be complying with all other requirements as laid down for such issue under Chapter XB of SEBI (ICDR) Regulations, as amended from time to time and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

- e) Our Company has Net Tangible assets of at least ₹ 1 crore as per the latest audited financial results
- f) The Net worth (excluding revaluation reserves) of our Company is at least ₹ 1 crore as per the latest audited financial results
- g) Our Company has track record of distributable profits in terms of sec. 205 of Companies Act, 1956 for at least two years out of immediately preceding three financial years and each financial year has to be a period of at least 12 months.
- h) The distributable Profit, Net tangible Assets and Net worth of our Company as per the restated financial statements for the year ended and as at March 31, 2012, 2011 and 2010 is as set forth below:

(₹ in Lacs)

Particulars	Fiscal 2012	Fiscal 2011	Fiscal 2010
Distributable Profit ⁽¹⁾	26.51	16.12	10.21
Net tangible Assets ⁽²⁾	904.28	718.98	485.36
Net Worth ⁽³⁾	949.54	922.63	666.21

⁽¹⁾Distributable profits have been computed in terms section 205 of the Companies Act, 1956.

⁽²⁾Net Tangible Assets are defined as the sum of fixed assets (including capital work in-progress and excluding revaluation reserve) investments, current assets (excluding deferred tax assets) less current liabilities (excluding deferred tax liabilities) and secured as well as unsecured long term liabilities excluding intangible assets as defined in Accounting Standard 26 (AS 26) issued by the Institute of Chartered Accountants of India.

⁽³⁾Net Worth has been computed as the aggregate of equity shares capital and reserves (excluding revaluation reserves) and after deducting miscellaneous expenditure not written off, if any.

- i) As on the date of Draft Prospectus, our Company has a paid up capital of ₹ 1276.47 lacs, which is in excess of ₹ 1 crore, and the Post Issue Capital shall also be in excess of ₹ 1 crore.
- j) Our Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR).
- k) There is no winding up petition against our company that has been accepted by a court.
- l) Our company shall mandatorily facilitate trading in demat securities and enter into an agreement with both the depositories.
- m) We have a website: www.trine.co.in

Disclaimer Clause of SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF OFFER DOCUMENT TO SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE LEAD MERCHANT BANKER, ARYAMAN FINANCIAL SERVICES LIMITED, HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT 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 THE OFFER DOCUMENT, THE LEAD MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MERCHANT BANKER, ARYAMAN FINANCIAL SERVICES LIMITED HAS FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED [●] WHICH READS AS FOLLOWS:

- 1. WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THE PROSPECTUS PERTAINING TO THE SAID ISSUE;**
- 2. ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE ISSUER, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE ISSUER, WE CONFIRM THAT:**
 - A. THE PROSPECTUS FILED WITH THE BOARD IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;**
 - B. ALL THE LEGAL REQUIREMENTS RELATING TO THE ISSUE AS ALSO THE REGULATIONS GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY THE BOARD, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND**
 - C. THE DISCLOSURES MADE IN THE 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 BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE PROSPECTUS ARE REGISTERED WITH THE BOARD AND THAT TILL DATE SUCH REGISTRATION IS VALID.**
- 4. WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS.**

5. WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES AS PART OF PROMOTERS CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTERS CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED / SOLD / TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING OF THE PROSPECTUS WITH THE BOARD TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE 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 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 AUDITOR'S CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE BOARD. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE ISSUER ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE. – NOT APPLICABLE.
8. WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE ISSUER FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE "MAIN OBJECTS" LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE ISSUER AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION.
9. WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 73 OF THE COMPANIES ACT, 1956 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION. - NOTED FOR COMPLIANCE
10. WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE.
11. WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.
12. WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE 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, PROMOTERS EXPERIENCE, ETC.
15. WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.
16. WE ENCLOSE STATEMENT ON PRICE INFORMATION OF PAST ISSUES HANDLED BY MERCHANT BANKER AS PER FORMAT SPECIFIED BY SEBI THROUGH CIRCULAR (PLEASE SEE "ANNEXURE A" FOR FURTHER DETAILS).
17. WE CERTIFY THAT PROFITS FROM RELATED PARTY TRANSACTIONS HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS.

THE FILING OF THIS OFFER DOCUMENT DOES NOT, HOWEVER, ABSOLVE OUR COMPANY FROM ANY LIABILITIES UNDER SECTION 63 OR SECTION 68 OF THE COMPANIES ACT OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND/OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THE LEAD MERCHANT BANKER ANY IRREGULARITIES OR LAPSES IN THE OFFER DOCUMENT.

ADDITIONAL CONFIRMATIONS/ CERTIFICATION TO BE GIVEN BY MERCHANT BANKER IN DUE DILIGENCE CERTIFICATE TO BE GIVEN ALONG WITH OFFER DOCUMENT REGARDING SME EXCHANGE

1. WE CONFIRM THAT NONE OF THE INTERMEDIARIES NAMED IN THE PROSPECTUS HAVE BEEN DEBARRED FROM FUNCTIONING BY ANY REGULATORY AUTHORITY.
2. WE CONFIRM THAT ALL THE MATERIAL DISCLOSURES IN RESPECT OF THE ISSUER HAVE BEEN MADE IN PROSPECTUS AND CERTIFY THAT ANY MATERIAL DEVELOPMENT IN THE ISSUER OR RELATING TO THE ISSUE UP TO THE COMMENCEMENT OF LISTING AND TRADING OF THE SPECIFIED SECURITIES OFFERED THROUGH THIS ISSUE SHALL BE INFORMED THROUGH PUBLIC NOTICES/ ADVERTISEMENTS IN ALL THOSE NEWSPAPERS IN WHICH PRE-ISSUE ADVERTISEMENT AND ADVERTISEMENT FOR OPENING OR CLOSURE OF THE ISSUE HAVE BEEN GIVEN.
3. WE CONFIRM THAT THE ABRIDGED PROSPECTUS CONTAINS ALL THE DISCLOSURES AS SPECIFIED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009.

4. WE CONFIRM THAT AGREEMENTS HAVE BEEN ENTERED INTO WITH THE DEPOSITORIES FOR DEMATERIALISATION OF THE SPECIFIED SECURITIES OF THE ISSUER.
5. WE CERTIFY THAT AS PER THE REQUIREMENTS OF FIRST PROVISIO TO SUB-REGULATION (4) OF REGULATION 32 OF SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009; CASH FLOW STATEMENT HAS BEEN PREPARED AND DISCLOSED IN THE DRAFT PROSPECTUS.
6. WE CONFIRM THAT UNDERWRITING AND MARKET MAKING ARRANGEMENTS AS PER REQUIREMENTS OF REGULATION 106P AND 106V OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE.

Disclaimer Clause of the SME Platform of BSE

As required, a copy of the Draft Prospectus shall be submitted to the SME Platform of BSE. The Disclaimer Clause as intimated by the SME Platform of BSE to us, post scrutiny of the Draft Prospectus, shall be included in the Prospectus prior to filing with ROC.

Disclaimer from our Company and the Lead Manager

Our Company, its Directors and the Lead Manager accept no responsibility for statements made otherwise than those contained in this Prospectus or, in case of the Company, in any advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information would be doing so at his or her own risk.

For details regarding the track record of the Lead Manager to the Issue, please see the website of the Lead Manager www.afsl.co.in.

CAUTION

The Lead Manager accept no responsibility, save to the limited extent as provided in the MOU for Issue Management entered into among the Lead Manager and our Company dated May 09, 2013 the Underwriting Agreement dated May 15, 2013 entered into among the Underwriters and our Company and the Market Making Agreement dated May 15, 2013 entered into among the Market Maker, Lead Manager and our Company.

All information shall be made available by us and the Lead Manager to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports or at collection centres or elsewhere.

Note:

Investors who apply in the Issue will be required to confirm and will be deemed to have represented to our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company and will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company. 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 of our Company.

Disclaimer in respect of Jurisdiction

This Issue is being made in India to persons resident in India including Indian nationals resident in India (who are not minors), Hindu Undivided Families (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 permission), Trusts registered under the Societies Registration Act, 1860, as amended from time to time, or any other trust law and who are authorised under their constitution to hold and invest in shares, permitted insurance companies and pension funds and to non-residents including NRIs and FIIs. The Prospectus does not, however, constitute an offer to sell or an invitation to subscribe to Equity Shares offered hereby in any other jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession the 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. Accordingly, the Equity Shares represented thereby may not be offered or sold, directly or indirectly, and this Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been any change in the affairs of our Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

Disclaimer Clause under Rule 144a of the U.S. Securities Act

The Equity Shares have not been and will not be registered under the U.S. Securities Act 1933, as amended (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 of the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares will be offered and sold (i) in the United States only to "qualified institutional buyers", as defined in Rule 144A of the Securities Act, and (ii) outside the United States in offshore transactions in reliance on Regulation S under the Securities Act and in compliance with 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 Applicants may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Filing

The Draft Prospectus shall not be filed with SEBI, nor will SEBI issue any observation on the offer document in term of Reg. 106(M)(3). However, a copy of this Prospectus shall be filed with SEBI at the Corporate Finance Department, Plot No. C-4A, "G" Block, Bandra-Kurla Complex, Bandra (East), Mumbai – 400051.

A copy of this Prospectus, along with the documents required to be filed under Section 60B of the Companies Act, will be delivered to the RoC situated at Everest Building, 100, Marine Drive, Mumbai 400 002, Maharashtra.

Listing

In terms of Chapter XB of the SEBI (ICDR) Regulations, 2009, there is no requirement of obtaining In-Principle approval of the SME Platform of BSE. However, application shall be made to SME Platform of BSE for obtaining permission for listing of the Equity Shares being offered and sold in the Issue on its SME Platform after the allotment in the Issue. BSE is the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the Issue.

If the permission to deal in and for an official quotation of the Equity Shares on the SME Platform is not granted by BSE, our Company shall forthwith repay, without interest, all moneys received from the applicants in pursuance of the Prospectus. If such money is not repaid within eight days from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of eight days, be liable to repay such application money, with interest at the rate of 15% per annum on application money, as prescribed under Section 73 of the Companies Act.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the SME Platform of BSE mentioned above are taken within 12 Working Days of the Issue Closing Date.

The Company has obtained approval from BSE vide letter dated [●] to use the name of BSE in this Offer document for listing of equity shares on SME Platform of BSE.

Price Information of past issues handled by the Lead Manager

S.N.O.	Issue Name	Issue size (₹ in lacs)	Issue Price (₹)	Listing date	Opening price on listing date (₹)	Closing price on listing date (₹)	% Change in Price on listing date (Closing) vs. Issue Price	Benchmark index on listing date (Closing)	Closing price as on 10th calendar day from listing day	Benchmark index as on 10th calendar day from listing day (Closing)	Closing price as on 20th calendar day from listing day	Benchmark index as on 20th calendar day from listing day (Closing)	Closing price as on 30th calendar day from listing day	Benchmark index as on 30th calendar day from listing day (Closing)
1	SRG Housing Finance Ltd.	700.80	20.00	11/09/2012	20.30	20.30	1.50%	17,852.95	21.00	18,349.25	20.15	18,823.91	20.00	18631.10
2	Jupiter Infomedia Ltd.	408.00	20.00	16/08/2012	22.00	22.05	10.25%	17657.00	21.95	17,783.21	22.40	17,313.34	23.55	18542.31
3	Sangam Advisors Ltd.	506.88	22.00	09/08/2012	22.10	22.00	0.00%	17,560.87	22.10	17,728.20	22.20	17,783.21	22.00	17313.34
4	VKS Projects Ltd.	5500.00	55.00	18/07/2012	55.80	55.05	0.09%	17185.01	55.50	16,839.19	53.10	17,601.78	52.00	17691.08
5	BCB Finance Ltd.	885.00	25.00	13/03/2012	27.00	25.70	2.80	17813.62	25.27	17361.74	25.35	17478.15	25.00	17332.62
6	Midvalley Entertainment Ltd.	6000.00	70.00	27/01/2011	73.00	58.05	(17.07)	18684.43	58.00	18008.15	60.55	18273.80	86.05	17700.91

Summary Statement of Disclosure

Financial Year	Total no. of IPOs	Total Funds Raised (₹ in lacs)	Nos. of IPOs trading at discount on listing date			Nos. of IPOs trading at premium on listing date			Nos. of IPOs trading at discount as on 30 th calendar day from listing day			Nos. of IPOs trading at premium as on 30 th calendar day from listing day		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2012-13	4*	7115.68	-	-	-	-	-	3	-	-	1	-	-	1

Financial Year	Total no. of IPOs	Total Funds Raised (₹ in lacs)	Nos. of IPOs trading at discount on listing date			Nos. of IPOs trading at premium on listing date			Nos. of IPOs trading at discount as on 30 th calendar day from listing day			Nos. of IPOs trading at premium as on 30 th calendar day from listing day		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2011-12	1 [^]	885.00	-	-	-	-	-	1	-	-	-	-	-	-
2010-11	1	6000.00	-	-	1	-	-	-	-	-	-	-	-	1

**As on the listing day, the price of Sangam Advisors Ltd. is exactly equal to its Issue Price and hence it is neither trading at Premium or Discount; As on the 30th Calendar day from the listing day, the price of SRG Housing Finance Ltd. and Sangam Advisors Ltd. is exactly equal to its Issue Price and hence it is neither trading at Premium or Discount.*

^As on the 30th Calendar day from the listing day, the price of BCB Finance Limited is exactly equal to its Issue Price and hence it is neither trading at Premium or Discount.

Notes:

(a) In case the 10th, 20th and 30th calendar day from the date of listing is a holiday, or if the stock was not traded on the said calendar days from the date of listing, the share price and benchmark index is taken of the immediately preceding working day.

(b) BSE SENSEX has been considered as the benchmark index.

Track record of past issues handled by the Lead Manager

For details regarding the track record of the Lead Manager to the Issue as specified in Circular reference CIR/MIRSD/1/ 2012 dated January 10, 2012 issued by the SEBI, please see the website of the Lead Manager – www.afsl.co.in.

Consents

Consents in writing of: (a) the Directors, the Company Secretary and Compliance Officer, the Statutory Auditors, Bankers to the Company; and (b) the Lead Manager, Escrow Collection Bankers, Registrar to the Issue, the Legal Advisors to the Issue, to act in their respective capacities, have been obtained and shall be filed along with a copy of the Prospectus with the RoC, as required under Sections 60 and 60B of the Companies Act and such consents shall not be withdrawn up to the time of delivery of the Prospectus for registration with the RoC.

In accordance with the Companies Act and the SEBI (ICDR) Regulations, M/s. M K P S & Associates, Chartered Accountants, the Auditors of the Company have agreed to provide their written consent to the inclusion of their report dated April 4, 2013 on Restated Financial Statements and Statement of Tax benefits dated February 23, 2013 which may be available to the Company and its shareholders, included in this Draft Prospectus in the form and context in which they appear therein and such consent and reports have not been withdrawn up to the time of delivery of this Draft Prospectus.

Expert Opinion

Except for the below stated reports and certificate included in the Draft Prospectus, our Company has not obtained any expert opinions:

1. Statutory Auditor – Statement of Tax Benefits
2. Peer Reviewed Auditor – Restated Financial Statements
3. Legal Due Diligence Report

Issue Related Expenses

The expenses of this Issue include, among others, underwriting and management fees, Market Making Fees, selling commissions, SCSB's commission/ fees, printing and distribution expenses, legal fees, statutory advertisement expenses, registrar and depository fees and listing fees is given below:

Sr. No.	Particulars	Amount (₹ in lacs)
1	Issue Management fees including fees and reimbursements of Market Making fees, selling commissions, brokerages, and payment to other intermediaries such as Legal Advisors, Registrars and other out of pocket expenses.	45.00
2	Printing & Stationery, Distribution, Postage, etc.	5.00
3	Advertisement and Marketing Expenses	5.00
4	Regulatory and other Expenses	5.10
Total		60.10*

*The Total Issue Expense is ₹ 60.10 lacs, which will be borne by the Selling Shareholders and Company in Proportionate basis of the Share offered, except the regulatory fees which will be completely borne by the Company. The amount payable by the company will be ₹ 26.80 Lacs and the balance ₹ 33.30 Lacs will be borne by the Selling Shareholders.

Fees, Brokerage and Selling Commission Payable to the Lead Manager

The total fees payable to the Lead Manager (including underwriting commission and selling commission) is as stated in the MOU dated May 09, 2013 the Underwriting Agreement dated May 15, 2013 and the Market Making Agreement dated May 15, 2013 among the Company and the Lead Manager and other parties, a copy of which will be made available for inspection at our Registered Office.

Fees Payable to the Registrar to the Issue

The fees payable to the Registrar to the Issue, for processing of application, data entry, printing of refund order, preparation of refund data on magnetic tape, printing of bulk mailing register will be as per the MoU between the Company and the Registrar to the Issue dated March 09, 2013.

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.

Commission and Brokerage Paid on Previous Issues of our Equity Shares

Since this is the Initial Public Offer of the Company, 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 inception of the Company.

Capital Issue during the last three years

Trine Entertainment Limited and its Group Companies have not made any capital issue viz. initial public offering, rights issue or composite issue during the last three years.

Previous Public and Rights Issues

We have not made any previous rights and public issues, and we are an "Unlisted Company" in terms of the SEBI (ICDR) Regulations and this Issue is an "Initial Public Offering" in terms of the SEBI (ICDR) Regulations.

Previous Issues of Equity Shares otherwise than for Cash

Except as stated in the chapter titled “*Capital Structure*” beginning on page 48 of this Draft Prospectus, we have not issued any Equity Shares for consideration other than for cash.

Companies under the same Management

There are no companies under the same management within the meaning of section 370 (1B) of the Companies Act, 1956, that has made any public issue (including any rights issues or composite issues to the public) during the last three years.

Promise v. Performance – Associates

Our Company and Promoter Group have not made any previous rights and public issues.

Outstanding Debentures, Bonds, Redeemable Preference Shares and Other Instruments Issued by the Company

The Company has no outstanding debentures or bonds. The Company has not issued any redeemable preference shares or other instruments in the past.

Stock Market Data for our Equity Shares

This being an initial public issue of the Company, the Equity Shares of the Company are not listed on any stock exchange.

Mechanism for Redressal of Investor Grievances

The Company has appointed Bigshare Services Private Limited as the Registrar to the Issue, to handle the investor grievances in co-ordination with the Compliance Officer of the Company. All grievances relating to the present Issue may be addressed to the Registrar with a copy to the Compliance Officer, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and name of bank and branch. The Company would monitor the work of the Registrar to ensure that the investor grievances are settled expeditiously and satisfactorily.

The Registrar to the Issue, namely Bigshare Services Private Limited, will handle investor's grievances pertaining to the Issue. A fortnightly status report of the complaints received and redressed by them would be forwarded to the Company. The Company would also be co-coordinating with the Registrar to the Issue in attending to the grievances to the investor.

All grievances relating to the ASBA process may be addressed to the SCSBs, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the Designated Branch of the SCSB where the Application Form was submitted by the ASBA Applicant.

We estimate that the average time required by us or the Registrar to the Issue or the SCSBs for the redressal of routine investor grievances will be seven business days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible.

Our Board by a resolution on February 14, 2013 constituted a Shareholders/Investors Grievance Committee. The composition of the Shareholders/Investors Grievance Committee is as follows:

S. No.	Name	Designation in Committee	Nature of Directorship
1	Haresh Vazirani	Chairman	Non-Executive Independent
2	Mandar Joshi	Member	Non-Executive Independent
3	Sangam Gupta	Member	Whole Time Director

For further details, please see the chapter titled “*Our Management*” beginning on page 108 of this Draft Prospectus.

We have also appointed Mr. Ravindra Mishra as the Company Secretary and Compliance Officer for this Issue and he may be contacted at the registered office of our Company. The contact details are as follows:

Name: Mr. Ravindra Mishra

Address: 301/302, B Wing,
Interface-16 Building, Malad (West), Mumbai – 400064.

Tel No.: +91 – 22 - 40311111; **Fax No.:** +91 – 22 – 40311110; **Email:** ipo@trine.co.in

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

Status of Investor Complaints

We confirm that we have not received any investor complaint during the three years preceding the date of this Draft Prospectus and hence there are no pending investor complaints as on the date of this Draft Prospectus.

Disposal of Investor Grievances by Listed Companies under the same Management as the Company

No company under the same management as the Company within the meaning of Section 370(1B) of the Companies Act has made any public issue (including any rights issues to the public) during the last three years and hence there are no pending investor grievances

Change in Auditors

There has been no change in auditors of our company in the last three years. Our current statutory auditor M/s. M S K P & Associates, Chartered Accountants was re-appointed for fiscal 2012-2013 in annual general meeting of our company held on September 29, 2012.

