

**DRAFT INFORMATION MEMORANDUM**  
[In accordance with SEBI (Listing of specified securities on Institutional Trading Platform) Regulations, 2013]



**PARNAV SPORTS ACADEMY LIMITED**

Our Company was originally incorporated in New Delhi as “Parnav Sports Academy Private Limited” on 12<sup>th</sup> February, 2009 under the Companies Act, 1956 vide certificate of incorporation issued by the Registrar of Companies, National Capital Territory of Delhi & Haryana. Our Company was subsequently converted in to a public company and consequently name was changed to “Parnav Sports Academy Limited” (PSAL) vide fresh certificate of incorporation dated 26<sup>th</sup> December, 2013 issued by Registrar of Companies, National Capital Territory of Delhi & Haryana.

**Registered office & Corporate Office:** 266A, 2F, Elegance, Jasola District Centre, Old Mathura Road, New Delhi-100 025; Tel: +91 11-3231 9296;

Website: [www.parnavsports.com](http://www.parnavsports.com); E-Mail: [parnavsports@yahoo.com](mailto:parnavsports@yahoo.com)

**Contact Person & Compliance Officer:** Ms. Garima Baghla, Company Secretary & Compliance Officer;

**PROMOTERS OF THE COMPANY: MR. ANKIT AGRAWAL & M/S. D & D MULTINET SHOPEE PRIVATE LIMITED**

This Information Document is In terms of the Chapter XC of the SEBI (ICDR) Regulations, 2009, as amended from time to time and we propose to list our Equity Shares on Institution Trading Platform (ITP) of BSE SME.

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## GENERAL

### DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates, the following terms have the meanings given below. References to statutes, rules, regulations, guidelines and policies will be deemed to include all amendments and modifications notified thereto.

In this Information Memorandum, unless the context otherwise indicates, all references to “PSAL”, “the Company”, “our Company” are to Parnav Sports Academy Limited, a company incorporated in India under the Companies Act, 1956 (the “Companies Act”) with its Registered Office at 266A, 2F, Elegance, Jasola District Centre, Old Mathura Road, New Delhi-100 025. Furthermore, all references to the terms “we”, “us” and “our” are to Parnav Sports Academy Limited.

#### Company/ Industry related terms

Term	Description
Act/Companies Act, 2013	The Companies Act, 1956 or such other replaced provisions under the Companies Act, 2013 as may be applicable.
AGM	Annual General meeting
Articles/Articles of Association	Articles of Association of the Company
AS	Accounting Standard as issued by the Institute of Chartered Accountant of India
Auditor	M/s N.K.G & Co., Chartered Accountants the statutory auditors of our Company.
Board/Board of Directors of the Company	Board of Directors of our Company i.e. Parnav Sports Academy
BSE	BSE Limited
BSE-SME	SME platform of BSE Limited
Capital/ Share Capital/Equity Share Capital	Equity Share Capital of the Company
CDSL	Central Depository Services (India) Limited
DP	Depository Participant
Depository	The Depositories Act, 1996 and amendment thereto.
Equity Share(s) or Share(s)	Means the equity shares of the Company having a face value of Rs. 10/- unless specified otherwise in the context thereof.
Equity Shareholder	Means a holder of Equity Shares of Our Company
Financial Year/Fiscal/FY	Period of 12 month ended March 31 of that particular year unless stated otherwise.
ITP	Institutional Trading Platform
Memorandum/Memorandum of Association	Memorandum of Association of the Company
Promoter(s)	Mr. Ankit Agrawal & M/s. D & D Multinet Shopee Private Limited
RBI	Reserve Bank of India
ROC	Registrar of Company, National Capital Territory of Delhi & Haryana
SEBI Regulation/ SEBI (ICDR) Regulations	The SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended
T.P.	Transfer of Property Act, 1882
SEBI	Securities and Exchange Board of India
Stock Exchange	Shall refer to the BSE Limited where the Shares of the Company proposed to list.

Term	Description
WTO	World Trade Organization

### Abbreviations

ABBREVIATION	FULL FORM
AGM	Annual General Meeting
AS	Accounting Standards issued by the Institute of Chartered Accountants of India
A.Y.	Assessment Year
B. Tech	Bachelor in Technology
B.Com	Bachelor of Commerce
B.B.S	Bachelor in Business Studies
BG/LC	Bank Guarantee / Letter of Credit
CAGR	Compounded Annual Growth Rate
C. A.	Chartered Accountant
CDSL	Central Depository Services (India) Limited
CEO	Chief Executive Officer
C.S.	Company Secretary
DP	Depository Participant
ECS	Electronic Clearing System
EGM / EOGM	Extra Ordinary General Meeting of the shareholders
EPS	Earnings per Equity Share
FY / Fiscal	Financial Year
GDP	Gross Domestic Product
GIR Number	General Index Registry Number
INR / Rs./ Rupees	Indian Rupees, the legal currency of the Republic of India
SME	Small And Medium Enterprises
M. C.A.	Master of Computer Science
NAV	Net Asset Value
No.	Number
NR	Non Resident
NSDL	National Securities Depository Limited
P/E Ratio	Price/Earnings Ratio
Eqty	Equity
PAN	Permanent Account Number
RBI	The Reserve Bank of India
RBI Act	The Reserve Bank of India Act, 1934, as amended from time to time
RoC/Registrar of Companies	The Registrar of Companies, National Capital Territory of Delhi & Haryana
RONW	Return on Net Worth
USD/ \$/ US\$	The United States Dollar, the legal currency of the United States of America

## GENERAL INFORMATION

### PARNAV SPORTS ACADEMY LIMITED

Our Company was originally incorporated in New Delhi as “Parnav Sports Academy Private Limited” on 12<sup>th</sup> February, 2009 under the Companies Act, 1956 vide certificate of incorporation issued by the Registrar of Companies, National Capital Territory of Delhi & Haryana. Our Company was subsequently converted in to a public company and consequently name was changed to “Parnav Sports Academy Limited” (PSAL) vide fresh certificate of incorporation dated 26<sup>th</sup> December, 2013 issued by Registrar of Companies, National Capital Territory of Delhi & Haryana.

#### REGISTERED OFFICE:

266A, 2F, Elegance,  
Jasola District Centre,  
Old Mathura Road,  
New Delhi-100 025;  
Tel: +91 11-3231 9296;  
Website: www.parnavsports.com;  
E-Mail: parnavsports@yahoo.com

**COMPANY REGISTRATION NUMBER:** 187574

**COMPANY IDENTIFICATION NUMBER:** U74900DL2009PLC187574

#### ADDRESS OF REGISTRAR OF COMPANIES

4<sup>th</sup> Floor, 61, Nehru Place, New Delhi - 110019  
Tel: 011-26235707-09,  
Fax: 011-26235702,  
Email: roc.delhi@mca.gov.in

#### BOARD OF DIRECTORS:

Our Board of Directors comprise of the following members:

NAME	DESIGNATION	DIN	ADDRESS
Mr. Ankit Agrawal	Whole-time Director	06705022	H.No.- 22/2, Anand Vihar, Labour Colony, Firozabad-283 203, Uttar Pradesh, India.
Mr. Deepak Kumar Tiwari	Non-Executive Director	06653035	A-19, Gali No. 3, Gurunanak Pura Laxmi Nagar, New Delhi- 110092, Delhi, India.
Mr. Prashant Singh Tomar	Independent Director	06740199	51, Sant Bhawan, Gali No. 4, 3 <sup>rd</sup> Floor, Chander Vihar, Mandawali, Fazalpur, New Delhi- 110092, Delhi, India.
Mr. Ranjeet Kumar	Independent Director	05243913	424, Block 25, Trilok Puri, Delhi-110091, Delhi, India.

For further details of Management of our Company, please refer to section titled “*Our Management*” on page 40 of this Information Memorandum.

## **COMPANY SECRETARY & COMPLIANCE OFFICER**

Ms. Garima Baghla,  
266A, 2F, Elegance,  
Jasola District Centre,  
Old Mathura Road,  
New Delhi-100 025;  
Tel: +91 11-3231 9296;  
Website: [www.parnavsports.com](http://www.parnavsports.com);  
E-Mail: parnavsports@yahoo.com

## **STATUTORY AUDITORS**

**N.K.G. & CO.**  
Chartered Accountants  
28 G/102,  
Sanjay Place,  
Agra - 282 002  
Uttar Pradesh  
**Contact Person:** Mr. Neeraj Kumar Gupta  
Firm Registration No. - 005963C

## **INVESTING MERCHANT BANKER**

**SWASTIKA INVESTMART LIMITED.**  
1<sup>st</sup> Floor, Bandukwala Building,  
British Hotel Lane, Fort  
Mumbai-400 001  
Tel: +91-22-6682 1000  
Email: [info@swastika.co.in](mailto:info@swastika.co.in)  
Website: [www.swastika.co.in](http://www.swastika.co.in)  
SEBI Regn. No: INM 000012102

## **REGISTRAR OF THE COMPANY**

**MAS SERVICES LIMITED**  
T-34, 2<sup>nd</sup> Floor, Okhla Industrial Area,  
Phase - II, New Delhi - 110 020  
Tel: 011-26387281-83,  
Fax: 011-26387384,  
Email: [info@massserv.com](mailto:info@massserv.com)  
Website: [www.massserv.com](http://www.massserv.com)  
Contact Person: Mr. Sharwan Mangla  
SEBI Registration No: INR000000049

## **Absolute Responsibility of Parnav Sports Academy Limited**

Parnav Sports Academy Limited having made all reasonable inquiries, accepts responsibility for, and confirms that this Information Memorandum contains all information with regard to the Company, which is material, that the information contained in the Information Memorandum 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 Information Memorandum as a whole or any of such information or the expression of any such opinions are intentions misleading in any material respect.

## ELIGIBILITY CRITERIA

We are an unlisted company as on date and we propose to list our Equity Shares on Institution Trading Platform (ITP) of BSE SME In terms of the Chapter XC of the SEBI (ICDR) Regulations, 2009. Our Company is eligible for the listing in terms of 106 Y and other provisions of Chapter XC of the SEBI (ICDR) Regulations, 2009.

We Confirm that

1. The name of our company, our promoters, any of our group companies or directors do not appear in the wilful defaulters list of Reserve Bank of India as maintained by Credit Information Bureau (India) Limited;
2. There is no winding up petition against the company that has been admitted by a competent court;
3. Our company, group companies or subsidiaries have not been referred to the Board for Industrial and Financial Reconstruction within a period of five years prior to the date of application for listing;
4. No regulatory action has been taken against the company, its promoter or director, by the Board, Reserve Bank of India, Insurance Regulatory and Development Authority or Ministry of Corporate Affairs within a period of five years prior to the date of application for listing;
5. We have been incorporated on 12<sup>th</sup> February, 2009 and thus not completed more than ten years after incorporation and our revenues have not exceeded Rs. One Hundred Crores in any of the previous financial years.
6. The paid up capital of the company has not exceeded twenty five crore rupees in any of the previous financial years;
7. We have completed fiscal 2012-13 being one full year of audited financial statements, for the immediately preceding financial year at the time of making listing application;
8. M/s Swastika Investmart Limited (A SEBI Registered Merchant Banker) in accordance with Regulation 106 Y (h) (iv) of SEBI (ICDR) Regulations, 2009, as amended has conducted due diligence and invested a sum of Rs. 50 Lacs on dated 13<sup>th</sup> January, 2014 by applying 5,00,000 Equity Shares of our Company at a price of Rs. 10 Each and these shares would be under lock in for a period of Three years from the date of listing.
9. In accordance with Regulation 106 ZB of Chapter XC of the SEBI (ICDR) Regulations, 2009, Our Promoter i.e. M/s. D & D Multinet Shopee Private Limited has given their consent to lock-in 26,10,000 Equity Share representing 20.03 % of Paid up Capital of the Company.
10. We have entered tripartite depository agreement with CDSL & NSDL.

## SECTION I - BUSINESS

### DESCRIPTION OF OUR BUSINESS AND OPERATIONS

#### Description of our Business and Operations:

Our Company was originally incorporated in New Delhi as “Parnav Sports Academy Private Limited” on 12<sup>th</sup> February, 2009 under the Companies Act, 1956 vide certificate of incorporation issued by the Registrar of Companies, National Capital Territory of Delhi & Haryana. Our Company was subsequently converted in to a public company and consequently name was changed to “Parnav Sports Academy Limited” (PSAL) vide fresh certificate of incorporation dated 26<sup>th</sup> December, 2013 issued by Registrar of Companies, National Capital Territory of Delhi & Haryana.

Parnav Sports Academy Ltd is formed with the objective of providing physical and mental growth of youngsters and development of their caliber through various sports activities. Academy provides coaching sessions. The aim is to support the development of cricket as well as other sports like Basket ball, Swimming, Badminton and so on as well as other necessities to help, develop and nurture the talents of interested children.

We are engaged in the business of imparting sports training, supply of sports goods such as cricket kits, tennis kits, football kits etc. We also engage ourselves into trading of sports apparels etc. Our major thrust lies in to corporate clients, educational institutions and various sports academies. We have a tie up with various sports trainers who are available to ourselves on call basis and we provide their services to our clients.

We propose to expand our operations by venturing in to full fledged sports training organization to impart professional training to their student to achieve their goals in sports. Coaching will be provided by well qualified coaches with all modern sports facilities. In order to gear up operations, we propose to avail the playgrounds of municipal corporations.

#### **Our business process can be summarized as under:-**

Our business operation van broadly categorized in two verticals viz. sports management & training and trading of sports merchandises.

With regard to sports management & training, we play the role of a link between our end user which generally are corporate, education institutions and sports clubs. We source the trainers for our clients and supply sports accessories and offer them a combine package for a certain period of time.

With regard to our trading operations of sports merchandise, our product portfolio consists of sports apparels, football kits, tennis kits, cricket kits which we purchase from laocal markets of Northern India in bulk and supply to our clientele.

#### **Competition**

The industry of sports equipment and sports training is highly fragmented. market for IT hardware and software are rapidly growing. We face competition from basic local suppliers and trainers to high end brand names and renowned academies. Challenges faced by sports companies include constantly changing trends, tough competition and more price-conscious shoppers. Business activity in the sector can be fragmented with companies to expand geographically.

Our competition also depends on several factors which includes changing trends, attitude towards sports sectors of young generations and slowing growth of Indian economy.



## Marketing Arrangement

We engage in the business of trading in sports goods and equipments. We also venture in sports training facilities. Our management guide implementation activities to ensure efficient management of all marketing activities. Our marketing services are designed with an objective of enhancing brand awareness, spreading geographical reach for our product offerings and enabling sales team through lead generation program. Our marketing strategies include:

- Sponsorship of miniature sports events
- Market Surveys with sports equipment retailers
- Pamphlets Distributions
- Meets at various schools and educational institutions
- Kiosks

## OUR STRATEGY

We intend to grow our business by implementing the following key strategies:

1. **Expand our presence in other major cities:** Our operations are at present centric at Delhi. We further intend to establish our presence in major cities in Northern parts of India, which are exhibiting current growth and future potential by way of new business and industrial ventures and development of leisure industry.
2. **Focus on Corporate Clients and Educational Institutions:** We would like to build relations with to maintain primary focus on providing our products and services to the corporate clients as well as educational institutions.
3. **Focusing on a niche segment having the maximum buying power:** We will continue to focus on niche segment of audience having the maximum "buying power" to ensure maximum revenue.
4. **Strategic acquisitions:** We intend to selectively pursue acquisitions that augment our existing skill sets, client base or geographical presence. We are constantly on the lookout for Targets that meet our acquisition strategies

## ACTIVITIES, PRODUCTS AND SERVICES

- Providing coaching in sports such as cricket, tennis, football etc.
- Organizing events relating to coaching and exhibition of sports goods.
- Selling and distribution of Sports items such as cricket kit, football kit, badminton kit etc.
- Trading in CDs/DVDs/Books and Sports journals etc. containing sports and gymnasias manuals.
- Development and promotion and offering services in the field of sports and related activities including indoor and outdoor sports games.

Few of our clientele are listed below:

1. Mould Trading Private Limited
2. Radhey Enterprises
3. India Sports Management Group
4. John's Tennis Academy
5. Devid Fitness world
6. DDA Sports Coaching Complex
7. Master Piece Infocom Pvt Ltd

## **Industry Segment overview:**

### **Indian Sports Industry**

The words 'sports goods' have become synonymous with the passion that India has for sports. The sports goods industry in India is nearly a century old and has flourished due to the skills of its workforce.

Being labour-intensive in nature, the industry provides employment to more than 500,000 people.

The nucleus of this industry in India is in and around the states of Punjab and Uttar Pradesh.

- Jalandhar in the state of Punjab and Meerut in the state of Uttar Pradesh account for nearly 81.8 per cent of total production. Together, the two towns house more than 3,000 manufacturing units and 130 exporters
- About 60 per cent of the sports goods manufactured in Jalandhar consist of different kinds of inflatable balls
- The Indian sports goods industry also has a presence in the cities of Mumbai, Kolkata and Chennai, albeit at a lower scale

Sports is multibillion dollar industry across the globe and nevertheless a highly respected career option. Sports sector is developing in India and presents exciting career opportunity for youngsters aspiring to excel in sports, and individuals associated with sports and allied services. Sports sector is increasingly becoming strategic business units for many corporate houses in India.

The Formula One racing championship saw an inflow of US\$ 100 mn into the Indian economy through the travel and hospitality industries. The Indian Premier League, directly and indirectly generated employment for more than 15000 people. The winners of the Indian Football League won INR 5 million in the 2010-11 season. In the World Kabaddi Championship held in Punjab, India, the prize money was INR 2 crore. The champion team of the inaugural World Series Hockey will get INR four crore as prize money while the runners-up will be richer by two crore.

### **Exports - A Momentous Growth**

India's share of the global sports goods export market is expected to grow manifold, with the country establishing the credibility of its goods in the international market. Indian sporting goods are well known around the world and have made a mark in the global sports goods market. The industry exports nearly 60 per cent of its total output to sports-loving people the world over.

- The sports goods market in India was valued at US\$ 1 billion in 2010-11. The market is growing as 35-40 per cent a year and is expected to reach US\$ 3.6 billion by 2015. The growth is expected on account of increasing awareness about health and fitness in the country
- Industry exports were valued at approximately US\$ 143.7 million in 2011-12, registering a growth rate of 5 per cent over the period 2006-07 to 2011-12

### **Government and Sports Federations in Sports**

Department of Sports, Government of India schemes is geared towards creating the infrastructure and promotes capacity building for broad-basing sports. It is with the objective of achieving excellence in various competitive events at the national and international levels.

Sports promotion is primarily the responsibility of the various National Sports Federations which are autonomous and receive funding from government.

## Opportunities for Business Community in the Indian Sports sector

India Inc has been supporting sports events and sportspersons through sponsorships and scholarships respectively. It has been a win-win situation for the country and economy. Following are few of the opportunities in sports sector in India:

- Developing an ecosystem for the growth of sports.
  - Research and knowledge development & dissemination.
  - State - Industry engagements.
  - Quality Sports education, developing center of excellence and promoting sports as a full time career.
  - Efficient Sports event organization, marketing and management.
  - Strengthening and professionalizing the Sports Federation.
  - Talent scouting and management at the grassroots level.
- World class sports infrastructure development.

### Intellectual Property:

Presently, we do not own any patent or trademark.

### Licenses:

Our business operations do not envisage any requirement of licenses.

### Franchisee / concessions:

As on date we do not have any franchisee. We have not entered in to any concession agreements.

### Working Capital:

Our business does not envisage substantial working capital. Working capital is generally comprises of receivables from our debtors. Our working capital requirements may increase if, in certain contracts, payment terms do not provide for advance payments to us or if payment schedules are less favorable to us.

As on 31<sup>st</sup> March, 2013, our working capital comprised of followings:

Particulars	Amount (Fiscal 2013) Rs. in Lacs
Inventories	-
Trade Receivables	36.40
Short term loans and Advances	381.00
Cash and Bank Balances	0.59
<b>Total (A)</b>	<b>417.99</b>
<b>Less:</b>	
Trade Payables	29.66
Other Current Liabilities	0.28
Short term provisions	0.54
<b>Total (B)</b>	<b>30.48</b>
<b>Net Working Capital (A-B)</b>	<b>387.51</b>

We have funded our entire working capital requirement from our own funds. Companies engaged in industry in which we operate, finance its working capital through borrowed funds (mainly bank and financial institutions) as well as through its own funds.

**Research & Developments:**

We have not incurred any amount during the last three fiscal years on company-sponsored research and development activities.