Our Auditor had changed its name from M/s. Das Maulik Mahendra K Agrawala & Co to M/s. M K P S & Associates in the F. Y. 2010-11.

Capitalisation of Reserves or Profits

Except as stated in the chapter titled “*Capital Structure*” beginning on page 48 of this Draft Prospectus, our Company has not capitalised our reserves or profits during the last five years.

Revaluation of Assets

We have not revalued our assets in the last five (5) years.

SECTION VII – ISSUE RELATED INFORMATION

TERMS OF THE ISSUE

The Equity Shares being issued are subject to the provisions of the Companies Act, SEBI (ICDR) Regulations, 2009, our Memorandum and Articles of Association, the terms of this Draft Prospectus, the Prospectus, the Application Form, the Revision Form, the Confirmation of Allocation Note and other terms and conditions as may be incorporated in the allotment advices and other documents/certificates that may be executed in respect of this Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchanges, the RBI, RoC and/or other authorities, as in force on the date of the Issue and to the extent applicable.

Authority for the Issue

This Issue of Equity Shares has been authorized by the Board of Directors of our Company at their meeting held on January 21, 2013 and was approved by the Shareholders of the Company by passing a Special Resolution at the Extraordinary General Meeting held on February 11, 2013 in accordance with the provisions of Section 81(1A) of the Companies Act, 1956.

Ranking of Equity Shares

The Equity Shares being issued shall be subject to the provisions of the Companies Act, our Memorandum and Articles of Association and shall rank pari-passu in all respects with the existing Equity Shares including in respect of the rights to receive dividends and other corporate benefits, if any, declared by us after the date of Allotment.

For further details, please see the chapter titled "*Main Provisions of the Articles of Association of our Company*" beginning on page 213 of this Draft Prospectus.

Mode of Payment of Dividend

The declaration and payment of dividend will be as per the provisions of Companies Act and recommended by the Board of Directors and the Shareholders at their discretion and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company. We shall pay dividends in cash and as per provisions of the Companies Act, 1956. For further details, please see the chapter titled "*Dividend Policy*" beginning on page 131 of this Draft Prospectus.

Face Value and Issue Price

The Equity Shares having a face value of ₹ 10 each are being issued in terms of this Draft Prospectus at the price of ₹ 15 per Equity Share. The Issue Price is determined by our Company in consultation with the Lead Manager and is justified under the chapter titled "*Basis for Issue Price*" beginning on page 65 of this Draft Prospectus. At any given point of time there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws.

Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, the equity shareholders shall have the following rights:

- ✓ Right to receive dividend, if declared;
- ✓ Right to attend general meetings and exercise voting rights, unless prohibited by law;
- ✓ Right to vote on a poll either in person or by proxy;

- ✓ Right to receive offer for rights shares and be allotted bonus shares, if announced;
- ✓ Right to receive surplus on liquidation;
- ✓ Right of free transferability; and
- ✓ Such other rights, as may be available to a shareholder of a listed Public Limited Company under the Companies Act, terms of the listing agreements with the Stock Exchange and the Memorandum and Articles of Association of our Company.

For a detailed description of the main provision of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien and / or consolidation / splitting, etc., please see the section titled "*Main Provisions of Articles of Association of our company*" beginning on page 213 of this Draft Prospectus.

Minimum Application Value; Market Lot and Trading Lot

As per the provisions of the Depositories Act, 1996, the shares of a Body Corporate can be in Dematerialized form i.e. not in the form of physical certificates but be fungible and be represented by the statement issued through electronic mode.

The investors have an option either to receive the security certificate or to hold the securities with depository. However, as per SEBI's circular RMB (compendium) series circular no. 2 (1999-2000) dated February 16, 2000, it has been decided by the SEBI that trading in securities of companies making an initial public offer shall be in Dematerialized form only.

Trading of the Equity Shares will happen in the minimum contract size of 8,000 Equity Shares in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012 and the same may be modified by BSE from time to time by giving prior notice to investors at large.

Allocation and allotment of Equity Shares through this Issue will be done in multiples of 8,000 Equity Share subject to a minimum allotment of 8,000 Equity Shares to the successful applicants.

Minimum Number of Allottees

The minimum number of allottees in this Issue shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and the monies collected shall be refunded within 12 Working days of closure of issue.

Joint Holders

Where two or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint-holders with benefits of survivorship.

Nomination Facility to Investor

In accordance with Section 109A of the Companies Act, the sole or first applicant, along with other joint applicant, may nominate any one person in whom, in the event of the death of sole applicant or in case of joint applicant, death of all the applicants, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 109A of the Companies Act, be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Registered Office of our Company or to the Registrar and Transfer Agents of our Company.

In accordance with Section 109B of the Companies Act, any Person who becomes a nominee by virtue of Section 109A of the Companies Act, shall upon the production of such evidence as may be required by the Board, elect either:

- ✓ to register himself or herself as the holder of the Equity Shares; or
- ✓ to make such transfer of the Equity Shares, as the deceased holder could have made

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with. In case the allotment of Equity Shares is in dematerialized form, there is no need to make a separate nomination with us. Nominations registered with the respective depository participant of the applicant would prevail. If the investors require changing the nomination, they are requested to inform their respective depository participant.

Minimum Subscription

This Issue is not restricted to any minimum subscription level. This Issue is 100% underwritten. If the issuer does not receive the subscription of 100% of the Issue through this Offer Document including devolvement of Underwriters within sixty days from the date of closure of the issue, the issuer shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after the issuer becomes liable to pay the amount, the issuer shall pay interest prescribed under section 73 of the Companies Act, 1956.

Arrangements for Disposal of Odd Lots

The trading of the Equity Shares will happen in the minimum contract size of 8,000 shares. However, the Market Maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the SME platform of BSE.

Restrictions, if any, on transfer and transmission of shares or debentures and on their consolidation or splitting

For a detailed description in respect of restrictions, if any, on transfer and transmission of shares and on their consolidation / splitting, please see the section titled "*Main Provisions of the Articles of Association of Our Company*" on page 213 of this Draft Prospectus.

Option to receive Equity Shares in Dematerialized Form

Allotment of Equity Shares in the Issue will be made only in dematerialized form.

Migration to Main Board

In accordance with the BSE Circular dated November 26, 2012, our Company will have to be mandatorily listed and traded on the SME Platform of the BSE for a minimum period of two years from the date of listing and only after that it can migrate to the Main Board of the BSE as per the guidelines specified by SEBI and as per the procedures laid down under Chapter XB of the SEBI (ICDR) Regulations.

As per the provisions of the Chapter XB of the SEBI (ICDR) Regulation, 2009, our Company may migrate to the main board of BSE from the SME Exchange on a later date subject to the following:

- If the Paid up Capital of the company is likely to increase above ₹ 25 crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the company has obtained in-principal approval from the main board), we shall have to apply to BSE for listing our shares on its Main Board subject to the fulfillment of the eligibility criteria for listing of specified securities laid down by the Main Board.
- If the Paid up Capital of the company is more than ₹ 10 crores but below ₹ 25 crores, we may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

Market Making

The shares issued through this Issue are proposed to be listed on the SME Platform of BSE (SME Exchange), wherein the Lead Manager to this Issue shall ensure compulsory Market Making through the registered Market Maker of the SME Exchange for a minimum period of three years from the date of listing on the SME Platform of BSE.

For further details of the agreement entered into between Our Company, the Lead Manager and the Market Maker, please see *"General Information - Details of the Market Making Arrangement for this Issue"* on page 45 of this Draft Prospectus.

New Financial Instruments

The Issuer Company is not issuing any new financial instruments through this Issue.

Jurisdiction

Exclusive jurisdiction for the purpose of this Issue is with the competent courts / authorities in Mumbai, Maharashtra. 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, 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 applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

ISSUE STRUCTURE

This Issue is being made in terms of Regulation 106(M)(2) of Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time, whereby, an issuer whose post issue face value capital is more than ten crore rupees and upto twenty five crore rupees, shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange ("SME Exchange", in this case being the SME Platform of BSE). For further details regarding the salient features and terms of such this Issue, please see the chapters titled "*Terms of the Issue*" and "*Issue Procedure*" beginning on pages 186 and 192 respectively, of this Draft Prospectus.

Following is the issue structure:

Public issue of 38,32,000 Equity Shares of ₹ 10 each (the "Equity Shares") for cash at a price of ₹15 per Equity Share (including a Share premium of ₹ 5 per Equity Share) aggregating to ₹ 574.80 lacs ("the Issue") by Trine Entertainment Limited ("TEL" or the "Company" or the "Issuer") consisting of an Offer For Sale of upto 23,20,000 Equity Shares by the Selling Shareholders aggregating to ₹ 348.00 Lacs and Fresh Issue of 15,12,000 Equity Shares aggregating to ₹ 226.80 Lacs.

The Issue comprises of a reservation of 2,00,000 Equity Shares for subscription by the designated Market Maker ("the Market Maker Reservation Portion") thus the Net Issue to the Public is of 36,32,000 Equity Shares aggregating to ₹ 544.80 Lacs.

Particulars of the Issue	Net Issue to Public*	Market Maker Reservation Portion
Number of Equity Shares available for allocation	36,32,000 Equity Shares	2,00,000 Equity Shares
Percentage of Issue Size available for allocation	94.78% of the Issue Size	5.21% of the Issue Size
Basis of Allotment	Proportionate subject to minimum allotment of 8,000 Equity Shares and further allotment in multiples of 8,000 Equity Shares each.	Firm Allotment
Mode of Application	For QIB and NII Applicants the application must be made compulsorily through the ASBA Process. The Retail Individual Applicant may apply through the ASBA or the Physical Form.	Through ASBA Process Only
Minimum Application Size	<i>For QIB and NII:</i> Such number of Equity Shares in multiples of 8,000 Equity Shares such that the Application Value exceeds ₹2,00,000. <i>For Retail Individuals:</i> 8,000 Equity Shares	2,00,000 Equity Shares
Maximum Application Size	<i>For QIB and NII:</i> Such number of Equity Shares in multiples of 8,000 Equity Shares such that the Application Size does not exceed 36,32,000 Equity Shares. <i>For Retail Individuals:</i>	2,00,000 Equity Shares

Particulars of the Issue	Net Issue to Public*	Market Maker Reservation Portion
	Such number of Equity Shares in multiples of 8,000 Equity Shares such that the Application Value does not exceed ₹2,00,000.	
Mode of Allotment	Dematerialized Form	Dematerialized Form
Trading Lot	8,000 Equity Shares	8,000 Equity Shares, However the Market Maker may accept odd lots if any in the market as required under the SEBI (ICDR) Regulations, 2009.
Terms of Payment	The entire Application Amount will be payable at the time of submission of the Application Form.	

* 50 % of the shares offered are reserved for allocation to applications below or equal to ₹2 lacs and the balance for higher amount applications.

Withdrawal of the Issue

The Company, in consultation with the LM, reserves the right not to proceed with the Issue at any time before the Issue Opening Date, without assigning any reason thereof. Notwithstanding the foregoing, the Issue is also subject to obtaining the following:

- The final listing and trading approvals of BSE for listing of Equity Shares offered through this Issue on its SME Platform, which the Company shall apply for after Allotment; and
- The final RoC approval of the Draft Prospectus after it is filed with the RoC.

In case, the Company wishes to withdraw the Issue after Issue Opening but before allotment, the Company will give public notice giving reasons for withdrawal of Issue. The public notice will appear in two widely circulated national newspapers (one each in English and Hindi) and one in regional newspaper.

The LM, through the Registrar to the Issue, will instruct the SCSBs to unblock the ASBA Accounts within one Working Day from the day of receipt of such instruction. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisements have appeared and the Stock Exchange will also be informed promptly. If our Company withdraws the Issue after the Issue Closing Date and subsequently decides to undertake a public offering of Equity Shares, our Company will file a fresh offer document with the stock exchange where the Equity Shares may be proposed to be listed.

Issue Programme

ISSUE OPENING DATE	[●]
ISSUE CLOSING DATE	[●]

Applications and any revisions to the same will be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time) during the Issue Period at the Application Centres mentioned in the Application Form, or in the case of ASBA Applicants, at the Designated Bank Branches except that on the Issue Closing Date applications will be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time). Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday).

ISSUE PROCEDURE

Fixed Price Issue Procedure

This Issue is being made under Regulation 106(M)(2) of Chapter XB of SEBI (ICDR) Regulations, 2009 via Fixed Price Process. Applicants are required to submit their Applications to the Selected Branches / Offices of the Escrow Bankers to the Issue who shall duly submit them to the Registrar of the Issue. In case of QIB Applicants, the Company in consultation with the Lead Manager may reject Applications at the time of acceptance of Application Form provided that the reasons for such rejection shall be provided to such Applicant in writing. In case of Non-Institutional Applicants and Retail Individual Applicants, our Company would have a right to reject the Applications based on technical grounds only. Allotment in this Issue will be only in dematerialization form as the Issue Size exceeds Rupees Ten Crores as per Section 68B of the Companies Act, 1956. Applicants will not have the option of being Allotted Equity Shares in physical form. The Equity Shares on Allotment shall, however, be traded only in the dematerialized segment of the Stock Exchange, as mandated by SEBI.

Issue comprises fresh issue as well as Offer for Sale

This Issue comprises fresh issue of Equity Shares of the Company as also sale of existing Equity Shares held by the Selling Shareholders. Though from the Applicants' perspective, the process appears alike, transfer of Equity Shares by the Selling Shareholders to the successful Applicants as part of the IPO requires a different process to be followed as compared to the Allotment of new Equity Shares of the Company. To the extent of Offer For Sale, no fresh Equity Shares need to be created as the existing Equity Shares held by the Selling Shareholders shall be transferred to the successful Applicants. Moreover, transfer of Equity Shares shall be subject to tax as prescribed under law.

Our Company in consultation with the Lead Manager shall ensure that the due process including that of transfer and payment of taxes would be followed.

Application Form

Applicants shall only use the specified Application Form for the purpose of making an Application in terms of this Draft Prospectus. Upon completing and submitting the Application Form to the Bankers, the Applicant is deemed to have authorized our Company to make the necessary changes in the Draft Prospectus and the Application 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 Applicant.

ASBA Applicants shall submit an Application Form either in physical or electronic form to the SCSBs authorizing blocking funds that are available in the bank account specified in the Application Form used by ASBA applicants. Upon completing and submitting the Application Form for ASBA Applicants to the SCSB, the ASBA Applicant is deemed to have authorized our Company to make the necessary changes in the Prospectus and the ASBA as would be required for filing the Prospectus with the RoC and as would be required by RoC after such filing, without prior or subsequent notice of such changes to the ASBA Applicant.

The prescribed color of the Application Form for various categories is as follows:

Category	Colour of Application Form
Resident Indians and Eligible NRIs applying on a non-repatriation basis	White
Non-Residents and Eligible NRIs applying on a repatriation basis	Blue

In accordance with the SEBI (ICDR) Regulations, 2009 in public issues w.e.f. May 1, 2010 all the investors can apply through ASBA process and w.e.f. May 02, 2011, the Non-Institutional Applicants and the QIB Applicants have to compulsorily apply through the ASBA Process.

Who Can Apply?

- ✓ 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 Applicant should specify that the Application is being made in the name of the HUF in the Application Form as follows:
—Name of Sole or First Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta. Applications by HUFs would be considered at par with those from individuals;
- ✓ Companies, Corporate Bodies and Societies registered under the applicable laws in India and authorised to invest in equity shares;
- ✓ Mutual Funds registered with SEBI;
- ✓ Eligible NRIs on a repatriation basis or on a non-repatriation basis subject to applicable laws. NRIs other than Eligible NRIs are not eligible to participate in this issue;
- ✓ Indian financial institutions, scheduled commercial banks (excluding foreign banks), regional rural banks, co-operative banks (subject to RBI regulations and the SEBI Regulations and other laws, as applicable);
- ✓ FIIs and sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual under the QIB portion;
- ✓ Sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals only under the Non-Institutional Applicants portion;
- ✓ VCFs registered with SEBI;
- ✓ FVCIs registered with SEBI;
- ✓ Eligible QFIs;
- ✓ Multilateral and bilateral development financial institutions;
- ✓ State Industrial Development Corporations;
- ✓ Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to trusts/societies and who are authorised under their respective constitutions to hold and invest in equity shares;
- ✓ Scientific and/or industrial research organizations authorised in India to invest in equity shares;
- ✓ Insurance companies registered with Insurance Regulatory and Development Authority;
- ✓ Provident Funds with a minimum corpus of ₹ 250 million and who are authorised under their constitution to hold and invest in equity shares;
- ✓ Pension Funds with a minimum corpus of ₹ 250 million and who are authorised under their constitution to hold and invest in equity shares;

- ✓ Limited liability partnerships;
- ✓ National Investment Fund set up by resolution no. F.NO.2/3/2005-DDII dated November 23, 2005 of the GoI, published in the Gazette of India;
- ✓ Nominated Investor and Market Maker
- ✓ Insurance funds set up and managed by the army, navy or air force of the Union of India; and
- ✓ Multilateral and Bilateral Development Financial Institutions
- ✓ Insurance funds set up and managed by the Department of Posts, India
- ✓ Any other person eligible to Apply in this Issue, under the laws, rules, regulations, guidelines and policies applicable to them and under Indian laws.

Applications not to be made by:

- ✓ Minors
- ✓ Partnership firms or their nominations
- ✓ Foreign Nationals (except NRIs)
- ✓ Overseas Corporate Bodies

Participation by associates / affiliates of LM

The Lead Manager shall not be entitled to subscribe to this Issue in any manner except towards fulfilling its underwriting obligations. However, except for Aryaman Broking Ltd., which shall be subscribing under the Market Maker Reservation Portion, associates and affiliates of the Lead Manager may subscribe for Equity Shares in the Issue, either in the QIB Portion and Non-Institutional Portion where the allotment is on a proportionate basis.

Availability of Prospectus and Application Forms

The Memorandum Form 2A containing the salient features of the Prospectus together with the Application Forms and copies of the Prospectus may be obtained from the Registered Office of our Company, from the Corporate Office of the Lead Manager to the Issue, Registrar to the Issue and the Collection Centres of the Bankers to the Issue, as mentioned in the Application Form. The Application Forms may also be downloaded from the website of BSE Limited i.e. www.bseindia.com.

Option to Subscribe in the Issue

- a) Allotment in this Issue will be only in dematerialization form as the Issue Size exceeds Rupees Ten Crores as per Section 68B of the Companies Act, 1956.
- b) The equity shares, on allotment, shall be traded on stock exchange in demat segment only.
- c) A single application from any investor shall not exceed the investment limit/minimum number of specified securities that can be held by him/her/it under the relevant regulations/statutory guidelines.

Application by Indian Public including eligible NRIs applying on Non-Repatriation

Application must be made only in the names of individuals, Limited Companies or Statutory Corporations/ Institutions and not in the names of Minors, Foreign Nationals, Non Residents (except for those applying on non-repatriation), Trusts (unless the Trust is registered under the Societies Registration Act, 1860 or any other applicable Trust laws and is authorized under its constitution to hold shares and debentures in a Company), Hindu Undivided Families, Partnership firms or their nominees. In case of HUFs application shall be made by the Karta of the HUF. An applicant in the Net Public Category cannot make an application for that number of securities exceeding the number of securities offered to the public.

Application by Mutual Funds

As per the current regulations, the following restrictions are applicable for investments by mutual funds:

No mutual fund scheme shall invest more than 10% of its net asset value in the Equity Shares or equity related instruments of any Company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No mutual fund under all its schemes should own more than 10% of any Company's paid up share capital carrying voting rights.

Multiple Application: In case of a Mutual Fund, a separate Application can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Applications in respect of more than one scheme of the Mutual Fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

Applications by Eligible NRIs/FIIs on Repatriation Basis

Application Forms have been made available for Eligible NRIs at our registered Office. Eligible NRI applicants may please note that only such applications 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 form meant for Resident Indians. Under the Foreign Exchange Management Act, 1999 (FEMA) general permission is granted to the companies vide notification no. FEMA/20/2000 RB dated 03/05/2000 to issue securities to NRI's subject to the terms and conditions stipulated therein. The Companies are required to file the declaration in the prescribed form to the concerned Regional Office of RBI within 30 days from the date of issue of shares for allotment to NRI's on repatriation basis. Allotment of Equity Shares to Non-Resident Indians shall be subject to the prevailing Reserve Bank of India Guidelines. Sale proceeds of such investments in Equity Shares will be allowed to be repatriated along with the income thereon subject to permission of the RBI and subject to the Indian Tax Laws and regulations and any other applicable laws. The Company does not require approvals from FIPB or RBI for the Transfer of Equity Shares in the issue to eligible NRI's, FII's, and Foreign Venture Capital Investors registered with SEBI and multilateral and bilateral development financial institutions.