**Human Resources:**

At our organization, we believe that people and their experience are our biggest assets. The details of manpower employed as on 31<sup>st</sup> December, 2013 are as under:

Sr. no	Category	No. of employees
1.	Whole - Dime Director	1
2.	Administration Manager	1
3.	Accounts & Finance	4
4.	Field Assistance and Security	7
5.	Company Secretary	1
	<b>TOTAL</b>	<b>14</b>

## FINANCIAL INFORMATION

The audited annual Balance Sheet, Profit & Loss Account, Cash Flow statement, with attendant annexure and notes to accounts for the fiscal 2012-2013 is produced as under:-

### AUDIT REPORT

To The Members of  
Parnav Sports Acadmy Private Limited

#### Report on the Financial Statements

We have audited the accompanying financial statements of Parnav Sports Acadmy Private Limited which comprise the Balance Sheet as at 31st March, 2013 and the Statement of Profit and Loss for the year ended, and a summary of significant accounting policies and other explanatory information.

#### Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :-

- i. In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013; and
- ii. in the case of the Statement of Profit and Loss, of the Profit of the Company for the year ended on that date; and

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, and on the basis of such checks of the books and records of the company as we considered appropriate and according to

the information and explanations given to us, we annex hereto a statement on the matters specified in Paragraphs 4 and 5 of the said Order.

2. As required by section 227(3) of the Act, we report that:
  - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of the books.
  - c) The Balance Sheet and Statement of Profit and Loss dealt with by this report are in agreement with the books of account;
  - d) In our opinion, the Balance Sheet and Statement of Profit and Loss dealt with by this report comply with the accounting standards referred to in Sub-Section (3C) of Section 211 of the Companies Act, 1956;
  - e) on the basis of written representations received from the directors as on 31st March, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
  - f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

**For N K G & CO**  
**(CHARTERED ACCOUNTANTS)**

Sd/-

**(Neeraj Kumar Gupta)**

Prop.

FRN.: 005963C

M.No. 074622

Place : Agra

Date : 26/08/2013

#### **ANNEXURE TO THE AUDITORS' REPORT**

(Referred to in paragraph (3) of our report of even date)

- i. In respect of its fixed assets:

Based on our scrutiny of the Company's Book of Account and other records and according to the information and explanations received by us from the management, we are of the opinion that the question of commenting on maintenance of proper records of fixed assets, physical Verification of fixed assets and any substantial sale thereof does not arise since the company had no fixed assets as on 31st March, 2013 nor at any time during the Financial Period ended 31st March, 2013.

The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets. Fixed assets have been physically verified by the Management during the year and there have been no material discrepancies.
- ii. In respect of its inventories:

As the company does not have any inventory since clause (a), (b), and (c) is not applicable.
- iii. The Company has neither taken nor granted any loans or advances in the nature of loans to parties covered in the register maintained under section 301 of the company Act, 1956. Hence, the question of reporting whether the term and condition of such loans are prejudicial to the interests of the company, whether reason able steps for recovery/repayment of overdue of such loans are taken does not arise.
- iv. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and nature of its business. During the course of our Audit, no major material weakness has been noticed in internal controls.

- v. Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the transactions made during the year that needed to be entered in the register maintained under section 301 of the companies Act, 1956 have been so entered.
- vi. In our opinion and according to information and explanations given to us, the Company has not accepted any deposits from the public and hence clause 4(vi) of the said order is not applicable.
- vii. We are informed that in view of internal control procedure which ensures reasonable internal checking of financial and other records, the Company has no formal internal audit as such.
- viii. According to the information and explanations given to us, in our opinion, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Wealth Tax, Sales Tax, Excise Duty, Cess, Service Tax and any other material statutory dues as applicable to it with the appropriate authorities. As at the last day of the financial year, there are no arrears of such undisputed statutory dues outstanding for a period of more than six months from the date they become payable.
- ix. The Company does not have accumulated loss at the end of the year. The Company has neither incurred Cash Loss during the current Year nor during immediately Preceding Financial Year. The Company does not have accumulated losses more than fifty percent of its net worth at the end of the financial year. The Company has incurred not cash losses during the financial year covered by the audit and no cash loss in the immediately preceding financial year.
- x. The company's accumulated losses at the end of financial year are not more than fifty percent of its net worth. The company has incurred not cash losses in the current year and immediately preceding financial year.
- xi. According to the information and explanations given to us and based on the documents and records produced to us, the company did not have any borrowing from a financial institution or bank or debenture holders and hence clause 4(xi) of the companies (Auditor's Report) Order, 2003 (as amended) is not applicable.  
Based on our audit procedures and according to the information and explanation given to us, we are of opinion that the Company has not defaulted in repayment of dues to financial institutions, banks and debenture holders.
- xii. The Company has not granted any Loans & Advances on the basis of security by way of pledge of Shares, Debentures and other securities.
- xiii. In our opinion, and to the best of our information and according to the explanations provided by the management, we are of the opinion that the Company is not a chit fund or a nidhi mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) order, 2003 are not applicable to the Company.
- xiv. On the basis of our examination of the companies' records, we are of the opinion that the company is maintaining adequate records regarding transactions and contracts regarding its trading activities in shares, securities, debentures and other investments and timely entries have been made in these records. The Shares, Securities, Debentures and Others investments have been held by the Company in its own name except to the extent of exemption granted U/s 49 of the Act.  
In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provision of clause 4 (xiv) of the Companies (auditor's Report) order, 2003 (as amended) are not applicable to the company.
- xv. The company has not given guarantee for the loans taken by others from banks or financial institution; hence clause (xv) of Para 4 of the Order is not applicable.
- xvi. According to the records of the company, the company has not obtained any term loans. Hence, comments under the clause are not called for.
- xvii. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that the no funds raised on short-term basis have been used for long term investment.
- xviii. According to the information's and explanations given to us, the Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the companies act, 1956.

- xix. The Company has not issued any debentures during the year and therefore, paragraph 4 (xix) of the said Order is not applicable to the Company.  
The company has created securities/charges respect of secured debenture issued.
- xx. The company has not raised any money by public issue during the year and therefore, paragraph 4(xx) of the said Order is not applicable to the Company.
- xxi. Based on the audit procedures performed and information's and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the course of our audit.

**For N K G & CO  
(CHARTERED ACCOUNTANTS)**

**Sd/-**

**(Neeraj Kumar Gupta)**

**Prop.**

**FRN.: 005963C**

**M.No. 074622**

**Place : Agra**

**Date : 26/08/2013**



**BALANCE SHEET AS AT 31ST MARCH, 2013**

Particulars	Note No	Amount in Rs.	
		As at 31.03.2013	As at 31.03.2012
<b>I. EQUITY AND LIABILITIES</b>			
<b><u>(1) Shareholder's Funds</u></b>			
(a) Share Capital	1	51,123,240	2,434,440
(b) Reserves and Surplus	2	4,014,631	52,571,155
(c) Money received against share warrants		-	-
<b><u>(2) Share application money pending allotment</u></b>			
(a) Share Application Money		-	-
<b><u>(3) Non-Current Liabilities</u></b>			
(a) Long-term borrowings	3	4,573,000	4,573,000
(b) Deferred tax liabilities (Net)	4	4,764	-
(c) Other Long term liabilities	5	-	-
(d) Long term provisions	6	-	-
<b><u>(4) Current Liabilities</u></b>			
(a) Short-term borrowings	7	-	-
(b) Trade payables	8	2,965,890	-
(c) Other current liabilities	9	27,500	5,000
(d) Short-term provisions	10	54,386	4,360
<b>Total</b>		<b>62,763,411</b>	<b>59,587,955</b>
<b>II.Assets</b>			
<b><u>(1) Non-current assets</u></b>			
<b><u>(a) Fixed assets</u></b>	11		
(i) Tangible assets		83,719	12,150
(ii) Intangible assets		-	-
(iii) Capital work-in-progress		-	-
(iv) Intangible assets under development		-	-
(b) Non-current investments	12	6,500,000	44,600,000
(c) Deferred tax assets (net)	13	-	-
(d) Long term loans and advances	14	14,380,000	14,380,000
(e) Other non-current assets	15	-	-
<b><u>(2) Current assets</u></b>			
(a) Current investments	16	-	-
(b) Inventories	17	-	-
(c) Trade receivables	18	3,640,256	-
(d) Cash and cash equivalents	19	59,436	582,315
(e) Short-term loans and advances	20	38,100,000	-
(f) Other current assets	21	-	13,490
<b>Total</b>		<b>62,763,411</b>	<b>59,587,955</b>

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2013**

Particulars	Note No	Amount in Rs.	
		As at 31.03.2013	As at 31.03.2012
I. Revenue from operations		5,355,478	5,123,012
II. Other Income	22	-	-
<b>III. Total Revenue (I +II)</b>		<b>5,355,478</b>	<b>5,123,012</b>
<b>IV. Expenses:</b>			
Cost of materials consumed	23	4,691,542	4,992,225
Purchase of Stock-in-Trade		-	-
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	24	-	-
Employee benefit expense	25	288,564	-
Financial costs	26	-	-
Depreciation and Amortization Expense	27	32,521	14,840
Other expenses	28	151,425	102,499
<b>Total Expenses</b>		<b>5,164,052</b>	<b>5,109,564</b>
<b>V. Profit before exceptional and extraordinary items and tax.</b>	<b>(III - IV)</b>	<b>191,426</b>	<b>13,448</b>
VI. Exceptional Items		-	-
<b>VII. Profit before extraordinary items and tax (V - VI)</b>		<b>191,426</b>	<b>13,448</b>
VIII. Extraordinary Items		-	-
<b>IX. Profit before tax (VII - VIII)</b>		<b>191,426</b>	<b>13,448</b>
<b>X. Tax expense:</b>			
(1) Current tax		54,386	4,360
(2) Deferred tax		4,764	-
(3) Income tax Adjustment		-	-
(4) Deferred tax Adjustment		-	-
<b>XI. Profit(Loss) from the operations.</b>	<b>(IX-X)</b>	<b>132,276</b>	<b>9,088</b>
<b>DISCONTINUING OPERATION</b>			
XII. Profit/(Loss) from discontinuing operations (before tax)		-	-
XIII. Tax expense of discounting operations		-	-
XIV. Profit/(Loss) balance transferred to Balance Sheet. (XII - XIII)		-	-
<b>XV. Profit/(Loss) for the period (XI + XIV)</b>		<b>132,276</b>	<b>9,088</b>
<b>XVI. Earning per equity share:</b>			
(1) Basic		0.03	0.04
(2) Diluted		0.03	0.04

**Notes Forming Part of the Balance Sheet**

**Note : 1 Share Capital**

Sr. No	Particulars	As at 31.03.2013	As at 31.03.2012
1	<b><u>AUTHORIZED CAPITAL</u></b>		
	1,27,50,000 Equity Shares (2,50,000 Equity Shares) of Rs. 10/- each.	127,500,000	2,500,000
2	<b><u>ISSUED</u></b>		
	51,12,324 Equity Shares (PY 2,43,444 Equity Share) of Rs. 10/- each.	51,123,240	2,434,440
3	<b><u>SUBSCRIBED &amp; PAID UP CAPITAL</u></b>		
	51,12,324 Equity Shares (PY 2,43,444 Equity Share) of Rs. 10/- each.	51,123,240	2,434,440
	<b>Total</b>	<b>51,123,240</b>	<b>2,434,440</b>

Sr. No	Particulars	As at 31.03.2013	As at 31.03.2012
(2)	(a) Share Application Maoney	-	-
	<b>Total</b>	-	-

Sr. No	Particulars	As at 31.03.2013	As at 31.03.2012
(3)	<b>Reconciliation of Nos. Of Shares</b>		
	Number of Equity Shares at the beginning	243,444	243,444
	Add:- Number of Bonus Shares Issued	4,868,880	-
	<b>Number of Equity Shares at the end</b>	<b>5,112,324</b>	<b>243,444</b>

**Note : 2 Reserve & Surplus**

Sr. No	Particulars	As at 31.03.2013	As at 31.03.2012
1	Capital Reserve	-	-
2	Capital Redemption Reserve	-	-
3	Securities Premium reserve	52,672,360	52,672,360
	Less: Bonus Share Issue	(48,688,800)	
4	Debenture Redemption Reserve	-	-
5	Revaluation Reserve	-	-
6	Shares Option Outstanding Account	-	-
7	Other Reserve (General Reserve)	-	-
8	Surplus (Profit & Loss Account)	-	-
	Op. Balance of Profits & Loss A/C	(101,205)	(110,293)
	Current Year Profit & Loss A/C	132,276	9,088
	<b>Total</b>	<b>4,014,631</b>	<b>52,571,155</b>

<b>Note : 4 Long Term Liabilities</b>			
<b>Sr. No</b>	<b>Particulars</b>	<b>As at 31.03.2013</b>	<b>As at 31.03.2012</b>
1	Bonds / Debentures	-	-
2	<b>Term Loan</b>		
	- From Bank	-	-
	- From Other Parties	-	-
3	Deferred Payment Liabilities	-	-
4	Deposit	-	-
5	Loans & Advances From Related Parties	-	-
6	Long Term Maturities of Finance lease obligation	-	-
7	Loans From Directors	-	-
8	<b>Other Loans</b>	4,573,000	4,573,000
	<b>Total</b>	<b>4,573,000</b>	<b>4,573,000</b>

**Note : 4 Deferred Tax Liabilities (Net)**

<b>Sr. No</b>	<b>Particulars</b>	<b>As at 31.03.2013</b>	<b>As at 31.03.2012</b>
1	Deferred Tax Liability	4,764	-
	<b>Total</b>	<b>4,764</b>	<b>-</b>

**Note : 5 Other Long Term Liabilities**

<b>Sr. No</b>	<b>Particulars</b>	<b>As at 31.03.2013</b>	<b>As at 31.03.2012</b>
1	Trade Creditors	-	-
2	Others	-	-
	<b>Total</b>	<b>-</b>	<b>-</b>

**Note : 6 Long Term Provisions**

<b>Sr. No</b>	<b>Particulars</b>	<b>As at 31.03.2013</b>	<b>As at 31.03.2012</b>
1	Provision from Employment Benefit	-	-
2	Other	-	-
	<b>Total</b>	<b>-</b>	<b>-</b>

**Note : 7 Short Term Borrowings**

<b>Sr. No</b>	<b>Particulars</b>	<b>As at 31.03.2013</b>	<b>As at 31.03.2012</b>
1	<b>Loan Repayable on Demand</b>		
	- From Bank	-	-
	- From Other Parties	-	-
2	Loans & Advances From Related Parties	-	-
3	Deposits	-	-
4	Others	-	-
	<b>Total</b>	<b>-</b>	<b>-</b>

**Note : 8 Trades Payable**

Sr. No	Particulars	As at 31.03.2013	As at 31.03.2012
1	Trade Payables	2,965,890	-
	<b>Total</b>	<b>2,965,890</b>	<b>-</b>

**Note : 9 Other Current Liabilities**

Sr. No	Particulars	As at 31.03.2013	As at 31.03.2012
1	Audit Fees Payable	5,000	5,000
2	Salary Payable	22,500	-
	<b>Total</b>	<b>27,500</b>	<b>5,000</b>

**Note : 10 Short Term Provisions**

Sr. No	Particulars	As at 31.03.2013	As at 31.03.2012
1	<u>Provision From Employees Benefit</u>	-	-
2	<u>Others</u>		
	Provision For Income Tax	54,386	4,360
	<b>Total</b>	<b>54,386</b>	<b>4,360</b>

Note : 11 Fixed Assets

Sr. No	Particulars	Rate	Gross Block			Depreciation				Net Block		
			Value as on 01.04.2012	Addition during the year	Deduction during the year	Value as on 31.03.2013	Value as on 01.04.2012	Addition during the year	Deduction during the year	Value as on 31.03.2013	WDV as on 31.03.2013	WDV as on 31.03.2012
I	<u>Tangible Assets</u>	-										
	-											
	Computer	40.00%	-	46,500	-	46,500	-	13,963	-	13,963	32,537	-
	Furnitures & Fixtures	10.00%	15,000	25,600	-	40,600	2,850	3,137	-	5,987	34,613	12,150
	Mobile Phone	13.91%	-	18,500	-	18,500	-	1,932	-	1,932	16,568	-
	SUB TOTAL (A)		15,000	90,600	-	105,600	2,850	19,031	-	21,881	83,719	12,150
II	<u>Intangible Assets</u>	-										
	-											
	SUB TOTAL (B)		-	-	-	-	-	-	-	-	-	-
III	<u>Capital Work-in-progress</u>	-										
	-											
	SUB TOTAL (C)		-	-	-	-	-	-	-	-	-	-
IV	<u>Intangible Assets Under Development</u>	-										
	-											
	SUB TOTAL (D)		-	-	-	-	-	-	-	-	-	-
	Total [A + B + C + D] (Current Year)		15,000	90,600	-	105,600	2,850	19,031	-	21,881	83,719	12,150
	(Previous Year)		15,000	-	-	15,000	1,500	1,350	-	2,850	12,150	13,500

Note : 12 Non Current Investment

Sr. No	Particulars	As at 31.03.2013	As at 31.03.2012
1	Investment in Property	-	-
2	Investment in Equity Instrument	-	-
3	Other Investment		
	Investments (Non-Current)	6,500,000	44,600,000
4	Investment in Mutual Fund	-	-
5	Investment in Partnership Firm	-	-
	<b>Total</b>	<b>6,500,000</b>	<b>44,600,000</b>

**Note : 13 Deferred Tax Assets (Net)**

Sr. No	Particulars	As at 31.03.2013	As at 31.03.2012
1	Deferred Tax	-	-
	<b>Total</b>	-	-

**Note : 14 Long Term Loans and Advances**

Sr. No	Particulars	As at 31.03.2013	As at 31.03.2012
I)	<b><u>Capital Assets</u></b>		
	a) Secured, Considered Good :	-	-
	b) Unsecured, Considered Good :	-	-
	c) Doubtful	-	-
II)	<b><u>Security Deposit</u></b>		
	a) Secured, Considered Good :	-	-
	b) Unsecured, Considered Good :	-	-
	c) Doubtful	-	-
III)	<b><u>Loans &amp; Advances to related parties</u></b>	-	-
IV)	<b><u>Other Loans &amp; Advances</u></b>	14,380,000	14,380,000
	<b>Total</b>	<b>14,380,000</b>	<b>14,380,000</b>

**Note : 15 Other Non Current Assets**

Sr. No	Particulars	As at 31.03.2013	As at 31.03.2012
1	Long Term Trade Receivables		
	a) Secured, Considered Good :	-	-
	b) Unsecured, Considered Good :	-	-
	c) Doubtful	-	-
2	Others	-	-
	<b>Total</b>	-	-

**Note :16 Current Investment**

Sr. No	Particulars	As at 31.03.2013	As at 31.03.2012
1	Investment in Equity	-	-
2	Investment in Preference Shares	-	-
3	Investment in Govt Securities	-	-
4	Investment in debentures & Bonds	-	-
5	Investment in Mutual Fund	-	-
6	Investment in Partnership Firm	-	-
7	Others	-	-
	<b>Total</b>	-	-

**Note : 17 Inventories**

Sr. No	Particulars	As at 31.03.2013	As at 31.03.2012
1	Raw Material	-	-
2	Work-in-Progress	-	-
3	Finished Goods	-	-
4	Stock-in-Trade	-	-
5	Stores & Spares	-	-
6	Loose Tools	-	-
7	Other (Specify the nature)	-	-
8	Goods-in-transit	-	-
	<b>Total</b>	-	-

**Note : 18 Trade Receivables**

Sr. No	Particulars	As at 31.03.2013	As at 31.03.2012
1	<u>Outstanding for more than six months</u>	-	-
	<u>a) Secured, Considered Good :</u>	-	-
	<u>b) Unsecured, Considered Good :</u>	-	-
	<u>c) Doubtful</u>	-	-
	-	-	-
2	<u>Others</u>	-	-
	<u>a) Secured, Considered Good :</u>	-	-
	<u>b) Unsecured, Considered Good :</u>	3,640,256	-
	<u>c) Doubtful</u>	-	-
	-	-	-
	<b>Total</b>	<b>3,640,256</b>	-



**Note : 19 Cash & Cash Equivalent**

Sr. No	Particulars	As at 31.03.2013	As at 31.03.2012
1	<b>Cash-in-Hand</b>		
	Cash Balance	59,436	577,748
	<b>Sub Total (A)</b>	59,436	577,748
2	<b>Bank Balance</b>		
	<b>Bank Balance (With Schedule Bank)</b>		
(i)	Balance With Scheduled Banks	-	4,567
	<b>Sub Total (B)</b>	-	4,567
	<b>Total [ A + B]</b>	<b>59,436</b>	<b>582,315</b>

**Note :20 Short Terms Loans and Advances**

Sr. No	Particulars	As at 31.03.2013	As at 31.03.2012
1	Loans & Advances from related parties		
	a) Secured, Considered Good :	-	-
	b) Unsecured, Considered Good :	-	-
	c) Doubtful	-	-
2	<b>Others</b>		
	Loans & Advances	38,100,000	-
	<b>Total</b>	<b>38,100,000</b>	<b>-</b>