As per the current Regulations, the following Restrictions are applicable for investments by FIIs:

The issue of Equity Shares to a single FII should not exceed 10% of our post-Issue paid-up capital. In respect of an FII investing in the Equity Shares on behalf of its sub-accounts, the investment on behalf of each sub-account shall not exceed 10% of our total issued capital of the Company or 5% of the total issued capital, in case such sub-account is a foreign corporate or an individual. In accordance with the foreign investment limits applicable to our Company, such investment must be made out of funds raised or collected or brought from outside India through normal banking channels and the investment must not exceed the overall ceiling specified for FIIs. Under the portfolio investment scheme, the aggregate issue of equity shares to FIIs and their sub-accounts should not exceed 24% of post-issue paid-up equity capital of a company. However, this limit can be increased to the permitted sectoral cap/statutory limit, as applicable to our Company after obtaining approval of its Board of Directors followed by a special resolution to that effect by its shareholders in their general meeting. As of the date of the Draft

Prospectus, no such resolution has been recommended to the shareholders of our Company for adoption.

Subject to compliance with all applicable Indian laws, rules, regulations guidelines and approvals in terms of Regulation 15A(1) of the SEBI (Foreign Institutional Investors) Regulations 1995, as amended, by the SEBI (Foreign Institutional Investors)(Amendment) Regulations, 2008 ("SEBI FII Regulations"), an FII, as defined in the SEBI FII Regulations, or its sub account may issue, deal or hold, off shore derivative instruments (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 recognized 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 foreign 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 issued by it is made to any persons that are not regulated by an appropriate foreign regulatory authority as defined under the SEBI FII Regulations. Associates and affiliates of the underwriters including the Lead Manager that are FIIs may issue offshore derivative instruments against Equity Shares Allotted to them in the Issue.

Applications by Eligible QFIs

The RBI in its circular dated January 13, 2012 has permitted Eligible QFIs to purchase equity shares of Indian companies on a repatriation basis subject to certain terms and conditions. Eligible QFIs have been permitted to invest through SEBI registered qualified depository participants ("DP") in equity shares of Indian companies which are offered to the public in India in accordance with SEBI regulations. The individual and aggregate investment limits for Eligible QFIs in an Indian company are 5% and 10% of the paid up capital respectively. These limits are in addition to the investment limits prescribed under the portfolio investment scheme for FIIs and NRIs. However, in cases of those sectors which have composite foreign investment caps, Eligible QFI investment limits are required to be considered within such composite foreign investment cap.

SEBI in its circular dated January 13, 2012 has specified among other things eligible transactions for Eligible QFIs (which includes purchase of equity shares in public issues to be listed on recognised stock exchanges and sale of equity shares held by Eligible QFIs in their demat account through SEBI registered brokers), manner of operation of demat accounts by Eligible QFIs, transaction processes and investment restrictions. SEBI has specified that transactions by Eligible QFIs shall be treated at par with those made by Indian non-institutional investors with respect to margins, voting rights, public issues etc.

Eligible QFIs are required to instruct their DPs to make the application on their behalf for the Issue. DPs are advised to use the Application Form meant for Non-Residents (blue in colour). DPs are required to utilise the ASBA process to participate in the Issue.

Eligible QFIs are not permitted to issue off-shore derivative instruments or participatory notes.

Applications by SEBI registered Venture Capital Funds and Foreign Venture Capital Investors

As per the current regulations, the following restrictions are applicable for SEBI Registered Venture Capital Funds and Foreign Venture Capital Investors:

The SEBI (Venture Capital) Regulations, 1996 and the SEBI (Foreign Venture Capital Investor) Regulations, 2000 prescribe investment restrictions on venture capital funds and foreign venture capital investors registered with SEBI.

Accordingly, whilst the holding by any individual venture capital fund registered with SEBI in one Company should not exceed 25% of the corpus of the venture capital fund, a Foreign Venture Capital Investor can invest its entire funds committed for investments into India in one Company. Further,

Venture Capital Funds and Foreign Venture Capital Investors can invest only up to 33.33% of the investible funds by way of subscription to an initial public offer.

Applications by Limited Liability Partnerships

In case of Applications made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, as amended ("LLP Act") a certified copy of certificate of registration issued under the LLP Act must be attached to the Application Form. Failing this, our Company reserves the right to reject any Application without assigning any reason thereof.

Applications by Insurance Companies

In case of applications made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Application Form. Failing this, our Company reserves the right to reject any application, without assigning any reason thereof. The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000, as amended (the "IRDA Investment Regulations"), are broadly set forth below:

- a) equity shares of a company: the least of 10% of the investee company's subscribed capital (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;
- b) the entire group of the investee company: the least of 10% of the respective fund in case of a life insurer or 10% of investment assets in case of a general insurer or reinsurer (25% in case of ULIPS); and
- c) The industry sector in which the investee company operates: 10% of the insurer's total investment exposure to the industry sector (25% in case of ULIPS).

In addition, the IRDA partially amended the exposure limits applicable to investments in public limited companies in the infrastructure and housing sectors, i.e. December 26, 2008, providing, among other things, that the exposure of an insurer to an infrastructure company may be increased to not more than 20%, provided that in case of equity investment, a dividend of not less than 4% including bonus should have been declared for at least five preceding years. This limit of 20% would be combined for debt and equity taken together, without sub ceilings.

Further, investments in equity including preference shares and the convertible part of debentures shall not exceed 50% of the exposure norms specified under the IRDA Investment Regulations.

Application by Provident Funds/ Pension Funds

In case of applications made by provident funds/ pension funds, subject to applicable laws, with minimum corpus of ₹ 2500 lacs, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be attached to the Application Form. Failing this, our Company reserves the right to reject any application, without assigning any reason thereof.

Application under Power of Attorney

In case of applications made pursuant to a power of attorney by Limited Companies, Corporate Bodies, Registered Societies, Mutual Funds, Eligible QFIs, Insurance Companies and Provident Funds with minimum corpus of ₹ 25 Crores (subject to applicable law) and pension funds with a minimum corpus of ₹ 25 Crores a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged with the Application Form. Failing this, our Company reserves the right to accept or reject any application in whole or in part, in either case, without assigning any reason therefore.

In addition to the above, certain additional documents are required to be submitted by the following entities:

- a) With respect to applications by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject any application, in whole or in part, in either case without assigning any reasons thereof.
- b) With respect to applications by insurance companies registered with the Insurance Regulatory and Development Authority, in addition to the above, a certified copy of the certificate of registration issued by the Insurance Regulatory and Development Authority must be lodged with the Application Form as applicable. Failing this, our Company reserves the right to accept or reject any application, in whole or in part, in either case without assigning any reasons thereof.
- c) With respect to applications made by provident funds with minimum corpus of ₹ 25 Crores (subject to applicable law) and pension funds with a minimum corpus of ₹ 25 Crores, a certified copy of a certificate from a Chartered Accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject such application, in whole or in part, in either case without assigning any reasons thereof.

Our Company in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Application Form, subject to such terms and conditions that our Company, the lead manager may deem fit.

Our Company, in its absolute discretion, reserves the right to permit the holder of the power of attorney to request the Registrar to the Issue that, for the purpose of printing particulars on the refund order and mailing of the Allotment Advice / CANs / refund orders / letters notifying the unblocking of the bank accounts of ASBA applicants, the Demographic Details given on the Application Form should be used (and not those obtained from the Depository of the application). In such cases, the Registrar to the Issue shall use Demographic Details as given on the Application Form instead of those obtained from the Depositories.

The above information is given for the benefit of the Applicants. The Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.

Maximum and Minimum Application Size

a) For Retail Individual Applicants

The Application must be for a minimum of 8,000 Equity Shares and in multiples of 8,000 Equity Shares thereafter, so as to ensure that the Application Price payable by the Applicant does not exceed ₹ 2,00,000. In case of revision of Applications, the Retail Individual Applicants have to ensure that the Application Price does not exceed ₹ 2,00,000.

b) For Other Applicants (Non-Institutional Applicants and QIBs):

The Application must be for a minimum of such number of Equity Shares such that the Application Amount exceeds ₹ 2,00,000 and in multiples of 8,000 Equity Shares thereafter. An Application cannot be submitted for more than the Issue Size. However, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. **A QIB and a Non-Institutional**

Applicant cannot withdraw or lower the size of their Applications (both in terms of number of Equity Shares applied for and Application Amount) at any stage and are required to pay the entire Application Amount upon submission of the Application.

The identity of QIBs applying in the Net Issue under the QIB Portion shall not be made public during the subscription Period. In case of revision in Applications, the Non-Institutional Applicants, who are individuals, have to ensure that the Application Amount is greater than ₹ 2,00,000 for being considered for allocation in the Non-Institutional Portion.

Applicants are advised to ensure that any single Application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Prospectus.

Information for the Applicants

- a) Our Company will file the Prospectus with the RoC at least 3 (three) days before the Issue Opening Date.
- b) The Lead Manager will circulate copies of the Prospectus along with the Application Form to potential investors.
- c) Any investor (who is eligible to invest in our Equity Shares) who would like to obtain the Prospectus and/ or the Application Form can obtain the same from our Registered Office or from the Corporate Office of the Lead Manager
- d) Applicants who are interested in subscribing for the Equity Shares should approach the Lead Manager or their authorized agent(s) to register their Applications.
- e) Applications made in the name of Minors and/or their nominees shall not be accepted.
- f) Applicants are requested to mention the application form number on the reverse of the instrument to avoid misuse of instrument submitted along with the application for shares. Applicants are advised in their own interest, to indicate the name of the bank and the savings or current a/c no in the application form. In case of refund, the refund order will indicate these details after the name of the payee. The refund order will be sent directly to the payee's address.

Instructions for Completing the Application Form

The Applications should be submitted on the prescribed Application Form and in BLOCK LETTERS in ENGLISH only in accordance with the instructions contained herein and in the Application Form. Applications not so made are liable to be rejected. ASBA Application Forms should bear the stamp of the SCSBs. ASBA Application Forms, which do not bear the stamp of the SCSB, will be rejected. Applicants residing at places where the designated branches of the Banker to the Issue are not located may submit/mail their applications at their sole risk along with Demand Draft payable at Mumbai.

Applicant's Depository Account and Bank Details

Please note that, providing bank account details in the space provided in the application form is mandatory and applications that do not contain such details are liable to be rejected.

Applicants should note that on the basis of name of the Applicants, Depository Participant's name, Depository Participant Identification number and Beneficiary Account Number provided by them in the Application Form, the Registrar to the Issue will obtain from the Depository the demographic details including address, Applicant's Bank Account details, MICR code and occupation (hereinafter referred to as 'Demographic Details'). These Bank Account details would be used for giving refunds to the

Applicants. Hence, Applicants 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 dispatch/ credit of refunds to Applicants at the Applicants sole risk and neither the Lead Manager or the Registrar or the Escrow Collection Banks or the SCSB nor the Company shall have any responsibility and undertake any liability for the same. Hence, Applicants should carefully fill in their Depository Account details in the Application Form.

These Demographic Details would be used for all correspondence with the Applicants including mailing of the CANs / Allocation Advice and printing of Bank particulars on the refund orders or for refunds through electronic transfer of funds, as applicable. The Demographic Details given by Applicants in the Application Form would not be used for any other purpose by the Registrar to the Issue. By signing the Application Form, the Applicant would be deemed to have authorized the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

Basis of Allotment

Allotment will be made in consultation with BSE Limited (The Designated Stock Exchange). In the event of oversubscription, the allotment will be made on a proportionate basis in marketable lots as set forth here:

- 1) The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of Shares applied for in that category multiplied by the inverse of the over subscription ratio (number of applicants in the category x number of Shares applied for).
- 2) The number of Shares to be allocated to the successful applicants will be arrived at on a proportionate basis in marketable lots (i.e. Total number of Shares applied for into the inverse of the over subscription ratio).
- 3) For applications where the proportionate allotment works out to less than 8,000 equity shares the allotment will be made as follows:
 - a) Each successful applicant shall be allotted 8,000 equity shares; and
 - b) The successful applicants out of the total applicants for that category shall be determined by the drawal of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (2) above.
- 4) If the proportionate allotment to an applicant works out to a number that is not a multiple of 8,000 equity shares, the applicant would be allotted Shares by rounding off to the lower nearest multiple of 10,000 equity shares subject to a minimum allotment of 8,000 equity shares.
- 5) If the Shares allotted on a proportionate basis to any category is more than the Shares allotted to the applicants in that category, the balance available Shares for allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful applicants in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising of applicants applying for the minimum number of Shares. If as a result of the process of rounding off to the lower nearest multiple of 8,000 equity shares, results in the actual allotment being higher than the shares offered, the final allotment may be higher at the sole discretion of the Board of Directors, up to 110% of the size of the offer specified under the Capital Structure mentioned in this Draft Prospectus.
- 6) The above proportionate allotment of shares in an Issue that is oversubscribed shall be subject to the reservation for small individual applicants as described below:

- a) A minimum of 50% of the net offer of shares to the Public shall initially be made available for allotment to retail individual investors as the case may be.
- b) The balance net offer of shares to the public shall be made available for allotment to (i) individual applicants other than retails individual investors and (ii) other investors, including Corporate Bodies/ Institutions irrespective of number of shares applied for.
- c) The unsubscribed portion of the net offer to any one of the categories specified in (i) or (ii) shall/may be made available for allocation to applicants in the other category, if so required.

'Retail Individual Investor' means an investor who applies for shares of value of not more than ₹ 2,00,000. Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with BSE.

The Executive Director / Managing Director of BSE - the Designated Stock Exchange in addition to the Lead Manager and the Registrar to this Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations, 2009.

Refunds

In case of Applicants receiving refunds through electronic transfer of funds, delivery of refund orders/ allocation advice/ CANs may get delayed if the same once sent to the address obtained from the depositories are returned undelivered. In such an event, the address and other details given by the Applicant in the Application Form would be used only to ensure dispatch of refund orders. Please note that any such delay shall be at the Applicants sole risk and neither the Company, the Registrar, Escrow Collection Bank(s) nor the Lead Manager shall be liable to compensate the Applicant for any losses caused to the Applicant 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 three parameters, namely, names of the Applicants (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the Beneficiary's Identity, then such Applications are liable to be rejected.

The Company in its absolute discretion, reserves the right to permit the holder of the power of attorney to request the Registrar that for the purpose of printing particulars on the refund order and mailing of the refund order/ CANs/ allocation advice/ refunds through electronic transfer of funds, the Demographic Details given on the Application Form should be used (and not those obtained from the Depository of the Applicant). In such cases, the Registrar shall use Demographic Details as given in the Application Form instead of those obtained from the depositories.

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 Applicants 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 Applicants so desire, will be credited to their NRE accounts, details of which should be furnished in the space provided for this purpose in the Application Form. The Company will not be responsible for loss, if any, incurred by the Applicant on account of conversion of foreign currency.

As per the RBI regulations, OCBs are not permitted to participate in the Issue.

There is no reservation for Non Residents, NRIs, FIIs and foreign venture capital funds and all Non Residents, NRI, FII and Foreign Venture Capital Funds applicants will be treated on the same basis with other categories for the purpose of allocation.

Terms of Payment / Payment Instructions

The entire Issue Price of ₹ 15 per share is payable on application. In case of allotment of lesser number of Equity shares than the number applied, the Company shall refund the excess amount paid on Application to the Applicants.

Payments should be made by cheque, or demand draft drawn on any Bank (including a Co operative Bank), which is situated at, and is a member of or sub member of the bankers' clearing house located at the centre where the Application Form is submitted. 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/ Stock invest/ Money Orders/ Postal orders will not be accepted.

A separate Cheque or Bank Draft should accompany each Application Form. Applicants should write the Share Application Number on the back of the Cheque /Draft. Outstation Cheques will not be accepted and applications accompanied by such cheques drawn on outstation banks are liable for rejection. Money Orders / Postal Notes will not be accepted.

Each Applicant shall draw a cheque or demand draft for the amount payable on the Application and/ or on allocation/ Allotment as per the following terms:

- 1) The payment instruments for payment into the Escrow Account should be drawn in favour of:
 - Indian Public including eligible NRIs applying on non-repatriation basis: "Escrow Account – Trine Entertainment Limited - R".
 - In case of Non-Resident Retail Applicants applying on repatriation basis: "Escrow Account – Trine Entertainment Limited - NR"
- 2) In case of Application by NRIs applying on repatriation basis, the payments must be made through Indian Rupee drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in Non-Resident External (NRE) Accounts or Foreign Currency Non Resident (FCNR) Accounts, maintained with banks authorized 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 Applicant applying 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.
- 3) Where an Applicant has been allocated a lesser number of Equity Shares than the Applicant has applied for, the excess amount, if any, paid on Application, after adjustment towards the balance amount payable by the Pay-In Date on the Equity Shares allocated will be refunded to the Applicant from the Refund Account.
- 4) On the Designated Date and no later than 12 Working days from the Issue Closing Date, the Escrow Collection Bank shall also refund all amounts payable to unsuccessful Applicants and also the excess amount paid on Application, if any, after adjusting for allocation / Allotment to the Applicants.

Payment by Stock Invest

In terms of the RBI Circular No. DBOD No. FSC BC 42/ 24.47.00/ 2003 04 dated November 5, 2003; the option to use the stock invest instrument in lieu of cheques or bank drafts for payment of Application money has been withdrawn. Hence, payment through stock invest would not be accepted in this Issue.

General Instructions

Do's:

- Check if you are eligible to apply;
- Read all the instructions carefully and complete the applicable Application Form;
- Ensure that the details about Depository Participant and Beneficiary Account are correct as Allotment of Equity Shares will be in the dematerialized form only;
- Each of the Applicants should mention their Permanent Account Number (PAN) allotted under the Income Tax Act, 1961;
- Ensure that the Demographic Details (as defined herein below) are updated, true and correct in all respects;
- Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant.

Don'ts:

- Do not apply for lower than the minimum Application size;
- Do not apply at a Price different from the Price Mentioned herein or in the Application Form
- Do not apply on another Application Form after you have submitted an Application to the Bankers of the Issue
- Do not pay the Application Price in cash, by money order or by postal order or by stock invest;
- Do not send Application Forms by post; instead submit the same to the Selected Branches / Offices of the Banker to the Issue.
- Do not fill up the Application Form such that the Equity Shares applied 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;
- Do not submit the GIR number instead of the PAN as the Application is liable to be rejected on this ground.

Other Instructions

Joint Applications in the case of Individuals

Applications may be made in single or joint names (not more than three). In the case of joint Applications, all payments will be made out in favour of the Applicant whose name appears first in the Application Form or Revision Form. All communications will be addressed to the First Applicant and will be dispatched to his or her address as per the Demographic Details received from the Depository.

Multiple Applications

An Applicant should submit only one Application (and not more than one) for the total number of Equity Shares required. Two or more Applications will be deemed to be multiple Applications if the sole or First Applicant is one and the same.

In this regard, the procedures which would be followed by the Registrar to the Issue to detect multiple applications are given below:

- a. All applications are electronically strung on first name, address (1st line) and applicant's status. Further, these applications are electronically matched for common first name and address and if matched, these are checked manually for age, signature and father/ husband's name to determine if they are multiple applications

- b. Applications which do not qualify as multiple applications as per above procedure are further checked for common DP ID/ beneficiary ID. In case of applications with common DP ID/ beneficiary ID, are manually checked to eliminate possibility of data entry error to determine if they are multiple applications.
- c. Applications which do not qualify as multiple applications as per above procedure are further checked for common PAN. All such matched applications with common PAN are manually checked to eliminate possibility of data capture error to determine if they are multiple applications.

In case of a mutual fund, a separate Application can be made in respect of each scheme of the mutual fund registered with SEBI and such Applications in respect of more than one scheme of the mutual fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

In cases where there are more than 20 valid applications having a common address, such shares will be kept in abeyance, post allotment and released on confirmation of “know your client” norms by the depositories. The Company reserves the right to reject, in our absolute discretion, all or any multiple Applications in any or all categories.

Permanent Account Number or PAN

Pursuant to the circular MRD/DoP/Circ 05/2007 dated April 27, 2007, SEBI has mandated Permanent Account Number (“PAN”) to be the sole identification number for all participants transacting in the securities market, irrespective of the amount of the transaction w.e.f. July 2, 2007. Each of the Applicants should mention his/her PAN allotted under the IT Act. Applications without this information will be considered incomplete and are liable to be rejected. It is to be specifically noted that Applicants should not submit the GIR number instead of the PAN, as the Application is liable to be rejected on this ground.

Right to Reject Applications

In case of QIB Applicants, the Company in consultation with the Lead Manager may reject Applications provided that the reasons for rejecting the same shall be provided to such Applicant in writing. In case of Non Institutional Applicants and Retail Individual Applicants who applied, the Company has a right to reject Applications based on technical grounds.