**Note : 21 Other Current Assets**

Sr. No	Particulars	As at 31.03.2013	As at 31.03.2012
1	Advance Income Tax	-	-
2	TDS	-	-
3	Preliminary Expenses	-	13,490
	<b>Total</b>	<b>-</b>	<b>13,490</b>

**Note : 22 Other Income**

Sr. No	Particulars	As at 31.03.2013	As at 31.03.2012
	<b>INCOME (OTHERS)</b>		
	Income Others	-	-
	Interest Received	-	-
	<b>Total</b>	<b>-</b>	<b>-</b>

**Note : 23 Cost of Material Consumed**

Sr. No	Particulars	As at 31.03.2013	As at 31.03.2012
1	Purchases & Direct Expenses	4,691,542	4,992,225
	<b>Total</b>	<b>4,691,542</b>	<b>4,992,225</b>

**Note : 24 Change in Inventories**

Sr. No	Particulars	As at 31.03.2013	As at 31.03.2012
	Closing Stock	-	-
	Less Opening Stock	-	-
	<b>Total</b>	<b>-</b>	<b>-</b>

**Note : 25 Employment Benefit Expenses**

Sr. No	Particulars	As at 31.03.2013	As at 31.03.2012
1	Remuneration to Director	-	-
2	Salary	270,000	-
3	Staff Welfare	18,564	-
	<b>Total</b>	<b>288,564</b>	<b>-</b>

**Note :26 Financial Cost**

Sr. No	Particulars	As at 31.03.2013	As at 31.03.2012
1	Bank Expenses	-	-
	<b>Total</b>	<b>-</b>	<b>-</b>

**Note : 27 Depreciation & Amortised Cost**

Sr. No	Particulars	As at 31.03.2013	As at 31.03.2012
1	Depreciation	19,031	1,350
2	Preliminary Expenses W/O	13,490	13,490
	<b>Total</b>	<b>32,521</b>	<b>14,840</b>

**Note : 28 Other Expenses**

Sr. No	Particulars	As at 31.03.2013	As at 31.03.2012
1	<b><u>Administrative Expenses:</u></b>		
	Accounting Charges	-	-
	Audit Fees	5,000	5,000
	Bank Charges	4,567	63,158
	Conveyance Expenses	17,524	7,446
	Repair & Maintenance	9,528	8,443
	Misc. Exp.	19,324	6,945
	Office Expenses	22,356	-
	Travelling Exps	7,504	7,008
	Legal & Professional Exp.	15,655	-
	Business Promotions Exp.	21,654	
	Printing & Stationary Expenses	12,060	
	Telephone Expenses	16,253	4,499
2	<b><u>Direct Expenses:</u></b>		
	Inward Freight & Cartage	-	-
	Job Processing Charges	-	-
3	<b><u>Selling &amp; Distribution Expenses:</u></b>		
	Forwarding Expenses Outward	-	-
	Packing Expenses	-	-
	Sample Expenses	-	-
	<b>Total [ A + B ]</b>	<b>151,425</b>	<b>102,499</b>

<b>CASH FLOW STATEMENT</b>		
	<b>Amounts Rs.</b>	<b>Amounts Rs.</b>
<b>PARTICULARS</b>	<b>31.03.13</b>	<b>31.03.12</b>
<b><u>(A) CASH FLOW FROM OPERATING ACTIVITIES:-</u></b>		
1.Net profit before tax	191,426	13,448
2.Adjustment for:		
Add: Depreciation & Amortization Expenses	32,521	14,840
<b>Operating Profit before Working capital changes</b>	<b>223,947</b>	<b>28,288</b>
<b>3.Working Capital Changes:</b>		
Decrease (Increase) in Trade & Other Receivables	(3,640,256)	-
Decrease (Increase) in Inventories	-	-
Decrease (Increase) in Short Term Provision	-	-
Decrease (Increase) in Other Current Assets	-	-
Increase (Decrease) in Trade & Other Payables	2,965,890	-
Increase (Decrease) in Other Current Liabilities	22,500	-
Increase (Decrease) in Other Liabilities	-	-
<b>Net Changes in Working Capital</b>	<b>(651,866)</b>	<b>-</b>
<b><u>Cash Generated from Operations</u></b>	<b>(427,919)</b>	<b>28,288</b>
<b>Adjustment of Taxes</b>	<b>4,360</b>	<b>-</b>
<b>Net Cash Flow from Operating Activities (A)</b>	<b>(432,279)</b>	<b>28,288</b>
<b><u>(B.) CASH FLOW FROM INVESTING ACTIVITIES :</u></b>		
Purchase of Fixed Assets	(90,600)	-
(Increase) Decrease in Other Non Current Assets	-	-
(Increase) Decrease in Long Term Loans & Advances	-	16,300,000
(Increase) Decrease in Short Terms Loans & Advances	(38,100,000)	-
Decrease (Increase) in Current Investments	-	-
Decrease (Increase) in Non Current Investments	38,100,000	(37,000,000)
<b>Net Cash Flow from Investing Activities (B)</b>	<b>(90,600)</b>	<b>(20,700,000)</b>
<b><u>(C.) CASH FLOW FROM FINANCING ACTIVITIES :</u></b>		
Issue of share capital	-	21,221,500
Increase in Short Terms Borrowings	-	-
<b>Net Cash Flow from Financing Activities (C)</b>	<b>-</b>	<b>21,221,500</b>
<b>Net Increase / (Decrease) in Cash &amp; Cash Equivalents ( A-B+C )</b>	<b>(522,879)</b>	<b>549,788</b>
<b>Cash and cash equivalents at the beginning of the year / Period</b>	<b>582,315</b>	<b>32,527</b>
<b>Cash and cash equivalents at the end of the year/ Period</b>	<b>59,436</b>	<b>582,315</b>

## CAPITAL STRUCTURE

The share capital of the Company as at the date of this Information Memorandum is set forth below.

Sr. No	Particulars	Aggregate value at face value / Aggregate Nominal Value (Rs. in Lacs)
<b>A.</b>	<b>Authorized Share Capital</b>	
	1,35,00,000 Equity Shares of face value of Rs.10 each	1350.00
<b>B.</b>	<b>Issued, subscribed and paid-up Equity Share Capital</b>	
	1,30,27,324 Equity Shares of face value of Rs.10 each	1302.73

The securities premium account of the Company, is set forth below.

Date	Particulars	Share Premium (Rs. in Lacs)	Cumulative share premium (Rs. in Lacs)
31/03/2010	1,68,570 Equity Shares allotted on 31/03/2010 at a premium of Rs. 130 Each	219.14	219.14
20/03/2012	50,000 Equity Shares allotted on 20/03/2012 at a premium of Rs. 469.40 Each	234.70	453.84
26/03/2012	50,000 Equity Shares allotted on 26/03/2012 at a premium of Rs. 469.40 Each	72.88	526.72
25/03/2013	Utilized in Bonus Issue	(486.89)	39.84

The Equity Share Capital history of our Company, is set forth below.

Date of issue allotment of Shares	No. of Equity Shares Issued	Face value (Rs)	Issue price (Rs.)	Consideration (cash, bonus, consideration other than cash)	Nature of allotment (Bonus, swap etc.)	Cumulative no. of Equity Shares	Cumulative paid-up share capital (Rs.)	Cumulative share premium (Rs.)
12/02/2009	10,000	10	10	Cash	Subscription to MOA	10,000	1,00,000	Nil
31/03/2010	1,68,570	10	140	Cash	Further Allotment	1,78,570	17,85,700	219.14
20/03/2012	50,000	10	470.40	Cash	Further Allotment	2,28,570	22,85,700	453.84
26/03/2012	14,874	10	500	Cash	Further Allotment	2,43,444	24,34,440	526.72
25/03/2013	48,68,880	10	Nil	Bonus Issue	Bonus in ratio of 20:1	51,12,324	5,11,23,240	39.84

Date of issue allotment of Shares	No. of Equity Shares Issued	Face value (Rs)	Issue price (Rs.)	Consideration (cash, bonus, consideration other than cash)	Nature of allotment (Bonus, swap etc.)	Cumulative no. of Equity Shares	Cumulative paid-up share capital (Rs.)	Cumulative share premium (Rs.)
01/01/2014	8,25,000	10	10	Cash	Further Allotment	59,37,324	5,93,73,240	39.84
04/01/2014	17,53,000	10	10	Cash	Further Allotment	76,90,324	7,69,03,240	39.84
07/01/2014	7,13,500	10	10	Cash	Further Allotment	84,03,824	8,40,38,240	39.84
09/01/2014	8,32,000	10	10	Cash	Further Allotment	92,35,824	9,23,58,240	39.84
11/01/2014	7,27,500	10	10	Cash	Further Allotment	99,63,324	9,96,33,240	39.84
14/01/2014	7,41,000	10	10	Cash	Further Allotment	1,07,04,324	10,70,43,240	39.84
16/01/2014	16,88,000	10	10	Cash	Further Allotment	1,23,92,324	12,39,23,240	39.84
18/01/2014	6,35,000	10	10	Cash	Further Allotment	1,30,27,324	13,02,73,240	39.84

Shareholding of our Promoters:

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

1. MR. ANKIT AGRAWAL						
Date of Allotment / Transfer	Consideration	No. of Equity Shares	Face value per Share (Rs.)	Issue / Acquisition/Transfer price (Rs.)	Nature of Transactions	shareholding %
28/12/2013	Cash	10,000	10	10	Acquisition	
<b>Total</b>		<b>10,000</b>				<b>0.08</b>

3. M/S. D & D MULTINET SHOPEE PRIVATE LIMITED						
Date of Allotment / Transfer	Consideration	No. of Equity Shares	Face value per Share (Rs.)	Issue / Acquisition/Transfer price (Rs.)	Nature of Transactions	shareholding %
10/04/2013	Cash	20,42,000	10	10	Acquisition	
28/12/2013	Cash	13,60,324	10	10	Acquisition	
<b>Total</b>		<b>34,02,324</b>				<b>26.12</b>

Statement showing Share Holding Pattern of Parnav Sports Academy Limited as per clause 34 of Listing on Institutional Trading Platform

(I)(a)