Grounds for Rejections

Applicants are advised to note that Applications are liable to be rejected inter alia on the following technical grounds:

- ✓ Amount paid does not tally with the amount payable for the highest value of Equity Shares applied for;
- ✓ In case of Partnership Firms, Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply;
- ✓ Application by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane persons;
- ✓ PAN not mentioned in the Application Form;
- ✓ GIR number furnished instead of PAN;
- ✓ Applications for lower number of Equity Shares than specified for that category of investors;
- ✓ Applications at a price other than the Fixed Price of the Issue;
- ✓ Applications for number of Equity Shares which are not in multiples of 8,000;
- ✓ Category not ticked;
- ✓ Multiple Applications as defined in this Draft Prospectus;
- ✓ In case of Application under power of attorney or by limited companies, corporate, trust etc., where relevant documents are not submitted;

- ✓ Applications accompanied by Stock invest/ money order/ postal order/ cash;
- ✓ Signature of sole Applicant is missing;
- ✓ Application Forms are not delivered by the Applicant within the time prescribed as per the Application Forms, Issue Opening Date advertisement and the Prospectus and as per the instructions in the Prospectus and the Application Forms;
- ✓ In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Applicants (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's account number;
- ✓ Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;
- ✓ Applications where clear funds are not available in the Escrow Account as per the final certificate from the Escrow Collection Bank(s);
- ✓ Applications by OCBs;
- ✓ Applications by US persons other than in reliance on Regulation S or "qualified institutional buyers" as defined in Rule 144A under the Securities Act;
- ✓ Applications not duly signed;
- ✓ Applications by any persons outside India if not in compliance with applicable foreign and Indian laws;
- ✓ Applications that do not comply with the securities laws of their respective jurisdictions are liable to be rejected;
- ✓ Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- ✓ Applications by persons who are not eligible to acquire Equity Shares of the Company in terms of all applicable laws, rules, regulations, guidelines, and approvals;
- ✓ Applications or revisions thereof by QIB Applicants, Non Institutional Applicants where the Application Amount is in excess of ₹ 2,00,000 received after 5.00 pm on the Issue 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 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."***

Signing of Underwriting Agreement

Vide an Underwriting agreement dated May 15, 2013 this issue is 100% Underwritten.

Filing of the Prospectus with the RoC

The Company will file a copy of the Prospectus with the RoC in terms of Section 56 and Section 60 of the Companies Act.

Pre-Issue Advertisement

Subject to Section 66 of the Companies Act, the Company shall, after registering the Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in one widely circulated English language national daily newspaper; one widely circulated Hindi language national daily newspaper and one regional language newspaper with wide circulation.

Designated Date and Allotment of Equity Shares

The Company will issue and dispatch Letters of Allotment/ Securities Certificates and/ or letters of regret along with Refund Order or credit the allotted securities to the respective beneficiary accounts, if any within a period of 12 days of the Issue Closing Date.

In case the Company issues Letters of Allotment, the corresponding Security Certificates will be kept ready within three months from the date of allotment thereof or such extended time as may be approved by the Company Law Board under Section 113 of the Companies Act, 1956 or other applicable provisions, if any. Allottees are requested to preserve such Letters of Allotment, which would be exchanged later for the Security Certificates.

After the funds are transferred from the Escrow Account to the Public Issue Account on the Designated Date, the Company would ensure the credit to the successful Applicants depository account. Allotment of the Equity Shares to the allottees shall be within two working days of the date of Allotment.

Investors are advised to instruct their Depository Participant to accept the Equity Shares that may be allocated/ Allotted to them pursuant to this Issue.

Applicants to whom refunds are made through electronic transfer of funds will be sent a letter intimating them about the mode of credit of refund within 12 Working days of closure of Issue.

The Company will provide adequate funds required for dispatch of refund orders or allotment advice to the Registrar to the Issue.

Refunds will be made by cheques, pay orders or demand drafts drawn on a bank appointed by us, as Refund Banker and payable at par at places where applications are received. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centres will be payable by the Applicants.

Payment of Refund

Applicants must note that on the basis of name of the Applicants, Depository Participant's name, DP ID, Beneficiary Account number provided by them in the Application Form, the Registrar will obtain, from the Depositories, the Applicants' bank account details, including the nine digit Magnetic Ink Character Recognition ("MICR") code as appearing on a cheque leaf. Hence Applicants 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 dispatch of refund order or refunds through electronic transfer of funds, as applicable, and any such delay shall be at the Applicants' sole risk and neither the Company, the Registrar, Escrow Collection Bank(s), Bankers to the Issue nor the Lead Manager shall be liable to compensate the Applicants for any losses caused to the Applicant due to any such delay or liable to pay any interest for such delay.

Mode of making refunds

The payment of refund, if any, would be done through various modes as given hereunder:

- 1) **NECS** (*National Electronic Clearing System*) - 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 specified by the RBI. This mode of payment of refunds would be subject to availability of complete bank account details including the MICR code from the Depositories.
- 2) **Direct Credit** - Applicants having bank accounts with the Refund Banker(s), as mentioned in the 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 the Company.

- 3) **RTGS (Real Time Gross Settlement)** - Applicants having a bank account at any of the centres where such facility has been made available and whose refund amount exceeds ₹ 2.00 lakhs, 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 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 the Company. Charges, if any, levied by the applicant's bank receiving the credit would be borne by the applicant.
- 4) **NEFT (National Electronic Fund Transfer)** - 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.
- 5) For all other applicants, including those who have not updated their bank particulars with the MICR code, the refund orders will be through Speed Post/ Registered Post. 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 Applications are received. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centres will be payable by the Applicants.

Disposal of Applications and Application Moneys and Interest In Case Of Delay

The Company shall ensure the dispatch of Allotment advice, refund orders (except for Applicants 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 Exchange within two working days of date of Allotment of Equity Shares.

In case of applicants who receive refunds through NECS, Direct Credit or RTGS, the refund instructions will be given to the clearing system within 12 working days from the Issue Closing Date. A suitable communication shall be sent to the Applicants receiving refunds through this mode within 12 working days of Issue Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund.

The Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at SME Platform of BSE where the Equity Shares are proposed to be listed are taken within 12 working days of closure of the issue.

In accordance with the Companies Act, the requirements of the Stock Exchange and the SEBI Regulations, the Company further undertakes that:

- 1) Allotment of Equity Shares shall be made within 12 (twelve) working days of the Issue Closing Date;
- 2) Dispatch of refund orders or in a case where the refund or portion thereof is made in electronic manner, the refund instructions are given to the clearing system within 12 (twelve) working days of the Issue Closing Date would be ensured; and
- 3) The Company shall pay interest at 15% p.a. for any delay beyond the 12 (twelve) working days time period as mentioned above, if Allotment is not made and refund orders are not dispatched or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have

not been given to the clearing system in the disclosed manner and/ or demat credits are not made to investors within the 12 (twelve) working days time.

Undertakings by our Company

The Company undertakes the following:

- 1) That the complaints received in respect of this Issue shall be attended to by us expeditiously;
- 2) That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchange where the Equity Shares are proposed to be listed within 12 (twelve) working days of closure of the Issue;
- 3) 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 the Issuer;
- 4) That where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 12 (twelve) working days of the Issue Closing Date, as the case may be, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- 5) That the letter of allotment/ refund orders to the non resident Indians shall be dispatched within specified time; and
- 6) That no further issue of Equity Shares shall be made till the Equity Shares offered through this Draft Prospectus are listed or until the Application monies are refunded on account of non listing, under subscription etc.
- 7) That adequate arrangements shall be made till the securities offered through this Offer Document are listed or till the application moneys are refunded on account of non-listing, under subscription, etc.
- 8) The Company shall not have recourse to the Issue proceeds until the approval for trading of the Equity Shares from the Stock Exchange where listing is sought has been received.

Utilization of Issue Proceeds

Our Board certifies that:

- 1) 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;
- 2) Details of all monies utilized out of the Issue shall be disclosed under an appropriate head in our balance sheet indicating the purpose for which such monies have been utilized;
- 3) Details of all unutilized monies out of the Issue, if any shall be disclosed under the appropriate head in the balance sheet indicating the form in which such unutilized monies have been invested and
- 4) Our Company shall comply with the requirements of Clause 52 of the SME Listing Agreement in relation to the disclosure and monitoring of the utilization of the proceeds of the Issue.

Our Company shall not have recourse to the Issue Proceeds until the approval for listing and trading of the Equity Shares from the Stock Exchange where listing is sought has been received.

Withdrawal of the Issue

The Company, in consultation with the Lead Manager, reserves the right not to proceed with the Issue at any time before the Issue Opening Date, without assigning any reason thereof. Notwithstanding the foregoing, the Issue is also subject to obtaining the following:

- i. The final listing and trading approvals of BSE for listing of Equity Shares offered through this issue on its SME Platform, which the Company shall apply for after Allotment and
- ii. The final RoC approval of the Draft Prospectus after it is filed with the RoC.

In case, the Company wishes to withdraw the Issue after Issue Opening but before allotment, the Company will give public notice giving reasons for withdrawal of Issue. The public notice will appear in two widely circulated national newspapers (one each in English and Hindi) and one in regional newspaper.

If the Company withdraws the Issue after the Application Closing Date, the Company will be required to file a fresh Draft Offer Document with the Board.

Equity Shares in Dematerialized Form with NSDL or CDSL

To enable all shareholders of the Company to have their shareholding in electronic form, the Company had signed the following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

- a) Agreement dated [●], between NSDL, the Company and the Registrar to the Issue;
- b) Agreement dated [●] between CDSL, the Company and the Registrar to the Issue;

The Company's shares bear an ISIN No. INE033P01011.

- ✓ An Applicant 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 Application.
- ✓ The Applicant must necessarily fill in the details (including the Beneficiary Account Number and Depository Participant's identification number) appearing in the Application Form or Revision Form.
- ✓ Allotment to a successful Applicant will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Applicant.
- ✓ Names in the 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.
- ✓ If incomplete or incorrect details are given under the heading 'Applicants Depository Account Details' in the Application Form or Revision Form, it is liable to be rejected.
- ✓ The Applicant is responsible for the correctness of his or her Demographic Details given in the Application Form vis à vis those with his or her Depository Participant.
- ✓ Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchange where our Equity Shares are proposed to be listed has electronic connectivity with CDSL and NSDL.
- ✓ The trading of the Equity Shares of the Company would be in dematerialized form only for all investors.

Communications

All future communications in connection with the Applications made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Applicant, Application Form number, Applicants Depository Account Details, number of Equity Shares applied for, date of Application form,

name and address of the Banker to the Issue where the Application was submitted and cheque or draft number and issuing bank thereof and a copy of the acknowledgement slip.

Investors 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 shares in the respective beneficiary accounts, refund orders etc.

ISSUE PROCEDURE FOR ASBA (APPLICATION SUPPORTED BY BLOCKED ACCOUNT) APPLICANTS

This section is for the information of investors proposing to subscribe to the Issue through the ASBA process. Our Company and the Lead Manager are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of this Draft Prospectus. ASBA Applicants are advised to make their independent investigations and to ensure that the ASBA Application Form is correctly filled up, as described in this section.

The lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on <http://www.sebi.gov.in>. For details on designated branches of SCSB collecting the Application Form, please refer the above mentioned SEBI link.

ASBA Process

A Resident Retail Individual Investor shall submit his Application through an Application Form, either in physical or electronic mode, to the SCSB with whom the bank account of the ASBA Applicant or bank account utilized by the ASBA Applicant ("ASBA Account") is maintained. The Application Form shall bear the stamp of the SCSBs and if not, the same shall be rejected.

The SCSB shall block an amount equal to the Application Amount in the bank account specified in the ASBA Application Form, physical or electronic, on the basis of an authorization to this effect given by the account holder at the time of submitting the Application. The Application Amount shall remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount against the allocated shares to the ASBA Public Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the ASBA Application, as the case may be. The ASBA data shall thereafter be uploaded by the SCSB in the electronic IPO system of the Stock Exchange. 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 bank accounts and for transferring the amount allocable to the successful ASBA Applicants to the ASBA Public Issue Account.

In case of withdrawal/failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Lead Manager ASBA Applicants are required to submit their Applications, either in physical or electronic mode. In case of application in physical mode, the ASBA Applicant shall submit the ASBA Application Form at the Designated Branch of the SCSB. In case of application in electronic form, the ASBA Applicant shall submit the Application Form either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for applying and blocking funds in the ASBA account held with SCSB, and accordingly registering such Applications.

Who can apply?

In accordance with the SEBI (ICDR) Regulations, 2009 in public issues w.e.f. May 1, 2010 all the investors can apply through ASBA process and w.e.f May 02, 2011, the Non-Institutional applicants and the QIB Applicants have to compulsorily apply through the ASBA Process.

Mode of Payment

Upon submission of an Application Form with the SCSB, whether in physical or electronic mode, each ASBA Applicant shall be deemed to have agreed to block the entire Application Amount and authorize the Designated Branch of the SCSB to block the Application Amount, in the bank account maintained with the SCSB. Application Amount paid in cash, by money order or by postal order or by stockinvest, or ASBA Application Form accompanied by cash, draft, money order, postal order or any mode of payment other than blocked amounts in the SCSB bank accounts, shall not be accepted. After verifying that sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Application Amount mentioned in the ASBA Application Form till the Designated Date. On the Designated Date, the SCSBs shall transfer the amounts allocable to the ASBA Applicants from the respective ASBA Account, in terms of the SEBI Regulations, into the ASBA Public Issue Account. The balance amount, if any against the said Application in the ASBA Accounts shall then be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the Issue.

The entire Application Amount, as per the Application Form submitted by the respective ASBA Applicants, would be required to be blocked in the respective ASBA Accounts until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount against allocated shares to the ASBA Public Issue Account, or until withdrawal/failure of the Issue or until rejection of the ASBA Application, as the case may be.

Unblocking of ASBA Account

On the basis of instructions from the Registrar to the Issue, the SCSBs shall transfer the requisite amount against each successful ASBA Applicant to the ASBA Public Issue Account and shall unblock excess amount, if any in the ASBA Account. However, the Application Amount may be unblocked in the ASBA Account prior to receipt of intimation from the Registrar to the Issue by the Controlling Branch of the SCSB regarding finalization of the Basis of Allotment in the Issue, in the event of withdrawal/failure of the Issue or rejection of the ASBA Application, as the case may be.

ESCROW MECHANISM

Terms of Payment / Payment Instructions

The entire Issue Price of ₹ 15 per share is payable on application. In case of allotment of lesser number of Equity shares than the number applied, the Company shall refund the excess amount paid on Application to the Applicants.

Payments should be made by cheque, or demand draft drawn on any Bank (including a Co operative Bank), which is situated at, and is a member of or sub member of the bankers' clearing house located at the centre where the Application Form is submitted. 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/ Stock invest/ Money Orders/ Postal orders will not be accepted.

A separate Cheque or Bank Draft should accompany each Application Form. Applicants should write the Share Application Number on the back of the Cheque /Draft. Outstation Cheques will not be accepted and applications accompanied by such cheques drawn on outstation banks are liable for rejection. Money Orders / Postal Notes will not be accepted.

Each Applicant shall draw a cheque or demand draft for the amount payable on the Application and/ or on allocation/ Allotment as per the following terms:

- 1) The payment instruments for payment into the Escrow Account should be drawn in favour of:

- Indian Public including eligible NRIs applying on non-repatriation basis: "Escrow Account – Trine Entertainment Limited - R".
 - In case of Non-Resident Retail Applicants applying on repatriation basis: "Escrow Account – Trine Entertainment Limited - NR"
- 2) In case of Application by NRIs applying on repatriation basis, the payments must be made through Indian Rupee drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted 190 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 authorized 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 Applicant applying 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.
- 3) Where an Applicant has been allocated a lesser number of Equity Shares than the Applicant has applied for, the excess amount, if any, paid on Application, after adjustment towards the balance amount payable by the Pay-In Date on the Equity Shares allocated will be refunded to the Applicant from the Refund Account.
- 4) On the Designated Date and no later than 12 Working days from the Issue Closing Date, the Escrow Collection Bank shall also refund all amounts payable to unsuccessful Applicants and also the excess amount paid on Application, if any, after adjusting for allocation / Allotment to the Applicants.

SECTION VIII: MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION OF OUR COMPANY

Capitalised terms used in this section have the meaning that has been given to such terms in the Articles of Association of our Company. Pursuant to Schedule II of the Companies Act and the SEBI Regulations, the main provisions of the Articles of Association of our Company are detailed below:

CAPITAL			
6		The Authorised Share Capital of the Company shall be such as mentioned in Clause V of the Memorandum of Association of the Company with power to the company to increase or reduce the said capital and to issue any part of its capital, original or increased, with or without any preference, priority or special privileges or subject to any postponement of rights or to any conditions or restrictions, so that the conditions of issue shall otherwise be subject to the power herein contained. The rights and privileges attached to any shares having preferential, qualified or special rights, privileges or conditions attached thereto may be altered or dealt with in accordance with the clauses of the accompanying Articles of Association but not otherwise.	'Capital'
7		Subject to the provisions of the Act, the Company may by ordinary resolution in General Meeting, from time to time, increase the capital by the creation of new shares of such respective amount with such rights, privileges or restrictions as the resolution shall prescribe.	'Increase of Capital'
8	(1)	Where at any time after the expiry of two years from the formation of the Company or at any time after the expiry of one year from the allotment of shares in the Company made for the first time after its formation, whichever is earlier, it is proposed to increase the subscribed capital of the Company by allotment of further shares, then,	'Further issue of Capital how disposed of'
	(a)	Such further shares shall be offered to the persons who, at the date of the offer, are holders of equity shares of the Company in proportion, as nearly as circumstances admit, to the capital paid up on those shares at the date;	
	(b)	the offer aforesaid shall be made by notice specifying the number of shares offered and limiting a time not being less than fifteen days from the date of the offer within which the offer, if not accepted, will be deemed to have been declined;	
	(c)	the offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person; and the notice referred to in clause [b] shall contain a statement of this right;	
	(d)	after the expiry of the period specified in the notice aforesaid, 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 of them in such manner as it may think most beneficial to the Company.	

	(2)		Nothing in clause [c] of sub-clause [1] shall be deemed;	
		(a)	to extend the time within which the offer should be accepted, or	
		(b)	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.	
	(3)		Notwithstanding anything contained in sub-clause [1], further shares to be allotted as aforesaid may be offered to any other person, if the Company in General Meeting authorises the same.	
9.	(1)		Subject to the provisions of the Act, and this Article, the Company may issue preference shares with such rights privileges and the Board of the Company in General Meeting may fix terms as.	'Preference Shares'
	(2)	(a)	No preference shares issued as aforesaid shall be redeemed except out of the profits of the Company which would otherwise be available for dividend or out of the proceeds of the 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; and	
		(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 reduction of the share capital of the company shall, except as provided in this article, apply as if the Capital Redemption Reserve Account were paid-up share capital of the Company.	
	(3)		Subject to the provisions of this Article, the redemption of preference shares thereunder may be affected on such terms and in such manner as may be provided by these Articles, or the terms of issue thereof.	
	(4)		The redemption of preference shares under this Articles by Company shall not be taken as reducing the amount of its authorised Share Capital.	
	(5)		Where in pursuance of this Article the Company has redeemed or is about to redeem any preference shares; it shall have the 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 sub-clause	
		Provided that, where new shares are issued before the 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 sub-clause unless the old shares are redeemed within one month after the issue of the new shares.	
	(6)	The capital redemption reserve account, may notwithstanding anything in this article, be applied by the Company, in paying up unissued shares of the Company to be issued to members of the Company as fully paid bonus shares.	
(10)	(1)	In terms of Section 94 of the Act the Company may from time to time by ordinary resolution alter the conditions of its Memorandum of Association as follows, that is to say, it may:-	'Power of Company to alter its share capital'
	(a)	increase its share capital by such amount as it thinks expedient by issuing new shares;	
	(b)	consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;	
	(c)	convert all or any of its fully paid up shares into stock, and reconvert that stock into fully paid up shares of any denominations;	
	(d)	sub-divide its existing shares, or any of them into shares of smaller amount than is fixed by the Memorandum, so 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	
	(e)	Cancel shares, which, at the date of the passing of the resolution, on that behalf, 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.	
	2	The powers conferred by this article shall be exercised by the Company in General Meeting and shall not require to be confirmed by the Court.	
	3	A cancellation of shares in pursuance of this article shall not be deemed to be a reduction of share capital within the meaning of the Act.	
11		The Company may, by special resolution, determine that any portion of its shares capital which has not been already called up shall not be capable of being called up, except in the event and for the purposes of the Company being wound up, and thereupon that portion of its share capital shall not be capable of being called up except in that event and for those purpose.	'Reserve Liabilities'

12			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 existing capital, and shall be subject to the provisions herein contained, with reference to the payment of calls and instalments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.	'Same existing Capital.'	as
13			The Company may, by special resolution, reduce its capital and any share capital redemption account in any manner including extinguishments or reduction of liability in respect of share capital not paid up on any of its subscribed shares or cancel any paid up share capital which is lost and in particular, paid up capital in excess of the needs of the Company may be paid off on the footing that it may be called up again.	'Reduction of Capital'	of
14	1		If at any time the share capital of the Company by reason of the issue of the preference shares, or otherwise is divided into different classes of shares, all or any of the rights and privileges attached to the shares of any class [unless otherwise provided by the terms of issue of the shares of that class] may, subject to the provisions of Section 106 and 107 of the Act and whether or not the Company is being wound up, be varied, modified or abrogated with the consent in writing of the holders of not less than three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the issued shares of that class.	Different classes of shares	of
	2		To every such separate meeting all the provisions of these regulations relating to meetings shall mutates apply, but so that the necessary quorum shall be two persons atleast holding or representing by proxy one-third of the issued shares of the class in question. This article is not by implication to curtail or derogate from any power the Company would have if this article were omitted.		
	3		The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not unless otherwise expressly provided by the terms of the issue of the shares of that class be deemed to be varied by the creation or issue of further shares ranking paripassu therewith.		
SHARES					
15		a	Subject to the provisions of the Act, and of these Articles, the shares in the capital for the time being [including any shares forming part of any increased capital of the Company] shall be under the control of the Board who may allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions, and either at premium or at par or [subject to the provisions of the Act] at a discount as it may, from time to time, think fit and proper and with the sanction of the Company in General Meeting, may give to any person the option to call for or be allotted any shares either at par or at a premium or subject as aforesaid at a discount, such option being exercisable at such times and for such consideration as the Board may think fit. In particular, the Board may	'Shares at the disposal of the Directors'	

			allot and issue the shares as part or full payment for any property sold or transferred, goods or machinery supplied or for services rendered to or amount spent for the purpose of the Company or its business and any shares which may be allotted and/or may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid up shares.	
			Provided however, that the Company in General Meeting shall be entitled to make any provision or provisions as regards the issue and allotment of such shares before the issue thereof by the directors.	
		b	Option or right to call of shares shall not be given to any person except with the sanction of the Company in General Meeting.	'Option or right to call of shares'
16			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 in the Register shall, for the purposes of these Articles, be a member.	'Acceptance of shares.'
17			The money [if any], which the Board shall on the allotment of any shares being made by it, require or direct to be paid by way of deposit, call or otherwise, in respect of any shares allotted by it, shall 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 to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.	'Deposits and calls etc. to be a debt payable immediately.'
18			Every member, or his heirs, executors or administrators, shall pay to the Company the proportion of the capital represented by his share or shares which may, for the time being remain unpaid thereon, such amounts at such time or times and in such manner, as the Board shall, from time to time, in accordance with the Company's regulations require or fix for the payment thereof.	'Liability of Members.'
19			The certificates of title to shares shall be issued under the Seal of the Company which shall be affixed in the presence of and signed by [i] two Directors or persons acting on behalf of the Directors under a duly registered Power of Attorney and [ii] the Secretary or some other person appointed by the Board other than the Managing Director or a Whole-time Director. 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.	'Affixing of seal on Share Certificate'
			Provided always that, notwithstanding anything contained in this Article, the certificates of title to shares shall be executed and issued in accordance with such other provisions of the Act or the Rules made thereunder, as may be in force for the time being and from time to time.	
20		a	Every member shall be entitled without payment, to one certificate of	'Issue of'

			title to shares for all the shares of each class registered in his name. If the Board so approves, and upon payment of such fee per certificate as the Board may from time to time determine in respect of each class of shares, a member may be issued, more than one certificate for shares of each class. Every certificate of title to shares shall specify the number and distinctive number[s] of the shares in respect of which it is issued and the amount paid thereon.	Certificates'
		b	Any two or more joint allottees of a share, shall for the purpose of this articles, be treated as a single member, and the certificates of any share which may be the subject of joint ownership, may be delivered to any one of such joint owners on behalf of all of them.	
21			A certificate may be renewed or a duplicate of a certificate may be issued by the Company if such certificate is proved to have been lost or destroyed or have been defaced or mutilated or torn is surrendered to the Company. The Company shall comply with the rules as may be prescribed regarding the manner of issue or renewal of a certificate or issue of a duplicate thereof, the form of a certificate [original or renewed] or of a duplicate thereof, the particulars to be entered in the Register of Members or in the Register of Renewed or Duplicate thereof, the form of such registers, the fee on payment of which, the terms and conditions, if any [including terms and conditions as to evidence and indemnity and the payment of out-of-pocket expenses incurred by the Company an investigating evidence] on which a certificate may be renewed or a duplicate thereof may be issued.	'Renewal of Certificates'
22			If any share stands in the name of two or more persons, the person first named in the Register, shall as regards receipt of dividends or bonus or service of notices and all or any other matters connected with Company, except voting at meetings and the transfer of the shares, be deemed the sole holder thereof, but the joint holders of a share shall be, severally as well as jointly, liable for the payment of all instalments and calls due in respect of such share, and for all incidents thereof according to the Company's regulations.	'The First Named of Joint Holders deemed Sole Holder.'
23			No notice of any trust, express, implied or constructive, shall be entered in the Register of Members. The Company shall not [except as ordered by a Court of competent jurisdiction or by the Act required] be bound to recognize [even when having notice thereof] any equitable, contingent, future or partial interest in any share or any interest in any fractional part of a share or [except only as is by these presents otherwise expressly provided] any right in respect of a share other than an absolute right to the entirety thereof in accordance with these presents, in the person from time to time registered as the holder thereof; but the board shall be at liberty at its sole discretion, to register any share in the joint names of any two or more persons or the survivors or survivor of them.	'Company not bound to recognize any interest in share other than that of registered holder.'
24			Where any shares in the Company are issued for the purpose of raising money to defray the expenses of the construction of any work or building or the provisions of any plant, which cannot be made	'Payment of interest out of Capital,

			profitable for a lengthy period, the Company may pay interest on so much of that share capital as is for the time being paid up, for the period, at the rate and subject to the conditions and restrictions provided by Section 208 of the Act, and may change the same to capital as part of the cost of construction of the work or building, or the provision of the plant.	
25			Subject to the provisions of the Act, and all other applicable provisions of law, as may be in force at any time and from time to time, the Company may acquire, purchase, hold resell any of its own fully paid or redeemable shares and may make payment out of funds as its disposal for and in respect of such acquisition/purchases, on such terms and conditions and at such times as the Board may in its discretion decide and deem fit.	'Purchase by the Company of its own shares'
26			Subject to the applicable rules, regulations and guidelines the Board of Directors of the Company shall have power to formulate a scheme detailing the terms of Employee Stock Open Plan [ESOP] and implementing the same.	'Employees Stock Option Plan [ESOP]'
27			Subject to the provisions of the Act and all other applicable provisions of law, as may be in force at any time and from time to time, the Company may issue shares, either equity or any other kind with non-voting rights, and the resolution authorizing such issue shall prescribe the terms and conditions of the issue.	'Issue of Shares with non-voting rights.'
COMMISSION, BROKERAGE AND DISCOUNT				
28	1		Subject to the provisions of the Act the Company may pay a commission to any person in consideration of :	'Commission, Brokerage and Discount.'
		a	his subscribing or agreeing to subscribe, whether absolutely or conditionally for any share in, or debentures of the Company.	
		b	his procuring or agreeing to procure subscriptions, whether absolute or conditional, for any shares in, or debentures of, the Company.	
			Provided that the commission paid or agreed to be paid does not exceed, the amount if any prescribed in the Act and that all the requirements prescribed in the Act in this regard are duly complied with.	
	2		The Company may also pay such brokerage as it has heretofore been lawful for a Company to pay.	
CALLS ON SHARES				
29	1		The Board may, from time to time, make calls upon the members in respect of all moneys unpaid on their shares held by them respectively [whether on account of the nominal value of the shares or by way of premium] and not by the conditions of allotment thereof made payable at fixed times.	'Directors may make calls on shares.'

	2		Each member shall, subject to receiving at least fourteen days notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his shares.	
	3		A call may be revoked or postponed at the discretion of the Board.	
30			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.	'Calls on shares of the same class to be made on uniform basis.'
			(Explanation: - For the purpose of this Article, shares of the same nominal value on which different amounts have been paid up, shall not be deemed to fall under the same class.)	
31			A call shall be deemed to have been made at the time when the resolution of the Board authorizing the call was passed and may be required to be paid by instalments.	'When call deemed to be made'
32			The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.	'Joint holders liability'
33	1		Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purpose of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.	'What sum deemed to be a call.'
	2		In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such had become payable by virtue of a call duly made and notified.	
34			The Board 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. The Board may deem fairly entitled to such extension, but no member shall be entitled to such extension save as a matter of grace and favour.	'Board may extend Time.'
35			If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, or any such extension thereof as aforesaid, the person from whom the sum is due shall pay interest from the day appointed for the payment thereof to the time of actual payment at eighteen percent per annum or at such lower rate if any, as the Board may determine. The Board shall be at liberty to waive payment of any such interest wholly or in part.	'Call to carry interest.'
36			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 his shares, it shall be sufficient to prove that the name of the member in	'Proof on Trial of Suit for Money due on Shares.'

			respect of whose shares the money is sought to be recovered, appears entered in the register of members as the holder or one of the holder, at or subsequently to the date at which the money sought to be recovered is alleged to have become due, on the shares in respect of which such money is sought to be recovered; that the resolution making the call is duly recorded in the minute book; and that notice of such call was duly given to the member or his representatives in pursuance of the Act and these presents.	
37			Neither a judgement nor a decree in favour of the Company for the amount of calls or other moneys due in respect of any shares, nor any part payment or satisfaction thereunder, nor 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 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.	'Partial payment not to preclude forfeiture.'
38			The Board may, if it thinks fit, receive from any member willing to advance the same, all or any part of the moneys and unpaid upon any shares held by him; and upon all or any of the moneys so advanced, may [until the same would, but for such advance, become presently payable] pay interest at such rate as may be agreed upon between the Board and the member paying the sum in respect of the moneys so paid by him until the same would, but for such payment become presently payable. The Board may at any time repay the amount so advanced upon giving to the member proper notice in writing.	'Payments in anticipation of calls may carry interest.'
39			Any money due from the Company to a member may without the consent of such member, be applied by the Company in or towards payment of any money due from him to the Company for calls or otherwise	'Money due to a member from the Company.'
LIEN				
40			The Company shall have a first and paramount lien upon the shares [other than fully paid up shares] registered in the name of each member [whether solely or jointly with others] and upon the proceeds of sale thereof for all money [whether presently payable or not] called or payable at a fixed time in respect of such shares. And such lien shall extend to all dividends from time to time declared in respect of such shares. Unless otherwise agreed, the registration of a transfer of shares shall operate as a waiver of the Company's lien if any on such shares. The Board may at anytime declare any shares to be exempt, wholly or partially, from the provisions of this Article.	'Lien.'
41			For the purpose of enforcing such lien Company may sell or dispose of the shares subject thereto, in such manner as the Board may think fit.	'Lien how exercised'
			Provided that no sale shall be made: -	
		a	unless a sum in respect of which the lien exists is presently payable;	

			an	
		b	until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable has been given to the holder for the time being of the share or the person entitled thereto by reason of his death or insolvency and default has been made in payment.	
42	1		To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.	'Protection to purchaser.'
	2		The purchaser shall be registered as the holder of the shares comprised in any such transfer.	
	3		The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.	
43	1		The net proceeds of the sale or disposal, after payment of the costs of 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.	'Proceeds of sale how dealt.'
	2		The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale or disposal [if any] be paid to the person entitled to the shares at the date of the sale.	
FORFEITURE OF SHARES				
44			If a member fails to pay any call or instalment of a call on the day appointed for the payment thereof, the Board may, at any time thereafter, during such time as any part of the call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is 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.	'If money payable on shares not paid, notice to be given to member.'
45			The notice aforesaid shall [a] name a further day [not being earlier than the expiry of fourteen days from the date of service of the notice] on or before which and the place at which the payment required by the notice is to be made, and [b] state that in the event of non-payment on or before the day and the place so named the shares in respect of which the call was made or instalment was payable, will be liable to be forfeited.	'Terms of Notice.'
46			If the requirements of any such notice as aforesaid are not complied with any share in respect of which the notice has been given may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before forfeiture.	'In default of payment shares to be forfeited.'

47			When any share shall have been so forfeited notice of the forfeiture, shall be given to the member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof, shall forthwith be made in the Register of Members.	'Notice of Forfeiture to Member.'
48			Any shares so forfeited shall be deemed to be the property of the Company and the Board may sell, re-allot or otherwise dispose of the same upon such terms and in such manner as the Board thinks fit.	'Forfeited Shares to be property of the Company and may be sold etc.'
49			At any time before a sale or disposal as aforesaid, the Board may annul the forfeiture upon such terms, as it may think fit.	'Power to Annual Forfeiture.'
50	1		A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall notwithstanding the forfeiture remain liable to pay and shall forthwith pay to the Company all moneys which at the date of forfeiture were presently payable by him to the Company in respect of the shares, together with interest thereon from the time of the forfeiture until payment, at such rate as the Board may determine and the Board may enforce the payment thereof, if it may think fit, but shall not be under any obligation to do so.	'Member still liable to pay money owed at time of forfeiture and interest.'
	2		The liability of such person shall cease if and when the Company shall have received payment in full of all such moneys in respect of the shares.	
51			The forfeiture of share shall involve extinction, at the time of the forfeiture of all interest in and all claims and demands against the Company, in respect of the share and all other rights incidental to the share, except only such rights as by these present expressly saved.	'Effect of Forfeiture'
52	1		A duly verified declaration in writing that the declarant is a Director or the Secretary of the Company and that a share in the Company has been duly forfeited on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share.	'Declaration as to forfeiture.'
	2		The Company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute or authorise some person to execute a transfer of the share in favour of the person to whom the share is sold or disposed of and may cause to be issued a duplicate certificate in respect of the share sold.	
	3		The transferee shall thereupon be registered as the holder of the share.	
	4		The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceeding in reference to the	

			forfeiture, sale or disposal of the share.	
53			The provisions of these regulations as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable as a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of call duly made and notified.	Non-payment of other sums payable at fixed time
TRANSFER AND TRANSMISSION				
54			The Company shall keep a Register either in electronic media or book form, 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.	'Register of Transfer.'
55			No transfer shall be registered unless a proper instrument of transfer duly executed and stamped has been delivered to the Company. The instrument of transfer of any shares or debentures in the Company shall be in writing in the usual common form and executed by or on behalf of both the transferor and the transferee.	'Form of Transfer.'
56			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.	'Transferor deemed holder.'
57			The Board may after giving not less than seven days' previous notice by advertisement in some newspaper circulating in Mumbai as required by the Act, close the Transfer Register and Register of Members and of Debenture Holders for any periods not exceeding in the aggregate, (forty-five) days in each year, but not exceeding 30 days at any one time.	'Transfer Register when closed.'
58			Subject to the provisions of the Act, the Board may refuse to register any proposed transfer of, or the transmission by operation of law of the right to, any shares, or interest of a member in, or debentures of the Company; and without prejudice to the generality of the aforesaid power, may refuse to register the transfer of a share [not being a fully paid share], or any transfer of shares on which the Company has a lien. 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. If the Board refuses to register a transfer of any shares, it shall within two months from the date on which the instrument of transfer, or the instrument of such transmission, as the case may be was delivered to the Company, send notice of the refusal to the transferee and the transferor or to the person, giving reasons for such refusal to transfer or such transmission, as the case may be.	'Board may to refuse register transfer.'
59			In case of death of any one or more of the persons named in the Register as the joint holder of any share, the survivors or survivor shall be the only persons recognized by the Company as having any title to or interest in such shares, but nothing herein contained shall be taken to release the estates of a deceased joint holder from any	'Death of one or more joint holders of shares.'

			liability on shares held by him jointly with any other papers.	
58			Subject to Article 59 above, the executor or administrators of a deceased member or holder of a Succession Certificate shall be the only person recognized by the Company as having any title to the shares registered in the name of such member, and the Company shall not be bound to recognize such executor or administrator unless such executor or administrator shall have first obtained Probate or Letters of Administration or Succession Certificate as the case may be, from a duly constituted Court in India having jurisdiction provided that in any case where the Board in its absolute discretion thinks fit, the Board may dispense with production of Probate or Letters of Administration or Succession Certificate and under the next Article, register the name of deceased member, as a member. Every transmission of shares shall [if required by the Board] be evidenced by an instrument of transmission in such form and verified in such manner as the Board may require.	'Title to shares of Deceased Holder.'
61	1		Subject to the provisions of the last two preceeding Articles, any person becoming entitled to a share in consequence of the death, lunacy, bankruptcy or insolvency of a member, or by any lawful means other than by a transfer in accordance with these presents, may with the consent of the Board [which it 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 his title and giving such indemnity as the Board thinks sufficient, elect either [a] to be registered himself as the holder of the share [in which case he shall deliver or send to the Company a notice in writing signed by him stating that he so elects] or [b] to have some person nominated by him and approved by the Board registered as such holder, provided nevertheless, that if such person shall elect to get his nominee registered, he shall testify the election by executing to his nominee an instrument of transfer in accordance with the provisions herein contained, and until he does so, he shall not be freed from any liability in respect of the shares. The Board shall in either case, have the same right to decline or suspend registration as it would have had, if the deceased, or lunatic or insolvent member had transferred the shares before his death, lunacy or insolvency. All the limitations, restriction and provisions of these presents relating to the rights to transfer and the registration of transfer of shares shall be applicable to any such notice of transfer as aforesaid as if the death, lunacy or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.	Registration of shares to persons other than by transfer
	2		A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were registered holder of the share, 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 meetings of the Company; Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety	

		days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the share, until requirements of the notice have been complied with.	
62		Every instrument of transfer shall be left at the office of the Company or any other place as may be specified for registration accompanied by the certificate of the shares to be transferred or allotment letter thereof and such other evidence as the Board may require to prove the title of the transferor, his right to transfer the shares and generally under and subject to such condition and regulations as the Board shall from time to time prescribe, and every registered instrument of transfer shall remain in the custody of the Company until destroyed by order of the Board. In the case of partly paid-up shares the Board shall give notice to the transferee. Any instrument of transfer, which the Board may decline to register, shall be returned to the person depositing the same.	‘ Transfer to be presented with evidence of title’
63		Previous to the registration of a transfer, the certificate or certificates of the share or shares to be transferred or if no such certificates is in existence the letter of allotment of the share or shares to be transferred must be delivered to the Company.	‘Conditions of registration of transfer.’
64		Where it is proved to the satisfaction of the Board that an instrument of transfer signed by the transferor and the transferee has been lost, the Company may, if the Board think fit, on an application in writing made by the transferee and bearing the stamp required on an instrument of transfer, register the transfer on such terms as to indemnity as the Board may think fit.	‘Lost transfer.’
65		No fee shall be charged by the Company, in respect of the transfer or transmission of any share of the Company. The Company shall not charge any fee for issuing any Share Certificate on splitting or for consolidation of share certificates.	‘No fee payable on transmission or splitting or consolidation of shares.’
66		The Company shall incur no liability or responsibility whatever in consequence of its registering or giving effect to any transfer of shares, made or purported 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 same shares, notwithstanding that the Company may have had notice of such equitable right, title or interest, to or in the same 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, or referred thereto, in any book of the Company, and the Company shall not be bound or required to regard or attend or to give effect to any notice which may be given to it of any equitable right, title or interest to any other liability whatsoever for refusing or neglecting to do so, but the Company shall nevertheless be at liberty to have regard and attend to any such notice, and give effect thereto, if the Board shall so think fit.	‘The Company not liable for disregard of a Notice Prohibiting Registration of a transfer.’