Category code (I)	Category of shareholder (II)	Number of shareholders (III)	Total number of shares (IV)	Number of shares held in dematerialized form (V)	Total shareholding as a percentage of total number of shares	Shares Pledged or otherwise encumbered	
						As a percentage of (A+B) (VI)	Number of Shares (VII)
<b>(A)</b>	<b>Promoter and Promoter Group</b>						
<b>(1)</b>	<b>Indian</b>						
(a)	Individuals/ Hindu Undivided Family	1	10000	-	0.08	-	-
(b)	Central Government/ State Government(s)	-	-	-	-	-	-
(c)	Bodies Corporate	1	3402324	-	26.12	-	-
(d)	Financial Institutions/ Banks	-	-	-	-	-	-
(e)	Any Other (specify)	-	-	-	-	-	-
	<b>Sub-Total (A)(1)</b>	<b>2</b>	<b>3412324</b>	<b>-</b>	<b>26.20</b>	<b>-</b>	<b>-</b>
<b>(2)</b>	<b>Foreign</b>						
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	-	-	-	-	-	-
(b)	Bodies Corporate	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-
(d)	Qualified Foreign Investor	-	-	-	-	-	-
(e)	Any Other (specify)	-	-	-	-	-	-
	<b>Sub-Total (A)(2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)</b>	<b>2</b>	<b>3412324</b>	<b>-</b>	<b>26.20</b>	<b>-</b>	<b>-</b>
<b>(B)</b>	<b>Public shareholding</b>						
<b>(1)</b>	<b>Institutions</b>						
(a)	Mutual Funds/UTI	-	-	-		NA	NA
(b)	Financial Institutions/ Banks	-	-	-		NA	NA
(c)	Central Government/ State	-	-	-		NA	NA

Category code (I)	Category of shareholder (II)	Number of shareholders (III)	Total number of shares (IV)	Number of shares held in dematerialized form (V)	Total shareholding as a percentage of total number of shares	Shares Pledged or otherwise encumbered	
						As a percentage of (A+B) (VI)	Number of Shares (VII) As a percentage (VIII)= (VII) / (IV) *100
	Government(s)						
(d)	Alternate Investment Funds / Venture Capital Funds	-	-	-		NA	NA
(e)	Insurance Companies	-	-	-		NA	NA
(f)	Foreign Institutional Investors	-	-	-		NA	NA
(g)	Foreign Venture Capital Investors	-	-	-		NA	NA
(h)	Any Other -Merchant Banker	1	500000	-	3.84	NA	NA
	<b>Sub-Total (B)(1)</b>	<b>1</b>	<b>500000</b>	<b>-</b>	<b>3.84</b>	<b>NA</b>	<b>NA</b>
<b>(2)</b>	<b>Non- institutions</b>						
(a)	Bodies Corporate	15	1700000	-	13.05	NA	NA
(b)	Individuals	344	7415000	1156500	56.91		
(c)	Qualified Foreign Investors	-	-	-	-	N.A	N.A
(d)	Any Other	-	-	-	-		
	<b>Sub-Total (B)(2)</b>	<b>359</b>	<b>9115000</b>	<b>1156500</b>	<b>69.96</b>	<b>N.A</b>	<b>N.A</b>
	<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>360</b>	<b>9615000</b>	<b>1156500</b>	<b>73.80</b>	<b>N.A</b>	<b>N.A</b>
	<b>TOTAL (A)+(B)</b>	<b>362</b>	<b>13027324</b>	<b>1156500</b>	<b>100.00</b>	<b>N.A</b>	<b>N.A</b>



**(l)(b) Statement showing Shareholding of persons belonging to the category “Promoter and Promoter Group”**

Sr. No.	Name of Shareholder	Details of Shares Held		Shares pledged or otherwise encumbered			Details of warrants		Details of convertible securities		Total shares (including underlying shares assuming full conversion of warrants and convertible securities) as a % of diluted share capital
		No. of Shares Held	As a % of grand total (A) + (B) + (C)	No.	As a percentage	As a % of grand total (A) + (B) + (C) of sub-clause (l)(a)	Number of warrants held	As a % total number of warrants of the same class	Number of convertible securities held	As a % total number of warrants of the same class	
1	ANKIT AGRAWAL	10000	0.08	0	0.00	0.00	0	0.00	0	0.00	-
2	D & D MULTINET SHOPEE PRIVATE LIMITED	3402324	26.12	0	0.00	0.00	0	0.00	0	0.00	-
	<b>TOTAL</b>	<b>3412324</b>	<b>26.20</b>	<b>0</b>	<b>0.0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>-</b>

**(l)(c) Statement showing Shareholding of persons belonging to the category “Public” and holding more than 1 % of the total number of shares**

Sr. No.	Name of Shareholder	Number of shares	Shares as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (l)(a) above}
1	SANJAY GUPTA	625,000	4.80
2	SWASTIKA INVESTMART LTD	500,000	3.84
3	VINAY GUPTA	312,500	2.40
4	SAMEER GUPTA	312,500	2.40
5	HIGROW POLYMERS PRIVATE LIMITED	200,003	1.54
6	VIKAS BANSAL	200,000	1.54
7	RADHA MADHAV AGROTECH PVT LTD.	150,003	1.15

Sr. No.	Name of Shareholder	Number of shares	Shares as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above}
8	BASANT KUMAR AGGARWAL	150,000	1.15
9	DECENT AGENCIES PVT LTD	147,000	1.13
10	SORUS POWER PVT LTD	147,000	1.13
	<b>TOTAL</b>	<b>2744006</b>	<b>21.06</b>

(d) Statement showing details of locked-in shares

Sr. No.	Name of Shareholder	Number of locked-in shares	Locked-in shares as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above}
1	D & D MULTINET SHOPEE PRIVATE LIMITED	26,10,000	20.03
2	SWASTIK INVESTMART LIMITED	5,00,000	3.84
	<b>TOTAL</b>	<b>31,10,000</b>	<b>23.87</b>

(II) (a) Statement showing details of Depository Receipts (DRs)

Sr. No.	Type of outstanding DR (ADRs, GDRs, SDRs, etc.)	Number of outstanding DRs	Number of shares underlying outstanding DRs	Shares underlying outstanding DRs as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above}
		NIL		
	<b>TOTAL</b>	<b>NIL</b>		

(II) (b) Statement showing holding of Depository Receipts (DRs), where underlying shares are in excess of 1 % of the total number:

Sr. No.	Name of DR Holder	Type of outstanding DR (ADRs, GDRs, SDRs, etc.)	Number of shares underlying outstanding DRs	Shares underlying outstanding DRs as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above}
		NA		
	<b>TOTAL</b>	<b>NIL</b>		

## PROPERTY

Description of Properties of Company are set forth below.

### **Registered Office:**

We operate from our registered office situated at 266A, 2F, Elegance, Jasola District Centre, Old Mathura Road, New Delhi-100 025, which is a rented premise.

## SECTION II - RISK FACTORS

### INTERNAL RISK FACTORS

**1. The Registered Office of our Company are not owned by us.**

We operate from our registered office situated at 266A, 2F, Elegance, Jasola District Centre, Old Mathura Road, New Delhi-100 025, which is a rented premise. Any discontinuance of rent agreement / facility will lead us to locate any other premises. Our inability to identify the new premises may adversely affect the operations, finances and profitability of our Company.

**2. We have reported negative cash flows.**

The detailed break up of cash flows is summarized in below mentioned table and our Company has reported negative cash flow in certain financial years and which could affect our business and growth:

	<i>(Rs.)</i>	
Particulars	31.03.13	31.03.12
Net Cash flow from Operative activities	(4,32,279)	28,288
Net Cash Flow from investing activities	(90,600)	(2,07,00,000)
Net Cash Flow from Financing activities	-	2,12,21,500
<b>Net Cash Flow for the Year</b>	<b>(5,22,879)</b>	<b>5,49,788</b>

**3. We are dependent on our management team for success whose loss could seriously impair the ability to continue to manage and expand business efficiently.**

Our success largely depends on the continued services and performance of our management and other key personnel. The loss of service of the Promoters and other senior management could seriously impair the ability to continue to manage and expand the business efficiently. Further, the loss of any of the senior management or other key personnel may adversely affect the operations, finances and profitability of our Company. Any failure or inability of our Company to efficiently retain and manage its human resources would adversely affect our ability to implement new projects and expand our business.

**4. Our Company does not have any long term supply contracts with our customers which may adversely affect our results of operations.**

Our Company does not have any long term commitments with our customers for purchases of our products. As a result, we may be dependent on the recurring purchase orders received from time to time. There is no assurance that our Company will continue to receive purchase orders for our products either on substantially the same terms or at all, which could have an adverse effect on our Company's operations and profitability. Further, any change in the buying pattern of our end users can adversely affect the business and results of operations of our Company.

**5. Failure on our part to meet consumer expectations could impact our business operations.**

Our business depends on consumer preferences which cannot be predicted with certainty and are subject to rapid change. We feel that if we fail to understand and in turn respond in a timely and appropriate manner to changing consumer demand with quality products, our brand name and brand image may be impaired and in turn result in decline in sales or leave us with

substantial amount of unsold inventory. We may not be able to successfully meet changing consumer demands in future. In addition, any new products or brands that we introduce in future may not be successfully received by retailers and consumers. Any failure on our part to successfully meet consumer demand or preference may negatively affect our business, financial condition and results of operations.

**6. We have not protected our assets through insurance coverage and our assets are certain operating risks and this may have a material adverse impact on our business.**

We have not maintained any insurance policy to provide adequate coverage to our assets. Any damage or loss of our assets would have a material and adverse impact on our business operations and profitability.

**7. Our trademark is not registered under the Trade Marks Act our ability to use the trademark may be impaired.**

Our company's business may be affected due to our inability to protect our existing and future intellectual property rights. Currently, we do not have a registered trademark over our name and logo under the Trade Marks Act and consequently do not enjoy the statutory protections accorded to a trademark registered in India and cannot prohibit the use of such logo by anybody by means of statutory protection.

**8. We operate on low gross margins and a slight variation in revenues and operating costs can have a significant impact on our operating results**

The sports and entertainment industry is a highly competitive one and this results in low gross margins. Further, any decrease in the demand for our products may hinder our ability to maintain or improve our gross margins. Moreover a portion of our operating expenses is relatively fixed and a slight reduction in revenues or our inability to manage our costs can adversely affect our results of operation and financial condition.

**9. Supply Chain Management plays a very vital role in our business.**

A strong supply chain system is essential to ensure availability of stock. We rely on our supply chain to optimize our inventory position and reduce cost. We strive to keep optimum inventory to control our working capital requirements.