67			Nothing contained in Articles 59 to 66 shall prejudice any power of the Company to register as member or debenture holder any person to whom the right to any shares in or debentures of the company has been transmitted by operation of law.	'Transmission by law.'
67 A	1		Where the nominee is a minor, it shall be lawful for the holder of the shares or debentures, to make the nomination to appoint any person to become entitled to shares in, or debentures of, the Company in the manner prescribed under the Act, in the event of his death, during the minority.	'Nomination'
	2		A nominee upon production of such evidence as may be required by the Board and subject as hereinafter provided, elect, either	
		a	to register himself as holder of the share or debenture, as the case may be; or	
		b	to make such transfer of the share or debenture, as the deceased shareholder or debenture holder, as the case may be, could have made.	
	3		If the nominee elects to be registered as holder of the share or debenture, himself, as the case may be, he shall deliver or send to the Company, a notice in writing signed by him stating that he so elects and such notice shall be accompanied with the death certificate of the deceased shareholder or debenture holder, as the case may be.	
	4		A nominee shall be entitled to the share dividend and other rights to which he would be entitled if he were the registered holder of the share or debenture. Provided that he shall not, before being registered as a member, be entitled to exercise any right conferred by membership in relation to meeting of the Company.	
			Provided further that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share or debenture, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the share or debenture, until the requirements of the notice have been complied with.	
68			Subject to the provisions of the Act, the Board shall have the power from time to time, as its discretion, to accept deposits from members, either in advance of calls or otherwise, and generally raise or borrow or secure the payment of any sum of money for the purpose of the Company. The payment or repayment of such moneys may be secured in such manner and upon such terms and conditions in all respects as the Board may think fit, and in particular by bonds, a mortgage or mortgages of, or the issue of perpetual or redeemable mortgage debentures or debenture stock of the Company [both present and future] including its uncalled capital for the time being and the debentures, debenture stock and other securities may be	'Power to Borrow'

			made assignable free from any equities between the Company and person to whom the same may be issued. The Company shall not issue any debentures carrying voting rights at any meeting of the Company whether generally or in respect of a particular class.	
69			An issue of debentures, debenture stock, bonds or other securities shall be governed by and be subject to the provisions of the Act. Any debentures, debenture stock, bonds or other securities may be issued at a discount, premium or otherwise and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending at General Meetings of the Company, appointment of Directors and otherwise. Provided that debentures or other securities with the right to allotment of or conversion into shares shall not be issued, except with the sanction of the Company in General Meeting.	Terms of issue of debentures etc.
CONVERSION OF SHARES INTO STOCK				
70			The Company may subject to the provision of the Act, by ordinary resolution [a] convert any paid-up shares into stock; and [b] re-convert any stock into paid-up shares of any denomination.	'Conversion of shares into stock.'
71			The holders of stock may transfer the same or any part thereof in the same manner as and subject to the same regulations under which the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit.	'Transfer of stock.'
72			The holder of stock shall according to the amount of stock held by them, have the same rights, privileges, and advantages as regards dividends, voting at meetings of the Company and other matters as if they held the shares from which such stock arose; but no such privileges or advantages [except participation in the dividends and property of the Company or in the assets of winding up] shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.	'Rights of holders to stock.'
73			Such of the regulations of the Company [other than those relating to share warrants] as are applicable to paid-up shares shall apply to stock and the words 'Share' and 'Share holder' in these regulations shall include 'stock' and 'stock holder' respectively.	'Regulations to apply to stock.'
SHARE WARRANTS				
74			Subject to the provisions of the Act the Company may with the previous approval of the Central Government, with respect to any fully paid-up shares, issue under its Common Seal, a warrant stating that the bearer of the warrant is entitled to the shares therein specified, and may provide by coupons or otherwise, for the payment of the future dividends on the shares specified in the warrant, and the Board may in its discretion and in accordance with the law prescribe regulations as to the issue and the rights of a bearer of a share warrant.	'Issue of share warrants to bearer.'
MEETING OF MEMBERS				

75	1		The Company shall, in each year, hold, in addition to any other meetings a General Meeting as its members as its Annual General Meeting and shall specify the meeting as such in the notices calling it, and not more than fifteen months shall elapse between the date of one Annual General Meeting and that of the next. All General Meeting other than Annual General Meetings shall be called Extra Ordinary General Meetings.	'Annual General Meeting.'
	2		Every Annual General Meeting shall be called for a time during business hours, on a day that is not a public holiday, and shall be either at the Registered Office of the Company or at some other place within the Municipal city limits of Mumbai	
76			No resolution or an amendment thereto shall be put to a General Meeting unless it is duly proposed and seconded. This provision shall not apply to a resolution moved from the Chair.	'Resolution to be moved and seconded and exception.'
77			The Board may, whenever it thinks fit, convene an Extraordinary General Meeting and if at any time the Board is not able to act in the matter for want of quorum any director may call the Extraordinary General Meeting.	'Extraordinary General Meetings.'
78			A General Meeting of the Company may be called by giving not less than 21 day's notice in writing or by giving a shorter notice with the consent of members as provided in the Act. Every notice of a meeting shall specify the place and the day and hour of the meeting and shall contain a statement of the business to be transacted thereat and where any special business is to be transacted at the meeting, an explanatory statement shall be annexed to the notice as required under the Act.	'Notice of General Meeting.'
79			Where it is proposed to pass a special resolution, the intention to propose a Resolution as a special resolution shall be specified in the notice calling the General Meeting or other intimation given to the members of the Resolution.	'Notice of Special Resolution.'
80			The accidental omission to give notice to or the non-receipt of the notice by any member, or other person to whom it should be given, shall not invalidate the proceedings at the meeting.	'Omission to give notice not to invalidate proceedings.'
81			Five members entitled to vote and present in person shall be quorum for by any member, or other person to whom it should be given, shall not invalidate the proceedings at the meeting.	'Quorum of General Meeting.'
82			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 the requisition of members, shall stand dissolved. 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. If at the adjourned meeting, also a quorum is not present within half an hour from the time	'If Quorum not present, meeting to be dissolved or adjourned.'

		appointed for holding the meeting, the members present shall be a quorum and may transact the business for which the meeting was called.	
83		The Chairman of the Board and in his absence the Deputy Chairman or the Managing Director, if any of the Board shall be entitled to preside as Chairman at every General Meeting including every meeting of any class of members. If there is no such Chairman or Deputy Chairman or Managing Director, or at any meeting neither of them shall be present within fifteen minutes, after the time appointed for holding the meeting or neither of them is able for any reason or neither of them is willing to act as Chairman of the meeting, the Directors present shall elect one of their member to be Chairman of the meeting, and in default of their doing so, the members present shall choose another Director as Chairman and if no Director present be willing to take the Chair or if no Director be present, the members present shall choose one of their number to be the Chairman of the meeting.	‘Chairman of Meeting.’
84		No business shall be discussed at any meeting except the election of a Chairman while the Chair is vacant.	‘Business confined to election of Chairman whilst Chair vacant.’
85		The Chairman may with the consent of the meeting at which a quorum is present, and shall. If so directed by the meeting, adjourn the meeting from time to time and from place to place. No business shall be transacted at any adjourned meeting, other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for thirty days or more notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.	Chairman with consent may adjourn meeting.’
86		At any general meeting, a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is demanded as provided in these Articles. A declaration by the Chairman that a resolution has on a show of hands been carried, or has been carried unanimously, or by a particular majority, or lost, and an entry to that effect in the book 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 that resolution	‘Questions at General Meetings how decided?’
87		In the case of equality of votes whether on a show of hands or on a poll, the Chairman of a meeting at which the show of hands takes place or at which the poll is demanded, shall be entitled to a second or casting vote.	‘Chairman’s Casting Vote.’
88		Before or on the declaration of the result of the voting on any	‘Poll.’

			resolution on a show of hands, 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 on 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. The demand for a poll may be withdrawn at any time by the person or persons who make the demand	
89			A poll duly demanded on a question of adjournment shall be taken forthwith. A poll demanded on any other question [not being a question relating to the election of the Chairman] shall be taken at such time not being later than 48 hours from the time when the demand was made, or as the Chairman may direct. The poll shall be taken and scrutinizers shall be appointed as provided in Sections 184 and 185 of the Act. The result of the poll shall be deemed to be the decision of the meeting on the resolution on which the poll was taken.	'Poll taken.' how
90			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 regards to which the Company has exercised any right of lien.	
91			Any business other than that upon which a poll has been demanded, may be proceeded with, pending the taking of the poll.	
92			The Company shall cause minutes of all proceedings of every General Meeting to be kept as provided in Section 193 of the Act. Such minutes shall be evidence of the proceedings recorded therein and the presumptions to be drawn as provided in Section 195 of the Act shall apply thereto.	Minutes of General Meeting etc.'
91			The books containing minutes of proceedings of General Meetings of the Company shall be kept at the registered office of the Company and shall during business hours [subject to such reasonable restrictions as the Company in General Meeting may impose, so however, that not less than two hours in each day be allowed for inspection] be open to the inspection of any member without charge.	'Inspection of Book.' of
94			Any member shall be entitled to furnished, within seven days after he has made a request on that behalf to the Company, with a copy of any minutes of General Meetings on payment of such charges as may be fixed by the Board.	'Copies of Minutes.' of
VOTING RIGHTS				
95	1		Subject to the provisions of the Act, or any amendment of variation thereof every member of the Company and holding any equity share capital therein shall have right to vote in respect of such capital, on every resolution placed before the Company, and on a show of hands every member shall have one vote and on a poll his votes shall be in proportion to his share of the paid-up equity capital of the Company.	'Votes of Members.' of

	2	a	Subject as aforesaid, and save as provided in clause [b] of this article, every member of the Company holding any preference share capital [if any] in the Company, shall, in respect of such capital have a right to vote only on resolutions placed before the Company which affect the rights attached to his preference shares;	
			[Explanation: Any resolution for winding up the Company or for the repayment or reduction of its share capital shall be deemed directly to affect rights attached to preference shares within the meaning of this clause.]	
		b	Subject as aforesaid, every member holding any preference share capital in the Company, shall, in respect of such capital, be entitled to vote on every resolution placed before the Company at any meeting, if the dividend due on such capital or any part of such dividend has remained unpaid:	
			i] in the case of cumulative preference shares, in respect of an aggregate period of not less than two years preceding the date of commencement of the meeting; and	
			ii] in the case of non-cumulative preference shares, either in respect of a period of not less than two years ending with the expiry of the financial year immediately, preceding the commencement of the meeting, or, in respect of an aggregate period not less than three years comprised in the six years ending with the expiry of the financial year aforesaid.	
			[Explanation: For the purpose of this clause, dividend shall be deemed to be due to preference shares in respect of any period, whether a dividend has been declared by the Company on such shares for such period or not:]	
		a	on the last day specified for the payment of such dividend for such period, in these Articles or other instrument executed by the Company in that behalf; or	
		b	in case no day is so specified, on the day immediately following such period;	
		c	where the holder of any preference share has a right to vote on any resolution in accordance with provisions of this sub-clause, his voting right on a poll, as the holder of such share, shall be in the same proportion as the capital paid-up in respect of the preference share bears to the total paid-up equity capital of the Company.	
96			No member not personally present shall be entitled to vote on a show of hands unless such member is present by an agent duly authorised under a power of attorney or unless such member is a Corporation present by proxy or a Company present by representative duly authorised under 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.	'No voting by proxy on show of hands.'

97		No member shall be entitled to vote, speak on any question or be present either personally or by proxy for any member in any General Meeting or upon a poll, or be reckoned in a quorum unless all calls or other sums presently payable by him to the Company have been paid.	'No members to vote unless calls paid-up'
98		With prejudice to Article 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 a poll, vote by proxy. If any member be a minor, the vote in respect of his share shall be by his guardian or any one of his guardians, if more than one, to be selected in case of dispute by the Chairman of the meeting. Such evidence as the Board may require of the authority of the person claiming to vote shall be deposited at the office of the Company not less than 48 hours before the date fixed for holding the meeting.	'How members of unsound mind and minors may vote.'
99		In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the vote of the other joint holders. For this purpose, seniority shall be determined by the order in which the names stand in the Register of Members. Several executors or administrators of a deceased member in whose name shares shall for the purpose of these Articles be deemed joint holders thereof.	'Vote of joint members.'
100		Any person entitled under the transmission clause to transfer any shares may be allowed by the Board to vote at any General Meeting in respect thereof in the same manner as if he were the registered holder in respect of such shares, provided that at least 48 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 Board of his rights to such shares.	Vote in respect of shares of deceased and bankrupt members.
101		Any member of the Company entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person (whether a member or not) as his proxy to attend and vote instead of himself; but a proxy so appointed shall not have any right to speak at the meeting. A proxy shall not be entitled to vote except on a poll.	Proxy
102		Every proxy shall be appointed in writing under the hand of the appointer or his duly constituted, or if such appointer is a Company or Corporation under the resolution of such Company or Corporation, or by the hand of its attorney who may be a appointee.	Appointment and qualification of proxy
103		The instrument appointing a proxy and the power of attorney or other authority [if any] duly executed or a notarially certified copy of that power of authority shall be deposited at the registered office of the Company or at such other place as may be specified not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to attend and vote, and in default, the instrument of proxy shall not be treated as	Deposit of instrument of appointment

			valid. No instrument appointing a proxy shall be valid after the expiration of twelve months from the date of its execution, unless in the case of the adjournment of any meeting held previously to the expiration of such time.	
104			Every instrument of proxy whether for a specified meeting or otherwise shall as nearly as circumstances will admit be in the Forms set out in Schedule IX to the Act.	Form of proxy
105			A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal, or revocation of the proxy or of the authority under which such proxy was executed, or the transfer of the share in respect of which the vote is given, provided that no intimation in writing of the death or insanity, revocation or transfer shall have been received at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.	'Validity of votes given by proxy notwithstanding death of member.'
106			No objection shall be made to the qualification of any voter except at the meeting or adjourned meeting or poll at which the vote objected to is given or tendered, and every vote whether given personally or by proxy not disallowed at such meeting or poll shall be valid for all purposes of such meeting or poll whatsoever. Any such objection made in due time shall be referred to the Chairman of the meeting, whose decision shall be final and conclusive.	'Time objection for votes.'
			BOARD OF DIRECTORS	
107			Until otherwise determined by a General Meeting the number of Directors of the Company shall not be less than 3 nor more than 12 including the Managing Director or Nominated Directors appointed under Article 114 if any, and subject to the provisions of the Act, the Company, in General meeting, may by Ordinary resolution, increase the number of its Directors.	'Number of Directors'
			The Present Directors of the Company are: - Mr. Somil M. Gupta Mr. Sangam M. Gupta Mr. Mandar Joshi Mr. HareshVazirani	
108			Not less than two-thirds of the total number of Directors shall be persons whose period of office is liable to determine by retirement of Directors by rotation; and save as otherwise expressly provided by the Act, be appointed by the Company in General Meeting.	Retirement by rotation and Non retiring Directors

109		Subject to the provisions of the Act, the Directors shall have power to appoint from time to time one or more Directors to be a Managing Director or Managing Directors (which expression shall include a joint or deputy Managing Director) and / or whole time Director(s) of the Company for such term not exceeding five years at a time as they may think fit, to manage the affairs and business of the Company, and from time to time (subject to the provisions of any contract between him or them and the Company) remove or dismiss him or them from office and appoint another or others in his or their place or places.	Power to appoint Managing and/or Whole time Director(s)
110		Subject to the provisions of the Act and of these Articles, a Managing Director or a whole-time Director shall not, while he continues to hold that office, be subject to retirement by rotation but he shall (subject to any provisions of any contract between him and the Company) be subject to the same provisions as to resignation and removal as the other Directors of the Company; and he shall ipso facto and immediately cease to be Managing Director or whole time Director of the company if he ceases to hold the office of Director from any cause. Provided that if at any time the number of Directors (including the Managing Director or whole time Director) as are not subject to retirement by rotation, shall exceed one-third of the total number of Directors for the time being, then such Managing Director or whole time Director(s) shall as the Board may from time to time direct, be liable to retire by rotation.	Provisions relating to Managing Director & whole time Director.
111		A Managing Director or whole time Director who is liable to retire by rotation is reappointed as a Director immediately on the retirement by rotation shall continue to hold his office as Managing Director or whole time Director and such retirement and reappointment shall not be deemed to constitute a break in his appointment as Managing Director or whole time Director, as the case may be.	Reappointment by rotation not to constitute a break in appointment of Managing Director and Whole time Director
112		Subject to the provisions of the Act and these Articles the remuneration of Managing Director or whole time Director shall be determined and fixed from time to time, by the Board, subject to the approval of the Company in General Meeting by way of a fixed salary or commission on profits of the Company, and or perquisites or by any or all of those modes. A Managing Director or whole time Director shall not receive or be paid any commission on sales or purchase made by or on behalf of the Company.	Remuneration of Managing Director or Whole time Director(s) or part time Director(s).
113		Subject to the superintendence, control and Directions of the Board of Directors, the day-to-day management of the Company shall be in the hands of the Managing Directors / whole time Directors appointed under these presents with power to the Board to distribute such day-to-day management functions among such Directors or to delegate such power of distribution to a sub-committee of Directors. The Board may, from time to time, entrust to and confer upon the Managing Directors or whole time Directors for the time being (save as	Powers and duties of Managing Director(s) or Whole time Director(s)

			prohibited by the act) such of the power excisable by the Directors under these Articles or by law to such Managing Directors / whole time Director as the Board may think fit and may confer such powers for such time, and to be exercised for such objects and purposes, and upon such terms and conditions, and with such restrictions, as the Board thinks expedient and any from time to time revoke, withdraw or vary all any of such powers.	
114		(a)	Notwithstanding anything to the contrary contained in these Articles, but subject to the provisions of the Act, so long as nay moneys remain owing by the Company to any financial institution (hereinafter referred to as " the said Institution") out of any loan granted or to be granted by the said institution to the company, the said institution shall have a right from time to time to appoint their nominee, acceptable to the Board of Directors as a Director (hereinafter described as "said Director"), on the Board of the Company and to remove from such office any person so appointed and to appoint any other person in his place;	Nominee Director
		(b)	The Board of Directors shall have no power to remove from office the said Director;	
		(c)	The said Director shall not be required to hold any qualification shares in the Company nor shall he be liable to retire by rotation. Subject to the aforesaid, the said Director shall be entitled to the same rights and privileges and be subject to the same obligations as nay other Director of the Company.	
115			Any trust deed for securing the debentures or debenture stock (or a deed of mortgage of any assets of the Company) may if so arranged, provide for the appointment from time to time by the trustees thereof or by the holders of the debenture or debentures stock (or in the case of deed of mortgage by the person or persons having such power) of some person to be a Director of the Company and may empower such trustees or holders of debentures or debenture stock (or such person or persons) from time to time, to remove any Director so appointed. The Director appointed under the article is herein referred to as the "Debenture Director" (or a "Mortgage Director") and the term "Debenture Director" (or a "Mortgage Director") means the Director for the time being in office under this article. This "Debenture Director" (or a "Mortgage Director") shall not be bound to hold any qualification shares and shall not be liable to retire by rotation, or be removed by the Company. The trust deed (or the mortgage deed) may contain such ancillary provisions as may be arranged between the Company and the trustee (or mortgages) and all such provisions shall (subject to the provisions of the Act) have effect notwithstanding on any of the other provisions herein contained.	Debenture Director or Mortgage Director
116			A person who is not a retiring Director, shall, subject to the provisions of the Act be eligible for appointment to the office of Director at any General Meeting, on not less than fourteen days notice of the proposal to so appoint him being given to the Company as provided in Section 257 of the Act. On receipt of the notice, the Company shall	Right of persons other than retiring Director to stand for

			proceed as required by the said Section.	Directorship
117			The Company may, subject to the provisions of the Act, by ordinary resolution, remove any Director whose period of office is liable to determination at any time by rotation, before the expiry of his period of office and may by ordinary resolution appoint another person in his stead. A Director so appointed shall hold office until the date upto which his predecessor would have held office if he had not been removed as aforesaid. The Board shall not appoint a Director so removed a Director.	Removal of Director
118			The Board subject to the provisions of the Act shall have power at any time and from time to time, to appoint any qualified person or persons to be an additional Director or additional Directors, provided that such additional Director or Directors shall hold office only upto the next Annual general Meeting of the Company; provided further that the number of Directors and additional Directors together shall not exceed the maximum strength fixed for the Board by these Articles.	Additional Directors
119			If the office of any Director appointed by the Company in General Meeting is vacated before his term of Office will expire in the normal course, the Board may subject to the provisions of the Act fill the resulting casual vacancy at a meeting of the Board. Any person so appointed shall hold office only upto the date upto which the Director in whose place he is appointed would have held office if it had not been vacated as aforesaid.	Casual Vacancies
120			The Board may subject to the provisions of the Act appoint an alternate Director to act for a Director during his absence for a period of not less than three months from the Maharashtra State.	Alternate Directors
121			A Director of the Company shall not be required to hold qualification shares.	Qualification of Director
122			Every Director or proposed Director shall furnish particulars of the shares of the Company held by him or acquired by him thereunder.	Disclosure of shareholding
123			Subject to the provisions of the Act, the remuneration payable to the Directors shall be regulated as follows:	Remuneration of Directors
		a	The remuneration of a Director for his services shall be the Board for each meeting of the Board may fix such a sum as or a Committee thereof attended by him. Further such reasonable additional remuneration as may be fixed by the Board may be paid to any one or more of the Directors for any extra services rendered by him or them including signing the share certificates in respect of the Company in respect of the Company's capital or any Debentures issued by the Company. The Directors may also be paid such further remuneration as the Company in General Meeting may be Special Resolution from time to time determine and sanction and such further remuneration shall be divided among the Directors in such proportion and manner as the Directors may from time to time determine and in default of such determination shall be divided among the Directors equally.	