**10. All of our facilities would be geographically located in one area only**

All of our facilities would be geographically located in one area only. As a result of this, if there is any localized social unrest, natural disaster or breakdown of services and utilities in that area, it may affect our business adversely.

## **EXTERNAL RISK FACTORS**

**11. Political, economic and social changes in India could adversely affect our business.**

Our business, and the market price and liquidity of our Company's shares, may be affected by changes in Government policies, including taxation, social, political, economic or other developments in or affecting India could also adversely affect our business. Since 1991, successive governments have pursued policies of economic liberalization and financial sector reforms including significantly relaxing restrictions on the private sector. In addition, any political instability in India may adversely affect the Indian economy and the Indian securities markets in general, which could also affect the trading price of our Equity Shares.

**12. Natural calamities and force majeure events may have an adverse impact on our business.**

Natural disasters may cause significant interruption to our operations, and damage to the environment that could have a material adverse impact on us. The extent and severity of these natural disasters determines their impact on the Indian economy. Prolonged spells of deficient or abnormal rainfall and other natural calamities could have an adverse impact on the Indian economy, which could adversely affect our business and results of operations.

**13. Our transition to IFRS reporting could have a material adverse effect on our reported results of operations or financial condition.**

Our Company may be required to prepare annual and interim financial statements under IFRS in accordance with the roadmap for the adoption of, and convergence with, the IFRS announced by the Ministry of Corporate Affairs, Government of India through a press note dated January 22, 2010 (“IFRS Convergence Note”). The Ministry of Corporate Affairs by a press release dated February 25, 2011 has notified that 32 Indian Accounting Standards are to be converged with IFRS. The date of implementation of such converged Indian accounting standards has not yet been determined and will be notified by the Ministry of Corporate Affairs after various tax related issues are resolved. We have not yet determined with certainty what impact the adoption of IFRS will have on our financial reporting. Our financial condition, results of operations, cash flows or changes in shareholders' equity may appear materially different under IFRS than under Indian GAAP or our adoption of IFRS may adversely affect our reported results of operations or financial condition. This may have a material adverse effect on the amount of income recognized during that period.

**14. Any downgrading of India’s debt rating by a domestic or international rating agency could negatively impact our business.**

Any adverse revisions to India’s credit ratings for domestic and international debt by domestic or international rating agencies may adversely impact our ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our financial results and business prospects, ability to obtain financing for capital expenditures and the price of our Equity Shares.

**15. Hostilities, terrorist attacks, civil unrest and other acts of violence could adversely affect the financial markets and our business.**

Terrorist attacks and other acts of violence or war may adversely affect the Indian markets on which our Equity Shares will trade. These acts may result in a loss of business confidence, make travel and other services more difficult and have other consequences that could have an adverse effect on our business. In addition, any deterioration in international relations, especially between India and its neighboring countries, may result in investor concern regarding regional stability which could adversely affect the price of our Equity Shares. In addition, India has witnessed local civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic or political events in India could have an adverse impact on our business. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse impact on our business and the market price of our Equity Shares.

**RISKS RELATING TO THE EQUITY SHARES**

**16. Our Company may raise further rounds of equity financing in which the existing shareholders may not participate resulting in reduction of their percentage of holding in our company.**

In order to grow business, our Company may require additional funds at various points of time. Our Company may raise funds through various means including debt, equity and securities convertible into equity. Any such issuances of equity and securities convertible into equity would dilute the holding of Equity Shareholders. Difficult market conditions can adversely affect our business in many ways, including by reducing the volume of the transactions involving our advisory business, and these could materially reduce our revenue or income.

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

The amount of our future dividend payments, if any, will depend upon our Company's future earnings, financial condition, cash flows, working capital requirements, capital expenditures, applicable Indian legal restrictions and other factors. There can be no assurance that our Company will be able to pay dividends.

**18. The price of our Equity Shares may be volatile.**

The trading price of our Equity Shares may fluctuate after the listing due to a variety of factors, including our results of operations and the performance of our business, competitive conditions, general economic, political and social factors, the performance of the Indian and global economy and significant developments in India's fiscal regime, volatility in the Indian and global securities market, performance of our competitors, the Indian Capital Markets, changes in the estimates of our performance or recommendations by financial analysts and announcements by us or others regarding contracts, acquisitions, strategic partnerships, joint ventures, or capital commitments. In addition, if the stock markets experience a loss of investor confidence, the trading price of our Equity Shares could decline for reasons unrelated to our business, financial condition or operating results. The trading price of our Equity Shares might also decline in reaction to events that affect other companies in our industry even if these events do not directly affect us. Each of these factors, among others, could materially affect the price of our Equity Shares.

**19. Active trading market for our Equity Shares may not develop.**

Till date there has been no public market for our Equity Shares. We propose to list our Equity Shares on Equity Shares on Institution Trading Platform (ITP) of BSE SME. We can not assure that pursuant to listing on ITP, active trading market of our Equity Shares or for securities convertible in to Equity Shares would develop as trading on ITP is subject to certain restrictions viz minimum trading lot on institutional trading platform is Rs. 10 Lacs. Further the securities listed on ITP will be mandatorily exited within 18 months of triggering various events such as completion of ten years on listing of ITP or attaining paid up capital of Rs. 25 Crores or attaining revenue of Rs. 300 Crores or attaining market capitalization of Rs. 500 Crores.

Pursuant to There can be no assurance that an active trading market for our Equity Shares will develop or be sustained after the listing.

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

Pursuant to listing, we will be subject to a daily "circuit breaker" imposed by BSE, which does not allow transactions beyond specified increases or decreases in the price of the Equity Shares. This circuit breaker operates independently of the index-based, market-wide circuit breakers generally imposed by 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 the Equity Shares. The BSE may 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 can be given regarding shareholders ability to sell Equity Shares at any particular time.



### SECTION III - SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth certain information concerning the beneficial ownership of our shares of by each person known by us to be the beneficial owner (In case different from registered owner) of the issued and subscribed capital.

Class / Type of Securities	Name and Address of Benefice Owner	Amount and nature of beneficial ownership	Percent
Equity Shares	Nil	N.A.	N.A.

### SHAREHOLDERS AGREEMENTS

Our Company has not entered into any shareholders agreement as on date of this Information Memorandum.

## SECTION IV - OUR MANAGEMENT

### BOARD OF DIRECTORS

Under our Articles of Association, our Company is required to have not less than three (3) Directors and not more than twelve (12) Directors. Our Company currently has four (4) Directors on Board. The following table sets forth current details regarding our Board of Directors:

Name, Father's name, Address, Occupation, Nationality, tenure & DIN	Age	Date of Assuming office in the Company	Status of Directorship in our Company
1. Mr. Ankit Agrawal S/o Mr. Sanjay Agrawal H.No.- 22/2, Anand Vihar, Labour Colony, Firozabad-283 203, Uttar Pradesh, India. Occupation: Business Nationality: Indian Tenure: 5 years w.e.f. 27 <sup>th</sup> December, 2013 DIN: 06705022	25 Yrs	27/12/2013	Whole-time Director
2. Mr. Deepak Kumar Tiwari S/o Mr. Satpal Tiwari A-19, Gali No. 3, Gurunanak Pura Laxmi Nagar, New Delhi- 110092, Delhi, India. Occupation: Service Nationality: Indian Tenure: Retire by rotation DIN: 06653035	24 Yrs	07/09/2013	Non-Executive Director
3. Mr. Prashant Singh Tomar S/o Mr. Himmat Singh Tomar 51, Sant Bhawan, Gali No. 4, 3 <sup>rd</sup> Floor, Chander Vihar, Mandawali, Fazalpur, New Delhi- 110092, Delhi, India. Occupation: Service Nationality: Indian Tenure: Retire by rotation DIN: 06740199	22 yrs	08/09/2013	Non Executive Independent Director
4. Mr. Ranjeet Kumar S/o Mr. Jawahar Lal 424, Block 25, Trilok Puri, Delhi-110091, Delhi, India. Occupation: Service Nationality: Indian Tenure: Retire by rotation DIN: 05243913	33 Yrs	27/12/2013	Non Executive Independent Director

### DETAILS OF DIRECTORS

**Mr. Ankit Agrawal**, aged 25 years, is a Promoter & Whole-time Director of our Company. He is Bachelor in technology and also possesses sound knowledge of accounting and finance. He has 3 years of experience in business development operations of the industry. He predominantly responsible of for routing affairs of the company, implementation decisions, identifying new strategies and expansion.

**Mr. Deepak Kumar Tiwari**, aged 24 years, is a Non-Executive Director of our Company. He is a graduate in business studies. He has approximate 2 years of experience in the field of marketing and business development sector. He is responsible for the efficient marketing of the company's products / services and to sourcing clients.

**Mr. Prashant Singh Tomar**, aged 22 years, is an Independent Director of our Company. He has done his bachelor in commerce. He has more than 2 years of experience in the finance and accounting field.

**Mr. Ranjeet Kumar**, aged 33 years, is an Independent Director of our Company. He is masters in computer science and possess 11 years of experience in the field of IT and allied sector. As an Independent Director of our Company with corporate acumen he brings value addition to our Company.

#### **NATURE OF FAMILY RELATIONSHIP AMONG DIRECTORS**

None of directors are having family relations with each other.

#### **TERMS OF APPOINTMENT AND COMPENSATION OF OUR DIRECTORS**

<b>Name</b>	Mr. Ankit Agrawal
<b>Designation</b>	Whole-time Director
<b>Period</b>	Five years with effect from 27 <sup>th</sup> December, 2013
<b>Date of Appointment</b>	27 <sup>th</sup> December, 2013
<b>Remuneration</b>	a) Remuneration Rs. 20,000/- p.m. (Rupees Twenty Thousand Only) a) Perquisites & Allowances <ul style="list-style-type: none"> <li>• HRA &amp; Transport allowances</li> <li>• Contribution to provident fund, superannuation fund and payment to gratuity as per rules of the Company.</li> <li>• Other Perquisites &amp; Allowances as per service rules of the Company, as applicable.</li> </ul>
<b>Remuneration paid in FY 31st March, 2013</b>	Rs. Nil

There is no definitive and /or service agreement that has been entered into between our Company and the directors in relation to their appointment.

#### **NON - EXECUTIVE DIRECTORS**

Currently, non-executive Directors are not being paid sitting fees or any other kind of remuneration.

#### **CORPORATE GOVERNANCE**

Our Company stands committed to good corporate governance practices based on the principles such as accountability, transparency in dealings with our stakeholders, emphasis on communication and transparent reporting. We have complied with the requirements of the applicable regulations, including the Listing Agreement to be executed with the Stock Exchange and the SEBI Regulations, in respect of corporate governance including constitution of the Board and Committees thereof. The corporate governance framework is based on an effective independent Board, separation of the Board's supervisory role from the executive management team and constitution of the Board Committees, as required under law.

We have a Board constituted in compliance with the Companies Act and the Listing Agreement in accordance with best practices in corporate governance. The Board functions either as a full Board or through various committees constituted to oversee specific operational areas. Our executive management provides the Board detailed reports on its performance periodically.

Currently our Board has four (4) Directors. We have one (1) executive non independent director, one (1) non-executive non independent director and two (2) independent non executive directors. The constitution of our Board is in compliance with the requirements of Clause 42 of the Listing Agreement.

**The following committees have been formed in compliance with the corporate governance norms:**

- A) Audit Committee
- B) Shareholders/Investors Grievance Committee

#### **AUDIT COMMITTEE**

Our Company has constituted an audit committee ("**Audit Committee**"), as per the provisions of Clause 42 of the Listing Agreement to be entered with Stock Exchange, vide resolution passed in the meeting of the Board of Directors held on 18<sup>th</sup> January, 2014.

The terms of reference of Audit Committee complies with the requirements of Clause 42 of the Listing Agreement, proposed to be entered into with the Stock Exchange in due course. The committee presently comprises following three (3) directors. Mr. Prashant Singh Tomar is the Chairman of the Audit Committee.

No.	Name of the Director	Status	Nature of Directorship
1.	Mr. Prashant Singh Tomar	Chairman	Independent Director
2.	Mr. Ranjeet Kumar	Member	Independent Director
3.	Mr. Ankit Agrawal	Member	Executive Non Independent Director

#### **Role of Audit Committee**

The terms of reference of the Audit Committee are given below:

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.
5. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient, and credible.
6. 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.
7. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
8. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
  - (a) Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956
  - (b) Changes, if any, in accounting policies and practices and reasons for the same

- (c) Major accounting entries involving estimates based on the exercise of judgment by management
  - (d) Significant adjustments arising out of audit
  - (e) Compliance with listing and other legal requirements relating to financial statements
  - (f) Disclosure of any related party transactions
  - (g) Qualifications in the draft audit report.
9. Reviewing, with the management, the half-yearly financial statements before submission to the board for approval
10. Reviewing, with the management, the statement of uses / application of funds raised through an issue (rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
11. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
12. 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.
13. Discussion with internal auditors any significant findings and follow up there on.
14. 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.
15. 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.
16. 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.
17. To review the functioning of the Whistle Blower mechanism, in case if the same is existing.
18. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
19. Carrying out any other function as mentioned in the terms of reference of the Audit Committee.

In addition, to carry out such other functions/powers as may be delegated by the Board to the Committee from time to time.

## SHAREHOLDERS / INVESTORS GRIEVANCE COMMITTEE

Our Company has constituted a shareholder / investors grievance committee ("*Shareholders / Investors Grievance Committee*") to redress the complaints of the shareholders. The Shareholders/Investors Grievance Committee was constituted vide resolution passed at the meeting of the Board of Directors held on 18<sup>th</sup> January, 2014. The committee currently comprises of three (3) Directors. Mr. Ranjeet Kumar is the Chairman of the Shareholders/ Investors Grievance committee.

No.	Name of the Director	Status	Nature of Directorship
1.	Mr. Ranjeet Kumar	Chairman	Independent Director
2.	Mr. Deepak Kumar Tiwari	Member	Non Executive Non Independent Director
3.	Mr. Prashant Singh Tomar	Member	Independent Director

### Role of shareholders/investors grievance committee

The Shareholders / Investors Grievance Committee of our Board look into:

- The redressal of investors complaints viz. non-receipt of annual report, dividend payments etc.
- Matters related to share transfer, issue of duplicate share certificate, dematerializations.
- Also delegates powers to the executives of our Company to process transfers etc.

The status on various complaints received / replied is reported to the Board of Directors as an Agenda item.

## SHAREHOLDING DETAILS OF THE DIRECTORS IN OUR COMPANY

As per the Articles of Association of our Company, a Director is not required to hold any qualification shares. The following table details the shareholding of our Directors:

Name of Director	Number of Equity Shares	% of Paid up Share Capital
Mr. Ankit Agrawal	10,000	0.08
Mr. Prashant Singh Tomar	-	-
Mr. Deepak Tiwari Kumar	-	-
Mr. Ranjeet Kumar	-	-
<b>Total</b>	<b>10,000</b>	<b>0.08</b>

## CONFIRMATIONS

There is no arrangement or understanding between any Director and any other person(s) (naming pursuant to which he was or is to be selected as a director or nominee.

## SECTION V - OUR PROMOTERS


### OUR PROMOTERS

The Promoters of our Company are:

1. Mr. Ankit Agrawal
2. M/s D & D Multinet Shopee Private Limited

### DETAILS OF OUR PROMOTERS ARE AS UNDER

#### 1. Mr. Ankit Agrawal

	<p>Mr. Ankit Agrawal, aged 25 years, is Promoter &amp; Whole-time Director of our Company. He is Bachelor in technology and also possesses sound knowledge of accounting and finance. He has 3 years of experience in business development operations of the industry. He predominantly responsible of for routing affairs of the company, implementation decisions, identifying new strategies and expansion. He has been on the Board of our Company since 27<sup>th</sup> December, 2013</p>
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#### Identification

Name	Mr. Ankit Agrawal
Permanent Account Number	AUYPA8998B
Passport No.	K4876016
Voter ID	YEF2607943
Driving License	.....
Bank Account Details	672010100022570 with Axis Bank

#### 2. M/s D & D MULTINET SHOPEE PRIVATE LIMITED

M/s D & D Multinet Shopee Private Limited is the Promoter of the Company and was incorporated on 22<sup>nd</sup> July, 2009. The prime object of the company is to carry on the business of network marketing, direct marketing, multi level marketing, internet marketing and selling, buying, import, export, exchange, store, hold, marketing and trading of consumer goods, industrial goods, commercial goods. The Registered office of the D & D Multinet Shopee Private Limited is situated at 2F, Elegance, Jasola District Centre, Old Mathura Road, New Delhi- 110 025, Delhi, India. D & D Multinet Shopee Private Limited has been promoted by Satish Dhiman & Suman Bala. However in October 2013, Mr. Ankit Agrawal acquired 90 % of control of D & D Multinet Shopee Private Limited and became promoter of D & D Multinet Shopee Private Limited.

D & D Multinet Shopee Private Limited holds 34,02,324 Equity Shares of our Company, which constitutes 26.12 % of Total Capital.

Board Of Directors of D & D Multinet Shopee Private Limited as on the date of this Prospectus is as follows:

- Ankit Agrawal
- Mr. Deepak Tiwari Kumar

**Shareholding Pattern:**

As on date of filing, the shareholding pattern of D & D Multinet Shoppee Private Limited as follows :

Sr. No.	Name of Shareholder	No. of shares
1	Ankit Agrawal	9000
2	Deepak Tiwari Kumar	1000

**Audited Financial Information of D & D Multinet Shoppee Services Private Limited**

(Rs. In Lacs)

Particulars	FY 2013	FY 2012	FY 2011
Equity Share Capital	1.00	1.00	1.00
Reserves & Surplus	(0.16)	(0.17)	(0.11)
Less : Miscellaneous Expenditures not written off	-	-	-
Net Worth	0.84	0.83	0.89
Revenue	0.08	-	-
Profit / (Loss) after Tax	0.01	(0.06)	(0.06)



## SECTION VI - RELATED PARTY TRANSACTIONS

Transaction with related party as identified by the management in accordance with Accounting Standard 18 “Related party disclosures” issued by The Institute of Chartered Accountants of India, are as follows:

### *I. List of Related Parties*

31.03.2013	31.03.2012	31.03.2011
<b>Party Where Control Exists</b>		
Anil Kumar	Anil Kumar	Anil Kumar
Sushil Kumar	Sushil Kumar	Sushil Kumar
<b>Other Parties Where Transaction have taken place</b>		
<b>Group Companies</b>		
-	-	-
<b>Key Managerial Persons</b>		
-	-	-
<b>Relatives of Key Managerial Persons</b>		
-	-	-

### *II. Details of Transactions with Related party:*

No transactions has been entered with any related parties during the preceding three fiscal years.

## SECTION VII: 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 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 and no disciplinary action has been taken by SEBI or any stock exchanges against our Promoters, our Directors or Group Companies.*

### I. CASES FILED BY OUR COMPANY

#### *Civil Cases*

There are no civil proceedings filed by our Company.

#### *Criminal Cases*

There are no criminal proceedings filed by our Company.

### II. CASES FILED AGAINST OUR COMPANY

#### *Civil proceedings*

There are no civil proceedings filed against our Company.

#### *Criminal Proceedings*

There are no criminal proceedings filed against our Company.

### III. INDIRECT TAX PROCEEDINGS INVOLVING OUR COMPANY

NIL

### IV. LITIGATIONS INVOLVING OUR PROMOTER

#### (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**

**(i) Proceedings of Civil nature**

(a) By our Group Companies

NIL

(b) Against our Group Companies

NIL

**(ii) Proceedings of a Criminal nature-**

(a) By our Group Companies

NIL

(b) Against our Group Companies

NIL

**MATERIAL DEVELOPMENTS**

In the opinion of the Board of Directors of our Company, there have not arisen, since the date of the last audited financial statements disclosed in this Information Memorandum, 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.

## **SECTION VIII**

### **DECLARATION**

All relevant provisions of the Companies Act, 1956, and the guidelines issued by the Government of India or the regulations issued by Securities and Exchange Board of India, applicable, as the case may be, have been complied with and no statement made in this Information Memorandum is contrary to the provisions of the Companies Act, 1956, the Securities and Exchange Board of India Act, 1992 or the rules made thereunder or regulations issued, as the case may be. We further certify that all the statements in this Information Memorandum are true and correct.

#### **SIGNED BY ALL THE DIRECTORS**

Mr. Ankit Agrawal

Mr. Prashant Singh Tomar

Mr. Deepak Kumar Tiwari

Mr. Ranjeet Kumar

#### **SIGNED BY THE COMPANY SECRETARY & COMPLIANCE OFFICER**

Ms. Garima Baghla

#### **SIGNED BY THE FINANCE MANAGER**

Mr. A. K. Gupta

**Date:** 20.01.2014

**Place:** New Delhi