		b	The Board may allow and pay to any Director who is not a bonafide resident of Mumbai and who shall come to Mumbai for the purpose of attending a meeting of the Board or Committee thereof or for any business of the Company such sum as the Board may consider fair and reasonable for his expenses including traveling expenses in connection with such visit, in addition to his fees for attending such meeting or work as specified above.	
124			The continuing Directors may act notwithstanding any vacancy in the Board, but if and so long as the number is reduced below the quorum fixed for a meeting of the Board, the continuing Director or Directors may act for the purpose of increasing the number of Directors to that fixed for the quorum or for summoning a general meeting of the Company but for no other purpose.	'Directors may act notwithstanding vacancy'
PROCEEDINGS OF DIRECTORS				
125			The Director may meet together for the dispatch of business, adjourn and otherwise regulate their meeting and proceeding as they think fit. A meeting of the Board shall be held at least at least once in every three calendar months at such times and places as the Board may fix from time to time and at least four such meetings shall be held in a year. Notice of every meeting shall be given to every Director as provided in Section 286 of the Act.	Meeting of directors
126			The quorum for a meeting of the Board shall be one third of the total strength of the Board [any fraction contained in the one-third being rounded off as one] or two directors whichever is higher; provided that if at any meeting the number of interested Directors exceeds or is equal to two-thirds of the total strength, the number of the remaining directors, that is to say, the number of the Directors who are not interested present at the meeting being not less than two, shall be the quorum during such time. The provision of Section 288 of the Act shall apply where a meeting is adjourned for want of quorum.	Quorum
127			A director may at any time and the secretary on the requisition of a director shall convene a meeting of the directors. The omission to give notice of any such meeting of the directors to a director, who is not in the place where the registered office of the company is situated, shall not invalidate any resolution passed at any such meeting.	When meetings to be convened
128			Questions arising at any meeting shall be decided by majority of votes, each director having one vote and in case of an equality of votes, the chairman of the meeting shall have a second or casting vote.	Casting vote
129			The directors may appoint a chairman of the board and determine the period for which he is to hold office as chairman. The directors may also appoint a deputy chairman of the board who shall preside at meetings of the directors at which the chairman is not present.	Appointment of chairman of the board
130			All meetings of the board shall be presided over by the chairman but if	Person to

		at any meeting of directors, the chairman is not present at the time appointed for holding the same, the deputy chairman, if present shall preside and if he is also not present at such time then and in that case, the directors shall choose one of the directors then present to preside at the meeting.	preside meeting absence chairman	at in of
131		A meeting of the directors for time being at which a quorum is present as aforesaid shall be competent to exercise all or any of the authority, power and discretion by or under the act or the regulations of the company for the time being vested in or exercisable by the directors generally.		
132		Subject to the provision of the act, the board may delegate any of its power to committees consisting of one or more member or members of its body as it thinks fit, and it may from time to time revoke and discharge any such committee, either wholly or in part and either as to person or purposes. Every committee so formed shall, in the exercise of the powers so delegated conform to any regulations that may from time to time be imposed on it by the board. All acts done by any such committee in conformity with such regulations and fulfillment of the purpose of their appointment but not otherwise, shall have the like force and effect as if done by the board.	Sub committee the board	– of
133		A committee consisting of two and more members may elect a chairman of its meeting. If no such chairman is elected or if at any meeting the chairman is not present at the time appointed for holding the meeting, the members present may choose one of their number to be chairman of the meeting. A committee may meet and adjourn as it thinks proper. Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the chairman shall have a second or casting vote.	Chairman committee	of
134		Except in cases provided in section 292 of the act a resolution shall be deemed to have been duly passed by the board or by a committee thereof by circulation, provided the resolution has been circulated in draft, together with the necessary papers, if any, to all the directors or to all the members of the committee then in India (not being less in number than the quorum fixed for a meeting of the board or committee as the case may be) and to all other directors at their usual address in India, and has been approved by such of the directors as are then in India, or by a majority of such of them, as are entitled to vote on the resolution.	Circular resolution the board	of
135		Acts done by any meeting of the board or of a committee thereof or by any person acting as a director, shall notwithstanding that it may afterwards be discovered that there was some defect in the appointment of any one or more of such directors or of any other person acting as aforesaid or that they or any of them were disqualified, be as valid as if every such director or such person had been duly appointed and was qualified to be a director. Provided that no act done by a director after his appointment has been shown to the company to be invalid or to terminate shall be valid.	Acts of board or committee valid	

136			The Board shall cause minutes of all its meetings and those of its sub-committee to be duly entered as required by section 193 of the act. The provisions of section 194 and 195 of the act shall apply to such minutes.	Minutes of proceedings of the meetings of directors and committees to be kept
137	1		Every Director of the Company who is in any way, whether directly or indirectly concerned or interested in any contract or arrangement, or proposed contract or arrangement, entered into or to be entered into, by or on behalf of the Company shall disclose the nature of his concern or interest at a meeting of the Board.	'Disclosure of interest of Directors.'
	2	a	In the case of a proposed contract or arrangement the disclosure required to be made by a Director under clause (1) shall be made at the meeting of the Board at which the question of entering into the contract or arrangement is first taken into consideration or if a Director was not, at the date of that meeting, concerned or interested in the proposed contract or arrangement, at the first meeting of the Board held after he becomes so concerned or interested.	
		b	In the case of any other contract or arrangement, the required disclosure shall be made at the first meeting of the Board held after the Director becomes concerned or interested in the contract or arrangement.	
	3	a	For the purposes of clauses (1) and (2) hereof, a general notice given to the Board by a Director to the effect that he is a Director or a member of a specified body corporate or is a member of a specified firm and is to be regarded as concerned or interested in any contract or arrangement which may, after the date of the notice, be entered into with that body corporate or firm, shall be deemed to be a sufficient disclosure of concern or interest in relation to any contract or arrangement so made.	
		b	Any such general notice shall expire at the end of the financial year in which it is given but may be renewed for a further period of one financial year at a time, by a fresh notice in the last month of the financial year in which it would otherwise have expire.	
		c	No such general notice and no renewal thereof shall be effective unless either it is given at a meeting of the Board; or the Director concerned takes reasonable steps to secure that it is brought up and read at the first meeting of the Board after it is given.	
	4		Nothing in this article shall be taken to prejudice the operation of any rule of law restricting a director of a company from having any concern or interest in any contracts or arrangements with the company.	
	5		Nothing in this Article shall apply to any contract or arrangement entered into or to be entered into with any other company where any	

			of the Directors of the Company or two or more of them together holds or hold not more than two percent of the paid-up share capital in the other company or in the Company.	
138	1		No Director of the Company shall, as Director, take any part in the discussion of, or vote on any contract or arrangement entered into or to be entered into by or on behalf of the Company if he is in any way, whether directly or indirectly, concerned or interested in the contract or arrangement; nor shall his presence count for the purpose of forming a quorum at the time of any such discussion or vote and if he does vote his vote shall be void.	Interested director not to participate or vote in board's proceedings
	2		Sub-clause (1) shall not apply to:	
		a	Any contract of indemnity against any loss which the director or anyone or more of them may suffer by reason of becoming or being sureties or surety for the Company;	
		b	Any contract or arrangement entered into or to be entered into with the public company or a private company which is a subsidiary, in which the interest of the director aforesaid consists solely	
			i) in his being a director of such company and the holder of not more than shares of such number of value therein as is requisite to qualify him for appointment as a director, he having been nominated as such director by this company, or,	
			ii) in his being a member holding not more than two percent of the paid up capital.	
POWERS OF DIRECTORS				
139			Subject to the provisions of the Act the Board shall be entitled to exercise all such powers and to do all such acts and things as the Company is authorised to exercise and do; provided that the Board shall not exercise any power or do any act or thing which is directed or required by the act or any other act or by the Memorandum or these Articles or otherwise, to be exercised or done by the Company in general meeting; provided further that in exercising any such power or doing any such act or thing the Board shall be subject to the provisions contained in that behalf in the Act or in any other act or in the Memorandum and these Articles or in any regulations not inconsistent therewith and duly made thereunder, including regulations made by the Company in general meeting. No regulations made by the Company in general meeting shall invalidate any prior act of the Board, which would have been valid, if that regulation had not been made.	Powers of directors
140			Without prejudice to the general powers conferred by the preceeding article and so as not in any to limit or restrict those powers and without prejudice to the other powers conferred by these presents, but subject nevertheless to the provisions of the Act, it is hereby expressly declared that the Board shall have the following powers, that is to say	Express powers of the board

1		To pay the costs, charges and expenses incurred preliminary and incidental to the promotion, formation, establishment and registration of the Company.	
2		To purchase or otherwise acquire for the company any property, right or privileges which the company requires at such prices and on such terms and conditions as they think fit.	
3		To make loans to and enter into agreements with prospective customers of the company or persons likely to do business or deal with the company.	
4		To make loans generally with a view to gainfully employ the funds of the company and to give guarantees and provide securities as and when considered to be in the interest of the company.	
5		To consent to entering into contracts or deeds with a a director of the company, or his relatives, a firm in which such a director or relative is a partner or any other partner in such a firm or a private company of which the director is a member or director, as may be permissible under the law and which may be beneficial to the company.	
6		To pay and charge to the capital account of the Company any commission or interest lawfully payable there out under the provision of sections 76 and 208 of the Act and the provisions contained in these presents.	
7		To purchase or otherwise acquire or take on lease for the company any property, rights or privileges which the company is authorised to acquire, at or for such price or consideration and generally on such terms and conditions as it may think fit and in any such purchase or other acquisition to accept such title of as the board may believe or may be advised, to be reasonably satisfactory, also to mortgage, sell or let the same or any other property of the company on such terms as it may think proper.	
8		At their discretion to pay for any property rights or privileges, acquired by or services rendered to the company, either wholly or partially in cash or in shares, bonds, debentures, mortgages, or other securities of the company and any such shares may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon and any such bonds, debentures, or other securities may be either specifically charged upon all or any part of the property of the company and its uncalled capital or not so charged,	
9		To insure and keep insured against loss or damage by fire or otherwise for such period and to such extent as they may think proper, all or any part of building, machinery, goods, stores, produce and other moveable property of the company either separately or jointly, also to insure all or any portion of goods, produce, machinery and other articles imported or exported by the company, and to sell, assign surrender or discontinue any policies of assurance effected in pursuance of this power.	

	1 0		To open accounts with any bankers or bankers, or with an company, firm or individual and to pay money into draw money from any such amount from time to time as the board may think fit.	
	1 1		To attach to any shares issued or to be issued as the consideration or part of the consideration for any contract with or property acquired by the company, or in payment for services rendered to the company, such conditions as to the transfer thereof as they think fit.	
	1 2		To accept from any member so far as may be permissible by law surrender of his shares or stock or any part thereof, on such terms and conditions as shall be agreed.	
	1 3		To institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its officers, or otherwise concerning the affairs of the Company and also to compound and allow time for payment or satisfaction of any debts due or any claims or demands by or against the Company, and to refer any difference to arbitration and observe and perform any award made thereon.	
	1 4		To act on behalf of the company in all matters relating to bankruptcy and insolvency.	
	1 5		To make and give receipts releases and other discharges for money payable to the Company and for the claims and demands of the Company.	
	1 6		To invest and deal with any money of the company whether or not immediately required for the purpose thereof, upon such securities or without security, and in such manner as they may think fit and from time to time vary or realize such investments.	
	1 7		Subject to the provisions of the act, to execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur, any personal liability whether as principal or surety, for the benefit of the Company such mortgages of the Company's property (present and future) as it thinks fit and any such mortgages may contain a power of sale and such other powers, provisions, covenants and agreements as shall be agreed upon.	
	1 8		To determine from time to time who shall be entitled to sign on the Company's behalf, bills, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts and documents and to give the necessary authority for such purposes.	
	1 9		Within the limits provided by the act or any other law to provide for the welfare of employees or ex-employees of the Company and the wives and families or the dependents or connections of such persons by building or contributing to the building of houses, dwellings or chawls or by grants of money, pensions, allowances, bonus other payments or by creating and from time to time subscribing or contributing to, provident fund and other associations, institutions, funds or trusts and by providing or subscribing or contributing towards places of	

		instruction or recreation, hospitals and dispensaries, medical and other attendance or assistance as the Board shall think fit.	
	20	Within the limits provided by the act, to subscribe or contribute or otherwise to assist or to guarantee money for any charitable, benevolent, religious, scientific, national, public, political or any other useful institutions, objects or purpose or for any exhibition, or to any institution, club, society or fund.	
	21	Before recommending and dividend, to set aside out of the profits of the Company, such sums as they may think proper to depreciation fund or to an insurance fund or as a reserve fund or any special fund to meet contingencies to repay debentures or debenture-stock or special dividends or redeemable preference share or for equalizing dividends or for repairing, improving extending and maintaining any of the property of the Company and for such other purposes (including the purposes referred to in clauses 19 and 20) as the Directors may, in their absolute discretion think conducive to the interest of the Company, with power from time to time to transfer money standing to the credit of one part thereof to the credit of any other fund and to invest the several sums so set aside or so much thereof as required to be invested upon such investments as they think fit and from time to time to deal with and vary such investments and dispose of and apply and expend all or any part thereof for the benefits of the Company, in such manner and for such purposes as the Board in their absolute discretion thinks conducive to the interests of the Company, notwithstanding that the matters to which the Board may apply or upon which they expend the same or any part thereof may be matters to or upon which the capital moneys of the Company might rightly be applied or expended, and to reserve fund into such special funds as the Board may think fit, and to employ the assets constituting all or any of the above funds for any purpose of the Company and that without being bound to keep the same separate from the other assets and without being bound to pay interest on the same, with power however to the Board at their discretion to pay or allow to the credit of such funds interest at such rates as the Board may think proper.	
	22	To appoint and at their discretion, remove or suspend, such managers, secretaries, officers, clerks, agents and servants, form permanent, temporary or special services as they may from time to time think fit, and to determine their powers and duties and fix their salaries, emoluments and to require security in such instances and to such amounts as it may think fit. And from time to time provide for the management and transaction of the affairs of the company in any specified locality in India or elsewhere in such manner as they deem fit and the provisions contained in the three next following sub-clauses 23, 24 and 25 shall be without prejudice to the general powers conferred by this sub-clause.	
	23	To comply with requirements of any local law which in their opinion it shall in the interest of the company, be necessary or expedient to comply with.	

	2 4		From time to time and at any time to establish any local board for managing any of the affairs of the company in any specified locality in India or elsewhere and to appoint any person to be members of such local boards and to fix their remuneration. And from time to time and at any time (subject to the provision of section 292 of the act) to delegate to any person so appointed any of the powers, authorities and discretions for the time being vested in the directors and to authorise the members for the time being of any local board or any of them, to fill up any vacancies therein and to act notwithstanding vacancies and any such appointment or delegation may be made on such terms, and subject to such conditions as the board may think fit, and the board may at any time remove any persons so appointed, and may annul or vary any such delegation.	
	2 5		At any time and from time to time, by power of attorney under the seal of the company, to appoint any person or persons to be the attorneys for the company, for such purposes and with such powers, authorities and discretions (not exceeding those vested or exercisable by the directors under these presents) and for such period and subject to such conditions as the board may from time to time think fit, and any such appointment may (if the board think fit) be made in favour of the members of the local board, established as foresaid or in favour of any company, or the shareholders, directors, nominees or managers of any company, or firm or otherwise in favour of any fluctuating body of persons whether nominated directly or indirectly by the directors and any such power of attorney may contain such powers for the protection or convenience of persons dealing with such attorneys as the board may think fit, and may contain powers enabling any such delegates or attorneys aforesaid to sub-delegate all or any of the powers, authorities and discretions for the time being vested in them.	
	2 6		Subject to the provisions of the act, for and in relation to any of the matters or otherwise for the purpose of the company to enter into all such negotiations and contracts including underwriting contracts and rescind and vary all such contracts, and execute and do all such acts, deeds and things in the name and on behalf of the company as they may consider expedient.	
141			The Company in General Meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board. The dividend declared by the Company, shall be paid or the warrant in respect thereof shall be posted, within the time prescribed by the law but not later than 42 days from the date of the declaration.	The Company in General Meeting may declare a dividend.'
142	1		The Board may, before recommending and dividend, set aside out of the profits of the Company such sums as it think proper as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied, including provisions for meeting contingencies or for equalizing dividends, and pending such application may at the like discretion either be employed in the business of the Company or be invested in such investments as the Board may, from time to time think fit.	'Setting apart fund before declaration.'

	2		The Board may also carry forward any profits, which it may think prudent not to divide, without setting them aside as a reserve.	
143			No dividends shall be declared or paid for any financial year except out of profits of the Company for that year arrived at as provided in Section 205 of the Act, or out of the profits of the Company for any previous financial year or years arrived at as provided by the said Section, or out of both. No dividend shall carry interest as against the Company. The declaration of the Board as to the amount of the net profits of the Company shall be conclusive	'Dividends only to be paid out of profits.'
144			The Board may, from time to time pay to the members such interim dividend as appears to it, to be justified by the profits of the Company.	'Interim Dividend'
145	1		Subject to the rights of the persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid. In respect of shares where calls are unpaid and in arrears the dividend payable thereon shall stand reduced proportionately.	'Dividends in proportion to amount paid up.'
	2		No amount paid or credited as paid on a share in advance of call shall be treated for the purpose of this regulation as paid on the shares; nor shall it in respect thereof confer a right to dividend or to participate in profits.	'Capital paid up advance not to earn dividend.'
	3		All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid, but if any share is issued on terms, providing that it shall rank for dividend as from a particular date, such share shall rank for dividend accordingly.	
146	1		The Board may retain the dividends payable on the shares in respect of which any person is, under Article 61 entitled to become a Member, or which any person under that Article is entitled to transfer the shares, until such person shall become a member in respect of such shares or shall duly transfer the same.	'Retention of dividends until completion of transfer.'
	2		No member shall be entitled to receive payment of any interest or dividend in respect of his share or shares, whilst any money may be due or owing from him to the Company in respect of such share or shares or otherwise howsoever, either alone or jointly with any other person or persons, and the Board may deduct from any dividend payable to any member all sums of money presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company.	'No member to receive dividend whilst indebted to the Company.'
147			A transfer of shares shall not confer the right to any dividend declared thereon and before the registration of the transfer by the Company.	'Transfer of shares must be'

				registered.'
148			Unless otherwise provided in accordance with Section 205 of the Act.	'Dividends how remitted.'
	1		Any dividend, interest or other moneys payable in cash in respect of shares may be paid by cheque or warrant, or electronic mode or by a pay-slip or receipt having the force of a cheque, sent through the post or courier directed to the registered address of the holders; or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or the such person or to such address as the holder or joint holders may in writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.	
	2		Any one of two or more joint holders of a share may give effectual receipts for any dividends, bonuses or other moneys payable in respect of such share.	
	3		The Company shall not be liable or responsible for any cheque warrant, pay-slip, or receipt lost in transit or for any dividend lost to member or person entitled thereto, by the forged endorsement of any cheque or warrant, or the forged signature of any pay-slip or receipt or the fraudulent recovery of the dividend or other moneys by any other means.	
149			Notice of any dividend whether interim or otherwise that may have been declared shall be given to the person entitled to share therein in the manner mentioned in these articles. All unclaimed dividends will be dealt as per the provisions of Section 205 of the Act.	
150			No dividend shall be payable except in cash:	How dividend to be paid
			Provided that nothing in this Article shall be deemed to prohibit the capitalisation of profits 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.	
151			Any general meeting declaring a dividend may make a call on the members of such amount as the meeting fixes, but so that the call on each members shall not exceed the dividend payable to him and so that the call may be made payable at the time as dividend; and the dividend may if so decided may if so decided at that meeting be set off against the call.	Dividend and call together
152	1		The company in general meeting may, upon recommendation of the board, resolve:	Capitalisation

		a	That it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the company's reserve accounts, or to the credit of the profit and loss account or otherwise available for distribution; or any part of the amount standing to the credit of any capital reserve or any other reserve not created out of profits earned by the company; and	
		b	That such sum be accordingly set free for distribution in the manner specified in clause (2) amongst the members who would have been entitled thereof, if distributed by way of dividend and in the same proportions.	
	2		The sum aforesaid shall not be paid in cash, but shall be applied, subject to the provision contained in clause (3), either in or towards:	
		i	Paying up any amounts for the time being unpaid on any shares held by such members respectively;	
		ii	Paying up in full, unissued shares of the company to be allotted and distributed, credited as fully paid upto and amongst such members in the proportions aforesaid; or	
		iii	Partly in the way specified in the sub-clause (i) and partly in that specified in sub-clause (ii)	
	3		A share premium account and a capital redemption reserve account may, for the purpose of this article only be applied in the paying up of unissued shares to be issued to members of the company as fully paid –up bonus shares.	
	4		The board shall give effect to the resolution passed by the company in pursuance of this article.	
153	1		Whenever a resolution as mentioned in the preceding articles shall have been passed, the board shall;	Power of the board
		a	Make all appropriation and applications of the reserves and/or undivided profits resolved to be capitalized thereby, and all allotments and issues of fully paid shares and,	
		b	Generally do all acts and thing required to give effect thereto.	
	2		The board shall have full power:	
		a	To make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and also	
		b	To authorise any person to enter, on behalf of all members entitled thereto, into an agreement with the company providing for the allotment to them respectively, credited as fully paid up, of any further shares to which they may be entitled upon such capitalisation, or (as the case may require) for the payment by the company on their behalf,	

			by the application thereto of their respective proportions of the amounts resolved to be capitalized, of the amount or any part of the amounts remaining unpaid on their existing shares.	
	3		Any agreement made under such authority shall be effective and binding on all the members.	
ACCOUNTS				
154			The Company shall cause to be kept proper books of account with respect to:	Proper books of accounts to be maintained
		a	all sums of money received and expended by the Company and the matters in respect of which receipts and expenditure take place;	
		b	all sales and purchases of goods by the Company; and	
		c	the assets and liabilities of the Company.	
			The books of account shall be open to inspection by any director during business hours. The books of account relating to transaction effected at a branch office may subject to the provision of the act be kept at that branch Office. The books of account relating to a period of not less than eight years immediately preceding the current year shall be preserved in good order.	
155			The Board of Directors shall from time to time determine whether and to what extent and at what times and place and under what conditions or regulations the accounts and books of the company, or any of them, shall be open for inspection of members not being directors. No members (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorised by the board or by the company in general meeting.	As inspection of accounts to be by members
156			At every annual general meeting the board shall lay before the company:	Statement of account to be furnished to general meeting
	1		A balance sheet prepared in the manner as prescribed by the act, made up as on the date of the close of the preceding financial year which date shall not precede the day of the meeting by more than six months (except where extension of time hold the annual general meeting has been granted under section 166 of the act)	
	2		A profit and loss account for the financial year referred to above	
157			Every such balance sheet shall be accompanied by a report of the board inter alia, with respect to:	Director's report under section 217 of the act.

	1		The state of the company's affairs	
	2		The amounts, if any, which it proposes to carry to any reserve, depreciation, insurance or any other special fund according to the provisions in that behalf, in these articles contained, in such balance sheet,	
	3		The amount, if any, which it recommends should be paid by way of dividend;	
	4		Material changes and commitments, if any, affecting the financial position of the company which have occurred between the end of the financial year of the company to which the balance sheet relates and the date of the report.	
			The report and addition thereto, shall be signed by the chairman if he is authorised in that behalf by the board, and when he is not so authorised, or is not available to sign, shall be signed by any two directors of the company one of whom shall be a managing director who may be authorised by the board.	
158			Every balance sheet and every profit and loss account subject to the provisions of the act, be signed on behalf of the board of directors by the secretary, if any, and by not less than two directors of the company one of whom shall be a managing director where there is one, provided that when there is only one director present in India at the time, the profit and loss account and the balance sheet be signed by such director, but in such a case there shall be sub-joined to the profit and loss account and the balance sheet a statement signed by such director explaining the reason for non-compliance with the aforesaid provision requiring the signature of two directors. The profit and loss account shall be annexed to the balance sheet and the board shall approve both before they are signed. The profit and loss account and balance sheet after being approved by the board be submitted to the auditors for their audit and report thereon. The auditor's report including the auditor's separate, special or supplementary report (if any), shall be read before the company in general meeting and shall be open to inspection by any member.	Signing of profit and loss account and balance sheet
159			A copy of every such profit and loss account and balance sheet (including the auditor's report and every other document required by law to be annexed or attached to the balance sheet) shall at least twenty-one days before the date of the meeting at which the same are to be laid before the members, be sent to the members of the company, to every trustee for holders of debentures issued by the company, whether such member or trustee is or is not entitled to have notices of general meetings of the company sent to him and to all persons so entitled. Provided that the company shall not be required to send the aforesaid documents if the said documents are made available for inspection at its registered office during working hours for a period of twenty-one days before the date of the meeting and a statement containing the salient features of such documents, in the	A copy of profit and loss account, balance sheet etc. shall be sent to each member and debenture trustee

			prescribed form, is sent to every member of the company and to every trustee for the holders of the debentures issued by the company not less than twenty-one days before the date of the meeting.	
AUDIT				
160			Once at least in every year the accounts of the Company (including branch offices if any) shall be balanced and audited and the correctness of the profit and loss account and balance sheet ascertained by an auditor or auditors. The accounts of the branch office (if any) of the company shall be audited as provided in section 228 of the act, unless exempted under the companies (branch audit exemption) rules, 1961, or other rules for the time being in force.	Accounts to be audited
161			The company shall at each annual general meeting appoint/reappoint an auditor	Appointment and qualification of auditors
			The company shall at each annual general meeting appoint/reappoint an auditor or auditors to hold office from the conclusion of that meeting until the conclusion of the next annual general meeting, and shall within seven days of the appointment, give intimation thereof to every auditor so appointed. The appointment, remuneration, rights and duties of the auditor or auditors shall be regulated by section 224 to 227 of the act. The following provisions shall have effect, that is to say:	
	1		If the appointment of an auditor or auditors is not made at an annual general meeting, the company shall notify the fact to the central government or such other official as may be authorised in this behalf, within seven days, thereafter, the central government may then appoint an auditor to fill the vacancy.	
	2		The board may fill up any casual vacancy in the office of an auditor. An auditor so appointed shall hold office until the conclusion of the next annual general meeting. While any such vacancy continues, the remaining auditor or auditors (if any) may act; provided that where such vacancy is caused by the resignation of an auditor, the company in general meeting shall only fill the vacancy.	
	3		In appointing an auditor, the company shall have regard to section 266 of the act. If an auditor becomes subject after his appointment, to any of the disqualification specified in section 226 of the act, he shall be deemed to have vacated his office as such.	
	4		In the case of proposal to appoint as auditor, a person other than a retiring auditor, or a proposal that a retiring auditor shall not be re-appointed, the provisions of sections 225 of the act shall be complied with.	
162			The remuneration of the auditors shall be fixed by the company in general meeting, or in such manner as the company in general meeting may determine, except that the remuneration of the first	Remuneration of auditors

			auditors or any auditors appointed to fill any causal vacancy, may be fixed by the board	
163			Every auditor of the company shall have right of access at all times to the books and accounts and vouchers of the company whether kept at the registered office of the company or elsewhere, and shall be entitled to require from the directors and officers of the company such information and explanations as the auditor may think necessary for the performance of his duties as auditor. The auditor shall make report to the members as required by section 227 of the act.	Company's books etc, shall always be open to the auditors
164			The auditor's report including auditors special or supplementary report, if any, shall be attached to the balance sheet and profit and loss account and there shall be inserted at the foot thereof a reference to the report and such report shall be read before the company in general meeting and shall be open to inspection by any member of the company.	Report to be attached to balance sheet
165			All notices of, and other communication relating to any general meeting of the company, which any member of the company is entitled to have sent to him, shall also be forwarded to the auditor of the company; and the auditor shall be entitled to attend, on any part of the business which concerns him as auditor.	Auditors to receive notice of certain meeting
166			Every account, which is audited and approved by a general meeting, shall be conclusive except as regards any error discovered therein within three months next after approval thereof. Whenever any such error is discovered within that period, the account shall forthwith be corrected and henceforth shall be conclusive.	Accounts when audited and approved to be conclusive excepts as to errors discovered within three months
167	1		Contract on behalf of the company may be made as follows:	Forms of contracts
		a	A contract which, if made between private persons, would by law be required to be in writing signed by the parties to be charged therewith, may be made on behalf of the company in writing signed by any person acting under its authority, express or implied, and may in the same manner be varied or discharged.	
		b	A contract which, if made between private persons, would by law be valid although made by parol only and not reduced into writing, may be made by parol on behalf of the company by any person acting under its authority, express or implied, and may in the same manner be varied or discharged.	
	2		A contract made according to this article shall bind the company.	
168			A bill of exchange, hundi or promissory note shall be deemed to have been made, accepted, made or endorsed on behalf of the company if	Bills of exchange and

		drawn, accepted, made or endorsed in the name of, or on behalf or on account of the company by any person acting under its authority express or implied.	promissory notes
169		The board shall provide a common seal for the purpose of the company and shall have power from time to time to destroy the same and substitute a new seal in lieu thereof. The board shall provide for the safe custody of the seal. The seal shall not be affixed to any instrument except by the authority of a resolution of the board or a committee of the board authorised by it in that behalf.	Seal
170		Every deed or other instrument except a share certificate to which the seal of the company is required to be affixed shall be signed by person(s) authorised by the board of directors or a committee thereof by way of a resolution and/or by granting a specific power of attorney. Every share certificate to which the seal of the company is required to be affixed shall be signed by two directors by affixing his signature thereon by means of any machine, equipment other mechanical means such as engraving in metal or lithography, and countersigned by the secretary/ assistant secretary or other person(s) appointed by the board or committee thereof for the purpose.	Deed how executed
171	1	The company may, by writing under its common seal, empower any person, either generally or in respect of any specified matters, as its attorney, to execute deeds on its behalf in any place either in or outside India.	Execution of deed by attorney
	2	A deed signed by such an attorney on behalf of the company and under seal where sealing is required shall bind the company and have the same effect as if it were under its common seal.	
172	1	The company, if its objects require or comprise the transaction of business outside India may have for use in any territory, district or place not situated in India an official seal which shall be a facsimile of the common seal of the company with the addition on its face of the name of the territory, district or place where it is to be used.	Official seal for use outside India
	2	The company may by writing under its common seal authorise any person appointed for the purpose in the territory, district or place to affix the official seal to any deed or other document to which the company is a party in that territory, district or place.	
	3	The authority of any agent authorised under sub-clause (2) shall as between the company and any person, dealing with the agent continue for the period, if any, mentioned in the instrument conferring the authority, or if no period is there mentioned, until notice of the revocation or determination of the agent's authority has been given to the person dealing with him.	
	4	The person affixing any such official seal shall, by writing under his hand, certify on the deed or other document to which it is affixed.	
	5	A deed or other document to which the official seal is duly affixed shall	

			bind the company as if it has been sealed with the common seal of the company.	
SERVICE OF DOCUMENTS				
173			A document may be served on the company or an officer thereof by sending it to the company or officer at the registered office of the company by post under a certificate of posting or by registered post, or by leaving it at its registered office.	Service of documents on company.
174			A document may be served on the registrar by sending it to him at his office by post under a certificate of posting or by registered post, or by delivering it to, or leaving it at his office.	Service of documents on registrar
175	1		A document may be served by the company on any member thereof either personally, or by sending it by post or by courier to him to his registered address or if he has no registered address in India, to the address, if any within India supplied by him to the company for the giving of notices to him.	Service of document on members
	2		Where a document is sent by post or courier:	
		a	Service thereof shall be deemed to be effected by properly addressing, prepaying and posting or courioring a letter containing the document, provided that where a member has intimated to the company in advance that document should be sent to him under a certificate of posting or by registered post or by courier with or without acknowledgement due and deposited with the company a sum sufficient to defray the expenses of doing so, service of the document shall not be deemed to be effected unless it is sent in the manner intimated by the member: and	
		b	Such service shall be deemed to have been effected :	
			i) in the case of as notice of a meeting, at the expiration of forty-eight hours after the letter containing the same is posted or couriered, and	
			ii) in any other case, at the time at which the letter would be delivered in the ordinary course of post.	
	3		A document advertised in a newspaper circulating the neighbourhood of the registered office of the company shall be deemed to be duly served on the day on which the advertisement appears, on every member of the company of the company who has no registered address in India and has not supplied to the company an address within India for the giving of notice to him.	
	4		The company on the joint holders of a share may serve a document by serving it on the joint holder named first in the registered in respect of the share.	
	5		A document may be served by the company on the person entitled to a share in consequence of the death or insolvency of a member, by	

			sending it through the post in the prepaid letter addressed to him by name, or by the title of representatives of the deceased, or assigned 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 serving the document in any manner in which it might have been served if the death or insolvency had not occurred.	
176			Every person who by operation of law, transfer or other means whatsoever, shall become entitled to any share, shall be bound by every notice in respect of such share, which previously to his name and address being entered on the register, shall have been duly given to the person from whom he derives his title to such share and is registered.	Members bound by notice given to previous holders.
177			Any notice to be given by the company may be signed by the managing director, the secretary or other authorised officer of the company, and the signature thereto may be written, printed or lithographed.	Notice by company and signature there to.
AUTHENTICATION OF DOCUMENTS AND PROCEEDINGS				
178			Save as otherwise expressly provided in the act, a document or proceeding requiring authentication by the company may be signed by a director, the managing director, the secretary or other authorised officer of the company, and need not be under its common seal.	Authentication of documents and proceedings.
179			Notice of every general meeting of the company shall be given in the manner authorised by article 175 to :	To whom notices must be given.
		a	Every member of the company.	
		b	The persons entitled to a share in consequence of the death or insolvency of a member.	
		c	Auditor or auditors for the time being of the company.	
180			Subject to the provisions of the act, no member shall be entitled to visit or inspect any works of the company without the permission of the board or managing director or to require discovery of any information respecting any detail of the company's trading or customers or any matter which is or may be in the nature of a trade secret, mystery of trade, secret process or any other matter which may relate to the conduct of the business of the company and which in the opinion of the board, it would be in expedient in the interest of the company	Secrecy
RECONSTRUCTION				
181			On any sale of the undertaking of the company, the board or the liquidators on a winding up may, if authorised by a special resolution accept fully paid or partly paid up share, debentures, or securities of any other company, whether Indian or foreign, either then existing or	Distribution of assets

			to be formed for the purchase in whole or in part of the property of the company and the board (if the profits of the company permit) or the liquidators (on a winding up) may distribute such shares or securities or any other property of the company amongst the members without realization or vest the same in trustees for them and any special resolution may provide for the distribution or appropriation of the cash, shares or their securities benefits or property, otherwise than in accordance with the strict legal rights of the members or contributories of the company, and for the valuation of any such securities or property at such price and in such manner as the meeting may approve and all holders of shares shall be bound to accept and shall be bound by valuation or distribution so authorised and waive all rights in relation thereto.	
WINDING UP				
182	1		If the company shall be wound up, the liquidator may, with the sanction of the special resolution of the company and any other sanction required by the act, divide amongst the members in specie or kind, the whole or part of the assets of the company, whether they shall consist of property of the same kind or not.	Winding up
	2		For purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determined how such division shall be carried out as between the members or different classes of members.	
	3		The liquidator may with the like sanction, vest the whole or any part of such assets in trustees upon such trust for the benefit of the contributories as the liquidator, with the like sanction, shall think fit, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.	
INDEMINITY				
183			Every officer and auditor for the time being of the company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgement is given in his favour or in which he is acquitted or in connection with any application under section 633 in which relief is granted to him by the court.	

SECTION IX – OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been entered or are to be entered into by the Company (not being contracts entered into in the ordinary course of business carried on by the Company or contracts entered into more than two years before the date of this Draft Prospectus) which are or may be deemed material have been attached to the copy of the Draft Prospectus delivered to the RoC for registration. Copies of the abovementioned contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office between 10 a.m. and 5 p.m. on all Working Days from Application/Issue Opening Date until the Application/Issue Closing Date.

A. Material Contracts for the Issue

1. Memorandum of Understanding dated May 09, 2013 between our Company, Selling Shareholders (Mrs. Madhulika Gupta, Mr. Manmohan Gupta, Mrs. Usha Srivastav, Mr. Peeyush Agarwal), and the Lead Manager.
2. Memorandum of Understanding dated March 09, 2013 between our Company and the Registrar to the Issue.
3. Escrow Agreement dated [●] between our Company, the LM, Escrow Collection Bank(s), Refund Bank and the Registrar to the Issue.
4. Market Making Agreement dated May 15, 2013 between our Company, the Lead Manager and the Market Maker.
5. Underwriting agreement dated May 15, 2013 between our Company, Selling Shareholders (Mrs. Madhulika Gupta, Mr. Manmohan Gupta, Mrs. Usha Srivastav, Mr. Peeyush Agarwal), the Lead Manager and the Market Maker.
6. Tripartite agreement between the NSDL, our Company and the Registrar dated [●].
7. Tripartite agreement between the CDSL, our Company and the Registrar dated [●].

B. Material Documents

1. Certified copies of the Memorandum and Articles of Association of our Company as amended from time to time.
2. Certificate of Incorporation of our Company.
3. Resolution of the Board of Directors meeting dated January 21, 2013, authorizing the Issue.
4. Shareholders' resolution passed at the Extra Ordinary General Meeting dated February 11, 2013, authorizing the Issue.
5. Consent from the Auditors for inclusion of their reports on the restated accounts in this Draft Prospectus.
6. Auditor's report for Restated Financials dated April 4, 2013 included in this Draft Prospectus.
7. The Statement of Tax Benefits dated February 23, 2013 from our Statutory Auditors.

8. Consent of our Directors, Company Secretary and Compliance Officer, LM, Legal Advisor to the Issue, Registrar to the Issue, Bankers to our Company, Market Maker, Underwriters, Escrow Collection Bank(s) and Refund Bank as referred to in their specific capacities.
9. Due Diligence Certificate(s) dated [●] of the Lead Manager to be submitted to SEBI along with the filing of the Prospectus.
10. Approval from BSE vide letter dated [●] to use the name of BSE in this Offer Document for listing of Equity Shares on the SME Platform of the BSE.

Any of the contracts or documents mentioned in this Draft Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION BY MADHULIKA GUPTA (THE “SELLING SHAREHOLDER”)

The undersigned Selling Shareholder, hereby declares that all statements made in the Draft Prospectus are true and correct, provided however, that the undersigned Selling Shareholder assumes no responsibility for any of the statements by the Company or any other Selling Shareholder in the Draft Prospectus, save and except statements made by the undersigned Selling Shareholder in relation to herself as a Selling Shareholder and the Equity Shares offered and sold in the Offer for Sale.

SIGNED BY THE SELLING SHAREHOLDER

Sd/-

MADHULIKA GUPTA

Place: Mumbai

DECLARATION BY USHA SRIVASTAV (THE “SELLING SHAREHOLDER”)

The undersigned Selling Shareholder, hereby declares that all statements made in the Draft Prospectus are true and correct, provided however, that the undersigned Selling Shareholder assumes no responsibility for any of the statements by the Company or any other Selling Shareholder in the Draft Prospectus, save and except statements made by the undersigned Selling Shareholder in relation to herself as a Selling Shareholder and the Equity Shares offered and sold in the Offer for Sale.

SIGNED BY THE SELLING SHAREHOLDER

Sd/-

USHA SRIVASTAV

Place: Mumbai

DECLARATION BY MANMOHAN GUPTA (THE “SELLING SHAREHOLDER”)

The undersigned Selling Shareholder, hereby declares that all statements made in the Draft Prospectus are true and correct, provided however, that the undersigned Selling Shareholder assumes no responsibility for any of the statements by the Company or any other Selling Shareholder in the Draft Prospectus, save and except statements made by the undersigned Selling Shareholder in relation to herself as a Selling Shareholder and the Equity Shares offered and sold in the Offer for Sale.

SIGNED BY THE SELLING SHAREHOLDER

Sd/-

MANMOHAN GUPTA

Place: Mumbai

DECLARATION BY PEEYUSH AGARWAL (THE “SELLING SHAREHOLDER”)

The undersigned Selling Shareholder, hereby declares that all statements made in the Draft Prospectus are true and correct, provided however, that the undersigned Selling Shareholder assumes no responsibility for any of the statements by the Company or any other Selling Shareholder in the Draft Prospectus, save and except statements made by the undersigned Selling Shareholder in relation to herself as a Selling Shareholder and the Equity Shares offered and sold in the Offer for Sale.

SIGNED BY THE SELLING SHAREHOLDER

Sd/-

PEEYUSH AGARWAL

Place: Mumbai

DECLARATION

We, the undersigned, certify that all relevant provisions of the Companies Act, 1956, and the guidelines issued by the Gol or the regulations issued by Securities and Exchange Board of India, as the case may be, have been complied with and no statement made in this Draft Prospectus is contrary to the provisions of the Companies Act, 1956, the Securities and Exchange Board of India Act, 1992 or the rules made or regulations issued there under, as the case may be. We hereby certify that all the statements in this Draft Prospectus are true and correct.

SIGNED BY DIRECTORS OF OUR COMPANY

Somil Gupta

(Chairman and Whole-time Director)

Sangam Gupta

(Whole-Time Director and C.E.O)

Mandar Joshi

(Non-Executive Independent Director)

Haresh Vazirani

(Non-Executive Independent Director)

Ravindra Mishra

(Company Secretary and Compliance Officer)

Date:

Place: Mumbai